Sustainable business, connected communities

Irish Residential Properties REIT plc

Annual Report 2022

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Read more Ireland's first LEED gold residential development

Read more Supporting the community

Welcome to the I-RES Annual Report 2022. Use the document controls located at the top of each page to help you navigate through this report.

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I-RES at a Glance

Our Vision

To be the provider of choice for the Irish living sector, known for excellent service and for operating responsibly, minimising our environmental impact and maximising our contribution to the community.

Our Values

- Agility and teamwork
- Performance
- Respect
- Integrity
- Sustainability

95 — Fully integrated local investment & property service business with **95 employees**.

91% employee engagement score.

Unique operating platform

People
Average of 41 hours of IT and capability training per person and a staff well-being programme.

Digital transformation
Improving processes and enhancing resident experience with market-leading systems. I-RES Living mobile app in production.

Diversity & Inclusion
European Women on Boards best practice leader and Silver Investors in Diversity Award

EWOB European Women on Boards — Investors in Diversity SILVER

3 Regional Operations teams delivering end-to-end resident services.

Our Sustainable Portfolio

We have strategically invested in a modern portfolio of assets with an average age of 13 years and good energy ratings, that benefit our residents and all stakeholders.

Ireland's first LEED Gold residential building

- **3,938** rental homes
- **38** locations
- Excellent **connections** to **public transport**, **local services, schools** and **employment**
- **86%** Portfolio BER **A, B, and C energy rating**
- **100% Renewable energy** for all building common areas

Our Resident Focus

We are committed to providing safe, secure, sustainable homes in connected communities, with excellent in-person and digital services and supports.

99.4%
Consistently high occupancy

86%
Residents use online portal

40%
Resident Hybrid Working
Using apartments for work and living

What our residents value

- Quality homes in well-connected locations.
- Significant focus on health and safety.
- Professional service support from our inhouse resident services team and tradespeople.
- Online access to our dedicated property teams and 24/7 service.

Our Social & Environmental Impact

73% of our residents say the environmental sustainability standard of their building is important.

Three ESG pillars:

- Operating Responsibly
- Protecting the Environment
- Building Communities

GHG
Absolute Scope 2 GHG emissions reduced by 26% (wholly-managed buildings)

Energy Consumption
18% decrease in energy consumption on an absolute basis (wholly-managed buildings)

Waste
Zero waste to landfill

ESG progress and commitment accreditations

GRESB

EPRA sBPR GOLD

I-RES in the community

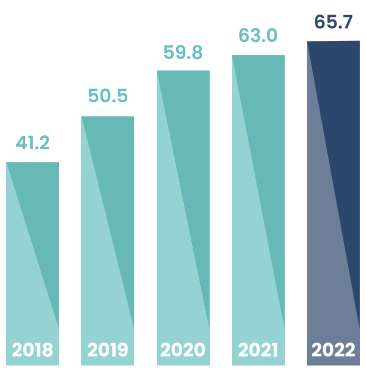
Placemaking
Through our strong relationships – such as with **Tallaght University Hospital** - we make a significant contribution to our communities. We focus on good public transport connectivity, increasing shared hybrid electric vehicles and bike usage.

Society
We support a range of initiatives -such as **Dragons at the Docks, Naomh Ólaf GAA Club, the All-Ireland Pollinator Plan, and the Irish Red Cross** – that make an impact on people's lives.

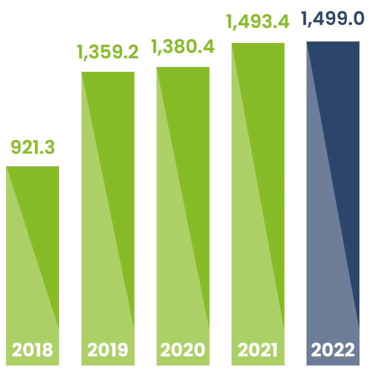
People
We have a strong culture of volunteering and engagement and our Green Ambassadors participate in initiatives such as **community days, beach clean ups and Co-Operation Ireland.**

Financial Highlights

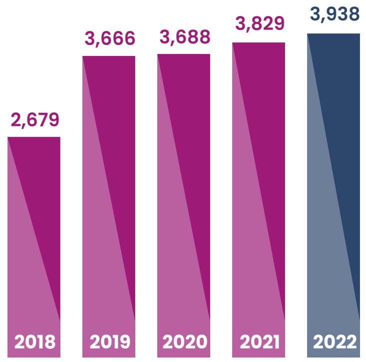
Net Rental Income
(€ millions)



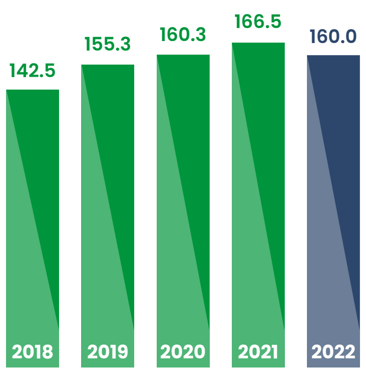
Total Property Value
(€ millions)



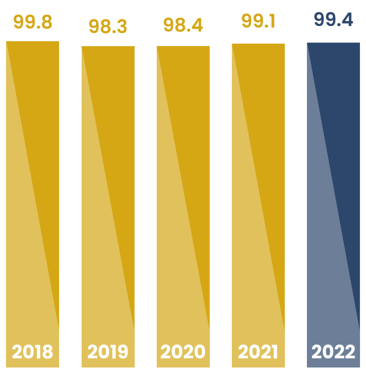
Total Number of Residential Units



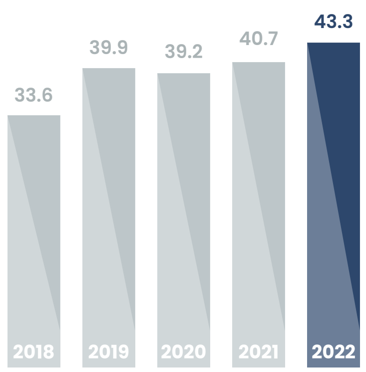
Basic NAV per share
(cent)



Portfolio Occupancy Rate
(%)



Gearing
(%)

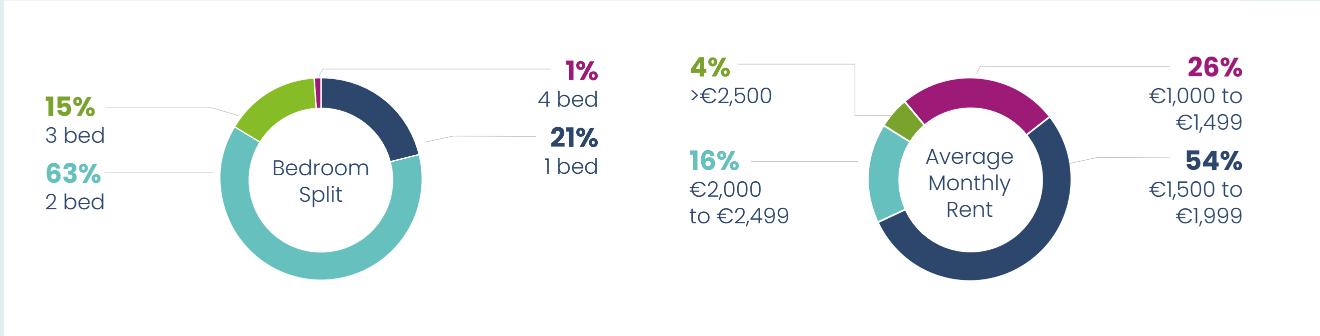


For the year ended	31 December 2022	31 December 2021	% change
Operating Performance	(€ millions)	(€ millions)	
Revenue from Investment Properties	84.9	79.7	6.5%
Net Rental Income	65.7	63.0	4.3%
Adjusted EBITDA[1]	54.2	51.7	4.8%
Financing costs	(16.8)	(13.9)	21.0%
Adjusted EPRA Earnings	36.6	37.0	(1.1%)
Deduct: Non-recurring costs[2]	(5.7)	(5.4)	
EPRA Earnings[1]	30.9	31.6	(2.2%)
Add: (Decrease)/Increase in fair value of investment properties	(45.6)	34.9	
Add: Gain on disposal of investment property	2.8	0.9	
Add: Gain on derivative financial instruments	0.0	0.1	
(Loss)/Profit	(11.9)	67.5	
	(cent)	(cent)	
Basic EPS	(2.2)	12.8	
EPRA EPS[1]	5.8	6.0	
Adjusted EPRA EPS[1]	6.9	7.0	
Interim Dividend per share	2.30	2.91	
Dividend per share	2.81	3.08	
Portfolio Performance			
Total Number of Residential Units	3,938	3,829	2.8%
Overall Portfolio Occupancy Rate[1]	99.4%	99.1%	
Overall Portfolio Average Monthly Rent (€)[1]	1,750	1,678	4.3%

As at	31 December 2022	31 December 2021	% change
Assets and Funding			
Total Property Value (€ millions)	1,499.0	1,493.4	0.4 %
Net Asset Value (€ millions)	847.4	881.4	(3.8%)
IFRS Basic NAV per share (cents)	160.0	166.5	(3.8%)
Group Total Gearing[1]	43.3%	40.7 %	
Gross Yield at Fair Value[1]	5.9%	5.6 %	
EPRA Net Initial Yield[1]	4.4%	4.2 %	
Other			
Market Capitalisation (€ millions)	587.7	887.4	
Total Number of Shares Outstanding	529,578,946	529,453,946	
Weighted Average Number of Shares – Basic	529,560,795	527,412,302	

(1) For defintions and further information on these Alternative Performance Measures, please refer to the APM section of this document on page 212.
(2) The non-recurring costs of €5.7 million (31 December 2021: €5.4 million) and general and administrative expenses of €11.5 million (31 December 2021: €11.1 million) incurred in 2022 totals the general and administrative expense costs of €17.1 million reflected in the Consolidated Financial Statements for the year ended 31 December 2022 (31 December 2021: €16.5 million).

Modern Sustainable Diverse Portfolio



CITY CENTRE

1. **Richmond Gardens, Fairview**
   99 Units
2. **Kingscourt, Smithfield**
   83 Units
3. **The Marker Residence, Grand Canal Square**
   85 Units
4. **Bakers Yard, North Circular Road**
   87 Units
5. **City Square, Gloucester Street**
   24 Units
6. **Xavier Court, Sherrard Street Upper**
   41 Units
7. **Ashbrook Clontarf**
   108 Units
8. **School Yard, North Circular Road**
   61 Units

SOUTH DUBLIN

9. **Time Place, Sandyford**
   67 Units
10. **Beechwood Court, Stillorgan**
    101 Units
11. **Belville Court, Cabinteely**
    29 Units
12. **Bessboro, Terenure**
    40 Units
13. **Beacon South Quarter, Sandyford**
    213 Units
14. **Elmpark Green, Dublin 4**
    194 Units
15. **Grande Central, Sandyford**
    65 Units
16. **Rockbrook Grande Central, Sandyford**
    81 Units
17. **Rockbrook South Central, Sandyford**
    189 Units
18. **The Forum, Sandyford**
    8 Units
19. **The Maple, Sandyford**
    68 Units
20. **Tara View, Dublin 4**
    68 Units

NORTH DUBLIN

21. **Semple Woods, Donabate**
    40 Units
22. **Charlestown, Finglas**
    235 Units
23. **Northern Cross, Malahide Road**
    128 Units
24. **Carrington Park, Santry**
    142 Units
25. **The Coast, Baldoyle**
    52 Units
26. **Taylor Hill, Balbriggan**
    78 Units
27. **Heywood Court, Santry**
    39 Units
28. **Waterside, Malahide**
    55 Units

WEST DUBLIN

29. **Phoenix Park Racecourse, Castleknock**
    146 Units
30. **Priorsgate, Tallaght**
    108 Units
31. **Tallaght Cross West, Tallaght**
    460 Units
32. **Pipers Court, Clonsilla**
    95 Units
33. **Hansfield Wood, Clonsilla**
    99 Units
34. **Coldcut Park, Clondalkin**
    91 Units

WEST CITY

35. **Tyrone Court, Inchicore**
    95 Units
36. **Camac Crescent, Inchicore**
    90 Units
37. **Lansdowne Gate, Drimnagh**
    224 Units

CORK

38. **Hartys Quay, Cork**
    50 Units

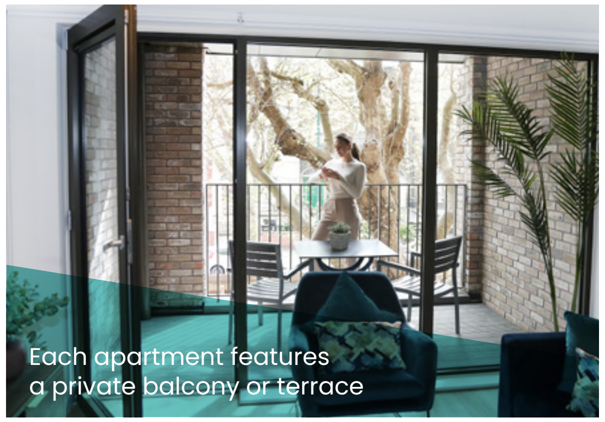
The School Yard, Dublin 1

Case Study

Investing €21.8m to deliver Ireland's first LEED Gold residential development

Welcoming new residents to The School Yard in August 2022

The School Yard will enhance the North Portland Street area



Each apartment features a private balcony or terrace

In 2022, we delivered 61 new homes in Ireland's first LEED-gold certified residential building, utilising a brownfield site in a well-serviced location in Dublin 1.

At an investment of €21.8 million, The School Yard offers residents superbly built homes, designed by a multidisciplinary team for real-world sustainable apartment living. Aside from integrated kitchen appliances, quality bathrooms, and large open-plan living spaces filled with natural light, residents benefit from ample storage and standalone utility rooms containing separate washing machines & tumble dryers. Each apartment also has floor-to-ceiling windows, with a generous balcony or terrace.

Sustainability is a key consideration for our residents, and bringing the first LEED-gold certified residential building to Ireland was a major milestone for I-RES.

LEED (Leadership in Energy and Environmental Design) is a voluntary, consensus-based national rating system for developing high-performance, sustainable buildings. LEED was developed by the U.S. Green Building Council (USGBC) and the certification included detailed energy modelling to ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) standards. For residents, it means state-of-the-art features such as enhanced ventilation systems, efficient water usage and reduced energy consumption, which provides a healthier and more comfortable living space whilst also reducing the environmental impact.

The School Yard is also designed with a sense of place – it is close to Croke Park, the headquarters of the Gaelic Athletic Association (GAA) which is one of Ireland's premier events venues, along with the Royal Canal and many other amenities. Transport links and employers are within easy walking distance. Conscious of its history, the development also features a maintained private landscaped courtyard with a small play area with stone salvaged from the boundary walls of the school that used to occupy the site. Alongside the apartments, which complement I-RES' existing property at Bakers Yard, The School Yard development also features four attractive multi-purpose commercial units.

Xavier Court,
Dublin 1

41

Residential Units

1

Strategic Report

In this section:

Chairman's Statement

2022 Performance Highlights:

€847.4m

Net Asset Value

2021: €881.4m

€1,499m

Total Property Value

2021: €1,493.4m

6.9c

Adjusted EPRA EPS

2021: 7.0c

2022 was a year of progress and delivery for I-RES. We delivered a strong performance across all key metrics and completed the internalisation of the management company. Looking forward, the macroeconomic landscape has become more challenging, particularly in recent months. Together with feedback from regular engagement with our stakeholders, our focus remains on executing our strategy to ensure we continue to build a sustainable business creating long term value for all our stakeholders.

2022, A Year of Continued Strong Performance

I-RES has delivered another resilient operational and financial performance in 2022.

We continue to see strong demand for rental accommodation across the Irish residential market as steady employment levels along with sustained population growth, fuels a growing need for housing in Ireland. As evidenced by low resident turnover, strong occupancy and strong rent payment performance, I-RES is well positioned to continue to deliver in 2023 and beyond.

In 2022, we delivered two new properties (130 homes) along with the acquisition of Ashbrook (108 homes) whilst also adding value from our existing portfolio through active asset management and capital recycling.

The macroeconomic and geopolitical environment changed significantly in the second half of 2022, with the ECB responding to elevated levels of inflation with a series of aggressive rate hikes leading to a notable effect on demand and supply of credit in the euro area, along with global equity market downturns. However, the residential real estate market in Ireland has been resilient, and the underlying strength of the Irish economy together with population growth provides a strong underpin to our sector and business over the long term. Against this, the regulatory policy on private residential rents, in this new environment of increasing interest rates, ongoing inflation and the requirements set out in the Climate Act 2022 for real estate, is particularly challenging.

Completion of Internalisation

During 2022 we delivered on internalisation and growth as well as accretive asset management and capital allocation. The Board made the decision to internalise as we believe it was an important strategic and financial deliverable at this point in the Company's evolution. We strongly believe that internalisation is in the best interests of all stakeholders and will generate greater value for shareholders in the long term. All exceptional costs associated with this internalisation process have now been incurred, and no further exceptional costs are anticipated.

Our focus for 2023

As we look to continue to execute on our strategy in a more challenging environment in 2023, the Board, together with the management team, is focused on a number of business drivers including continually reviewing and taking all actions to protect and enhance the business. Implementing our strategy for 2023 involves balancing two important fundamental axioms: first, the continued, significant structural undersupply of rental accommodation in Ireland and second, the more challenging global economic environment characterised by lower growth, higher inflation alongside elevated interest rates and reduced liquidity in the real estate market (both in Ireland and overseas). In this context, we are focused on a number of business drivers to ensure the business continues to perform and the value inherent in the business is recognised by the market. These include:

1. Maintaining our focus on operational excellence: As a fully internalised business, with full operating control, the management team is focused on maximising all key operational metrics (including occupancy levels, NRI margin, collection rates and EBITDA). In addition we remain keenly focused on managing costs with a target of maintaining our NRI margin throughout the cycle.
2. Disciplined capital investment and recycling: We will continue to deliver on our value maximising portfolio management and capital recycling strategy. We will make select investments and disposals to maximise the performance of our portfolio and drive value for shareholders. We review our portfolio on an ongoing basis to identify opportunities where we can selectively dispose of assets which generate attractive returns. We will consider the appropriate use of proceeds against the current operating environment and economic climate and balance the need to maintain a prudent balance sheet with opportunities for investment or the potential to return excess capital to shareholders.
3. Prudent balance sheet management: I-RES maintains a robust balance sheet with no short-term obligations and good visibility on future financing costs. We maintain a prudent approach to debt and are committed to retaining this strong balance sheet position to support the generation of attractive long-term risk adjusted returns for shareholders. We recognise the importance of dividends to our shareholders and the Company will maintain its stable dividend policy of paying out 85% of earnings in line with the REIT structure.
4. Engage with government and key industry stakeholders to support delivery of housing objectives and a more effective regulatory framework: The current housing and rental crisis in Ireland can only be addressed through the provision of new units into the rental market and ultimately matching demand levels with an adequate supply response. However, we believe that the current regulatory structure in the Irish market is contributing to a major supply-side issue. As the leading provider of private rented residential homes in Ireland, we believe the Company has a meaningful role to play in the discussion and formulation of a more appropriate regulatory framework for the Irish rental market. We will collaborate with the industry and government to support a regulatory structure so that tenants can access accommodation at reasonable rent levels, while new stock can be delivered by the public and private sectors, together addressing the significant lack of supply in the Irish rental market.
5. Sustainability: We will continue to build a sustainable and responsible business that minimises our environmental impact and maximises our contribution to the communities we operate in. We will continue to deliver on our ESG strategy, which includes our stated emission reduction targets under the carbon reduction roadmap we have formulated for our modern property portfolio. While we are pleased with the initial sustainability scores we have achieved with relevant rating agencies, our ambition is to continue to improve these scores on an annual basis, ensuring that our ESG performance is transparent. This transparency also provides stakeholders with the confidence that we are turning our commitments and targets into action and that we are delivering on our ambition to be a sustainability leader in our sector.

6. Scaling the Business: We will continue to explore additional avenues for growth including the ability to generate new, capital-light, income streams and leveraging our new operating platform efficiently to scale the business. Our integrated platform and Yardi technology, for example, allows us to sell property management expertise to third parties. We will explore opportunities for partnerships and consolidation opportunities aligned with our strategy, however some of these initiatives will take time to implement, generate scale and contribute meaningfully to our financial performance.

Further details on our Strategy are set out on pages 48 to 51.

Building a Sustainable and Responsible Business

As outlined above, ESG considerations continue to take focus across our business, influencing our operations and investment decision making. As a Board, we regularly engage with our stakeholders to inform our decisions and ensure that as their focus on ESG, particularly climate change matters, grows, I-RES continues to respond to their evolving expectations. We have taken important steps towards the development of a carbon reduction roadmap for the portfolio and have committed to reducing our scope 2 emissions by 10% and scope 1 emissions by 30% in 2023. I-RES' ambition is to reduce our carbon emissions in line with the aspirations and commitment of the Paris Climate Agreement.

Our employees are the backbone of our business, and diversity across the Board, Management and employee base, as well as organisational culture, are key focus areas of the Board. With that in mind, we have appointed Tom Kavanagh as the Non-Executive Director with direct responsibility for Workforce Engagement and Culture. Tom has met in person with employees across the business to listen to their views as well as engaging with Management on the annual Employee Satisfaction Survey, which we are delighted to say significantly exceeded all comparator benchmarks.

The Company has received recognition for its already diverse and inclusive workplace achieving a Silver Investors in Diversity Award, as well as recognition for its Board and Management diversity.

Responsibility and transparency are central to good governance and in turn are central to our strategy. The Company strives to provide clear communication and transparent disclosure to all stakeholders. We were delighted to see a year-on-year improvement in our overall scoring in the Global Real Estate Sustainability Benchmark ('GRESB'), an industry-leading global assessor of the ESG performance of real estate assets. We also retained our EPRA sBPR Gold Award for Sustainability Best Practice Reporting, and we continuously review ratings and benchmarks to promote transparency to all stakeholders.

Balance Sheet

I-RES has an unmatched high-quality, modern portfolio of residential properties with the portfolio achieving rental growth of 6.5% in 2022 through investment in new supply and regulated increases in rents, and with the underlying strength in demand and cash flow from our investment properties unchanged. We maintain a good debt structure, have no short-term obligations, and have good visibility of future financing costs as 72% of total drawn debt is locked in at fixed low interest rates. The Group's Total Gearing as of 31 December 2022 was 43.3% (31 December 2021: 40.7%). The Group saw some yield expansion in the year end valuation of the portfolio, however the quality of the portfolio and strong underlying demand remains supportive of yields going forward.

Dividends

The Company continues to see strong year-on-year recurring income which feeds through to our dividend, an important contributor to shareholder returns. We recognise the importance of the dividend to our shareholders and we aim to maintain a stable dividend compliant with the Irish REIT regime whereby, subject to having sufficient distributable reserves, I-RES is required to distribute at least 85% of the Property Income of its Property Rental Business for each financial year to shareholders. As part of this, the Company paid an interim dividend of 2.30 cents per share for the six months ended 30 June 2022 and declared an additional dividend of 2.81 cents per share for the year ended 31 December 2022.

Outlook

As a Board, we continually monitor our performance and risk environment, and our strategic focus continues to be on driving long-term risk adjusted returns for shareholders. The outlook for the business remains positive, as demand for professionally managed homes continues to far outstrip supply. This should continue to underpin our revenue growth trajectory and resilient portfolio valuations.

There is clear economic uncertainty in global markets and a degree of increased market volatility in recent weeks. However, Ireland's GDP growth is expected to outpace all other EU countries again in 2023 with the European Commission forecasting 4.9% growth[1]. Unemployment levels reached a low of 4.3% in December 2022[2] which is a positive signal for continued strength across rent collections. We continuously look at all aspects of the business to reduce risk in the current environment, along with disciplined capital allocation including recycling capital, to maintain a strong balance sheet which is underpinned by an unrivalled modern residential asset portfolio with strong sustainability features.

Despite the Irish Government's continued focus on increasing housing supply, there remains a clear and significant supply and demand imbalance across all tenures of the housing market in Ireland, with increased costs and interest rates putting further pressure on the viability of delivering new supply. We are actively engaged with industry stakeholders and will continue to push for a more effective regulatory framework which will support increased housing supply and ensure fairness for renters.

Our experienced team, high-quality portfolio, strong customer base and prudent balance sheet management mean we are very well positioned to weather the economic headwinds we are facing and to continue to take advantage of favourable underlying market factors. We believe the structural drivers of demand for private rental residential accommodation – including population growth, strong inward investment, and economic growth – will continue to underpin the demand for our high-quality professionally managed homes over the long term.

The Board would like to thank our residents who are central to our business, as well as our shareholders and banking partners for your continuing support. We would also like to thank our CEO, Margaret Sweeney and the I-RES management team for their leadership and enormous effort and commitment in delivering strong performance in 2022 while at the same time undertaking the delivery in a very tight timeframe of a very significant internalisation of the operations of the business during a time of significant macroeconomic uncertainty. The success of our business is very much due to our very committed employees and key partners, and the Board thanks them for their significant contribution.

Declan Moylan
Chairman

1 European Commission Winter 2022 Economic Forecast
2 CSO

Chief Executive's Statement

At I-RES, our strong culture is underpinned by our Company values, which are central to everything that we do and in no small part influenced by the diverse and inclusive structure of our Board, management team and employee base.

2022 Performance Highlights:

99.4%

Occupancy

2021: 99.1%

€54.2m

Adjusted EBITDA

2021: €51.7m

€84.9m

Revenue

2021: €79.7m

Overview

2022 was another year of delivery for I-RES. We reached record levels of revenue and continued to deliver on our growth pipeline. Our achievements are enabled by our high-quality portfolio, strong financial position, disciplined capital management and capital recycling strategy. 2022 was also a year of positive change for I-RES, successfully delivering a number of key strategic milestones that will set the foundation for the business to deliver in the years ahead. We completed the successful internalisation of the management company and now have a fully integrated Irish company, led by a proven management team, with a market leading operating platform that will enable us to further enhance our resident experience. While we are acutely aware of the various macroeconomic challenges and rising interest rate environment, our experienced team, high-quality portfolio and balance sheet strength mean we are well positioned to navigate uncertainty and continue to deliver for our investors and our stakeholders.

Strong Financial & Operational Performance

In 2022, our revenue increased by 6.5%, due to the investment in new assets and organic rental growth supported by our consistently high occupancy levels.

Net Rental Income increased to €65.7 million, with a stabilised margin of 77.5%, showing the strength of the business fundamentals as well as active cost management initiatives and discipline, despite inflationary pressures.

Adjusted EBITDA grew to €54.2 million, an increase of 4.8% year on year, demonstrating the strong consistent cash generation of the business and disciplined cost management. EPRA Earnings remained relatively flat year on year, with the decrease of €0.7 million largely attributable to increases in interest costs and non-recurring costs from internalisation.

Our residential occupancy rate has remained strong, increasing to 99.4% as at 31 December 2022 (31 December 2021: 99.1%), underpinned by efficient property management and attractive market fundamentals in the Irish residential rental sector. This high occupancy level, coupled with new assets resulted in our Average Monthly Rent ("AMR") per unit increasing to €1,750. The portfolio is c.11% below market rents according to our independent valuers, demonstrating the resilience of our income profile and representing opportunity in the medium term.

Despite some yield expansion arising mainly from increasing interest rates, the underlying fundamentals remain strong as is evident in our financial performance for the year and supported by favourable structural market dynamics such as continued population growth, low unemployment levels, strong economic growth as well as a significant undersupply of housing in Dublin. Allied with these supportive market fundamentals, the Company remains in a resilient position due to our high-quality, irreplaceable property portfolio in attractive locations and our more affordable pricing proposition, which provides additional resilience through the cycle.

Active Asset Management and Portfolio Optimisation

In 2022, we grew our portfolio unit count by c.3% through accretive investment in acquisitions and new developments, whilst also recycling capital through several selective disposals that generated attractive returns for the business.

At year-end, the portfolio consisted of 3,938 (31 December 2021: 3,829) high-quality residential rental homes, with associated commercial space and development sites. The portfolio had a total value of €1,499 million, representing an increase of €5.6 million from 2021. The main drivers of this increase were the delivery of Tara View and The School Yard into the portfolio along with the acquisition of 108 units at Ashbrook. However, the total portfolio value was slightly offset by a revaluation loss of €45.6 million for the year ended 31 December 2022, and this downward movement was due to upward pressure on yields, impacted by the higher interest rate environment that was evident during the second half of the year. The Group's IFRS NAV as at 31 December 2022 amounted to €847.4 million (€881.4 million at 31 December 2021) resulting in a decrease in IFRS NAV per share to 160.0c (2021: 166.5c).

As mentioned, we have an active programme of asset recycling that in 2022 generated value for both the business and our shareholders. We disposed of 128 units at Hampton Wood, for €54.5 million, representing a significant return on our original investment. In late 2022, we began a sales process of the five townhouses at Tara View, which are non-core, and we have decided to strategically dispose of the development site at Rockbrook. Looking ahead, the Company will continually review the performance of all of the assets in the portfolio, whilst also examining opportunities that are aligned with our disciplined capital allocation strategy.

Disciplined Capital Management

The Company's strategy continues to be supported by a prudent balance sheet and strong liquidity position, with no debt maturing until April 2026 and debt repayments laddered from 2026 to 2032. The Group's Total Gearing as of 31 December 2022 stood at 43.3% (31 December 2021: 40.7%). The year-on-year increase in total debt can be largely attributed to the acquisition of Tara View, the completion of The School Yard development and the acquisition of Ashbrook, offset by the proceeds from the sale of Hampton Wood. The Company has no further material capital commitments other than the delivery of Phase 2 of Ashbrook, forecast to be delivered in H2 2023. This is a fixed forward contract with remaining consideration of €24.1 million. The Group continues to take a pro-active approach towards balance sheet management and maintaining total gearing within the target level.

In December 2022, we executed on €275 million of interest rate swaps in relation to our Revolving Credit Facility, converting this portion of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. This is in addition to the Company's existing c.€200 million equivalent of Private Placement Notes, which are fully fixed with a weighted average fixed interest rate of 1.92% (inclusive of swap costs and excluding transaction costs). The net result is that 72% of the


I-RES team event
August 2022

Company's drawn debt is now fixed and, given the current macroeconomic market backdrop and with interest rates continuing to rise, we view this as a proactive measure that provides us with increased certainty on our borrowing costs over the medium-term. This brings our Weighted Average Cost of Debt to 2.6% at 31 December 2022. Notably this is well below our Gross Yield of 5.9% at 31 December 2022.

Our People & Technological Innovation

The completion of internalisation in 2022 has brought together an experienced and very talented team in I-RES, with knowledge and skills from diverse backgrounds, nationalities and experience. We have a very positive culture evidenced by extremely high levels of employee satisfaction and commitment compared with benchmarks, and we recognise the need to continue strengthening our culture and values to ensure retention and attraction of important talent for our business. We utilise clear lines of communication and measure employee satisfaction and engagement through our employee survey.

We support our employees through the provision of a good working environment, a focus on training and development, health and wellbeing initiatives and opportunities for personal development.

Our industry is transforming into one that is driven and shaped by data and technology with rapid customer behaviour change and reporting requirements. Scaling digital capabilities is already taking root at I-RES through our recent investment in a best in class, cloud-based ERP system which has provided us uniquely with an integrated operating platform which we are utilising to unlock operational and service efficiencies and drive revenue growth. We see enhancing digital capabilities as a success factor, not only for property management and resident services, but for sustainability planning and reporting.

Creating Value Responsibly

We are committed to embedding sustainable and responsible business practices that are aligned with the long-term approach we take to investing in new supply, operating and maintaining our properties; while also informing how we service and interact with all our stakeholders such as our residents, employees, partners and the wider community in which we operate.

As always, we actively work towards aligning our business strategy and objectives with the wider economic environment and including ESG measures that are important to growing a long-term sustainable business. Thus, our overarching goal is to ensure that we run our business with sustainability at the centre of our strategy. In light of this and given the company's significant transformation over the last 18 months, we undertook a complete review of our sustainability strategy, tying together a comprehensive review of the current market backdrop with a detailed analysis of the Company's pre-existing strategy. This review highlights several key areas where we can improve, and where we can look to maximise opportunities.

Sustainable investment was delivered in 2022 with the provision of 69 highly sustainable A rated apartments and townhouses at Tara View, 85% of which are now leased. At The School Yard, we delivered 61 LEED Gold sustainability accredited apartments which were fully leased shortly after launch, further underlining the market demand for high-quality rental accommodation.

We have made critical steps towards the development of a carbon reduction roadmap for our portfolio. Building on significant reductions in 2022, we have set further ambitious targets of reducing our scope 1 and scope 2 carbon emissions by 30% and 10% respectively in 2023 and we believe we are well positioned to achieve this target. We continue our work towards our goal to reduce our carbon emissions in line with the ambition and commitment to the Paris Climate Agreement.

We have strategically invested in a modern young portfolio of assets with an average age of 13.1 years, which has supported our residents around energy costs during the recent volatile period. We will leverage this strong starting position as we continue to develop our targets for carbon emission reduction across our portfolio. In Ireland, each apartment's energy use is contracted directly by the residents with energy providers. We use green energy sources for our property common areas and we have started a joint project with residents in our portfolio to collect data for their energy use too. We will continue to assess new technologies, partner engagement and other measures to collect data on our energy consumption with the aim of having 100% coverage in 2 years. We have no waste going to landfill with great success on recycling and have active communication, training and engagement plans operating with our employees and residents through our Green Ambassadors programme. We continue to roll out energy efficient facilities at our properties for the benefit of our residents including car sharing with hybrid electric cars, charging points and bicycle facilities. We are also committed to biodiversity and community building and have incorporated these into our asset management activities including collaboration with partners.

In 2022, we achieved some significant sustainability milestones. We were delighted to retain our EPRA Sustainability Best Practices Recommendations ('sBPR') Gold Award. We also improved our overall scoring in Global Real Estate Sustainability Benchmark ('GRESB'), an industry-leading global assessor of the ESG performance of real estate assets by 6 percentage points against last year. We continuously review ratings and benchmarks to promote transparency to all stakeholders, thus we have completed our first submission to the Carbon Disclosure Project. Our ambition is to continue to improve these scores on an annual basis, ensuring that our ESG performance is transparent. This transparency also provides stakeholders with the confidence that we are turning our commitments and targets into action, and that we are delivering on our ambition to be a sustainability leader in our sector.

All of this progress reflects our continued commitment to further enhance our ESG practices for the benefit of our people, our residents, and our communities, as well as further signifying our ambition to continuously be aware of our impact on the planet in carrying out our business.

Market Backdrop

Housing in Ireland remains a significant societal challenge as the chronic and significant imbalance of supply and demand persists. In 2021, the Government published its 'Housing For All' policy, which sets out its vision for the future of housing in Ireland. One of the core strategic objectives of the policy is to increase supply by 300,000 units (including 54,000 affordable homes for purchase or rent and over 90,000 social homes) over the nine years to 2030. This objective equates to approximately 33,000 housing completions per year; however, recent estimates from the Housing Commission suggest that Ireland needs up to 62,000 new homes per year until 2050 to meet demand. Just under 30,000 units were delivered in 2022, a very welcome increase of 45% on 2021, however it is evident that supply is likely to continue to lag demand over the medium term. The Government will require both an increase in capacity and enhanced cooperation with the private sector, including increased investment, in order to deliver on its objective.

In the current macroeconomic environment of rising costs and supply chain pressures, it is difficult for contractors to price the likely cost of a future development. Lengthy and difficult planning permission and detailed design specifications from the outset add significant complexity to scale developments. Furthermore, rising interest rates add to uncertainty over borrowing costs. With these dynamics posing a challenge to viability, the Government and real estate sector in Ireland are focused on a range of initiatives to improve the environment for rental and to buy going forward, including changes to planning laws, innovation in construction techniques and financial supports.

In 2021, legislation was introduced which capped rent increases at 2% per annum, where Harmonised Index of Consumer Prices ('HICP') inflation is higher, in all Rent Pressure Zones. The regulatory period continues to the end of 2024. Our rental growth in 2022 is driven by two sources – renewals and relettings which are capped per the legislation, and delivery of new schemes with rents in line with current market. Our average rents across our portfolio are estimated to be c.11% below market rents per independent valuers estimates.

The current regulatory framework is particularly challenging in this changed environment of increasing interest rates and continuing inflation. The Company will continue to work with the sector in communicating these challenges. We will also continue to support the development of a modern private rental sector that meets the diversity of demand through a wider range of provision, and within the evolution of the regulatory framework in Ireland aligned with best practice OECD frameworks. The Company has an active engagement programme with various industry bodies, including supporting research and communication, to advance a balanced regulatory model that will encourage much needed future supply, as well as providing security for renters.

Outlook

We are conscious that the year ahead will be impacted by ongoing macroeconomic challenges and geo-political uncertainty. We are not complacent about these challenges and are actively engaged with our shareholders and other stakeholders on the opportunities and challenges presented by these evolving market conditions. I-RES has a clear business strategy and we are well positioned to meet ongoing challenges. We operate in a market with strong fundamentals and an economy which continues to out-perform.

We will continue to play a key role in delivering housing solutions to the Irish market over the long term. With operational excellence, a strong balance sheet and a prudent approach to asset management and capital allocation, we will navigate the current changing macroeconomic environment, aligning risk and return appropriately.

We are acutely aware of the challenges our residents may face with inflationary pressures and cost of living increases, and we are focused on ensuring our residential units with full service represent value-for-money in modern energy-efficient properties. The security and longevity of our income is important to ensuring visibility on our income stream and underpins our dividend policy.

Although we are seeing yield expansion across real estate markets, yield spreads in Ireland have been considerably wider than in many other European markets[1]. In addition, many sectors, particularly the residential sector in Ireland see a significant undersupply and demonstrate exceptionally strong fundamentals which in turn is helping to sustain rental cashflows.

I would like to thank our residents, business partners and stakeholders who support us every day to make this business a success. In particular, I would like to thank our management and employees, the team dedicated to providing high standards of service and supporting our residents who are central to our business, with unstinting commitment despite the many challenges of today's environment. I am grateful to the support we receive from our shareholders, funding partners and business partners on an ongoing basis.

Finally, I would like to thank our Chairman and Board for their support and guidance as well as their focus on the strategic development of this company underpinned by strong governance.

Margaret Sweeney
Chief Executive Officer

1 CBRE Ireland Outlook

Financial Review

The financial year under review represents a very significant year for I-RES. I would firstly like to thank all of our colleagues, residents, advisors, funding partners, vendors and shareholders for their support in a milestone year for the Company.

We have achieved record levels of revenue, completed the internalisation of the management company, a significant strategic milestone for the business, and delivered on a significant portion of our pipeline while also identifying and closing on accretive capital recycling opportunities.

Revenue for 2022 was €84.9 million, 6.5% ahead of 2021. This was driven by the delivery of our pipeline of assets at Tara View and the School Yard, the acquisition of Ashbrook, increased occupancy and organic rental growth. On a like for like basis revenue increased 4% reflective of the legislative cap on rental increases - boosted by increased occupancy which stood at 99.4% at year-end and full year impact of the Phoenix Park acquisition. This strong occupancy level demonstrates the underlying fundamental demand for well managed private rental accommodation in Ireland, particularly in Dublin.

Adjusted EBITDA grew 4.8% to €54.2 million, driven by the strong operational performance of the business. EPRA Earnings decreased marginally in the year to €30.9 million primarily due to costs associated with internalisation. Adjusted EPRA Earnings have reduced by 1.1%, driven by our higher financing costs. Our total investment property portfolio has risen to €1.5 billion, driven by the delivery of a number of assets noted above but offset by a fair value loss of €45.6 million representing a softening of yields in the market.

The Group currently has two financing facilities, €200 million of Private Placement Notes and a €600 million Revolving Credit Facility (RCF). The Private Placement Notes were executed in 2020. At year-end, €457 million of the RCF was drawn. In light of the increasing interest rate market and volatility, on 14 December 2022, the Company entered into hedging arrangements in respect of its Revolving Credit Facility (RCF), specifically interest rate swap agreements aggregating to €275 million until maturity of the facility, converting this portion of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. This is in addition to the Company's existing €200m equivalent of Private Placement Notes, which is fully fixed with a weighted average fixed interest rate of 1.92% (inclusive of swap costs and excluding transaction costs). As of the year-end, approximately 72% of the Company's drawn debt is now fixed against interest rate volatility. The remaining 28% of our drawn facilities are variable based on EURIBOR.

The additional dividend declared in February 2023 was 2.81 cent per share, taking the total dividend for 2022 to 5.11 cent per share. This is a decrease of 12% which is primarily driven by a reduction in our interim dividend in H1 2022 which reflected the impact of the one-off costs associated with the internalisation and also the increase in financing costs incurred as a result of increasing interest rates in the second half of the year.

Operating Revenue

For the year ended 31 December 2022, total operating revenue increased to €84.9 million, a 6.5% increase compared to the previous year. This significant increase is driven by the acquisition of 108 units at Ashbrook and the development of 69 and 61 units at Tara View and the School Yard respectively. Increasing occupancy and organic rental growth also aided I-RES in surpassing €80 million in revenue for the first time.

Operational and Financial Results

Net Rental Income and Profit for the year ended	31 December 2022 €'000	31 December 2021 €'000
Operating Revenue		
Revenue from investment properties[1]	**84,857**	79,744
Operating Expenses		
Property taxes	(1,078)	(712)
Property operating costs	(18,042)	(15,992)
	(19,120)	(16,704)
Net Rental Income ("NRI")	**65,737**	63,040
NRI margin	**77.5%**	79.1%
Adjusted general and administrative expenses[2]	(11,406)	(11,049)
Share-based compensation expense	(117)	(276)
Adjusted EBITDA[3]	**54,214**	51,715
Non-recurring costs[2]	(5,748)	(5,430)
Depreciation of property, plant and equipment	(536)	(519)
Lease interest	(222)	(232)
Financing costs	(16,803)	(13,886)
Taxation	44	—
EPRA Earnings	**30,949**	31,648
Gain on disposal of investment property	2,795	905
Net movement in fair value of investment properties	(45,599)	34,934
Gain on derivative financial instruments	35	59
(Loss)/Profit for the Year	**(11,820)**	67,546

(1) Vacancy loss of €1.2 million (31 December 2021: €1.5 million) for the year ended 31 December 2022.
(2) The non-recurring costs of €5.7 million and general and administrative expenses of €11.5 million incurred in 2022 totals the general and administrative expense costs of €17.2 million reflected in the Consolidated Financial Statements for the year ended 31 December 2022.
(3) Adjusted EBITDA represents earnings before lease interest, financing costs, depreciation of property, plant and equipment, gain or loss on disposal of investment property, net movement in fair value of investment properties, gain or loss on derivative financial instruments and non-recurring expenses to show the underlying operating performance of the Group.

Net Rental Income

The NRI margin has been presented as the Company believes this measure is indicative of the Group's operating performance. For the year ended 31 December 2022, NRI margin decreased by 1.6% to 77.5%. One component of this reduction is increased property taxes incurred by the Group due to additional units being brought into scope for local property tax. Post-acquisition of I-RES Fund Management Limited, the external Property Management Fee (PMF) terminated and was replaced by employee and IT costs. We have seen some moderation in the margin due to increased employee, utilities and repairs and maintenance costs. We are aware of the continued cost pressures facing all businesses and are continuing on our path of cost optimisation and margin control into 2023.

Adjusted General and Administrative ("G&A") Expenses

Adjusted G&A expenses include costs such as employees' salaries, Director fees, professional fees for audit, legal and advisory services, depository fees, property valuation fees, insurance costs and other general and administrative expenses. Non-recurring costs explained below are not included in this caption. G&A has increased slightly in the period due to additional spend on depository fees, professional fees and insurance.

Property Portfolio Overview

The following table provides details of the Group's property portfolio as at 31 December 2022.

Property Location	# of Buildings	# of Units Owned[1]	Commercial Space Owned (sq.m.)[1]	Average Monthly Rent (AMR) Per Unit[1][2][3]	Rent (per sqm per month)	Occupancy[1][2]
Total South Dublin	12	1,123	6,851	€ 1,908	€ 24.1	98.5%
Total City Centre	7	480	3,062	€ 1,898[4]	€ 24.9	99.6%[4]
Total West City	3	409	—	€ 1,722	€ 22.6	99.6%
Total North Dublin	9	877	—	€ 1,628[4]	€ 21.0	99.1%[4]
Total West Dublin	6	999	14,753	€ 1,637[4]	€ 20.4	99.8%[4]
Cork	1	50	—	€ 1,392	€ 17.4	100.0%
Total Portfolio (Stabilised)	**38**	**3,938**	**24,666**	**€1,750[4][5]**	**€ 22.3**	**99.4%[4]**

(1) As at 31 December 2022.
(2) Based on residential units.
(3) AMR is calculated as actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of residential units owned in the property. Actual monthly residential rents, net of vacancies, as at 31 December 2022 was €6,857,213 divided by 3,938 units (which is the total units available for lease as at 31 December 2022) resulting in AMR of €1,750. Refer to page 26 for further discussion on average monthly rent per apartment and occupancy.
(4) Refer to page 26 for further discussion on average monthly rent per apartment and occupancy. The calculations exclude 9 units provided to Ukrainian refugees and 6 units at Bakers Yard that were not available for rent from total properties owned as they are due to be sold as part of our Part V obligations.
(5) I-RES external valuers indicated that I-RES' current rents (on a weighted average basis for the portfolio) as at 31 December 2022 are estimated to be approximately below market by 11%.

Non-recurring costs

Non-recurring G&A costs total €5.7 million for the first 6 months of 2022. No additional non-recurring costs were incurred in the second half of the year. These costs are primarily legal, IT programme, consulting and investment bank advisory fees that relate to the termination of the Investment Management Agreement and other one off third-party advisory services. As noted in the 2021 annual report, we estimated €1.8 million of non-recurring costs for 2022 associated with Internalisation (not including the Transitional Services Agreement fees (TSA)). We ultimately recorded €4.4 million of costs in 2022 in relation to termination of the Investment Management Agreement. This expense item increased from our earlier estimates due to higher than anticipated legal costs and additional IT costs associated with the complex nature of the internalisation and IT projects. These costs include: costs associated with CBI approval for the acquisition of IRES Fund Management Limited; costs associated with this acquisition; legal and investment bank advisory fees; implementation of our new property management and financial reporting system; and a complex data migration from CAPREIT's IT systems. In addition, the transitional services agreement with CAPREIT totalled €1.3 million.

Net movement in fair value of Investment Properties

I-RES recognises its investment properties at fair value at each reporting period, with any unrealised gain or loss on remeasurement recognised in the profit or loss account. For the year ended 31 December 2022, the fair value loss on investment properties of €45.6 million is mainly attributed to a softening of yields driven by wider market fundamentals including increased interest rates. Our Gross Yield was 5.9% at year-end compared against a weighted average cost of debt of 2.6%.

Financing Costs

Financing costs, which include the amortisation of certain financing expenses, interest and commitment fees, increased for the year ended 31 December 2022 to €16.8 million from €13.9 million in 2021. The financing costs have increased as a result of higher borrowings in 2022, driven by drawdowns to fund the Ashbrook acquisition, School Yard development and completion of the Tara View acquisition. Financing costs were also impacted by interest rate rises in the latter part of the year. Capital recycling is also used to manage our financing costs and we disposed of Hampton Wood for €54.5 million with the proceeds used to repay the RCF.

As mentioned above, on 14 December 2022, the Company entered into hedging arrangements in respect of its Revolving Credit Facility. Interest rate swap agreements aggregating to €275 million until maturity of the facility have been entered into with a number of the counterparties forming the syndicate of banks in the RCF. These arrangements convert €275 million of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. At 31 December 2022, €457 million was drawn from the €600 million facility.

In 2020, I-RES entered into a cross-currency swap to (i) hedge the US-based loan of USD $75 million into €68.8 million effective 11 March 2020 and (ii) convert the fixed interest rate on the US-based loan to a fixed Euro interest rate, maturing on 10 March 2027 and 10 March 2030. Hedge accounting has been applied for the cross-currency swap.

Portfolio Management

The Company continues to explore opportunities for growth and our long-term strategy is focused on delivering growth for the business through;

- Investing in future supply of new homes through partnerships with developers of Private Rented Sector ("PRS") assets
- Acquisitions of completed assets at accretive yields
- Development of new supply on I-RES owned sites.
- Efficient recycling of capital

During 2022, we have delivered on each aspect of our strategy as further detailed below. Moving forward we will continue to assess opportunities as they arise. Given the current market fundamentals of rising interest rates, market volatility and capital allocation we continue to also explore opportunities to recycle capital in the business as evidenced by the disposal of our property at Hampton Wood.

Ashbrook, Clontarf, Dublin 3 (152 Residential Units)

I-RES entered into two contracts in December 2021 for the acquisition of 152 residential units located in Ashbrook, Clontarf, Dublin. 86 units were acquired on closing in January 2022 with a further 22 units acquired in May 2022. The Company has committed to acquire 44 new apartments under a fixed price forward purchase contract, with delivery anticipated in Q4 2023. The remaining consideration is €24.1 million.

The property is located in the north Dublin suburb of Clontarf. The scheme occupies an attractive position close to Dublin City Centre (circa 4km), with easy access to the M50 motorway. There are excellent public transport links to the City Centre, with Clontarf and Killester train stations within walking distance and high frequency bus services at the entrance to the property. Clontarf is a much sought after and mature residential location, providing some of Dublin's finest amenities, including schools, sporting facilities, parks, local shopping and employment.

The School Yard, Portland Street North, Dublin 1 (61 Residential Units)

This development of 61 residential units at a site adjacent to Bakers Yard has been completed for a total consideration of €21.8 million (including VAT but excluding other transaction costs). All residential units in the development have now been leased with residents moving in from the end of July 2022. The School Yard has been delivered to LEED Gold certification, with all units BER rated A and serves as an important blueprint for future schemes. This specification will help drive down energy consumption, improve efficiency, and create healthier living places for our residents. The property is located within 20 minutes walk of Dublin city centre and has easy access to the IFSC and Docklands areas as well as universities and Dublin's Mater Hospital. It is well serviced by bus networks.

Forward Purchase Contract at Merrion Road, Dublin 4 – Tara View (69 Residential Units)

I-RES entered into a contract on 16 November 2018 for the forward purchase of 69 residential units at Merrion Road at a cost of €47.1 million (including VAT, but excluding other transaction costs). Construction commenced in 2019 and we closed on the acquisition in August 2022.

The property is located in a prime waterfront position circa 7km from Dublin City and is well serviced by Dublin Bus and DART rail services. The property is located close to excellent amenities including schools, universities and numerous hospitals (St. Vincent's University Hospital , Blackrock Clinic) in the immediate vicinity. The area also benefits from a number of leisure facilities with Elm Park Golf and Sports Club, Railway Union Sports Club and Blackrock Park on its doorstep.

Value creation from existing assets

We continue to identify opportunities to create value from our existing asset base. In August 2022, we completed the disposal of our Hampton Wood development of 128 units in Finglas for €54.5 million. This represents a significant return on our investment and highlights the returns we can create from our asset management strategy.

We are also in the process of selling 5 non-core houses at our Tara View development. At the year-end, we had completed the disposal of 1 house for a price of c.€1.2 million and subsequent to year-end we have completed the disposal of an additional house for consideration of c.€1.2 million. We expect the remaining units to complete shortly. The Company has decided to strategically dispose of the development site at Rockbrook.

I-RES' borrowings are as follows:

As at	31 December 2022 (€'000)	31 December 2021 (€'000)
RCF Committed Facility	600,000	600,000
Less: Drawdowns	457,020	420,020
Available RCF Borrowing Capacity	**142,980**	**179,980**
Euro denominated Private Placement notes	130,000	130,000
USD denominated Private Placement notes(1)	70,107	65,882
Weighted Average Cost of Debt(2)	2.61%	2.30 %

(1) The principal amount of USD notes is $75 million. The movement relates to foreign exchange movements. I-RES has entered into cross currency swaps to fix this at €68.8 million.
(2) Includes commitment fee of 0.7% per annum charged on the undrawn portion of the RCF facility and deferred financing cost amortised per annum.

Financing and Capital Structure

I-RES takes a proactive approach to its debt strategy to ensure the Group has laddering of debt maturities, and the Group's leverage ratio and interest coverage ratio are maintained at a sustainable level.

Our capital structure remains strong, with LTV at 43.3%, which is below the 50% maximum allowed by the Irish REIT Regime, and the Group's debt financial leverage ratio. I-RES seeks to use gearing to enhance shareholder returns over the long term.

Our debt facilities are made up of our €600 million Revolving Credit Facility (RCF) and the circa €200 million (Euro Equivalent) Private Placement Notes. On 11 February 2022, the Company exercised an option for an extension of our RCF with all five banks (Ulster Bank Ireland DAC, Bank of Ireland, Allied Irish Bank, Barclays Bank plc and HSBC Bank plc) for the entire €600 million facility with a new maturity date of 18 April 2026. On 18 July, Ulster Bank Ireland DAC assigned its portion of the facility agreement to Allied Irish Banks PLC as part of its exit from the Irish market.

The Private Placement Notes were closed in March 2020 and are made up of €130 million fixed interest notes and $75 million notes for which I-RES on closing entered into a cross currency interest rate swap with a weighted average fixed interest rate of 1.92% inclusive of swap costs and excluding transaction costs. The maturity of the notes are laddered over circa six, nine and eleven-year maturities, with the first repayment due in March 2027.

As previously noted, on 14 December 2022, the Company entered into hedging arrangements in respect of its Revolving Credit Facility. Interest rate swap agreements aggregating to €275 million until maturity of the facility have been entered into with a number of the counterparties forming the syndicate of banks in the RCF. These arrangements convert €275 million of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. Therefore, in conjunction with the Private Placement Notes, approximately 72% of the Company's total drawn debt is fixed against interest rate volatility as at 31 December 2022.

The Group has a weighted average debt maturity of 4.2 years and no debt maturities before April 2026. The weighted average cost of debt is 2.61% for 2022 including deferred financing costs (31 December 2021: 2.30%). I-RES also has undrawn committed facilities of €143 million available under the RCF for investment and €7 million of cash and cash equivalents as at 31 December 2022. Beyond the remaining €24.1 million for the forward purchase of 44 residential units at Ashbrook, there is no other current capital commitment.

Summary and outlook

2022 has been a very positive year for I-RES, underlined by a strong operational performance with significant growth in our rental income and delivery of growth in the portfolio. We have also completed the internalisation of the business and continue to enhance our technological platform. We head into 2023 well placed to deal with the headwinds we face. We have actively managed our balance sheet including the recent interest rate swaps giving us a significant portion of our debt fixed with no maturities until 2026. We are well positioned going into 2023 with our excellent operational model, prudent balance sheet and strong underlying market fundamentals.

Brian Fagan
Chief Financial Officer

Business Performance Measures

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

Average Monthly Rent ("AMR")

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

Occupancy

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

The Group's AMR increased by 4.3% at 31 December 2022 to €1,750, while residential occupancy remained high at 99.4%, indicative of the strong market fundamentals in the Irish residential rental sector. The increase in AMR is due to the increase in occupancy from 99.1% to 99.4% and the higher rental at our new premium assets, The School Yard and Tara View. For like for like properties, the AMR increased to €1,730 per residential unit as at 31 December 2022, up 3.1% from €1,678 at 31 December 2021 due to higher occupancy and organic rental growth. AMR is used as a measure for the sustainable year over year changes in revenue. For properties acquired after 31 December 2021, occupancy is 92.0%, this is below our overall level of occupancy due to a small number of units which are currently being leased up at our new Tara View development.

During the period, circa 14% of the portfolio units were turned and where applicable we applied rental increases in line with regulations.

Gross Yield at Fair Value

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

AMR and Occupancy

	Total Portfolio					Properties owned prior to 31 December 2021 (Like for Like properties)					Properties Acquired After 31 December 2021	
As at 31 December	2022		2021			2022		2021				
	AMR	Occ. %	AMR	Occ. %	AMR change %	AMR	Occ. %	AMR	Occ. %	AMR change %	AMR	Occ. %
Residential	**€1,750**	**99.4%**	€1,678	99.1%	4.3%	**€1,730**	**99.8%**	€1,678	99.1%	3.1%	**€1,980**	**92.0%**

Gross Yield at Fair Value

As at	31 December 2022 (€'000)	31 December 2021 (€'000)
Annualised Passing Rent[(1)]	**87,401**	81,393
Aggregate fair market value as at reporting date	**1,477,178**	1,450,635
Gross Yield at Fair Value	**5.9%**	5.6%

(1) 31 December 2022 Annualised Passing rent consists of residential annualised passing rent of €82.6 million and commercial annualised passing rent of €4.8 million.

The portfolio Gross Yield at Fair Value was 5.9% as at 31 December 2022 compared to 5.6% as at 31 December 2021, excluding the fair value of development land and investment properties under development. The current Gross Yield at Fair Value of 5.9% has increased from the last valuation date of 31 December 2021 due to an increased passing rent being achieved by the Group and a reduction in the market value of our properties at 31 December 2022.

EPRA Net Initial Yield

As at	31 December 2022 (€'000)	31 December 2021 (€'000)
Annualised Passing Rent	**87,401**	81,393
Less: Operating expenses [(1)] (property outgoings)	**(18,313)**	(17,093)
Annualised net rent	**69,088**	64,300
Notional rent expiration of rent-free periods	**—**	—
Topped-up net annualised rent	**69,088**	64,300
Completed investment properties	**1,477,168**	1,450,635
Add: Allowance for estimated purchaser's cost	**76,368**	75,372
Gross up completed portfolio valuation	**1,553,536**	1,526,007
EPRA Net Initial Yield	**4.4**	4.2
EPRA topped-up Net Initial Yield	**4.4**	4.2

(1) Calculated based on the net rental income to operating revenue ratio of 77.5% for 2022 (79.1% for 2021).

EPRA Earnings per Share

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

EPRA Earnings per Share

For the year ended	31 December 2022	31 December 2021
(Loss)Profit for the year (€'000)	**(11,820)**	67,546
Adjustments to calculate EPRA Earnings exclude:		
Gain on disposal of investment properties (€'000)	**(2,795)**	(905)
Changes in fair value on investment properties (€'000)	**45,599**	(34,934)
EPRA Earnings (€'000)	**30,949**	31,648
Non-recurring costs (€'000)	**5,748**	5,430
Adjusted EPRA Earnings before non-recurring costs (€'000)	**36,697**	37,078
Basic weighted average number of shares	**529,560,795**	527,412,302
Diluted weighted average number of shares	**529,953,506**	528,130,822
EPRA Earnings per share (cents)	**5.8**	6.0
Adjusted EPRA EPS before non-recurring costs per share (cents)	**6.9**	7.0
EPRA Diluted Earnings per share (cents)	**5.8**	6.0

A decrease in EPRA Earnings to €30.9million (31 December 2021: €31.6 million) is principally due to higher financing costs and costs incurred as a result of non-recurring items.

Adjusted EPRA EPS was 6.9 cents for the year ended 31 December 2022 compared to 7.0 cents for the same period last year. The primary driver of this reduction is the increase in our financing costs, particularly in the latter part of 2022 due to interest rate rises.

EPRA Net Asset Value

In October 2019, EPRA introduced three EPRA NAV metrics to replace the then existing EPRA NAV calculation that was previously being presented. The three EPRA NAV metrics are EPRA Net Reinstatement Value ("**EPRA NRV**"), EPRA Net Tangible Asset ("**EPRA NTA**") and EPRA Net Disposal Value ("**EPRA NDV**"). Each EPRA NAV metric serves a different purpose. The EPRA NRV measure highlights the value of net assets on a long-term basis. EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. No deferred tax liability is calculated for I-RES as it is a REIT and taxes are paid at the shareholder level on distributions. Any gains arising from the sale of a property are expected either to be reinvested for growth or 85% of the net proceeds are distributed to shareholders to maintain the REIT status. Lastly, EPRA NDV provides the reader with a scenario where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liabilities.

EPRA NAV per Share

	31 December 2022		
As at	**EPRA NRV**	**EPRA NTA[(1)]**	**EPRA NDV[(2)]**
Net assets (€'000)	**847,353**	**847,353**	**847,353**
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	**(4,764)**	**(4,764)**	**—**
Fair value of fixed interest rate debt (€'000)	**—**	**—**	**40,612**
Real estate transfer costs (€'000)[(3)]	**76,368**	**—**	**—**
EPRA net assets (€'000)	**918,957**	**842,589**	**887,965**
Number of shares outstanding	**529,578,946**	**529,578,946**	**529,578,946**
Diluted number of shares outstanding	**529,578,946**	**529,578,946**	**529,578,946**
Basic Net Asset Value per share (cents)	**160.0**	**160.0**	**160.0**
EPRA Net Asset Value per share (cents)	**173.5**	**159.1**	**167.7**

	31 December 2021		
As at	**EPRA NRV**	**EPRA NTA[(1)]**	**EPRA NDV[(2)]**
Net assets (€'000)	881,440	881,440	881,440
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	—	—	—
Fair value of fixed interest rate debt (€'000)	—	—	(10,008)
Real estate transfer costs (€'000)[(3)]	75,372	—	—
EPRA net assets (€'000)	956,812	881,440	871,432
Number of shares outstanding	529,453,946	529,453,946	529,453,946
Diluted number of shares outstanding	529,498,519	529,498,519	529,498,519
Basic Net Asset Value per share (cents)	166.5	166.5	166.5
EPRA Net Asset Value per share (cents)	180.7	166.5	164.6

(1) Following changes to the Irish REIT legislation introduced in October 2019, if a REIT disposes of an asset of its property rental business and does not (i) distribute the gross disposal proceeds to shareholders by way of dividend, subject to having sufficient distributable reserves; (ii) reinvest them into other assets of its property rental business (whether by acquisition or capital expenditure) within a three-year window (being one year before the sale and two years after it); or (iii) use them to repay debt specifically used to acquire, enhance or develop the property sold, then the REIT will be liable to tax at a rate of 25% on 85% of the gross disposal proceeds. For the purposes of EPRA NTA, the Company has assumed any such sales proceeds are reinvested within the required three-year window.

(2) Deferred tax is assumed as per the IFRS balance sheet. To the extent that an orderly sale of the Group's assets were undertaken over a period of several years, during which time (i) the Group remained a REIT; (ii) no new assets were acquired or sales proceeds reinvested; (iii) any developments completed were held for three years from completion; and (iv) those assets were sold at 31 December 2022 valuations, the sales proceeds would need to be distributed to shareholders by way of dividend within the required time frame or else a tax liability amounting to up to 25% of distributable reserves plus current unrealised revaluation gains could arise for the Group.

(3) This is the purchaser costs amount as provided in the valuation certificate. Purchasers' costs consist of items such as stamp duty on legal transfer and other purchase fees that may be incurred and which are deducted from the gross value in arriving at the fair value of investment for IFRS purposes. Purchasers' costs are in general estimated at 9.96% for commercial and 4.46% for residential.

Market Update

Market fundamentals remain supportive

The pace of growth in Ireland's domestic economy slowed during the year. The combination of rising inflation, supply chain issues and rising interest rates impacted consumer demand and business confidence. However, Ireland experienced strong GDP growth and retains the highest GDP growth rate in the EU in 2022 at 12.2%, while EU GDP growth as a whole was 3.5%. Ireland is expected to continue to grow at the highest rate in the EU in 2023 at a rate of 4.9%, while many EU countries are expected to achieve growth below 1%[1].

CPI rose steadily higher throughout the year, reaching a peak of 9.2% in October, it softened slightly to 8.9% and 8.2% in November and December respectively[2]. With the maintenance of price stability in the euro area the main priority of the ECB, interest rates were increased in order to curb demand and bring inflation back down to 2% over the medium term. The ECB raised interest rates by 50 bps during its final 2022 meeting in December, which marked the fourth-rate increase, following two consecutive 75bps after their initial 50bps hike in the middle of 2022. The deposit facility, refinancing rate and marginal lending are at levels which have not been seen in fourteen years.

FDI is the Key Growth Driver

Ireland continues to be an outlier in its ability to continually attract Foreign Direct Investment ('FDI') and create jobs. Key export sectors, labour market and tax revenue have continued to perform strongly in 2022 driven mostly by the pharmaceutical and ICT sectors. During a period of slowdown in tech employment, the IDA Ireland ('IDA'), the state agency responsible for attracting FDI into Ireland, reported significant investment growth in 2022, with FDI employment creation plans reaching record levels.

Supply remains constrained

The housing market in Ireland continues to see strong demand. This has resulted in a supply and demand imbalance due to constrained supply. The Government's 'Housing for All' plan forecasts demand for housing at 33,000 units annually between 2021 and 2030. However, to date, delivery has been below this level. The primary trends driving this long-term demand are:

- The growth in population in Ireland. Preliminary results of the 2022 census detail a population increase of 7.6% since 2016.
- Continued success in attracting Foreign Direct Investment; the FDI-related employment level is at its highest level at a total of 301,000 jobs. This represented a 9% growth year-on-year for FDI-related jobs in Ireland.
- Supply remains constrained. New housing completions have edged closer to the Government's target coming in at an estimated 30,000 for 2022. While this is a positive movement in the number of completions, the CBI expect 27,000 and 30,000 completions in 2023 and 2024 respectively, which is still below the level which is needed to meet the exceptionally high demand. Although completions have increased in 2022 new dwelling commencement figures dropped to approximately 27,000 in 2022, down 12% from 2021's annual figure.

We continue to see strong demand from a wide range of customers. The availability of rental homes both in Dublin and nationwide are at record lows which enabled us to maintain a consistently strong occupancy level of over 99% and an increasing average lease term with an ability to apply 2% rental growth year-on-year in accordance with the legislation.

Regulatory Landscape

The Residential Tenancies (Deferment of Termination Dates of Certain Tenancies) Act 2022 came into effect on 29 October 2022. This is a temporary piece of legislation which covers a set period of time known as the 'winter emergency period' from 30 October 2022 to 31 March 2023 and was introduced in an attempt to reduce the expected increase in homelessness over the winter period due to the acute supply constraints that exist in the residential sector. Under this legislation, certain tenancies which were due to terminate between 30 October 2022 and 31 March 2023 will have the tenancy termination date deferred. None of these protections apply to a resident who does not fulfil their obligations, for example not paying their rent or engaging in anti-social behaviour. Under these circumstances, the usual rules apply in relation to ending a tenancy.

Under current legislation rent increases are restricted to 2% per annum, where Harmonised Index of Consumer Prices ('HICP') inflation is higher, in all Rent Pressure Zones. The legislation applies to renewals only and allows new schemes to be brought to market and let at market rents.

The Government's 'Housing for All' policy, published in 2021 which sets out its vision for the future of housing

1 EU Commission Winter 2023 Economic Forecast
2 CSO

in Ireland and has a core objective of increasing supply by 300,000 units (including 54,000 affordable homes for purchase or rent and over 90,000 social homes) over the nine years to 2030, remains in place. The target of 33,000 completions per annum has not yet been met with 2022 seeing just under 30,000 completions, evidence that the Government will require both an increase in the capacity and enhanced cooperation with the private sector, including increased investment in order to deliver on this objective.

Rental Index

The Irish Residential Property Price Index ('RPPI') increased by 7.8% nationally in the year, compared to an increase of 14.2% in 2021. In Dublin, residential property prices saw an increase of 6% in the year, while property prices outside Dublin were 9.3% higher than a year earlier.

The Residential Tenancies Board ('RTB') reported annual rent inflation of 6.7% in the year to Q3 2022. Year-on-year price inflation in rents for new tenancies was 5.8% for Dublin to Q3 2022. The standardisd average monthly rents in Q3 2022 were €1,482 nationally and €2,022 in Dublin[3].

Fundamentally, there is still a significant undersupply of homes, with the number of properties listed for rent on Irish property listing site DAFT.ie at the beginning of February 2023 at just 1,100 homes nationwide – down 22% year-on-year – and an unprecedented number in a series extending back to the start of 2006[4]. The average number of homes available to rent nationwide at any point in time over the 15-year period 2006-2021 was nearly 8,500.

Real Estate Investment

The real estate investment environment for all asset classes has shifted in response to the ECB raising rates to address the inflationary environment. This has resulted in increased debt costs and lower returns on leveraged portfolios. The total Real Estate investment in Ireland in 2022 was €6.0 billion[5].

Investment into the Residential Sector accounted for €2.0 billion (33% of the total) in 2022, with 70% of this capital focused on multifamily housing stock in the Dublin area[6]. Core investors are encouraged by the fact that yield spreads are considerably wider than in many other European markets and that many sectors of the Irish market are severely undersupplied, and continually show exceptionally strong fundamentals, which in turn is helping to sustain rental cashflows and returns. While global markets remain volatile, real estate pricing will continue to be impacted by the macro drivers that currently dominate. In the medium-term, however, we believe that the PRS market in Ireland remains a compelling area for investment.

3 RTB Q3 2022 Rent Index

4 Daft Rental Price Report Q4 2022
5 CBRE Ireland Outlook 2023
6 CBRE Ireland Outlook 2023

Sustainability Review

Across every sustainability news report and research publication it is abundantly clear that there is no "planet B" – getting to grips with the climate emergency is not only the right thing to do, it is the essential thing to do.

ESG is an absolute priority for I-RES – our management and employees, our residents, our investors and our stakeholders. The Board and the Board Sustainability Committee is committed to keeping the I-RES business thriving, whilst also enabling us to meet our ESG obligations and legislative requirements. However, beyond this, we are seeking ways to achieve our wider ambitions and to realise the potential of I-RES to be an ESG leader in real estate in Ireland.

ESG Performance Snapshot

Operating Responsibly

ESG strategy and materiality refreshed

Board Director with responsibility for Workforce Engagement and Culture appointed to ensure good communications and understanding between Board and employees

Gold Award for EPRA Sustainability Best Practices Recommendations

Delivered Ireland's first LEED gold residential building

Updated policies: Modern slavery statement, supplier code of conduct

Protecting the Environment

↓26%

26% decrease in Scope 2 GHG emissions (absolute wholly-managed buildings)

Zero waste to landfill – recycling rates maintained across the portfolio

86%

86% of our buildings have BER certs between the range of A-C**

100%

100% renewable energy in all common areas (wholly managed buildings)

Building Communities

Achieved Investors in Diversity Silver Award

41 hours average training received per employee*

600+

Our employees have spent a combined 600 hours engaging in community activities

↑

Improving resident satisfaction levels

* including training for new systems during implementation phase
** based on updated calculation methodology post internalisation

Our ESG Journey & Performance Highlights

Our ambition is to build a sustainable and responsible business that is aligned with the long-term approach we take: investing in and managing our residential properties; servicing our residents; interacting with the communities in which we operate; and engaging with our employees and wider stakeholders.

We continue to align our business strategy and objectives with sustainability measures that are supported by investors and other key stakeholders and where we can make the greatest impact.

ESG Strategy and Materiality Assessment Review

To ensure we keep pace with an evolving ESG landscape and our commitments as a responsible and sustainable business, after internalisation we undertook a review of our current approach to ESG and sustainability. This included refreshing our ESG materiality assessment, which is used to determine the focus areas for the business to help ensure the full ESG landscape is considered. We will refresh the materiality assessment on a periodic basis to ensure that the ESG strategy is still appropriately aligned and adapted to reflect any changes in priority areas and ongoing developments in sustainability.

The review that was undertaken in 2022 resulted in a focus on eight material topic areas, which reflect the sustainability priorities of the business and form the foundation of our ESG strategy

- Health, safety and wellbeing
- Strategy, business ethics and compliance
- Data management, privacy and security
- Climate change (energy consumption, carbon emissions and climate risk)
- Environmental management (biodiversity, water, pollution and waste)
- Sustainable supply chain practices
- Customer engagement and social value
- Employee attraction and retention

Our material topics were then aligned under three key pillars on which to build our business planning and allocate resources:

Pillars	**Operating Responsibly**	**Protecting the Environment**	**Building Communities**
Statement	**We aim to uphold the highest operational and governance standards across our business and supply chain**	**We aim to protect the environment by minimising our emissions and use of natural resources while ensuring we leave space for nature at our properties**	**We aim to support our people by creating diverse and welcoming communities that enable our employees and residents to thrive**
Material Topics	↘ Health, safety and wellbeing ↘ Strategy, business ethics and compliance ↘ Data management, Privacy and Security	↘ Climate change (energy consumption, carbon emissions and climate risk) ↘ Environmental management (biodiversity, water, pollution and waste) ↘ Sustainable supply chain practices	↘ Customer engagement and social value ↘ Employee attraction and retention

The results of this materiality assessment have enabled us to place renewed focus on our priority areas. Throughout 2022, we worked to progress across each of these areas and look forward to further improving our performance in 2023 and beyond. In the next few pages, we demonstrate our 2022 achievements and our future priorities mapped against our updated materiality themes and objectives.

Pillar: Operating Responsibly

We are committed to embedding sustainable and responsible business practices that are aligned with the long-term approach we take to investing in new supply; operating and maintaining our properties; while also informing how we service and interact with all our stakeholders such as our residents, employees, partners and the wider community in which we operate.

I-RES continues to be committed to the highest standards of governance, consistent with regulatory expectations, evolving industry best practices, our corporate strategy, and our risk appetite. ESG and responsible business objectives are fully considered in all decision-making processes throughout the business, from Board level to operations teams.

Objectives	2022 achievements	Priorities for 2023 & beyond
Health, Safety and Wellbeing Make our buildings healthier and have a positive impact on resident safety and wellbeing through our design and management approach	↘ Fire, health & safety checks completed across 100% of homes (beyond statutory obligations) ↘ Conducted annual resident satisfaction survey, which provides us with feedback that we can build into the resident wellbeing programme ↘ Dedicated Risk Manager appointed to enhance and strengthen processes ↘ Various resident engagement activities around Earth Day, sustainability and energy usage	↘ Continuous evolution of training programme and enhancement of processes including incident management testing ↘ Devise quantitative metrics to allow improved measurement of health and wellbeing initiatives at our properties and at corporate level ↘ Ensure ongoing review of our portfolio to ensure best in class environment for residents ↘ Deliver Health and Safety training for Board, Management and employees ↘ Enhance resident wellbeing programme
Strategy, Business Ethics & Compliance – governance and disclosure Develop and implement key policies, processes and governance procedures to deliver the aims of the ESG strategy Review and enhance ESG reporting disclosures Disclose key performance indicators for measuring ethical behaviour and compliance	↘ Completed transition of I-RES from an external to internal management structure ↘ Refreshed ESG Strategy and Materiality Assessment, and streamlined materiality topics ↘ Retained EPRA Sustainability Best Practices Recommendations Gold award ↘ Retained GRESB one-star award ↘ Made first submission to Carbon Disclosure Project ("CDP") ↘ Recognised as 'Best Practice Leader' in the European Women on Boards Index	↘ Submit to independent assessment through rating agencies to show continuous improvement ↘ Improve annual GRESB scoring and maintain annual Gold EPRA sBPR aligned reporting standards ↘ Align our reporting and data gathering to TCFD framework ↘ Conduct ongoing internal risk assessments, compliance assessments and internal audits ↘ Integrate sustainability and Diversity & Inclusion into ongoing training programme for Board, Management and employees
Data management, Privacy and Security Improve data coverage to include resident consumption to enable whole building reporting across the portfolio Review & enhance data privacy & security management systems (including cyber security) and measure performance	↘ Began process of collecting resident energy consumption data ↘ Installed market-leading Building Management System at our LEED Gold development, The School Yard ↘ Made strategic selection of best in class Microsoft and Yardi systems; implemented these new cloud-based ERP and IT systems across the business; and put in place IT and cyber capability	↘ Enhance data collection, aiming to obtain whole building performance data through technology and processes ↘ Enhance governance structures for data privacy and cyber security ↘ Ensure privacy-first rollout of I-RES Living mobile app ↘ Continue ongoing employee training programme for data privacy and IT security ↘ Ensure robust cyber security and data protection programme in place

ESG Governance Framework

The oversight of all ESG matters is critical to the business. I-RES has a clear commitment to sustainability, and we have in place clear reporting, governance, and programmes to communicate our progress to the Board, senior management and to all stakeholders. The Board Sustainability Committee is responsible for developing and recommending to the Board I-RES' ESG strategy, policies, risks, targets, and investment required to achieve our ESG strategy. We publish yearly ESG reports and have secured multiple accreditations and benchmarks e.g. GRESB and EPRA sBPR.

We believe that it is only by fully embracing ESG in its widest sense and embedding it into the I-RES culture through our people, that we can achieve our ambition of minimising our carbon footprint and maximising our positive impact in the communities in which we operate.

I-RES' Board ensures that the long-term interests of shareholders are advanced responsibly, while balancing the interests of our other stakeholders, including our residents, employees and our communities. The Board and Board Sustainability Committee assess and monitor I-RES' corporate culture through ongoing engagements between the Board, the CEO, Board Director with responsibility for Workforce Engagement and Culture, Investor Relations and Sustainability functions, and I-RES employees to ensure policies, practices and behaviours are aligned with the Company's purpose, values and strategy.

The Board
Overall responsibility for ESG matters and embedding of ESG strategy within Company strategy

Audit Committee
Monitors clarity and completeness of sustainability related financial disclosures in the financial statements

Nomination Committee
Monitors Board ESG competencies, and applies them in appointments process and in Board training

Remuneration Committee
Ensures Sustainability-linked remuneration framework

Sustainability Committee
Responsible for developing and recommending to the Board, the Company's ESG strategy

ESG Steering Committee including CEO, CFO and Senior Leadership Team
Monitors the Company's ESG performance and execution, ensuring that ESG plans are agreed and embedded into every aspect of the business, that key metrics are fairly reported and matters of material impact are addressed

Pillar: Protecting the Environment

Our Commitment to Net Zero Carbon

I-RES is committed to achieving Net Zero by 2050 in line with the ambitions of the Paris Agreement. We are acutely aware of the role we must play in the transition to becoming a low carbon economy and, as such, the Board has made a commitment to this. We have strategically invested in a modern young portfolio of assets with an average age of 13.1 years, which has supported our residents in relation to energy costs during the recent volatile period. We will leverage this strong starting position as we continue to develop our targets for carbon emission reduction across our portfolio. In Ireland, each apartment's energy use is contracted directly by the residents with providers. We use green energy sources for our common areas, and we have also started a joint project with residents in our portfolio to collect data for their energy use.

Additionally, I-RES has invested in new technology to digitalise operational processes, resident engagement, and reducing the use of paper, as part of our ongoing effort to reduce our carbon footprint and enhance the resident experience. We will continue to assess new technologies, partner engagement and other measures to collect data on our energy consumption with the aim of having full coverage.

Science-based target carbon footprint assessment

In 2022, we began work to develop our science-based targets and baseline carbon intensity related to operational energy for our portfolio. We mapped the energy and carbon intensity of each of our buildings against the CRREM (Carbon Risk Real Estate Monitor) trajectories, to understand how they are currently performing and the reduction targets we need to achieve by 2050.

We reduced our Scope 1 and 2 (wholly managed buildings) greenhouse gas emissions (on an absolute basis) by 41% and 26% respectively in 2022 and have set ambitious targets of reducing these further by 30% and 10% respectively in 2023, and we believe we are well positioned to achieve this target.

In 2023, alongside a range of practical initiatives within our buildings, we will also build on the target setting work to develop fully costed Net Zero Carbon transition plans.

An initial action from this work was to increase data coverage of our residents' energy usage and a programme for the collection of this data commenced during the period. We are progressing our Net Zero Carbon transition plans aided by the framework set out by the Better Building Partnership's Climate Change Commitment. Our plans will include recommendations and initiatives under business areas such as the below:

- Developments and acquisitions
- Refurbishment and renovation
- Asset and operational management
- Resident engagement and data collection
- Renewable energy investment and procurement
- Carbon offsetting

Sustainable Investment & Developments

In 2022, we continued to execute against our growth strategy along with disciplined capital management by adding incremental and sustainable value to our portfolio. We grew our portfolio unit count by c.3% in 2022 through accretive investment in acquisitions and new developments, whilst also recycling capital through selective disposals that generated attractive returns on investment for the business. Through acquisitions and development, we added 238 homes to the portfolio and our two new developments have achieved high sustainability credentials. At The School Yard we have delivered 61 homes, which marks the delivery of Ireland's first LEED-certified A energy-rated residential building. At the Tara View development we delivered 69 homes with BER A energy rating and a highly sustainable fitout.

We are members of Green Building Council Ireland and are engaging in assessments across our assets to continue to improve on our energy utilisation. We have a comprehensive programme in place including communication with residents in relation to energy utilisation, waste minimisation and recycling as well as a continuous improvement programme.

Objectives	2022 achievements	Priorities for 2023 & beyond
Climate Change Strengthen resilience to climate-related risks including the setting of long-term operational carbon reduction targets	- Delivered a 26% decrease in absolute GHG emissions (wholly-managed portfolio) - Mapped CRREM trajectories to help develop long-term science-based reduction targets and identify the pathway towards potential future Net Zero aspirations of the portfolio - Continued gradual transition to energy efficient appliances across all homes. Sent all redundant equipment to WEEE recycling, whilst upcycling some components for Repairs & Maintenance activities	- Develop and implement ESG action plans to key parts of the property life cycle as part of the carbon reduction pathway programme - Develop and communicate Net Zero strategy and commitments - Reduce our scope 1 and scope 2 carbon emissions by 30% and 10% respectively in 2023 - Renew BER certification in line with expiration cycle to sustain certification levels - Continue to implement operational improvement programmes to reduce emissions/enhance building efficiency - Incorporate physical and transitional climate risks and opportunities as part of business processes
Environmental Management Enable the portfolio to make a measurable contribution to the environment, beyond legislative compliance	- Delivered Ireland's first LEED Gold residential development (61 apartments) and a further 69 A energy-rated homes at Tara View - Installed green roofs at Tara View and The School Yard (across portfolio, three locations now have green roofs) - Zero waste sent to landfill and sustained recycling rates at locations where I-RES manage waste contracts - Delivered resident engagement programme with "Voice" environmental group, and rolled out new waste streams at several locations - Upgraded car park lighting to incorporate use of energy-saving LEDs - Continued participation in the All-Ireland Pollinator Plan - Continued with 100% renewable energy in all common areas	- Maximise certification coverage for portfolio to add ESG value - Optimise high energy and water efficiency standards - Maximise the use of in-place Building Management Systems to ensure efficient operations - Sustain zero waste to landfill (with external accreditation) and build upcycling and recycling into capex programmes - Explore implementation of an ISO14001 aligned Environmental Management System - Encourage use of public transport across employees and residents, also extend out EV charging and bicycle facilities and build this into investment strategy and resident communications plans into the future - Enhance proportion of wildflower coverage - Identify opportunities for internal and external biophilia improvements - Encourage and enhance biodiversity measures - Explore use of solar panels for certain developments - Increase proportion of renewable energy consumption across portfolio as part of the carbon reduction programme
Sustainable Supply Chain Minimise our environmental impact and deliver community benefits through better selection of products and services	- Published supplier code of conduct and modern slavery policy - Engaged with suppliers to ensure alignment to I-RES ESG policies and code of conduct - resulting in a 23 point increase in Top 100 I-RES vendors having ESG policies in place - Delivered sustainability-informed fit out of School Yard and Tara View	- Assess and expand on current levels of sustainable procurement - Integrate procurement under sustainable certification schemes where possible - Identify and execute strategic procurement opportunities

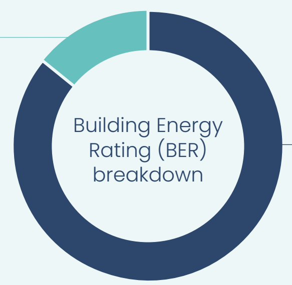
Managing and Delivering Our Buildings Responsibly

A Closer Look at Our Environmental Performance

2022 performance

Shown here is a summary of the key metrics used to measure the environmental performance of our operational portfolio. These measures are reported in line with EPRA Sustainability Best Practices Recommendations Guidelines. For details on our reporting boundaries and performance measure disclosure tables see our ESG report on www.i-res.ie.

BER Certificate Whole Portfolio Coverage*
Delivering high quality homes



* Based on updated calculation methodology post internalisation.

Electricity & GHG
Operational Performance Highlights

Electricity (kWh)

Like-for-like	Absolute
383,715	421,015
425,909 kWh (2021)	510,484 kWh (2021)
10% decrease	18% decrease

GHG (CO_2t)
(Scope 2) (location based)

Like-for-like	Absolute
102	112
126 (2021)	151 (2021)
19% decrease	26% decrease

As a private residential rental provider, we do not directly procure or manage any gas supplies across our portfolio, therefore, gas is not included within the scope of our reporting boundaries.

Figures are for assets wholly-managed by I-RES.

Waste
Operational Performance Highlights

Waste (tonnes)

Like-for-like	Absolute	Recycling rate	Diversion from landfill
628t**	708t	27%	100%
591t (2021)	591t (2021)	27% (2021)	100% (2021)

Figures are for assets wholly-managed by I-RES.

**Like-for-like total waste increased slightly between 2021 and 2022, which is likely to be caused by the continuation of a significant proportion of residents working from home post-COVID.

Our Benchmarking Scores

Our practices and actions are assessed across several ESG rating systems. We have made significant progress across several key ratings criteria, retaining our EPRA Sustainability Best Practices Recommendations ('sBPR') Gold award, and improving our GRESB score from our second assessment in 2021. We continuously review ratings and benchmarks to promote transparency to all stakeholders; accordingly we have completed our first submission to the Carbon Disclosure Project (CDP) in 2022. The business welcomes the scrutiny on ESG practices and we set out an overview of our scores across a range of providers.

ESG Reporting and Assurance

We understand that building robust cross-departmental frameworks, performance monitoring and reporting on data that is comprehensive, relevant, and transparent is vital to enabling us to manage ESG risks and opportunities. We are proud to demonstrate our commitment to transparency by preparing a standalone ESG Report in alignment with EPRA Best Practices Recommendations for Sustainability Reporting (EPRA sBPR) and the United Nations Sustainable Development Goals (SDGs). This can be found on www.i-res.ie

This Sustainability Review should be read in conjunction with our 2022 ESG Report. The ESG Report forms part of I-RES' 2022 annual disclosure and details the progress we have made in reducing the impact of our activities during the year ended 31 December 2022. The ESG Report provides an overview of our priorities and highlights from 2022 on ESG matters relevant to I-RES and the real estate investment industry.

Our environmental, social and governance data are all subject to 'reasonable assurance' verification by Evora Global (Evora), as determined by the AA1000AS Type 2 Moderate level assurance. The assurance statements are published in our latest ESG Report, which is available to download on our website.

	2022	2021
EPRA Sustainability Best Practices Recommendations	sBPR Gold	sBPR Gold; sBPR Most Improved
GRESB Global Real Estate Sustainability Benchmark	59/100	53/100
MSCI ESG Rating Report	BB**	BB
ISS E&S Quality Score**	Environment 6; Social 4	Environment 7; Social 9
Sustainalytics ESG Risk Rating	13.3 Low Risk	22.4 Medium Risk
S&P Corporate Sustainability Assessment	30/100	23/100
CDP Carbon Disclosure Project	We began disclosing to CDP on climate change in 2022. We do not receive a score in our first year, however we will include the result of our 2023 submission in our next annual ESG report	

* Based on last available results
** The highest environmental and social score possible from ISS is 1

Pillar: Building Communities

Our People & Wellbeing

We want to ensure I-RES is a great place to work and it is our responsibility to continue to invest in our employees and to champion an inclusive and diverse culture that attracts, retains and provides growth opportunities to employees. With this in mind, we continuously evolve our initiatives for training and development, health and wellbeing, talent attraction and retention. In 2022 there was a particular focus on sustainability training, which was undertaken by almost all employees.

Our employees are at the heart of our organisation, which is why it is of utmost importance to ensure we maintain a connection with each of them. As previously mentioned, in 2022 a Board Director for Workforce Engagement and Culture was appointed, to listen to the views of our employees and facilitate open communication and a deeper understanding between the Board and all employees. This role will allow us to further our open engagement and transparency throughout the organisation.

In late 2022, I-RES conducted its first annual employee engagement survey as an internally managed Company. Focusing on a range of key dimensions, the survey showed a 91% employee engagement rate and reflects a very high level of job satisfaction and commitment to working in I-RES. To put this into context, we compared against a European average employee satisfaction benchmark of 60%*. This is a particularly proud achievement considering the level of change and transition in I-RES during 2022.

Diversity & Inclusion

I-RES' leadership in Diversity & Inclusion was recognised with two significant awards in 2022.

Setting the tone from the top, I-RES was recognised as a 'Best Practice Leader' in the European Women on Boards Index. This was an assessment of listed companies in the European Stoxx600 Index, supported by the European Commission's Rights, Equality and Citizenship programme. I-RES was one of only two Irish

Team hike in Howth, July 2022

*Qualtrics Employee Experience Trends Report 2023

companies to be recognised as Best Practice Leaders. The prestigious award was celebrated with a webinar from EU Commission President Ursula von der Leyen.

I-RES achieved its silver 'Investors in Diversity' award, reflecting our commitment to diversity and inclusion at every level. As a public-facing service organisation, respect and fairness are at the heart of what we do, and we have in place a range of supports for our employees to ensure we treat colleagues and residents in the most inclusive way. In 2022 49% of the I-RES team identified as female and across the Company we have people from a wide variety of cultures, age groups and professions. We averaged 41* hours training per person, including unconscious bias training for all employees. We are also reviewing all policies and procedures with diversity and inclusion in mind.

Diversity & Inclusion is also a recurring theme in our high-impact programme of partnerships, volunteering opportunities and events that make a significant contribution to communities where I-RES is active. Social integration is at the heart of Co-operation Ireland, which is an all-island peacebuilding organisation and one which I-RES and its employees support through direct engagement with programme participants. Through the Irish Red Cross' Emergency appeal for homes for Ukrainian refugees, we provided apartments for use by displaced people. We also work with Aoibhneas, a charity that provides support to women and children in cases of domestic abuse. We are flagship sponsors of sports clubs such as Naomh Ólaf GAA, an inclusive community club in Sandyford, and we support our Tallaght neighbours Shamrock Rovers football team, with their described audio commentary for visually impaired fans – widening match-day access to the team's diverse fanbase.

Dollymount Strand cleanup, September 2022

Dragons at the Dock, September 2022

*Including training for new systems during implementation phase

Engaging with our stakeholders

I-RES works hard to ensure strong relationships are maintained with all our stakeholders, who include our residents, local communities, investors, suppliers, regulators, and not for profit organisations. We strive to keep open communication with our residents as well as also giving back to the local communities through fundraising and environmental enhancement work.

I-RES' vision is to build great sustainable communities where people want to live and work. We are mindful of our responsibility to continually invest in these communities, as well as the need to champion an inclusive and diverse culture that attracts, retains, and provides opportunities for residents.

We are also alert to the challenges our residents may face with inflation and cost of living increasing, and we are focused on ensuring our residential units with full service represent value-for-money in energy-efficient properties. We look forward to continuing to play an important role in delivering sustainable housing solutions to the Irish market.

Please refer to our ESG Report for details on our methods of engagement, frequency of engagement and the outcomes of our engagement.

Objectives	2022 achievements	Priorities for 2023 & beyond
Customer Engagement & Social Value Measure social value and resident engagement impact to ensure long term positive contribution to the communities where I-RES operates	↘ Conducted annual resident satisfaction survey with 1,209 participants, which indicated improving levels of resident satisfaction and a strong appetite for digital tools ↘ Strengthened property management teams with three Regional Operations offices delivering in-person and online services to residents. ↘ Supported many local community projects and charities including Dragons in the Docks which in 2022 alone raised €364,000 for Dublin Simon community ↘ Contributed 600 staff hours to social impact activities such as community days, beach clean ups and Co-operation Ireland	↘ Deliver the I-RES Living mobile app to enhance service and expand the offering for residents ↘ Implement Customer Service enhancements ↘ Enhance resident engagement approach on ESG ↘ Expand on social value themes/data capture in business processes ↘ Develop quantitative metrics to allow improved measurement of social value and resident engagement initiatives
Employee Attraction and Retention Sustain our 91% employee engagement score by building an excellent culture with a strong focus on employee wellbeing, development, engagement and Diversity & Inclusion credentials	↘ Conducted Employee engagement survey with 88% participation rate and 91% employee engagement rate ↘ Appointed Board Director with responsibility for Workforce Engagement and Culture ↘ Delivered cross-functional training with an average of 41* training hours completed by our employees (including company-wide sustainability training; technology training; and various professional competencies training activities) ↘ Appointed Learning & Inclusion Manager ↘ Achieved Silver Investors in Diversity Award	↘ Enhance employee training and development programme including tailored and targeted ESG training ↘ Reiterate ESG objectives for employees and ensure incorporated in annual performance review ↘ Integrated employee wellness programme including training, events, wellbeing, CEO feedback sessions and access to Board Director with responsibility for Workforce Engagement and Culture ↘ Create volunteering opportunities around cross-functional projects, Green Ambassadors, Diversity committee, external volunteering opportunities ↘ Work towards gold 'Investors in Diversity' Award

* Including training for new systems during implementation phase

Case Study

Placemaking in Tallaght

I-RES is a leading provider of quality rental homes in Tallaght and surrounding areas.

Tallaght is one of the largest suburbs of Dublin - a lively town of 76,000 residents, located in the shadow of the Dublin Mountains. It is known for its lively shopping district "The Square", the Technical University Tallaght, and Tallaght University Hospital. I-RES' properties in the Tallaght are within striking distance of all these amenities, and in particular, I-RES has a close partnership with Tallaght University Hospital.

In recent years, I-RES has been involved in a highly innovative multi-stakeholder project with the hospital which resulted in the opening of the Reeves Day Surgery Centre, a best-in-class dedicated separate surgical hub with Ireland's first digital theatre, located across the road from the main hospital. From an I-RES perspective, the partnership entailed re-purposing 37,000 square feet of retail space to medical usage and collaborating with the project managers GE Healthcare in constructing the facility and providing the technical equipment.

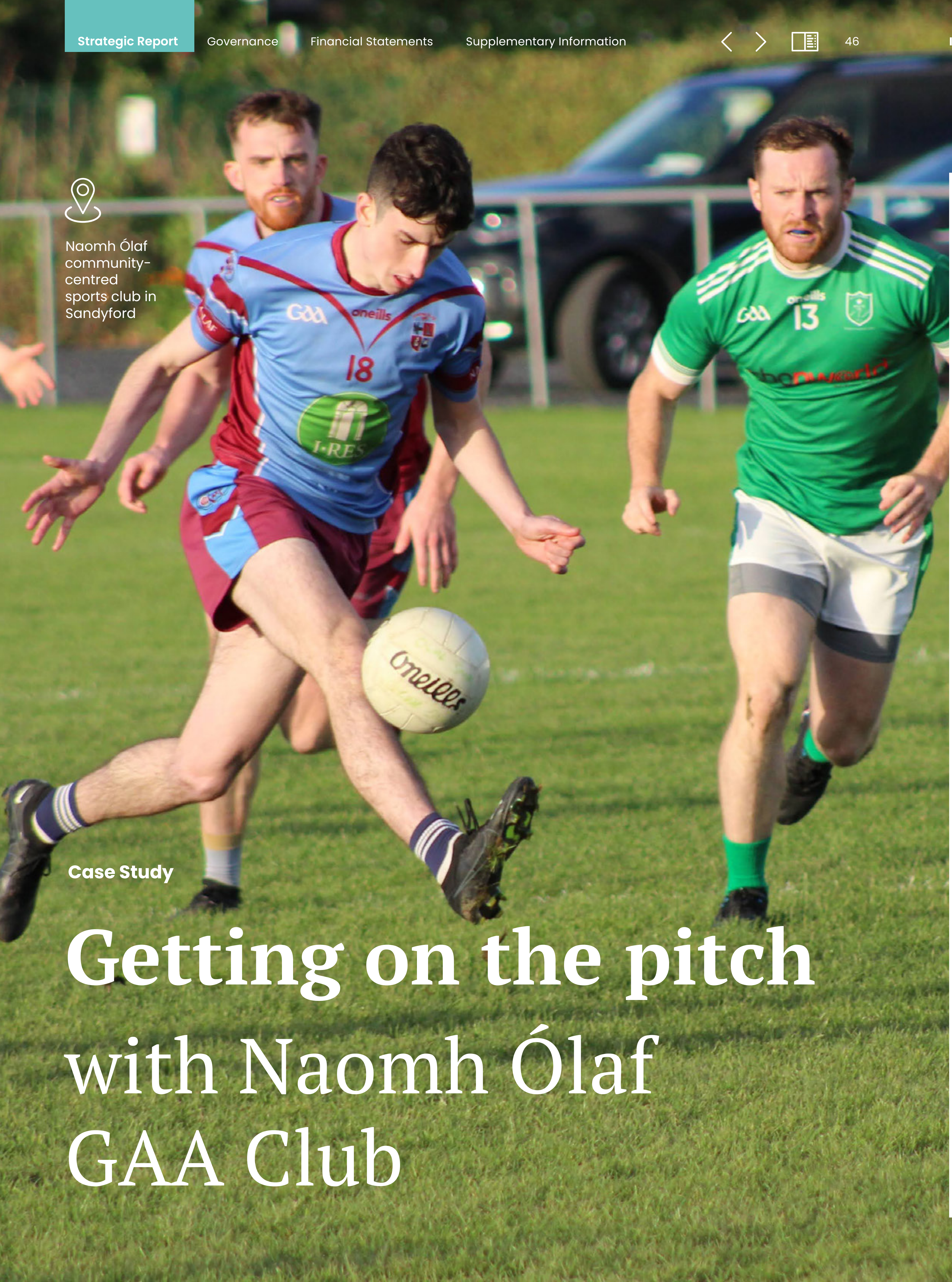
The addition of the centre reduces waiting times for day surgery cases and improves patient care - the off-site facility means day surgery services are not impacted by unexpected admissions through the main hospital Emergency Department, which can lead to day surgery cancellations.

The I-RES partnership with Tallaght University Hospital, OxygenCare Ltd and GE Healthcare was recognised in the HealthTech Ireland Awards in 2022, with a win for the project in the "Excellence in Supply" category. Since opening in December 2020, the Reeves Day Surgery Centre has eliminated long wait times for routine day surgery and increased elective day surgery activity. By the end of its first year, day surgery waiting times had been reduced to the gold standard figure of 12 weeks – a significant contribution to the local community and wider hospital users.

Beyond the partnership with the hospital, I-RES is committed to building strong communities in the Tallaght area. We support local Division 1 football team, Shamrock Rovers, with their audio described commentary for visually impaired fans – widening match-day access to the team's diverse fanbase. We also support Tallaght Community Council, with their "Tidy Towns" environmental initiatives, and in December 2022 supported the "Unwrapped" festival of lights, bringing together many parts of the local community from Ukrainian refugees to I-RES residents, and the wider Tallaght neighbourhood. Into the future we plan to widen our engagement with the Tallaght community with supports for local youth education.


Supporting Shamrock Rovers

The Reeves Day Surgery Centre at Tallaght Cross West



Naomh Ólaf community-centred sports club in Sandyford

Case Study

Getting on the pitch with Naomh Ólaf GAA Club

Naomh Ólaf welcomes people of all ability

I-RES provides nearly 700 apartments in Sandyford

Both I-RES and Naomh Ólaf support the all-Ireland Pollinator Plan

Established in 1981, Naomh Ólaf is a thriving community-centred sports club in the Sandyford area of Dublin, where I-RES provides nearly 700 apartments. It is part of the highly popular Gaelic Athletic Association (GAA), the international amateur sporting and cultural organisation that promotes Irish sports such as hurling, camogie and Gaelic football.

The club is known for its strong community focus and prides itself on "respecting diversity and welcoming boys and girls, men and women of all abilities, needs and backgrounds". I-RES has been title sponsor of Naomh Ólaf since 2017 and in 2022 renewed the partnership for a further five years. The partnership will support the ambitious club in its mission to promote the health and wellness of its 2,600 members ranging from junior camogie players all the way through to Dublin County Senior footballer Davy Byrne. The club now fields 74 competitive teams, including the recently-promoted men's football team, who now play in the top flight of the Dublin Adult Football League.

As part of the partnership with Naomh Ólaf, I-RES promotes the club to residents, many of whom may be new to the Sandyford area – the club is particularly attractive to families with children, who can get involved at any age with the Naomh Ólaf academy while the "Social Hurling" and "Gaelic for Mothers & Others" aim to further open up participation. Both I-RES and Naomh Ólaf are also members of the Sandyford Business District group, which brings together the wider Sandyford community and looks at the future development of this diverse and vibrant suburb.

Naomh Ólaf also shares I-RES' commitment to ESG, with its own Green Charter setting out its commitments. Initiatives such as pocket forests, bee-keeping and careful pitch management has led to the club being referred to as "Dublin's Greenest GAA Club" - a wonderful accolade that I-RES is proud to support.

Business Strategy

2022 was a year of progress and delivery for I-RES. We delivered a strong performance across all key metrics and also completed the internalisation of the management company, which positions us well as we continue to execute on our vision for the business.

In the last year, we have invested in our people and technology, placed a renewed focus on service standards, and further embedded sustainability across all aspects of the business. This investment will enable operating efficiencies, additional revenues and enhanced resident service, whilst also delivering for all our stakeholders.

Our Mission

To invest in the provision of quality professionally-managed homes in sustainable communities in Ireland.

Our Vision

To be the provider of choice for the Irish living sector, known for excellent service and for operating responsibly, minimising our environmental impact and maximising our contribution to the community.

Our Values

Performance

We are committed to delivering for our residents and stakeholders, and take pride in the quality of our service and the expertise of our team.

Integrity

We appreciate the trust placed in us to provide and maintain safe homes. We also recognise our responsibility towards our stakeholders and hold ourselves to the highest standards on their behalf.

Sustainability

We are committed to responsible business that minimises our environmental impact and maximises our contribution to the community.

Respect

We act with empathy and inclusiveness towards our residents, stakeholders and our team.

Agility and Teamwork

We work in an agile, innovative, responsive way to deliver results for our residents and the business.

Aligning Strategy to New Context

The Irish residential rental market continues to exhibit strong market fundamentals despite a challenging and ever-changing geopolitical and macroeconomic backdrop. The demand for high-quality residential accommodation remains strong due to continued population growth, strong employment and strong economic growth in Ireland ahead of the European average.

The I-RES business model is based on a long-term commitment to the residential market and we will continue to pursue strategic pathways that add long-term value.

2022

Delivery on internalisation and growth strategy. Resilient performance. Risk mitigation for emerging macro headwinds.

2023

Macro events driving a year of dislocation and risk management.

2024+

Back to growth with scalable Operating Platform, increasing earnings and steady growing dividend.

Responding to a Changing Landscape

Market

- ↑ Strong market demographics driving demand into medium term
- ↑ Resilient market positioning of mid tier segment underpinned by job creation and economic activity
- ↑ Continuing opportunities

- ↓ Restrictive Rent Regulation - challenging in environment of inflation, increasing interest rates and climate targets
- ↓ Uncertainty of impact of interest rates on future yields
- ↓ Changing macro and policy environment

I-RES

- ↑ Leading provider of residential rental accomodation with full service and scale
- ↑ Unrivalled modern asset portfolio of c. 4,000 units with strong sustainability credentials
- ↑ Internalised management of REIT in 2022
- ↑ Unique scaleable Operating Platform underpinned with latest technology, experienced team and local knowledge
- ↑ Strong execution and operational capability, including talent retention and service focus
- ↑ Financing structure with medium term maturities and 72% hedged against future interest rate increases
- ↑ Dividend policy - Min 85%

- ↓ Increasing cost of capital from interest rates impacting future returns
- ↓ Restrictive Rent regulation cap
- ↓ Share price discount to NAV impacting liquidity and strategy

Strategic Opportunities and Risks*

- ↑ Scale player with prudent balance sheet
- ↑ Vertically integrated operating platform provides revenue and cost management capability
- ↑ Opportunities to meet diversity of demand through a wider range of provision, and within the evolution of the regulatory framework
- ↑ Technology, sustainability and innovation underpinning operational performance excellence aligned with a well developed risk and compliance framework
- ↑ Future opportunities driven by macro factors and dislocations
- ↑ Investment policy incorporating sustainable growth

- ↓ Continuing interest rate increases by central banks impacting future cost of capital
- ↓ Challenging price regulatory system for residential rental sector in Ireland
- ↓ Supply chain and inflation impacts from war and macro economic events impacting future supply and viability
- ↓ Lack of stability and predictability of planning and policy making

* see detailed Risk analysis from page 56.

Strategy Aligned to New Context

Operational Excellence

Maximise NRI margin from Operating Platform, Technology, Sustainability

- Cost efficiencies from supply chain/economies of scale, technology enablement of processes along with a focus on driving ancillary revenue streams
- Enhanced resident service delivery and value through I-RES Living mobile app
- Leveraging Operating Platform for alternative revenue streams
- Enabling talent of I-RES team through Training and Development, ESG and wellbeing
- Sustainability projects to deliver on climate and environmental plans, community building

Asset Management Strategy

Align with new risk environment in 2023 and position for growth opportunities in 2024+

- Data analytics assessment of asset-by-asset performance and sustainability
- Continued asset portfolio optimisation through recycling at accretive returns
- Turn non-income earning assets to value
- Leverage market positioning and operating platform for future growth
- Realign 3-pronged strategy for growth to future landscape
  - Acquisitions = acquisitions (consolidation opportunities), strategic acquisitions in partnership, yield maximisation
  - Development and funding partnerships = Partnering and JV's for new supply/scale, within risk framework and yield maximisation

Regulatory Structure

Regulatory Framework

- Communicate factors such as the challenges presented by existing regulatory rules on residential rents in current economic conditions
- Support the evolution of the regulation system in Ireland to best practice in line with OECD recommendations
- Work with industry bodies such as Irish Institutional Property and Ibec, to further understanding, research and development of sustainable solutions for investment to meet much needed housing demand in Ireland

Capital Management

Align with risk /return

- Dividend Policy of 85% of earnings
- Use excess funds from asset management in following allocation priority:
  - repayment of debt and management of LTV within risk appetite
  - accretive growth within risk framework
  - return of capital - share buyback/special dividend
- Evaluate optimal capital structure for future growth and refinancing
- Active investor relations and stakeholder engagement plan

Sustainability

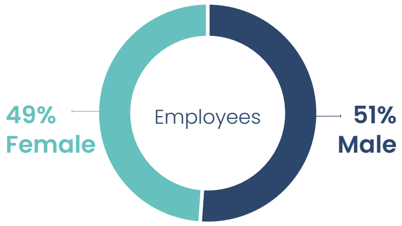
Priority focus on carbon reduction and environmental projects

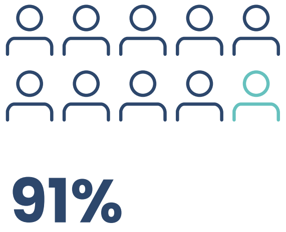
- Data collection in partnership with residents to baseline whole property CO2e
- Setting phased targets
- Evaluating new technologies, collaboration and partnerships to transition from fossil to renewables
- Car sharing and hybrid/electric vehicles rollout following 2022 pilot
- Increased cycling facilities
- Incorporating upcycling and recycling into capital investment and Repairs & Maintence programmes
- Joint partnering with suppliers to deliver on targets

Senior Leadership Team

The Senior Leadership team is responsible for the day-to-day running of I-RES and for executing the strategy. The team manages, monitors and provides the senior leadership input underlying the Company's strategic and business decisions, ensuring strong alignment on business priorities, investments and actions.

I-RES Senior Leadership Team (l-r): Anna-Marie Curry; Alan Kavanagh; Margaret Sweeney; Brian Fagan; Charles Coyle





employee engagement score

Fully integrated local investment & property service business with **95 employees**

Margaret Sweeney
Chief Executive Officer

Margaret Sweeney joined the Board in 2016 and was appointed as Chief Executive Officer in November 2017. Full bio on page 72.

Brian Fagan
Chief Financial Officer

Brian Fagan joined the Company as Finance Director in April 2021 and was appointed CFO and Board Director in April 2022. Full bio on page 72.

Alan Kavanagh
Director of Property Management and Resident Services

Alan Kavanagh has been with I-RES since December 2013, having previously worked in a variety of property roles in the UK and Ireland. He is an Associate member of Society of Chartered Surveyors Ireland and the Royal Institution of Chartered Surveyors.

Anna-Marie Curry
General Counsel & Company Secretary

Anna-Marie Curry was appointed Company Secretary & General Counsel in July 2021. Anna-Marie is a Solicitor, and previously worked with Arthur Cox and joined the Company from her role as Company Secretary and General Counsel with Bord na Móna plc.

Charles Coyle
Director of Investments and Asset Management

Charles Coyle has been with I-RES since December 2014. He previously held senior positions with NAMA and Goodbody Stockbrokers. Charles is a member of Society of Chartered Surveyors Ireland and the Royal Institution of Chartered Surveyors.

Investment Policy

The Group's aim is to assemble a portfolio within its focus activity of acquiring, holding, managing and developing investments primarily focused on residential rental accommodations.

Focus Activity

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

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

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

Gearing

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

Investment Structures

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

Warehousing/Pipeline Agreements

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

Restrictions

Pursuant to the Irish REIT Regime, the Group is required, amongst other things, to conduct a Property Rental Business consisting of at least three properties, with the market value of any one property being no more than 40% of the total market value of the properties in the Group's Property Rental Business. Further, at least 75% of the Group's annual Aggregate Income will need to be derived from its Property Rental Business and at least 75% of the market value of its assets, including uninvested cash, will need to relate to its Property Rental Business. In addition to the foregoing, the Group will not do anything that would cause the Group to lose its status as a real estate investment trust under the Irish REIT Regime.

Changes to the Investment Policy

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

For as long as the Company's ordinary shares remain listed on the Official List of Euronext Dublin, any changes to the Company's Investment Policy must be made in accordance with the requirements of the Listing Rules of Euronext Dublin.

I-RES has invested in accordance with the investment policy. Please refer to the property overview table on page 23 for further details.

Risk Report

The Board has reviewed the effectiveness of the risk management and internal control systems and is satisfied that they are operating effectively.

Risk Management Approach

Managing risk is an integral part of our business and a key to the successful long term delivery of I-RES' strategic objectives. I-RES recognises that its ability to manage risk effectively continues to be central to its success. In general, the Group maintains a conservative approach to risk appropriate to our overall strategic objective of delivering long term sustainable value.

While the Board is ultimately responsible for risk management within the Group, it has delegated responsibility for monitoring certain key areas to Board Sub Committees as outlined in the table on page 57.

The risk management process is designed to identify, evaluate and respond to the significant existing and emerging risks that I-RES faces in pursuing its strategic objectives. While risk can never be fully eliminated, the process aims to understand and appropriately manage and mitigate identified risks, and in that context therefore can only provide reasonable, but not absolute assurance that risks will not materialise. In approaching risk management I-RES actively looks to both manage risk exposure but to also ensure that we make the most of opportunities that arise from a dynamic and changing market environment.

The Board recognises the reality that it has limited control over many of the external risk factors it faces such as macroeconomic, geopolitical, political or regulatory change. However, the Board does actively consider the potential impacts of such changes for the business and what consequential actions may be required.

The more internal facing risks are actively monitored by the Board to ensure that appropriately designed controls are in place and operating to manage them.

The Board carries out a review of the effectiveness of the Group's Risk Management and internal control systems at least annually.

Further detailed commentary on the principal risks facing the group is contained in pages 61 to 69.

Risk Management & Internal Control Systems

Board

The Board has overall responsibility for maintaining and monitoring the Group's system of risk management and internal control and assessing its effectiveness. Such a system is designed to identify, manage and mitigate financial, operational and compliance risks inherent to the Group and allow the Group to meet its strategic objectives.

Board Committees

The Board relies in particular on the Audit Committee to assist with certain responsibilities relating to internal controls, risk management and reporting. Refer to the Report of the Audit Committee on page 86 to 93 for the procedures established by the Audit Committee to discharge these responsibilities.

Management

Management within I-RES are responsible for designing, implementing and operating a system of internal controls to identify, and mitigate key risks facing the Group and allow it to meet its strategic objectives. All functions oversee risks in some respects in carrying out their day-to-day responsibilities.

The Group employs a three lines of defence approach to risk management in line with established best practices. This approach has been implemented to ensure there is clear ownership and delegation of responsibility for the management and oversight of risk throughout the Group.

1st	2nd	3rd
Management & Employees	Risk & Compliance	Internal Audit

Delivery of risk and control processes is supported by a combination of experienced personnel in key positions, clearly documented and communicated processes and procedures, and enabling technology to support operational delivery.

Entity Level Controls

- Board oversight of Management and financial, operational and compliance matters
- Experienced personnel and oversight established by Management
- Tone at the top
- Defined structure and clear lines of authority
- Communication and disclosure controls such as management meetings and compliance certifications

Policies and Procedures

- Corporate governance policies
- Code of Conduct and Employee Handbook
- Signing Authority and Delegation
- Policy governing day-to-day transactions and larger corporate initiatives
- Risk management and regulatory monitoring practices
- Investment decision policies, including due diligence policies and procedures
- Financial reporting and risk management processes
- Asset valuation procedures
- Operations policies and practices
- Information technology and security policies and procedures

Process Controls

- Preventative, detective and corrective financial, compliance and operational transaction level controls
- Information technology controls surrounding key financial and operational systems
- Establishing and monitoring budgets and business plans, including consideration of risk
- Monitoring of financial results and key operational, financial and compliance performance indicators (e.g. net asset value, net rental income, capitalisation rates, occupancy, average monthly rents, gearing and debt covenant compliance, revenue collectability and REIT status compliance)

The risk assessment and management process incorporates both a top-down and bottom-up evaluation to identify key risks that require to be actively monitored and mitigated. The output from this process is consolidated to determine the principal risks and uncertainties for the Group prior to submission to the Audit Committee and Board for final approval. The results of this risk assessment process and a summary of the key and emerging risks in the risk register are presented to the Audit Committee and the Board on a quarterly basis. The risk assessment process and risk register also assist the Board in determining the Group's principal risks and uncertainties, which have been included on pages 61 to 69.

Key process owners are responsible for maintaining a risk register consisting of key strategic, operational, financial, compliance and regulatory risks impacting the Group along with associated mitigating controls. Throughout the year, the risk management function meets with process owners to maintain the risk register and incorporate any changes to risks, including any new or emerging risks and mitigating factors or controls. This risk register and related assessments include content and discussion relating both to principal risks as well as other key business risks, including emerging risks. While emerging risks may not always become principal risks, they are identified and monitored throughout the year by process owners, since they may require actionable mitigation activities. In addition to discussion with process owners, the risk management function may also seek guidance from outside advisors in relation to certain inherent, external, technical or emerging risks.

I-RES' risk management function is also responsible for assessing the Group's risks that require insurance and ensuring that adequate cover is procured to protect the Group from significant exposures. From time to time, I-RES' risk management function engages third party expertise to assist it in carrying out risk assessments and to provide risk advisory services, as well as in procuring optimal insurance coverage for the Group on the most cost effective basis.

The Board is satisfied that I-RES' risk management function has the necessary authority, resources, expertise and access to relevant information to fulfil its role and is operating effectively as at the date of this Report.

The Group has established an internal audit function in order to assist the Audit Committee and Board assess the effectiveness of the Group's risk management and internal control systems. This role is currently outsourced to the professional services firm EY Ireland.

The mandate of the internal audit function includes auditing the design and operating effectiveness of key operational, financial and compliance related internal controls making up risk mitigation activities. The internal audit function has adequate authority and access to personnel, processes, and records in order to perform its work and meets with the Group's external auditor to discuss internal control and audit matters. Additionally, the Group's external auditor has access to the internal audit function's findings and reports. It presents quarterly to the Audit Committee on its work related to the internal controls of the Group. The Audit Committee has direct access to the internal audit function through quarterly Audit Committee meetings, including in-camera sessions as required.

Furthermore, the Audit Committee plays a key role in assessing the annual internal audit plan proposed by the internal audit function and also in reviewing any significant findings resulting from the audit work carried out under this plan.

In addition to the above, I-RES engages third party expertise, where needed, to assist in carrying out processes and to provide advisory services. The Board has appointed two independent external third-party valuation firms to provide valuations of the property related investments of the Group. Management reviews the assumptions and inputs used by the third-party valuation firms, as well as the results of their valuation process. Additionally, the Group has a rotation policy for its third-party valuation firms.

In respect of key IT infrastructure and Applications I-RES utilises two recognised industry leading providers in Microsoft and Yardi to provide best in class, resilient cloud-based platforms to underpin our operations. In addition, specialist expertise is in place in the areas of IT and Cyber strategies, and operational management of the platforms, to support our internal team in assuring the confidentiality, integrity and availability of the Group's infrastructure and key systems.

Taking into account the information on principal risks and uncertainties provided and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board, the Board:

- is satisfied that it has carried out a robust assessment of the principal risks and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- has reviewed the effectiveness of the risk management and internal control systems, including all material financial, operational and compliance controls (including those relating to the financial reporting process), and no material failings or weaknesses were identified.

Beechwood Court, Stillorgan

101

Residential Units

Going Concern Statement

The Directors, after making enquiries, reviewing assumptions and considering options available, have a reasonable expectation that the Company, and the Group as a whole have adequate resources to continue operating for at least 12 months.

For this reason, the going concern basis of accounting continues to be adopted in preparing the financial statements included in this Report. The Group's projected financial results and position set out in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows are rigorously tested by management and the Directors.

Sensitivity analysis has been applied to reflect the potential impact of some of the principal strategic and commercial risks of the Group, as described on pages 61 to 69. The principal strategic and commercial risks that were factored into the analysis were the economy, inflation and regulation/legislation. Sensitivity analysis included stress testing for a decline in revenues to ensure the Group has sufficient cash resources to continue in operation for at least the next 12 months given the ongoing volatile macroeconomic and geopolitical landscape and its potential impact on the overall economy.

After reviewing assumptions about future trading performance, valuation projections, capital expenditure and debt requirements expected within the next three years and the options available to it, the Directors have a reasonable expectation that the Group will have sufficient funds available to meet liabilities as well as other planned expenditures as they fall due in the foreseeable future. The Directors also considered potential business, credit, market and liquidity risks, including the availability and repayment profile of bank facilities and other debt obligations, as well as forecast covenant compliance. Based on the above, the Directors continue to adopt the going concern basis of accounting for the preparation of the financial statements for the year ended 31 December 2022.

Viability Statement

Assessment of prospects

The Group's strategy is outlined from page 48. Under this strategy, the key factors underlining the Group's prospects are:

- Growth: The Group is targeting organic net rental income growth supplemented by increased income from acquisitions and development of assets.
- The Changing Landscape: The Board has considered the changes in the risk profile of the Group that this entails and has determined that they are acceptable in the context of the risk profile of the Group as a whole.

The assessment period

The Group's viability assessment includes the budget for the next financial year, together with a forecast for the following two financial years.

Achievement of the one-year budget has a greater level of certainty and is used to set near-term targets across the Group. Achievement of the three-year plan is less certain than the budget but provides a longer term outlook against which strategic decisions can be made.

The Directors concluded that three years was an appropriate period for the assessment given that this is the key period of focus within the Group's strategic planning process, and it fits well with the Group's development cycle. The objectives of the strategic planning process are to consider the key strategic choices facing the Group and to build a consolidated financial model with various stress scenarios, considering the principal risks and uncertainties facing the Group.

The assessment and key assumptions

Detailed financial forecasts are prepared and subjected to a rolling forecast process throughout the year. Subsequent years of the forecasts are extrapolated from the first year, based on the overall content of the strategic plan. Progress against financial budgets and key objectives is reviewed in detail on a monthly basis by the Group and shared with the Board on a quarterly basis. Mitigating actions are taken, whether identified through actual trading performance or the rolling forecast process.

The key assumptions within the Group's financial forecasts include: organic revenue growth supplemented by investment in acquisitions and development, supported by market trends, impact of inflation on our cost base, projected interest rates and valuation of our portfolio.

Assessment of viability

The viability assessment has considered the Group's profitability, capital values, gearing, cash flows and other key financial metrics over the period. These metrics are subject to sensitivity analysis, in which the underlying assumptions are flexed based on some of the principal risks of the Group, as described on pages 61 to 69, to reflect a comprehensive range of possible outcomes, particularly assessing the Group's REIT and financial covenants.

Under the stressed scenarios, the Directors believe that the Company can mitigate for liquidity and cash flows by a reduction in discretionary capital expenditure, disposal of assets, further equity raise to deleverage if required and deferral of future commitments. In addition, repair and maintenance expenses and property management expenses which are two significant components of the operating expenses are, to a certain extent, variable expenses that can be managed to reduce costs. The Group is not required to renew any of its debt obligations by the end of the assessment period. The Directors have assessed the viability of the Group over a three-year period to December 2025, taking account of the Group's current position and the potential impact of the principal risks. While the sensitivity analysis is hypothetical, the Group has control and mitigation measures in place to withstand or avoid potential unfavourable impacts under the scenarios, such as reducing non-essential expenditure, disposal of assets and deferral of acquisitions and development. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue to sustain its operation and meet its liabilities as they fall due over the period to December 2025, and meet its financial covenants. The Group has a strong balance sheet, with no near-term debt maturities, and currently has sufficient headroom on its RCF.

In making this statement, the Directors have considered the resilience of the Group, its current position, the principal risks facing the business in severe but reasonable scenarios, and the effectiveness of any mitigating actions.

Principal risks and uncertainties

The Directors of the Company set out overleaf the principal risks and uncertainties that I-RES is currently exposed to and that may impact performance in the coming financial year. I-RES proactively identifies, assesses, monitors, and manages these risks. The principal risks and uncertainties, along with their strategic impact on the business and mitigating factors, have been outlined overleaf. I-RES has also provided its belief on how the risk has trended during the year ended 31 December 2022.

Geopolitical Instability, Economy, and Inflation

Continuing heightened levels of global instability in economic and geopolitical arenas lead to a general weakening of the Irish economy and increasing inflation.

Strategic impact	**High** Reduced economic activity could have a negative impact on business performance, asset values and net rental income, which could affect cash flows going forward. In addition, inflationary increases in respect of input cost and payroll in excess of rent inflation would put downward pressure on NRI and earnings.
Mitigation Strategy	On an ongoing basis there is active monitoring of business performance, economic and macro environment reviews and residential sector developments, with reports to the Board on a regular basis. The Board regularly considers the wider economic and macro-outlook and its impact on I-RES' strategy and budgetary processes. We continue to monitor the impact that changes in inflation and interest rates are having on our sector. I-RES' business is primarily focused on the greater Dublin area, which continues to be economically resilient. Demand for I-RES' properties continues to far outstrip supply, with occupancy of 99.4% as at 31 December 2022, (99.1% at 31 December 2021). There is also strong continuing focus on active cost control within the day-to-day business operations. The Company retains its strong financial position, with a prudent balance sheet and ample liquidity. The business has entered into interest rate hedging arrangements in relation to its Revolving Credit Facility (RCF) which has resulted in 72% of I-RES's total drawn debt being fixed at 31 December 2022. I-RES has no debt maturities until April 2026 with laddering out to 2032.
Risk Trending Since 31 December 2021	▲ **Increasing** The continuing level of global uncertainty, in particular in the European context and the economic implications of the Russian invasion of Ukraine, have had a knock-on impact on key economic metrics. While the impact of covid and related pandemic concerns has reduced over the last year the continuing uncertainties are being reflected in impacts such as increasing interest rates, unstable energy costs, and high inflation levels. Operating cost pressures will continue to emerge during 2023 in response to ongoing inflationary pressures.

Access to Capital

The ability to access capital may become limited, which would impact the growth strategy of I-RES.

Strategic impact	**Medium** If I-RES is unable to source debt financing at attractive rates or raise equity, it may not be able to meet its growth objectives through acquisitions and development or preserve its existing assets through maintenance or capital expenditures.
Mitigation Strategy	The CEO and CFO have developed relationships with lenders, both in Ireland and internationally, which provide ongoing financing possibilities for I-RES. The quality of the I-RES property portfolio and the gearing target of 45% on total assets (particularly apartments) are attractive credit characteristics for potential lenders, which to date have facilitated the raising of debt financing. I-RES currently has a revolving credit facility of up to €600 million and Private Placement Notes of c.€200 million. I-RES invests in properties that generate a strong rate of return for its investors and, in turn, increases the attractiveness of its shares and dividends. I-RES actively manages its liquidity needs and monitors capital availability.
Risk Trending Since 31 December 2021	▲ **Increasing** As at 31 December 2022 I-RES had drawn on its credit facility in the amount of €457 million and Private Placement Notes of c.€200 million. I-RES continues to monitor liquidity needs to ensure that future capital requirements are anticipated and met within the limits of its leverage thresholds. Based on its financial position and performance, as well as its relationships with lenders and current and potential investors, I-RES believes that it can obtain debt financing and seek to raise equity should a qualifying project be identified.

Political, Regulatory and Legislative change

The government may introduce legislation, including tax and rent legislation that has an adverse impact on the performance of I-RES.

Strategic impact	**High** There is a clear need for stability in relation to all aspects of the regulatory, policy and planning environment, to enable companies to accurately factor in the market backdrop in their investment and operational decision-making. There is currently a range of structural issues relating to the provision of housing which is resulting in a supply imbalance in the market. The delivery of affordable residential housing remains a key challenge and there will continue to be a requirement for well capitalised companies who can both fund large scale developments and professionally manage these residential units upon completion. Changes in policies or regulatory requirements can delay or prevent investment decisions and impact on the attractiveness of Ireland as a preferred destination for domestic and international investment. Changes in Government policies can materially impact on sector performance. The industry currently faces an environment of increasing costs of financing and operation, while at the same time having legislative constraints on revenues. Also, if there are changes to tax policies and/or the tax treatment of I-RES' income, these may decrease the attractiveness of the Company as an investment to current or potential shareholders. Also, as legislation changes, we may have to incur incremental costs to comply with new requirements, such as staff training, modification of procedures and technology systems, and consultations with professional advisors.
Mitigation Strategy	I-RES takes account of current regulations, rent legislation, as well as the wider economic environment, in considering its strategy, its investment decisions, expectations of financial performance and growth. If any new legislation is enacted, relevant staff will receive training and education in order to ensure compliance with regulations and legislation. I-RES also monitors and manages costs keeping in mind any limitations on revenue growth. The Company engages a public affairs firm to advise in relation to these matters, as well as actively participating in industry groups to ensure ongoing consultation and engagement with relevant authorities, regulators and government departments on significant policy and regulatory matters likely to impact on the Company's affairs.
Risk Trending Since 31 December 2021	▲ **Increasing** There continues to be a significant supply constraint in the Irish housing market, coupled with increasing demand due to population growth and other demographic factors. In September 2021, the Government introduced a new housing policy to 2030, 'Housing for All – a New Housing Plan for Ireland', which is a multi-annual, multi-billion-euro plan to "improve Ireland's housing system and deliver more homes of all types for people with different housing needs". However, housing continues to be a significant political issue and the Government continues to look to identify measures to increase direct supply of social and affordable housing including in partnership with the private sector.

RESIDENTIAL RISK				
High	Medium	Low		TREND
▼	▼	▼	Decreasing	
◀▶	◀▶	◀▶	Stable	
▲	▲	▲	Increasing	

Growth Pipeline ▲

Investment opportunities may become limited and as a result I-RES may not grow its number of apartments relative to the past if there is a lack of development and acquisition opportunities. Additionally, investment opportunities could be limited if they become overly costly or there is excess demand.

If growth opportunities are limited, it may impact I-RES' ability to generate growing returns for its shareholders.

Strategic impact	**Medium** I-RES may not meet its performance targets if it cannot continue to grow its overall portfolio, or if there are material cost overruns in excess of budget estimates for development or maintenance works, unanticipated delays in securing planning permissions or delays in timelines for construction works associated with new development or maintenance projects.
Mitigation Strategy	I-RES has continued to be a sought-after investor for new investment opportunities that arise in the market. The Company has deep market knowledge and has established strong industry relationships, which can provide new growth opportunities. Additionally, I-RES has dedicated staff focused on identifying and evaluating a pipeline of acquisition and development opportunities. I-RES focuses on a three-pronged strategy for growth. This involves acquisitions, development opportunities within existing assets, and partnering with developers in relation to new development opportunities. However, there are clear sectoral issues with the current underlying economic challenges facing residential property developers that are significantly constraining the availability of an active pipeline of relevant development projects. These are driven by factors such as revenue constraints, escalating construction costs, increasing interest rates, accelerating inflation, ongoing planning challenges and constriction in the capital available to fund schemes.
Risk Trending Since 31 December 2021	▲ **Increasing** Completed assets at competitive cost are currently in limited supply, and new supply is coming online more slowly than expected. Growth opportunities will be there in the medium to long term for organisations with a strong balance sheet, access to capital and a proven record of successful acquisition and integration of new assets into a professionally run portfolio. However, in the short to medium term this impacts on current growth opportunities. I-RES currently has reduced exposure in respect of construction cost escalation in this area as the only active project I-RES currently is involved with is due to complete in the second half of 2023 on conclusion of phase 2 of the Ashbrook development. I-RES will monitor and adapt to impacts on the supply of construction labour and materials, both for development operations and any ongoing repair and maintenance related activity.

RESIDUAL RISK				
High	Medium	Low		TREND
▼	▼	▼	Decreasing	
◀▶	◀▶	◀▶	Stable	
▲	▲	▲	Increasing	

Cost of Capital, Interest Rate Increases and Loan to Value Ratio ("LTV") ▲

A fundamental facet of I-RES' business relates to the cost of capital it deploys and its leverage level. Interest rate increases, and/or property valuation decreases, result in higher debt service costs and restriction of future leveraging opportunities due to its regulatory requirement to maintain LTV below 50%.

Strategic impact	**Medium** I-RES is exposed to risks associated with availability of capital (equity and debt) and movements in interest rates on its floating rate bank debt, as well as movements in property valuations. Significant Increases in interest rates, and the cost of equity, could affect I-RES' cash flow and its ability to meet growth objectives or preserve the value of its existing assets. Elevated interest rates clearly represent a significant downside risk as it impacts both on the costs of existing borrowing, the cost of raising new funding and the viability and return available from new opportunities in the market. Additionally, property valuations are inherently subjective but also driven by market forces. A contraction in property values could make I-RES too highly geared, which could result in higher interest costs and potential covenant breaches.
Mitigation Strategy	I-RES has a proven record of strong financial results. Strong results, combined with being in a residential industry with a strong underlying market, helps manage our ability to meet shareholders' expectations and thus, the cost of equity. As noted in the access to capital heading, I-RES has developed strong relationships with lenders, both in Ireland and internationally, which provide ongoing financing possibilities for I-RES. The Company's Revolving Credit Facility is €600 million with the interest margin fixed at 1.75%, plus the one-month EURIBOR rate. On 11 February 2022, the Company exercised an option for an extension for the entire €600 million facility with the new maturity date of 18 April 2026. I-RES recently entered into interest rate hedging arrangements in relation to its Revolving Credit Facility ("RCF") which has resulted in 72% of the Company's total drawn debt being fixed. I-RES completed a private placement of Notes of circa €200 million equivalent in March 2020, with a weighted average fixed interest rate of 1.92% inclusive of swap costs. The Notes have a laddered maturity over six, nine, and eleven years, with the first repayment due in 2027. As of 31 December 2022, the Company has c.€7 million of cash and €147 million of committed undrawn debt under its Revolving Credit Facility. I-RES maintains an active programme of engagement with its debt and equity providers, including an ongoing Investor Relations programme. I-RES' loan to value ratio was 43.3% as at 31 December 2022, below the 50% maximum allowed under the Irish REIT rules and the financial covenants under I-RES' debt agreements. The Company also manages its headroom on its interest coverage ratio. I-RES closely monitors property values by updating its property valuations twice annually using two independent property valuation firms.
Risk Trending Since 31 December 2021	▲ **Increasing** Capital markets in the early part of 2023 continue to be constrained in terms of overall liquidity. 2022 saw a succession of interest rate increases by central banks across the world to address rising inflation. This included the European Central Bank who raised their rates for the first time in 11 years. While there are some positive indicators that the level of volatility may be stabilising given the continuing uncertainty the risk of further increases continues to persist. The valuation of the portfolio as at 31 December 2022, when compared to year-end 2021 has increased, albeit this is driven by acquisition activity. A fair value loss has been recorded in the year ended 31 December 2022 which has negatively impacted the loan to value ratio. The decrease in valuation is due to a softening of yields particularly driven by the previously mentioned interest rate increases.

Cybersecurity and Data Protection

Failure to have in place appropriate cyber security and data governance frameworks and arrangements, both internally and with its service providers, could result in the Group's data being subject to a cybersecurity attack leading to disruption of service and / or loss of confidential commercial or personal information.

Strategic impact	**Medium** Failing to have in place and comply with appropriate cyber security data protection requirements and practices could lead to outcomes such as disruption of service, unauthorised access to data and possible fraudulent activities surrounding confidential/non-public business information or personal data, particularly that belonging to I-RES' residents. This could result in direct losses to stakeholders, penalties to I-RES for non-compliance, potential liability to third parties and reputational damage to I-RES. Inadequate security on systems by IT providers could result in cybersecurity breaches.
Mitigation Strategy	I-RES continues to monitor for threats posed from the external cyber risk landscape, and to invest in our controls around information technology. As part of the internalisation process, there has been a significant focus on cyber capability and IT resilience, with the development of an enhanced Cyber Security Framework during 2022. This framework forms the basis for future iterations of I-RES' Cyber Strategy. I-RES is responsible for data privacy and protection as a data processor and remains adaptable either itself or through its sub processors to ongoing technological and legislative change. Employees receive regular awareness training on cybersecurity, privacy, and data protection. Access to personal data is controlled through physical measures (e.g. locked offices and storage locations, alarm monitoring, cameras), administrative measures (e.g. data minimisation, data retention policies, data destruction practices, and audits) and IT security measures (e.g. password protection, firewalls, antivirus software, intrusion detection and encryption). Cyber security personnel and third-party consultants/advisors are engaged where required, to assist with assessing and managing IT environment and cyber risks. I-RES maintains cybersecurity insurance coverage and continues to monitor and assess risks surrounding collection, processing, storage, disclosure, transfer, protection, and retention/destruction practices for personal data.
Risk Trending Since 31 December 2021	**Stable** As technological change has occurred at a rapid pace, the inherent risks surrounding cybersecurity and data protection have also evolved and continue to evolve at an equally rapid pace. European Union Data Protection legislation (e.g. General Data Protection Regulation and ePrivacy) is increasing in prescriptiveness, obligation, and administration. Additionally, issues such as vendor risk complexities, and phishing and social engineering attempts continue at an accelerating pace due to criminal online "business models" focusing on high volume/quick hit ransomware deployment and basic financial fraud via wire transfer.

RESIDUAL RISK				
High	Medium	Low		TREND
▼	▼	▼	Decreasing	
◀▶	◀▶	◀▶	Stable	
▲	▲	▲	Increasing	

Concentration Risk

The Dublin market experiences material circumstances that results in lower occupancy or demand for rental properties.

Strategic impact	**Medium** A lack of geographical or asset diversification could lead to a material financial impact to I-RES in the event of a decrease in occupancy or lower rents in the Dublin market.
Mitigation Strategy	Dublin has continued to be an economically resilient market, with a continuing demand for accommodation reflected in our high occupancy rates. The existing portfolio is diversified across various districts within Dublin, providing a geographical spread across the greater Dublin area. Further capacity is expected to come online in the second half of 2023 on completion of the next phase of the Ashbrook development. The Company also owns property in Cork and continues to consider opportunities that may arise over time in other areas of Ireland with strong economic fundamentals. The Board continuously reviews and receives updates on economic, demographic, social, legal and policy changes or trends that could impact on I-RES' strategy and business performance. There is ongoing monitoring of both supply and demand for rental apartments in operating areas where I-RES' investment properties are located, with reporting on key metrics around investment performance and risk, as well as compliance with I-RES' stated investment policy, on a quarterly basis to the Board.
Risk Trending Since 31 December 2021	**Stable** Residential real estate and economic fundamentals in key urban areas in Ireland continue to remain strong including continued population growth. The level of concentration in the Dublin market is within I-RES' risk appetite given the diversity of locations across the city and county as well as the ongoing growth in investment, population, and economic activity in the Greater Dublin Area.

Regulatory and Legal Compliance

Potential breaches of laws and regulations could result in litigation or investigations, the imposition of significant fines, sanctions, loss of REIT status, adverse operational impact, and reputational damage.

Strategic impact	**Low** I-RES is subject to a wide variety of laws and regulations (including those applicable to it as a listed company) which vary in complexity, application, and frequency of change. Non-compliance, depending on the scale of the incident, could result in significant impacts including penalties/loss of regulated status.
Mitigation Strategy	There is proactive monitoring of I-RES' compliance with the rules and regulations across key areas of activity, including the REIT rules and Tax legislation. This includes an independent tax review of compliance with the REIT rules. The results of these compliance reviews are reported to senior management, the Audit Committee and the Board on a quarterly basis, at a minimum. Within the business there are legal, risk and compliance personnel who monitor both compliance with current requirements and any impending or emerging changes in rules and regulations or tax policies that may impact on the organisation. There is ongoing monitoring of I-RES' compliance with the rules and regulations affecting I-RES' status and regular reviews of how I-RES' planned operations may impact compliance with these rules. The results of these compliance reviews are reported to the Board on a quarterly basis, at a minimum.
Risk Trending Since 31 December 2021	**Stable** I-RES does not believe the risk of non-compliance has changed from last year and the Audit Committee continues its review and monitoring as well as taking expert advice when necessary.

Environmental Sustainability ◀▶

Failure to respond appropriately, and sufficiently to environmental sustainability risks or failure to benefit from the potential opportunities could lead to adverse impact on reputation, property values, and shareholder returns.

Strategic impact

Medium

There is an increasing exposure to environment and climate-related risks across the portfolio.

The environmental risks/opportunities include, but are not limited to, management of resource use (energy, water), waste disposal, material sourcing and use, greenhouse gas emissions and other impacts from operating, maintaining, and renovating our properties.

The climate-related risks/opportunities include, but are not limited to, more extreme and volatile weather events, changes in regulations or government policies, reputation management, market demand shifts, developing technology, and investor pressure and expectations.

Mitigation Strategy

The Board of the Company has in place a sustainability committee (the "Board Sustainability Committee") which among other duties is responsible for developing and recommending to the Board the Company's ESG strategy, policies, risks, targets, and investment required to achieve the Company's ESG strategy.

Additional working groups have been established to drive management, and asset level ESG strategy and monitor environmental and sustainability metrics. There is active engagement between the working groups and the Board.

The Company produces an ESG Report annually with key data and performance points which are externally assured and has recently completed a materiality assessment, a key tool to deliver on its multi-year ESG strategy. There is ongoing monitoring of both supply and demand for rental apartments in operating areas where I-RES' investment properties are located, with reporting on key metrics around investment performance and risk, as well as compliance with I-RES' stated investment policy, on a quarterly basis to the Board.

Risk Trending Since 31 December 2021

◀▶ **Stable**

The Company and the Board continue to monitor the Company's environmental sustainability performance and mitigating actions, and will continue to monitor for changes to legislation, regulation, and policy impacting environmental and sustainability issues.

Additionally, the Company benchmarks its environmental, social and governance (ESG) reporting against industry benchmarks.

RESIDUAL RISK				
High	Medium	Low		
▼	▼	▼	Decreasing	TREND
◀▶	◀▶	◀▶	Stable	
▲	▲	▲	Increasing	

Acquisition Risk ◀▶

Investment decisions may be made without consideration of all risks and conditions.

Strategic impact

Medium

Investment assets may decrease in value or result in material unanticipated expenditures after acquisition because of unknown risks and conditions at the time of purchase, including structural deficiencies or non-compliances with building code.

Mitigation Strategy

The Board must approve material development opportunities prior to commencement and all material contracts are executed by the Board. The CEO and Board reviews and approves investment proposals for over €1m, including consideration of risks during the due diligence process. A full review is completed in respect of the anticipated current and future income expectations and operational costs associated with acquiring and managing assets.

I-RES engages subject matter experts in conducting financial, legal, operational, technical, and environmental due diligence on every investment opportunity (both acquisitions and development projects) to determine its fit with I-RES' stated investment policy. The Company has in place framework agreements with third party experts for conducting technical and engineering studies and investigations on potential acquisitions, developments, or forward purchase contracts as well as engaging specialist property lawyers to conduct legal due diligence and to advise on purchase and development contracts.

Risk Trending Since 31 December 2021

◀▶ **Stable**

I-RES' due diligence practices have not changed since last year as they continue to be consistent with industry norms and align with I-RES' risk appetite.

Major Safety, Health, Environmental or Asset loss incident ◀▶

Failure to respond appropriately to a Major Safety, Health, Environmental incident or to the loss of a material asset leading to adverse impact on reputation, property values, and shareholder returns.

Strategic impact

Medium

Failure to respond appropriately to a major site-based incident, and in particular failure to identify, mitigate and/or react effectively to a major health, safety, or security incident, leading to:

- Serious injury, illness, or loss of life
- Delays to major building projects
- Access restrictions to our properties resulting in loss of income
- Inadequate response to regulatory changes
- Reputational impact

Could result in impacts in terms of loss of income, impact on share price, loss of stakeholder confidence, and criminal/civil proceedings.

Mitigation Strategy

Health and Safety is a core consideration in all management activity, and the protection of the health and safety of our residents, staff and the public are an area of continual focus. I-RES complies with relevant regulation in particular in key areas such as fire safety and housing standards.

The operations team is staffed by experienced industry professionals who are based on site at the locations they are responsible for. In addition to ongoing monitoring of our sites, procedures include an annual safety assessment at letting unit level. This team is also supported where necessary by specialist contractors / suppliers in respect of the ongoing maintenance of our sites. There is also ongoing engagement on Health and Safety issues with Owner Management Companies (OMC's) and Managing Agents on sites not wholly managed by I-RES.

All sites are fitted with fire detection systems which are subject to ongoing monitoring and quarterly testing.

Emergency response arrangements are in place as part of the business continuity and crisis management framework and are aligned to best practice procedures.

Risk Trending Since 31 December 2021

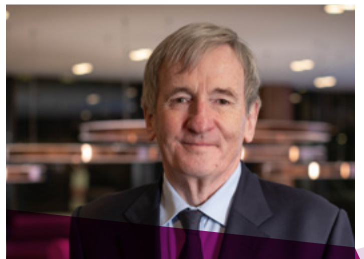
◀▶ **Stable**

The company has a proven record of the successful management of its portfolio of properties over an extended period. With successful completion of the internalisation process all elements of this activity are now within the direct control of I-RES. The safe management of our sites in compliance with relevant regulations and requirements remains a key and ongoing priority for the organisation.

2 Governance

In this section:

Board of Directors



Declan Moylan

Independent Non-Executive Chairman

Appointed 31 March 2014

Declan Moylan is a former Managing Partner and Chairman of Irish law firm Mason Hayes & Curran. During his legal career his practice focused on advising international corporates establishing businesses in Ireland.

Mr. Moylan has extensive Board experience in commercial and not-for-profit organisations. He is currently a Director of Nitro Software EMEA Limited, the Europe, Middle East and Africa division of Nitro Software Limited, which listed on the Australian Securities Exchange in 2019, and Monster Energy Limited, subsidiary of Monster Beverage Corporation of Corona, California listed on NASDAQ.

Mr. Moylan is Chairman of Corum Butler QIAIF ICAV, an investment fund focused on real estate assets across the eurozone. He is a member of the Audit Committee of the Office of Director of Public Prosecutions which supervises Irish State prosecutions in criminal matters, election and referendum petitions.

Margaret Sweeney

Executive Director and Chief Executive Officer

Appointed 23 March 2016

Margaret Sweeney was appointed as the Chief Executive Officer of the Company on 1 November 2017. Ms. Sweeney has held a number of senior executive and non-executive positions including Chief Executive Officer of DAA plc (Dublin Airport Authority), Chief Executive Officer and Board Director of Postbank Ireland Limited, and Director of Audit and Advisory Services at KPMG, a firm she worked with for 15 years.

Ms. Sweeney is currently a Non Executive Director on the Board of Dalata Hotel Group plc and Chair of the Board of Irish Institutional Property, real estate association.

Ms Sweeney is a member of the Council of Chartered Accountants Ireland, a Fellow of Chartered Accountants Ireland and a Chartered Director of the Institute of Directors.

Brian Fagan

Executive Director and Chief Financial Officer

Appointed 11 April 2022

Brian Fagan joined the Company as Finance Director on 26 April 2021 and was appointed as CFO on 11 April 2022.

Mr. Fagan has extensive commercial and financial experience having worked at Board Director/Senior Executive level across a variety of industries from property investment and development, healthcare manufacturing and distribution, oil and gas importation and distribution, agribusiness and manufacturing.

Prior to joining the Company Mr Fagan was CFO for Island Capital and prior to that was Group Finance Director of Ballymore Group, an international property development and investment group with operations in Ireland, the United Kingdom and continental Europe. He also previously worked for DCC plc and acted as Finance Director of Flogas plc. Mr. Fagan has served as an Executive and Non Executive Director on a number of Boards including as Chairman and Director of an ICAV.

Mr Fagan is a Chartered Accountant and holds a B.Comm and a post-graduate Diploma in Professional Accounting from UCD.

Key to Board Committees

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Sustainability Committee
- C Chair of a Committee
- Senior Independent Director

Aidan O'Hogan

Independent Non-Executive Director and Senior Independent Director

Appointed 31 March 2014
Retiring 4th May 2022

Aidan O'Hogan is Managing Director of iConsult Real Estate Ltd, a property and asset management consultancy business. In 2009 he retired as Chairman of Savills Ireland (previously Hamilton Osborne King) after 40 years as a real estate professional, and was previously Managing Director and Chairman of Hamilton Osborne King with almost 30 years' experience there prior to which he spent 9 years at Lisney.

He is a Council Member of Property Industry Ireland, having been its Chair from 2012 to 2015. He is Chairman of the Investment Committee at Pearl Property Managers Limited for the Pearl Residential Equity Fund which provides equity to house builders and a member of the Investment Committee of Aviva Fund, Property Advisory Committee. He is also a former Non-Executive Director of Cairn Homes plc and the Cluid Housing Association.

Mr O'Hogan is a Fellow of the Royal Institution of Chartered Surveyors and of The Society of Chartered Surveyors in Ireland and a past President of the Irish Auctioneers and Valuers Institute.

Hugh Scott-Barrett

Independent Non-Executive Director

Appointed 29 September 2022

Hugh Scott-Barrett is a Non-Executive Director and Senior Independent Director on the Board of Balanced Commercial Property Trust Limited, a UK listed REIT. Mr Scott-Barrett has over 20 years of Board level experience across real estate, asset management, and banking. Until May 2020, Mr Scott-Barrett was Non-Executive Chairman at the UK specialist property REIT Capital & Regional plc and previously served as Chief Executive of the company prior to this from 2008-2017. Mr Scott-Barrett was previously a member of ABN AMRO's managing Board serving as Chief Operating Officer and Chief Financial Officer and before that worked at SBC Warburg and Kleinwort Benson.

Mr. Scott-Barrett has a BA in Modern History from the University of Oxford.

Joan Garahy

Independent Non-Executive Director

Appointed 18 April 2017

Joan Garahy is a member of the Board of Directors of ICON plc appointed in November 2017 and is Chair of the Compensation & Organisation Committee and a member of the Nominations and Sustainability committee. Ms Garahy is also a member of the Board of IPB Insurance CLG and Chair of the Audit Committee.

Ms. Garahy is a former member of the Board of Directors of Kerry Group plc where she held the positions of Senior Independent Director, Chair of the Remuneration Committee and a member of the Audit Committee.

Formerly Ms. Garahy was founder and CEO of ClearView Investments & Pensions Limited, an independent financial advisory company, which was acquired in July 2020. Ms. Garahy has more than 30 years of experience advising on and managing investment funds.

She was a founder and former Managing Director of HBCL Investments & Pensions and former Director of Investments at HC Financial Services. Prior to that, Ms. Garahy worked with the National Treasury Management Agency as Head of Research at the National Pension Reserve Fund and was also Head of Research with Hibernian Investment Managers (now Aviva Investors). In her early career, she spent 10 years as a stockbroker with both Goodbody Stockbrokers and NCB in Dublin.

Ms. Garahy is a Qualified Financial Advisor and a registered stockbroker. She has an Honours Bachelor of Science and is a Master of Science graduate. She holds a C.Dip in Accounting & Finance (ACCA).

Phillip Burns

Non-Independent
Non-Executive Director

Appointed
23 March 2016

Phillip Burns is the Chief Executive Officer and a trustee of European Residential Real Estate Investment Trust (ERES), an unincorporated, open-ended real estate investment trust, a position Mr. Burns holds as an employee of CAPREIT LP, which is the majority unitholder of ERES. ERES is Canada's only European-focused residential REIT and currently owns a portfolio of approximately 7,000 residential units in the Netherlands.

Mr. Burns is also the Founder and a Principal of Maple Knoll Capital.

Previously, Mr. Burns was Chief Executive Officer of Corestate Capital, an investment manager focused on distressed real estate transactions in Europe. Prior to this, he was a Managing Director at Terra Firma Capital Partners, where he specialised in infrastructure, real estate and credit. Mr. Burns also worked for Goldman Sachs, where he focused on mortgage finance, real estate and general corporate finance, and Skadden Arps, where he worked as a corporate attorney.

Mr. Burns holds a Bachelor of Science in Aerospace Engineering from the University of Michigan and a Juris Doctor, summa cum laude, from Syracuse University.

Stefanie Frensch

Independent
Non-Executive Director

Appointed
1 July 2021

Stefanie Frensch is a member of the Management Board of Becker & Kries Holding, a German family office with significant real estate investments including residential units and commercial space. She is also a Non-Executive Director of Hapimag, high-quality and sustainable holiday apartments located in Switzerland. Ms Frensch also serves as a Director of a number of associations, including ZIA (the leading professional association of the German real estate sector), where she is Chair of the CSR and Sustainability Committee, ICG (Institut für Corporate Governance) a German Institute in the Real Estate Industry with a specific focus on Social Impact, Compliance and Corporate Governance.

Ms Frensch was a member of the Supervisory Board of Alstria Office REIT, an investment trust listed in MDAX. Ms Frensch was formerly a member of the Management Board of HOWOGEWohnungsbaugesellschaft mbH, one of the largest German publicly owned residential companies. Prior to this, she was a partner of EY Real Estate and advisory services.

Ms. Frensch is an Engineer and an Architect.

Tom Kavanagh

Independent
Non-Executive Director

Appointed
1 June 2018

Tom Kavanagh is a former partner at Deloitte Ireland having retired in December 2018. Mr. Kavanagh has wide-ranging experience in professional practice as a business adviser, corporate restructuring expert and insolvency practitioner. This included advising on the restructuring of large portfolios of distressed Irish property assets. Mr Kavanagh is the Chair of Chapter Zero Ireland, a community of Non-Executive Directors that lead Irish boardroom discussions on the impacts of climate change.

Mr. Kavanagh has served as a Director on the Boards of a number of private companies and was a member of the Board of the Credit Union Restructuring Board, REBO, from 2012 to 2014.

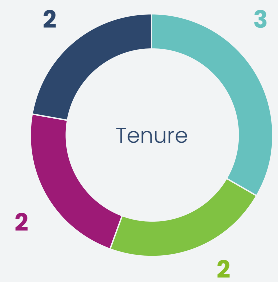
Mr. Kavanagh holds a Bachelor of Commerce from University College Dublin. He is a fellow of Chartered Accountants Ireland (FCA), having qualified in 1982. Mr. Kavanagh's executive education includes Value Creation through Effective Boards in Harvard Business School/IESE in 2019 and Sustainability Leadership in Cambridge University in 2020.

Key to Board Committees

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Sustainability Committee
- C Chair of a Committee
- Senior Independent Director

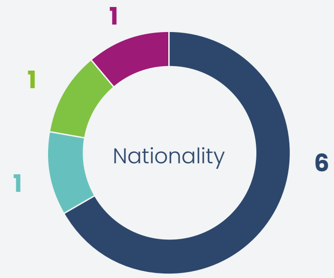
Board Tenure as at 31 December 2022

- 0-3 years
- 3-5 years
- 5-7 years
- 7-9 years



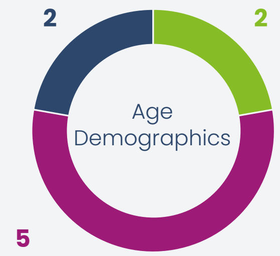
Board of Directors Nationalites

- American/British
- British
- German
- Irish



Board of Directors Age Demographics

- 50-59
- 60-69
- 70-79



Corporate Governance Report

Chairman's Introduction

On behalf of the Board I am pleased to present the Corporate Governance report for the year ended 31 December 2022. This report describes our governance arrangements, the operation of the Board and its committees, and how the Board discharged its responsibilities during 2022

The focus of the Board during 2022 from a governance perspective was on the completion of the transition of I-RES from an external to internal management structure through the acquisition of IRES Fund Management Limited, the roll out and implementation of appropriate systems, technology and services infrastructure and the recruitment of the corporate support team required to establish and embed an updated governance framework for the internalised structure. I-RES has been fully internalised since 1 February 2022 and now has an employee base of 95 people – up from 3 people at the beginning of 2021. We are proud of the team that we have and believe we are now well placed to continue to deliver market leading homes to our residents while sustaining strong financial returns for our shareholders.

As part of our process of refreshment and renewal of the Board, we were also pleased to strengthen the Board post internalisation. We appointed Brian Fagan, our CFO as an Executive Director in April 2022. Brian has made a very positive contribution since joining the Company in 2021, in particular playing a key role in the internalisation process, and he is bringing valuable expertise and experience to the Board. After a comprehensive external search process, we appointed Hugh Scott-Barrett as an independent Non-Executive Director in September 2022. Hugh's significant executive and non-executive experience in listed property companies makes him an ideal fit for the I-RES Board.

We will have further Board refreshment in 2023. Now in his ninth year as an Independent Non-Executive Director of the Company, Aidan O'Hogan has decided to retire from the Board of I-RES with effect from the 2023 AGM on 4 May. Aidan's decision is in line with Provisions 10 and 11 of the UK Corporate Governance Code, which relate to Non-Executive Director tenure. Aidan has been a valued member of the Board since the Company's IPO in 2014. He has served as Chair of the Remuneration Committee and as Senior Independent Director since 2017 and has also served as a member of the Audit and Nomination Committees as well as previously serving as Chair of the Audit Committee. Aidan has made an enormous contribution to the Company in that period, and I wish to formally thank him for all his hard work and support.

The Board, led by the Nomination Committee has carried out an extensive search process, supported by external consultants, to identify a new Independent Non-Executive Director with appropriate Irish real estate expertise to replace Aidan. We were delighted to announce that Denise Turner has been appointed with effect from 4 May 2023, subject to approval at the 2023 AGM on that day of her election as a Director of the Company. The Board will benefit greatly from her significant Irish real estate experience and we look forward to working with Ms. Turner.

With his imminent retirement Ms. Joan Garahy has been appointed to replace Aidan O'Hogan as Senior Independent Director with effect from 4 May 2023 (subject to approval of her re-election to the Board at the 2023 AGM).

By the time of the AGM in 2023 I will also have served on the Board for nine years. Aidan and I both joined the Board at the time of the IPO in 2014. My tenure has been under review by the Nomination Committee alongside the desirability of balancing continuity in stewardship and avoiding changing both the Chairman and the Senior Independent Director at the same time. The Nomination Committee and the Board have therefore proposed an extension of my term as Chairman for a period of 12 months to the end of the AGM in 2024. Further details are set out in the Nomination Committee report at page 117 below.

As a Board we have continuing engagement with our shareholders on key matters and to take their feedback, including on remuneration, and various governance matters.

After a welcome return to in person meetings in 2022, I look forward to engaging with our shareholders in person again at our AGM on 4 May 2023, full details of which can be found in the notice of AGM.

Declan Moylan
Chairman

Compliance with the 2018 Corporate Governance Code

This Corporate Governance Report, in conjunction with committee reports, describe how I-RES has applied the principles and followed the provisions of the 2018 UK Corporate Governance Code and the Irish Corporate Governance Annex (the "Code") and details any departures from their specific provisions during 2022.

This year we complied with the Code throughout the year with the following exceptions:

Provision 36 - As disclosed in prior years, option awards granted as part of the remuneration of the CEO under the long-term incentive plan ("LTIP") prior to the 2020 financial year do not comply in full with the holding and vesting recommendations of Provision 36 of the UK Code. Although the Company is not fully compliant in relation to such options previously granted, any Restricted Shares (as defined under the rules of the LTIP) awarded to the executive Directors under the LTIP as and from 2020 are subject to the Company's Remuneration Policy and arrangements described in the Report of the Remuneration Committee, and comply with Provision 36.

Provision 38 - The pension contribution rates of the Executive Directors are not yet fully aligned with those available to the workforce as a whole. Further details are set out in the Remuneration Committee report on page 96.

Alternative Investment Fund Manager

IRES Fund Management Limited (IFML), which is now wholly owned by the Company, continues to serve as the Company's Alternative Investment Fund Manager (AIFM) under the Alternative Investment Fund Managers' Regulations 2013 (the AIFM Regulations). IFML continues to be authorised as an alternative investment fund manager by the Central Bank of Ireland (CBI) under the AIFM Regulations. The Company continues to have in place an alternative investment fund manager's agreement with IFML under the terms of which the Company has delegated certain portfolio, property management and other functions to IFML. Management continues to engage with the CBI in respect of the transfer to the Company of all aspects of IFML's business and the Company's application to become authorised as an internally managed Alternative Investment Fund.

Governance Framework

Our governance framework set out below outlines our structure and the governing roles within the Company. It sets out the procedures and guidelines we adhere to which facilitates responsive and effective decision-making, ensuring that the Board and its Committees, with the Senior Leadership Team are able to collaborate proactively, consider issues and respond effectively.

The Board

The role of the Board is to provide effective leadership and oversight of I-RES, set the strategic objectives for the Company and determine the nature and extent of the principal risks it is willing to take in achieving these strategic objectives. The Board is collectively responsible for the long-term sustainable success of the Company and delivery of value for its shareholders and other principal stakeholders, including employees, residents, lenders and suppliers. The Board leads the development of the culture, purpose, values and strategy in I-RES and aims to ensure that these are aligned.

The Board is responsible for I-RES' dividend policy, corporate governance, approval of financial statements and shareholder documents and formulating, monitoring and reviewing the effectiveness of the Group's risk management and internal control systems. The Board also seeks to ensure that its obligations towards its shareholders and other stakeholders are understood and met.

The Board is responsible for ensuring the accuracy of financial and business information provided to shareholders and for ensuring that such information presents a fair, balanced and understandable assessment of the Company's position and prospects.

There is a clear division of responsibilities within I-RES between the Board and the Senior Leadership Team. Responsibility for day-to-day running of I-RES operations is delegated by the Board to the CEO, CFO and Senior Leadership Team, with the Board reserving to itself a formal schedule of matters over which it retains control.

Board Committees

The Board is supported by its four principal Board Committees in discharging its duties. At each Board meeting, the Chair of each of these Committees provides an update on their committee's activities. The duties and responsibilities of each of these Committees are set out clearly in written terms of reference which are approved by the Board and published on the Company's website. These terms of reference were reviewed and updated in November 2022.

Audit Committee
(See page 86 for full report)

This Committee is responsible for monitoring the integrity of the financial statements of the Company, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance, and reviews and reports to the Board on significant financial reporting issues and judgements which those statements contain. The Committee is also responsible for reviewing the Group's risk framework and internal controls and maintaining the auditor relationship.

Remuneration Committee
(See page 94 for full report)

This Committee is responsible for the remuneration policy, performance-linked pay schemes and share-based incentive plans. The Committee has delegated responsibility for determining the policy for Directors' remuneration and setting remuneration for the Company's Chair and Executive Directors and senior management, including the Company Secretary, in accordance with the Principles and Provisions of the Code.

Nomination Committee
(See page 116 for full report)

This Committee is responsible for regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes, this includes proposing new Board appointments and monitoring the Board's succession needs.

Sustainability Committee
(See page 124 for full report)

This Committee is responsible for developing and recommending to the Board the Company's ESG strategy and ensuring it remains fit for purpose, developing and recommending policies, risks, targets and investment required to achieve the Company's ESG strategy as well as ensuring any ESG commitments are consistent with the Company's business strategy and Code of Ethics, and it advises the Audit Committee on ESG-related risks, including climate-related issues.

Other committees have been and may be established from time to time in accordance with the Company's Constitution, including in connection with the negotiation and administration of the Company's credit facilities, equity raises or acquisition, developments or commercial leasing transactions.

In 2019 the Board established the Related Party Committee to deal with related party matters including the review of the Investment Management Agreement (IMA) and the process for internalisation of management. With the termination of the IMA on 31 January 2022 and the subsequent Transition Services Agreement with CAPREIT completing on 30 April 2022 this Committee has not been required to meet since July 2022.

Senior Leadership Team

The Senior Leadership team is responsible for executing the strategy. It manages, monitors and provides the senior leadership input underlying the Company's strategic and operational decisions, ensuring strong alignment on business priorities, investments and actions.

Board Composition

The Board is currently composed of nine (9) Directors, the Non-Executive Chairman, two Executive Directors, five independent Non-Executive Directors and one non-independent Non-Executive Director. The Board is therefore majority independent.

As part of the annual Board Evaluation process, the Nomination Committee reviewed the overall balance of skill, experience, knowledge and independence of the Board and its committees to ensure that they can effectively discharge their responsibilities. The Nomination Committee is satisfied that the Board is of an appropriate size for the requirements of the business and that its composition provides a suitable balance of skills and experience across a number of industry sectors. The Board collectively has strong experience of acquiring and managing real estate assets providing the Company with a good knowledge base. As highlighted in the biographies of the Directors on pages 72 to 74, each of the Directors brings a different set of skills and experience to the Board. The Directors' diverse skill sets facilitate the consideration of issues at meetings of the Board from a range of perspectives. As evidenced by the skills matrix that is completed by each Director as part of the Board evaluation, the Directors have diverse skills. For information on the Company's Board Diversity and Inclusion Policy, please refer to the Report of the Nomination Committee on page 122.

The division of responsibilities between the Chairman, the CEO and the Senior Independent Director has been clearly established, set out in writing and agreed to by the Board.

Board Meetings and Attendance

Directors are expected to participate in all scheduled Board meetings as well as each annual general meeting. A schedule of Board meetings for the following year is circulated to the Board in advance of the financial year-end. At each quarterly meeting of the Board, there are certain standing agenda items (for example, strategy discussion, update on investment and development plans, review of risk, operations and financial reports, update on ESG progress and update on investor relations). This agenda seeks to ensure that the Board has the opportunity to have in-depth discussions on key issues across all aspects of the Group's activities. The Chairman and the Company Secretary ensure that the Directors receive clear, timely information on all relevant matters necessary to assist them in the performance of their duties. Each committee also approves a committee work plan for the following year.

Board Meetings attended/eligible to attend (including ad hoc meetings)

* Brian Fagan was appointed to the Board on 11th April 2022
** Hugh Scott-Barrett was appointed to the Board on 29th September 2022.

The Board meets a minimum of four (4) times each calendar year and otherwise as required. Prior to such meetings taking place, an agenda and Board papers are circulated electronically via a secure Board portal to the Directors to ensure that there is adequate time for them to be read and to facilitate constructive challenge and robust and informed discussions. The portal is also used to distribute reference documents and other useful resources. The Company Secretary is responsible for the administrative and procedural aspects of the Board meetings.

The Board held thirteen (13) meetings during 2022. In accordance with Principle 13 of the UK Code, the Chairman met during the year with the Non-Executive Directors without the presence of the CEO.

Time Commitment

The Board, supported by the Nomination Committee, carefully considered the external commitments of the Chair and each of the Executive and Non-Executive Directors. As evidenced by the attendance levels above, the Board is satisfied that each Director has committed enough time to be able to fulfil their duties and has capacity to continue doing so.

Information, Support and Independent Advice

Directors have direct access to the Company Secretary. The Board has also approved a procedure for Directors, where appropriate, to seek independent professional advice at the expense of the Company if necessary.

Remuneration

Details of the remuneration of Directors are set out in the Report of the Remuneration Committee on page 111.

Director's Induction

The Chairman, with the support of the Company Secretary, is responsible for preparing and co-ordinating a comprehensive induction programme for newly appointed Directors. This is intended to give a broad introduction to the Group's business, its areas of significant risk and to enable new Directors to understand the Company's core purpose and values so that they can be effective Directors from the outset. As part of this induction programme, new Directors receive an information pack which includes an I-RES Group structure overview, key policies, historical financial reports, schedule of Board meetings and information on how to access the Company's Board portal. A number of governance matters are also outlined, including Directors' duties, conflicts of interest and Market Abuse Regulation. The Company Secretary is available to advise each Board member on queries or concerns.

Other key elements of the induction programme include a tour of the Group's property portfolio with Senior Management in order to familiarise the new Director with the Group's operations, property management, the property portfolio and key stakeholders. This meeting also provides new Directors with an opportunity to ask any questions they may have on the nature and operations of the business, and on the implementation of the Group's business strategy. The new Director is also invited to meet with other key people at I-RES responsible for risk, insurance, internal audit, acquisitions and development, operations and financial reporting.

Development of Directors

The Nomination Committee, on behalf of the Board, assesses the training needs of the Directors on at least an annual basis. A combination of tailored Board and committee agenda items and other Board activities, including briefing sessions, further assist the Directors in continually updating their skills, and their knowledge of and familiarity with the Company, as required to fulfil their roles. The Board also arranges for presentations from Senior Management and I-RES' other advisors on matters relevant to I-RES' business.

In 2022, the Board received presentations by external experts on the Market Abuse Regulations, Sustainability and its wider context, the Alternative Investment Funds Directive requirements for Directors and Macro and Equity Market perspectives.

Independence

The independence of each of the Non-Executive Directors is considered upon appointment and on an annual basis by the Board. The Board has determined that all of the Non Executive Directors, save for the Chairman (who was independent on appointment) and Mr Phillip Burns, are independent within the meaning of the Code.

At the time of his appointment as a Director, Phillip Burns was regarded as an Independent Non-Executive Director. In 2017, the Board determined that Mr Burns was no longer considered to be independent having regard to certain cross-directorships he held at the time with another (now former) Director and, latterly, due to Mr Burns' position as an employee of CAPREIT, the company's largest shareholder, and the parent of IRES Fund Management Limited ("IFML"), the Company's investment manager until its internalisation in January 2022. On 31 January 2022, following the internalisation of IFML by the Company the Board reviewed Mr Burns' position and concluded that Mr Burns should not be regarded as independent, given, in particular, his employment position at CAPREIT which continued to have a material business relationship with the Company until the termination on 30 April 2022 of the Transitional Services Agreement between the Company and CAPREIT that had been put in place as part of the internalisation of IFML. Under the Code, such a material business relationship is considered to be a circumstance that is likely to impair, or appear to impair, a Non-Executive Director's independence while in place and for a period of three years following its cessation.

Re-election

In accordance with the provisions of the Code each I-RES Director is obliged to retire at each annual general meeting and offer themselves for re-election at the annual general meeting.

Conflicts of Interest

The Board reviews potential conflicts of interest as a standing agenda item at each Board meeting. Directors have continuing obligations to update the Board on any changes to these conflicts. Section 231 of the Companies Act, 2014 requires each Director who is in any way, either directly or indirectly, interested in a contract or proposed contract with the Company to declare the nature of his or her interest at a meeting of the Directors. The Company keeps a register of all such declarations, which may be inspected by any Director, secretary, auditor or member of the Company at the offices of the Company (attention Company Secretary), South Dock House, Hanover Quay, Dublin 2, Ireland during normal business hours.

Subject to certain exceptions, the Articles of Association generally prohibit Directors from voting at Board meetings or meetings of committees of the Board on any resolution concerning a matter in which they have a direct or indirect interest which is material to, or a duty which conflicts or may conflict with the interests of, the Company. Directors may not be counted in the quorum in relation to resolutions on which they are not entitled to vote.

Risk Management and Internal Control

The Board has overall responsibility for the effectiveness of the Company's system of risk management and internal control. The management of risk is critical to the execution of the Company's strategy. The material risks and uncertainties the Group faces across its business are key areas of Board and management focus. The Board has delegated responsibility for monitoring the effectiveness of the risk management and internal control system to the Audit Committee. The work done by the Audit Committee in this area is set out in the Report of the Audit Committee on page 88. The Board and the Audit Committee have ensured that management has maintained a robust system of risk management and internal control. The Board and the Audit Committee periodically review and consider if the risk management and internal control systems are operating effectively.

EY were appointed as I-RES' external provider of internal audit services for 2022. The Audit Committee received and reviewed internal audit reports from EY to help in their annual assessment of the principal risks facing I-RES and the controls in place to mitigate these risks.

The Board confirms that there is an ongoing process for identifying, measuring and managing the significant risks, including any principal risks, and emerging risks, faced by the Group in achieving its strategic objectives, that this process has been in place for the year ended 31 December 2022 and up to the date of approval of this Report, and that this process is regularly reviewed by the Board. For further details on the principal risks being faced by the Group, please see the Principal Risks and Uncertainties section of the Risk Report on pages 61 to 69.

The process adopted complies with the guidance contained in Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (2014) as published by the Financial Reporting Council.

Board Evaluation and Effectiveness

The performance and effectiveness of the Board and its committees is reviewed on an ongoing basis and is subject to a formal and rigorous annual evaluation according to the principles of the Code.

As the Company is a smaller company for the purposes of the Irish Annex, the Company is not required to engage an external facilitator to conduct the annual performance evaluation process; however, it does so on a voluntary basis periodically. The last external evaluation was completed in 2020 and the next one will be carried out in the latter part of 2023.

The Chairman with the assistance of the Company Secretary conducted an internal evaluation of the Board's effectiveness in late 2022 by way of a comprehensive questionnaire, reviewing the Board's and its Committees' composition, dynamics, operations and structure to ensure they are effective for the Company and its business. As part of this process the Chairman discussed the Board Evaluation with each Director individually. In accordance with Provision 12 of the Code and led by Aidan O'Hogan as Senior Independent Director, the Non-Executive Directors met without the Chairman present to discuss the results of the internal evaluation of the Chairman's performance and to appraise the Chairman's performance.

Having carefully considered the results of the 2022 Board evaluation in their totality, the Directors are satisfied with the effectiveness of the Board and its committees, and with the performance of the Chairman and the individual Directors.

Some areas highlighted by the 2022 evaluation for potential improvement are summarised below:

- To provide further clarification of the Company's ESG related risk profile, as part of the review and update of the wider Group Risk process during 2023, ESG is being specifically addressed. This exercise will identify relevant ESG risks and will ensure that mitigating actions are included in the strategic plan.
- While significant Board training has been provided on topics relevant to I-RES' sector some further training on the increasing requirement for reporting and disclosures in a listed company environment and on ESG risks will be included in the 2023 training plan.

Engagement and Culture

Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships. By understanding stakeholders, the Board can factor the potential impact of its decisions on each stakeholder group and consider their needs and concerns. Our ambition is to build a sustainable and responsible business that is aligned with the long-term approach we take to investing, building, and maintaining our properties, supporting, and servicing our residents, employees, our vendor partners and the wider community in which we operate. We will continue working with key stakeholders to further develop a responsible business.

In developing a collaborative and partner-focused organisation that clearly defines how it intends to lead, the Board and Senior Leadership Team continue to actively engage with all employees of the Company to support a company culture that promotes integrity, openness, diversity and active responsiveness with our shareholders and wider stakeholders. Elected by our shareholders to oversee the management of the Company, I-RES' Board ensures that the long-term interests of shareholders are advanced responsibly, while balancing the interests of our other stakeholders, including our residents and our communities. The Board has the opportunity to assess and monitor I-RES' company culture through ongoing engagements between the Board, and senior management of the Company and also through the engagements between Tom Kavanagh, as Board Director for Workforce Engagement and Culture, and the wider workforce. In so doing the Board can ensure policies, practices and behaviours are aligned with the Company's purpose, values and strategy.

Examples of the Group's engagements with shareholders, employees, residents and communities during 2022 are set out below. Full details of I-RES' engagement activities during 2022 are set out in the ESG Report which is accessible electronically at www.i-res.ie.

Shareholder Engagement

The Board recognises the importance of effective engagement with its shareholders in order to obtain the views of shareholders as a whole. I-RES has a comprehensive investor relations program including detailed presentations to both existing and prospective institutional shareholders, after the release of the interim and annual results, as part of investor days organised by brokerage firms, EPRA, Investment banks, amongst others, and following significant announcements. The CEO, the CFO and members of senior management participated in various conferences and took ad-hoc meetings and calls on an ongoing basis as well as property tours during 2022. The Executive Directors provide the Board with regular feedback from investor meetings. In addition, the Board receives regular market updates and commentary from brokers and analysts on the Company. The Chairman and the other Directors have the opportunity to address shareholders and analysts questions at the Company's annual general meeting. The Chairman and Senior Independent Director are also available to meet with shareholders should they have any issues or concerns that cannot be resolved through the usual investor relations channels.

Also during 2022, the Chairman and the Senior Independent Director consulted with shareholders in respect of Board composition and also to reflect the results of the 2022 AGM.

At the Company's AGM in May 2022, the two resolutions relating to the Board's power to issue shares on a non pre-emptive basis (resolutions 8(a) (Authority to disapply pre-emption rights in specified circumstances) and 8(b) (Additional authority to disapply pre-emption rights for an acquisition or other specified capital investment)) which were special resolutions requiring a 75% majority, did not receive sufficient support to be passed.

The Board was disappointed in this outcome given that each of the resolutions followed the provisions of the Pre-Emption Group's Statement of Principles for the disapplication of pre-emption rights and reflected standard Irish listed company market practice.

At the 2022 AGM, resolutions 2(b) (election of Brian Fagan) and resolution 2(h) (re-election of Margaret Sweeney) were passed, but each received less than 80% of the votes cast in favour.

Following the 2022 AGM, in accordance with the Company's ongoing commitment to direct and transparent dialogue with our stakeholders (and in line with the requirements of the Code), the Chairman has availed of opportunities to engage with shareholders who voted against these resolutions to further understand and discuss their concerns.

The Board remains focused on delivering value for shareholders and has confidence in the Company's executive team and their ability to deliver strong results in the current environment. Whilst a small number of shareholders had concerns with respect to these resolutions, the Board will continue to propose resolutions to shareholders which it considers to be in the interests of the Company and its shareholders collectively.

General Meetings of Shareholders

The 2023 Annual General Meeting will be held on 4 May 2023 at the Marker Hotel, Grand Canal Square, Docklands, Dublin 2, Ireland. Formal notification will be sent to shareholders at least 20 working days before the meeting in accordance with the provisions of the Code.

The annual general meeting (AGM) gives shareholders an opportunity to hear a presentation on the Group's activities and performance during the year, to ask questions of the Chairman and, through him, the Board committee chairs and members, and to vote on each resolution put to the meeting.

For a description of the operation of general meetings, the key powers of such meetings, shareholders' rights and the exercise of such rights at general meetings, see General Meetings in the Report of the Directors on page 135.

Workforce Engagement

Our diverse and talented team of professionals are the drivers of the I-RES culture. We believe that building an inclusive culture and making the most of the strength and diversity of our people will continue to be important for our success. As a business we recognise the importance of our employees in maintaining our position as Irelands leading provider of private rental accommodation and in the successful delivery of our business strategy and strong results. We continuously invest in our employees, providing them with opportunities to improve their skills and to attend personal development programmes supported by good communications and a supportive working environment.

As at 31 December the Company had 95 employees (up from 3 at the beginning of 2021). One of the Board's priorities is to ensure that I-RES has a collaborative, inclusive culture, ensuring our employees feel a strong sense of belonging and that we treat people equally and fairly and employ based on the principle of equal opportunity.

In March 2022 the Board appointed Tom Kavanagh as the Board Director for Workforce Engagement and Culture to allow the Board the opportunity to receive, understand and consider the views of our employees and take account of employee interests in its discussions and decision making.

Since his appointment, Mr. Kavanagh, has engaged directly with all employees across I-RES. In late 2022, he held candid and constructive two way discussions at each of the Company's offices at which he received valuable feedback and presented his findings to the Board.

In 2022, Mr. Kavanagh and a number of the other Directors undertook property tours of the new properties in the portfolio together with a number of the employees who work at those properties. This provided another informal opportunity for the employees and Board members to meet.

In late 2022 I-RES conducted its first annual employee engagement survey as an internally managed Company. Focusing on a range of key engagement dimensions designed to explore and evaluate employee experience whilst boosting engagement. I-RES is pleased to report a very strong performance with an overall employee engagement score of 91% despite significant transition in the Company during 2022, a new IT system implementation across the whole business and a challenging external landscape.

Resident, and community-level engagement

During 2022 management carried out a comprehensive programme of resident and community engagement further details of which are set out in the 2022 ESG report accessible at www.i-res.ie.

Details of this programme and the feedback from residents and communities are reported to the Board through the Sustainability Committee and through the results of the annual Residents Survey.

Report of the Audit Committee

Audit Committee Membership

Joan Garahy (Chair)	Appointed 18 April 2017
Aidan O'Hogan	Appointed 31 March 2014
Stefanie Frensch	Appointed 1 July 2021
Tom Kavanagh	Appointed 1 June 2018

Dear Shareholder,

It is my pleasure to present the Report of the Audit Committee for the year ended 31 December 2022.

The report demonstrates how the Audit Committee fulfilled its responsibilities during the year under the appropriate regulatory frameworks.

As in previous years, a key focus of the Audit Committee was to ensure that the semi-annual and 2022 year-end investment property valuation processes were conducted appropriately. For both valuations, the investment property portfolio was split for purposes of valuation and valued by two independent external valuers. The Audit Committee objectively assessed the valuations prepared by the independent valuers and was satisfied that the assumptions and methodologies being used were appropriate and reasonable.

The Audit Committee reviewed KPMG's audit findings with them in detail and noted that no major issues arose during the audit. The Committee continues to monitor KPMG's objectivity and independence.

The Audit Committee continues to assess the effectiveness of internal controls, in particular post-internalisation. During 2022 the Committee carried out a detailed review of the Company's Enterprise Risk Management System with the new internal Risk and Compliance Manager. In addition, the Audit Committee agreed to the appointment of EY to provide internal audit services to the Company. The Committee meets regularly with EY.

The Committee also meets regularly with the Company's tax advisers to ensure that it is kept informed of anticipated changes to tax laws and regulations that may impact the Group.

The Audit Committee assisted the Board in determining that the Annual Report and Consolidated Financial Statements, when taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Looking ahead

Looking ahead to the 2023 financial year, the Audit Committee will remain focused on the audit and assurance processes within the business, and maintain its oversight of financial, valuation, taxation and evolving regulatory requirements. Key focus areas of the Audit Committee during 2023 will be the review of the design and operational effectiveness of internal controls and processes and ensuring that the updated enterprise risk management system is embedded throughout the organisation.

I trust that you will find this report to be useful in understanding the operations and activities of the Audit Committee during the year.

Joan Garahy
Chair of the Audit Committee

Composition of the Audit Committee

The Audit Committee is chaired by Joan Garahy. All members of the Audit Committee were independent Non-Executive Directors when appointed by the Board and continue to be independent. Accordingly, the Audit Committee is constituted in compliance with the Code.

The Board is satisfied that the Audit Committee members are appropriately qualified and experienced to fulfil their roles and have a broad mix of skills and experience arising from senior roles they hold or have held with other organisations, and that the Audit Committee as a whole has competence relevant to the sector in which the Company operates. In accordance with the requirements of the Code, Ms. Garahy and Mr Kavanagh, in particular, are considered by the Board to have recent, significant and relevant financial experience.

Meetings of the Audit Committee

The Audit Committee meets at least four times per year and otherwise as required. The Audit Committee met five (5) times during the period from 1 January 2022 to 31 December 2022 and the external auditor was in attendance at all five (5) meetings. The CEO and CFO attend the Audit Committee meetings, as required. The external valuers attend the Audit Committee meetings when the year-end and interim valuations of the Group's properties are being considered. The Company's tax advisers also meet with the Audit Committee at least bi-annually to address any tax developments and as otherwise required. EY, in their capacity as providers of internal audit services, attend at least a portion of each Audit Committee Meeting.

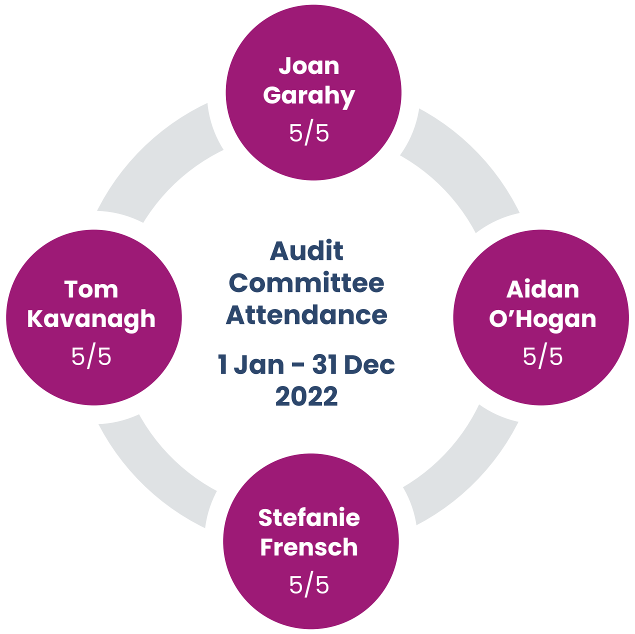
Terms of Reference and Principal Duties

The terms of reference of the Audit Committee are reviewed annually and updated for best practice and compliance with the Code. The Board reviewed the terms of reference of the Audit Committee in November 2022. A number of small changes were made to clarify the additional responsibilities of the Committee in relation to ESG disclosure requirements. The Audit Committee's terms of reference are available on the Company's website.

The Audit Committee evaluates its own performance relative to its terms of reference. Following the 2022 annual review, it was concluded that the Audit Committee was operating effectively.

The Chair of the Audit Committee reports to the Board at each meeting on the Audit Committee's activities.

Audit Committee Meetings attended/eligible to attend (including ad hoc meetings)



The Audit Committee's principal duties include:

Reporting and External Audit
- to monitor and keep under review the scope and effectiveness of the Group's financial reporting;
- to monitor the integrity of the financial statements of the Group, including its annual and semi-annual financial reports and any other formal announcement relating to its financial performance;
- to review and report to the Board on summary financial statements and any financial information contained in other documents, such as announcements of a price-sensitive nature;
- to review the clarity and completeness of sustainability related financial disclosures made in the financial statements having regard to ongoing legislative requirements and to matters communicated to it by the auditor;
- to oversee relations with the external auditor and to consider and make recommendations on the appointment, reappointment and removal of the external auditor;
- to ensure the independence and objectivity of the external auditor annually;
- to ensure that the provision of non-audit services by the external auditor does not impair the external auditor's independence or objectivity; and
- to review with the external auditor the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved.

Valuations
- to monitor and review the valuation process;
- to review the valuation reports, assumptions and methodology; and
- to assess the independent valuers' competence and effectiveness.

Risk and Internal Control
- to monitor and keep under review the scope and effectiveness of the Group's internal financial controls, risk management and internal control systems; and
- to assess and review regular reports on such matters from the Risk and Compliance Manager, EY (internal auditor), the finance team and management.

Other
- to review the Audit Committee's terms of reference and monitor its execution; and
- to consider compliance with legal and other regulatory requirements, accounting standards and the Euronext Dublin Listing Rules.

How the Audit Committee Discharged its Responsibilities in 2022

The Audit Committee's agenda is set based on the Group's financial calendar and the Audit Committee's work plan, which allows the Audit Committee to fulfil its role in an efficient manner. In the year under review (2022), the principal activities of the Audit Committee were as follows:

February – Q4 2021
- Considered the approach adopted by the independent valuers, including assumptions, procedures and methodologies applied in valuing the Group's property portfolio
- Discussed the reports received from the external auditor following the audit process in respect of the 2021 financial year
- Discussed the Q4 2021 internal audit reports from Capreit Internal Audit
- Reviewed the appropriateness of Group accounting principles, practices and policies, and monitored changes to and compliance with accounting standards
- Reviewed the Group's preliminary announcement of financial results YE 2021
- Discussed the proposed dividends YE 2021 and recommended them to the Board
- Reviewed and approved the annual internal audit plan for 2022 presented by EY
- Reviewed the related party charges for appropriate financial statement disclosures
- Reviewed and considered the Group's key risks, internal control policies and procedures and risk management systems
- Discussed and reviewed the REIT compliance test with the external tax advisers
- Reviewed and discussed quarterly tax update

March – Annual Report
- Reviewed the Group's 2021 Annual Report, including the financial statements therein, and considered the key areas of judgement before recommending them to the Board for approval
- Assessed the viability model for long-term sustainability
- Reviewed and assessed the effectiveness of the Company's risk management and internal control systems
- Reviewed and discussed a Report on the Directors' Compliance Statement
- Reviewed and discussed the reports received from the external auditor following the audit process in respect of the 2021 financial year

May – Q1 2022
- Reviewed and discussed the I-RES Insurance Programme
- Monitored the levels of non-audit fees in relation to the total fees paid to the external auditors
- Carried out a review with the CFO of the Company's compliance with debt covenants
- Received a report on the implementation of the IT Systems Transition
- Reviewed and considered the Group's key risks, internal control policies and procedures and risk management systems
- Reviewed and discussed a quarterly internal audit update from EY
- Reviewed and discussed quarterly tax update

How the Audit Committee Discharged its Responsibilities in 2022 (continued)

August – Q2 2022

- Reviewed and considered the approach adopted by the independent valuers, including assumptions, procedures and methodologies applied in valuing the Group's property portfolio
- Reviewed the Group's Interim announcement of financial results for HY2022
- Reviewed and discussed the reports received from the external auditor following the review process in respect of the Interim report for the period to 30 June 2022
- Discussed the proposed H1 2022 dividends and recommended to the Board
- Reviewed and discussed a quarterly internal audit update from EY
- Reviewed and considered the Group's key risks, internal control policies and procedures and risk management systems
- Received a report from and considered the Risk & Resilience Review carried out by an independent third party
- Reviewed and discussed an IT Security Review carried out by an independent third party
- Reviewed and discussed a quarterly tax update
- Held a joint meeting with the Sustainability Committee on sustainability related financial disclosures

November – Q3 2022

- Reviewed and approved a report received from the external auditor on the proposed audit process in respect of the 2022 financial year
- Reviewed and considered the Group's key risks, internal control policies and procedures and risk management systems
- Received and discussed the IT Security Update
- Reviewed and discussed a quarterly internal audit update from EY
- Reviewed and discussed a quarterly tax update

Financial Reporting and Significant Financial Judgements

With respect to this Report and the financial statements included herein, the Audit Committee assessed whether suitable accounting policies had been adopted and whether management had made appropriate judgements. The Audit Committee paid particular attention to matters which it considered could have a material impact on the Group's results and those matters which involve a higher level of complexity, judgement or estimation by management. The most significant matters considered by the Audit Committee in relation to this Report and the financial statements contained herein for the year were as follows:

Investment Property Valuations

The Group had investment property with a fair value of €1,499 million as at 31 December 2022, as set out in note 5 to the Group financial statements. As the Group's asset portfolio has grown significantly, the Group has appointed two independent valuers, CBRE Unlimited Company ("CBRE") and Savills Advisory Services (Ireland) Ltd. ("Savills"). The Audit Committee considered the investment property valuation process carried out by management in order to satisfy itself that the balances were stated appropriately. These reviews involved an understanding of management's analytical procedures, management's discussions with CBRE and Savills, and an assessment of the market inputs utilised on each property prior to recording the valuations obtained. The Audit Committee assessed the performance and independence of the two valuers and is satisfied with their performance, and that both valuers are independent. The CFO has confirmed to the Audit Committee that he is satisfied that the valuers conducted their work in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards. In addition, the Audit Committee met with the two independent valuers and discussed the year-end valuations, valuation methodology and significant assumptions used.

The Audit Committee also discussed the current market dynamics with both valuers, specifically focusing on the broader macro-economic environment including rising interest rates, inflationary pressures along with the continued very high demand for rental accommodation in Ireland and the impact of these circumstances on the interim and year-end valuations. As both valuers rely, as part of their assumptions, on comparable evidence from recent market transactions to benchmark and support their valuations of the Group's properties, the Audit Committee assessed the relevance and appropriateness of these transactions, in conjunction with management.

Following a review of the detailed valuation analysis provided by management and detailed discussions with management and the independent valuers, the Audit Committee was satisfied that the significant inputs used for valuation, any provisions recorded against valuation of the investment properties, and valuation of the investment properties were appropriate. The Audit Committee discussed the valuation process with management and each valuer and confirmed from each of them that they are satisfied with the quality and accuracy of the property information provided to them. The external auditor also reviewed the valuers' reports, performed test work on the information provided by the Company to both valuers, met with the valuers as part of their audit procedures, and communicated to the Audit Committee their comments or observations.

Related Party Transactions

Due to CAPREIT's shareholding in I-RES at 31 December 2022, and I-RES' acquisition of IRES Fund Management Limited from CAPREIT on 31 January 2022 as well as the provision of services provided by CAPREIT to I-RES under the terms of the Transition Services Agreement from 1 February to 30 April 2022, the Audit Committee and the external auditor discussed the risk of undisclosed related party transactions with CAPREIT for the 2022 consolidated financial statements. The Audit Committee discussed the level of fees incurred in respect of transition services received from CAPREIT and the payments made to CAPREIT in accordance with the provisions of the share purchase agreement and discussed these with relevant management. The Audit Committee also considered the disclosures in the notes to the financial statements. The Audit Committee was satisfied as a result of these discussions that appropriate disclosure has been made in the annual report in relation to each of these matters.

Other Matters

Other matters considered by the Audit Committee included the disclosure of non-IFRS measures ("**Alternative Performance Measures**"), tax compliance, and regulatory obligations and accounting disclosures.

Going Concern

The Audit Committee has reviewed and is satisfied with a presentation from the CFO in support of the Board's Statement on Going Concern as set out on page 60.

Viability Statement

The Audit Committee has reviewed a report from the CFO and is satisfied that this assessment adequately addresses the principal risks disclosed in the Risk Report on pages 56 to 69 and that a three-year time horizon for the viability model is appropriate to the Company's business. Furthermore, the Audit Committee has reviewed the assessment of the Group's viability by management, as stated on page 60. The review included:

- Key assumptions used;
- Assessment of prospects; and
- Assessment of viability.

REIT Status

The Audit Committee reviewed a report from the CFO demonstrating the Company's compliance with the REIT requirements as at 31 December 2022. The Audit Committee has confirmed to the Board that the Company is compliant with the REIT rules.

Fair, Balanced and Understandable

The Code requires that the Board should present a fair, balanced and understandable assessment of the Company's position and prospects, and specifically that they consider that the annual report and financial statements included therein, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

At the request of the Board, the Audit Committee considered whether this Report and financial statements included herein met these requirements.

The Audit Committee considered the process put in place by management for the preparation of the annual report and financial statements included herein, and in particular the timetable, co-ordination and review activities. The Audit Committee discussed these arrangements with management. Key considerations of the Audit Committee when reflecting on these requirements included:

- the information and reporting the Audit Committee had received during the course of the financial year;
- the balance of information included in the annual report against the Audit Committee's understanding of the operations and performance of the Group;
- the compliance of the financial statements with all applicable financial reporting standards and any other required regulations; and
- the language used in the annual report ensuring it was understandable to a wide variety of shareholders.

Arising from the Audit Committee's work in this regard, the Audit Committee and the Board concluded that this Report and the financial statements included herein, taken as a whole, are fair, balanced and understandable, and that they provide the necessary information for shareholders to assess the Company's position and performance, business model and strategy. The Board statement to this effect is on page 136.

Risk Management and Internal Controls

The Board has delegated responsibility to the Audit Committee to monitor the Group's risk management and internal control systems. In order to discharge this responsibility for the period from 1 January 2022 to 31 December 2022, the Audit Committee:

i. reviewed the Group's principal risks and uncertainties, including any emerging risks;
ii. appointed an external third party, BCM Risk Solutions Limited, to carry out a review of the Company's risk and resilience framework and received presentations from management on the implementation of the recommendations from that review including the appointment of an internal Risk and Compliance Manager;
iii. reviewed the Company's enterprise risk management framework and internal control systems and their operating effectiveness with the new internal Risk and Compliance Manager. For further details on these systems, please see the Risk Management and Internal Control Systems section of the Risk Report on pages 57 to 59;
iv. reviewed quarterly reports from IFML (as AIFM) relating to investment management, fund risk management, regulatory compliance, operational risk management, capital and financial management and distribution;
v. received quarterly updates on any internal control compliance issues or material legal matters; and
vi. appointed EY, with effect from 1 February 2022, to provide an outsourced internal audit service for the Group and reviewed quarterly reports from EY in this role.

In addition, the Board receives quarterly reporting from the CEO, CFO, the Director of Property Management and Resident Services and the Director of Investments and Asset Management.

External Audit

One of the key roles of the Audit Committee is to monitor the performance, objectivity and independence of the external auditor. Open, direct and honest communication between the Audit Committee, the external auditor and management is essential in ensuring both an effective audit and auditor independence.

In November 2022, the Audit Committee met with the external auditor to agree the FY 2022 audit plan. To ensure a quality audit, the external auditor needs to be aware of the business risks. Therefore, the Audit Committee discussed and agreed with the External Auditor the key business, financial statements and audit risks, and the materiality being used for the audit to ensure that the audit was appropriately focused. In advance of the commencement of the annual audit, the Audit Committee reviewed the external auditor's letter of engagement, together with a presentation from the external auditor confirming their independence within the meaning of the regulations and professional standards.

In February 2023, in advance of the finalisation of the Group's financial statements for the year ended 31 December 2022, the Audit Committee received a report from the external auditor on their key audit findings, including the key areas of risk and significant judgements, and discussed any issues arising with them in order for the Audit Committee to form a judgement on the financial statements.

In order to assist the Audit Committee in evaluating the external audit process and to ensure continuous improvement, following the completion of the audit, the Audit Committee members discussed with management the effectiveness of the external auditor and the external audit process in general.

At least annually, the Audit Committee meets with the external auditor without the presence of management to discuss any matters the external auditor may wish to raise. The Audit Committee continues to be satisfied with the performance of the external auditor, and has determined that KPMG remain effective, objective and independent.

Statutory Auditor

On completion of a tender process in 2017 and having considered the requirements of the Statutory Audit Directive of 15 June 2016 (Statutory Instrument SI 312 of 2016), the Board approved the appointment of KPMG as statutory auditor with effect from the financial year ended 31 December 2018. This appointment was approved by the shareholders at the 2019 annual general meeting. KPMG remains the statutory auditor for the financial year ended 31 December 2022. The audit partner in charge within KPMG for the 2022 audit was Sean O'Keefe. The Audit Committee will keep the tenure of the external auditor under review in light of best practice and recent legislation. The Audit Committee currently has no plans for re-tendering of the statutory auditor.

Independence and Non-Audit Services

The Company has a policy which requires the pre-approval by the Audit Committee of all non-audit services to be provided by the external auditor. The level of non-audit services provided by the external auditor is reviewed at least on a quarterly basis and, in conjunction with the external auditor, the impact on independence and objectivity is assessed. KPMG completes the audit of the financial statements and PricewaterhouseCoopers completes the tax related reviews, ensuring that both parties remain independent.

Details of the amounts paid to the external auditor during the year for audit and non-audit services are set out in note 29 to the Group financial statements.

Internal Audit

In February 2022, the Audit Committee approved the appointment of EY as the external provider of an internal audit function for the Company. The Committee is satisfied that EY have sufficient experience and expertise to provide the internal audit services for the Group.

The Audit Committee has direct access to EY's internal audit team. The Audit Committee assessed the annual internal audit plan put forth by EY's internal audit function and received periodic reports on work performed during 2022.

Report of the Remuneration Committee

Remuneration Committee Membership

Aidan O'Hogan (Chair)	Appointed 31 March 2014
Declan Moylan	Appointed 31 March 2014
Joan Garahy	Appointed 18 April 2017
Tom Kavanagh	Appointed 1 June 2018

Dear Shareholder,

It is my pleasure to present the Report of the Remuneration Committee for the year ended 31 December 2022.

I-RES has delivered a year of resilient operational and financial performance against a challenging macroeconomic backdrop. We continued to execute on our investment strategy, including investment in the delivery of two new developments (130 homes) and the acquisition of Ashbrook (108 homes), whilst also adding value from our existing portfolio through active asset management and capital recycling.

The Board made the decision to internalise its management operations as it believes it is an important strategic and financial objective at this point in the Company's evolution and is in the best interests of shareholders. I-RES' business is now a wholly Irish operating business, following the acquisition of the management company and the transition of services from Canada during 2022. We have strengthened our team with several senior management appointments and supported this by continued investment in new technology. This has created a unique proposition in the Irish market and further capitalises on our position as the leading rental provider of choice.

All exceptional costs associated with this internalisation process have now been incurred in the financial periods up to 30 June 2022 and no further exceptional costs are anticipated. As previously outlined by the Company at the time of announcing its intention to proceed with the internalisation process, we believe internalisation will generate greater value for shareholders in the long term.

Performance Overview

In 2022, our revenue increased by 6.5%, due to the introduction of new assets, and organic rental growth backed by our consistently high occupancy levels. Net Rental Income increased to €65.7 million, with a stabilised margin of 77.5%, showing the strength of the business's fundamentals as well as continued and active cost management initiatives and discipline, despite inflationary pressures. Our Adjusted General and Administrative costs remained flat year on year at €11.5 million. Adjusted EBITDA grew to €54.2 million, an increase of 4.8% year on year, showing the strong consistent cash generation of the business. EPRA Earnings remained relatively flat year on year, with the decrease of €0.7 million, largely attributable to increases in interest costs and non-recurring costs from internalisation.

Outside of traditional financial measures, Environmental, Social and Governance ("ESG") considerations continue to take focus across our business, influencing our operations and investment decision making. As a Board, we regularly engage with our stakeholders to inform our decisions and ensure that as their focus on ESG grows, particularly climate change matters, I-RES continues to respond to their evolving expectations. We have taken important steps towards the development of a carbon reduction roadmap for the portfolio. We have committed to reducing our scope 2 emissions by 10% and scope 1 emissions by 30% in 2023. I-RES' ambition is to reduce our carbon emissions in line with the Paris Climate Agreement. In addition to setting ambitious targets the Group has conducted a review of our sustainability strategy in order to maintain pace with the quickly evolving area of sustainability and to ensure we continue to deliver on our commitments.

Remuneration Outcomes

The 2022 annual bonus outcome was subject to a combination of EPRA earnings (30%), net rental income (NRI) (20%), EPRA NAV (20%) and strategic objectives (30%). These measures, in line with those used in 2021, were combined to ensure there was a balance between a continued focus on improving profit and rental income growth, while focusing on key non-financial deliverables which underpin our strategy, as well as core ESG priorities.

Based on the outcome of the financial and non-financial measures, the CEO earned a bonus equal to 61% of maximum (equivalent to 91.5% of salary) and the CFO earned a bonus equal to 62.5% of maximum (equivalent to 62.5% of salary). See page 106 for details.

The LTIP awards granted in 2020 will lapse in full as EPS performance was below threshold and relative TSR performance was below median to the FTSE EPRA NAREIT Europe Developed Index. See page 108 for details.

Our Executive Directors and Senior Leadership Team have continued to deliver across all key financial, operational and strategic metrics and navigate the business successfully through the uncertainty and challenges of the Irish Real Estate environment (as summarised in the performance overview section across). However, the Committee also recognises that shareholders have been impacted by the Company's absolute share price performance during the year. Therefore, on balance, the Committee considered the outcome of the annual bonus and LTIP awards to be appropriate.

Remuneration – Policy Review

Our current remuneration policy was approved by shareholders at the 2020 AGM and was intended to apply for four years in line with the EU Shareholders' Rights Directive legislation. However, given the internalisation and as indicated in the 2021 Remuneration Report, the Committee undertook a thorough review of the remuneration policy during 2022 to ensure that it aligns with the business' needs and experience of stakeholders and appropriately reflects Company strategy.

In Autumn 2022 as Chair of the Committee I consulted with 18 major shareholders (64% of the register) as well as proxy advisors on proposals relating to; a proposed move from the current performance based LTIP arrangements to Restricted Share Units (RSU); the positioning of the CFO's salary and bonus opportunity; and pension arrangements for the CEO, CFO and future Executive Directors.

Whilst there were, not unexpectedly, different perspectives from shareholders, there was considerable support for all proposals but a more divergent range of views and considerations in relation to the RSU proposal. In particular, while supportive of the concept of RSUs, shareholders questioned whether this form of long term incentive is appropriately aligned with the shareholder experience.

Reflecting that, the Committee has proceeded with the CFO salary and bonus opportunity changes and the pension arrangements as proposed (and details are provided below) but deferred any decision to replace the performance based LTIP arrangements with RSUs.

In the light of the feedback from shareholders the Committee has decided to continue with the current remuneration policy for 2023 under which the Committee will grant a performance based LTIP to Executive Directors in 2023 subject to EPS and relative TSR performance measures.

The Committee continues to strongly believe that the long term incentive structure needs to be reviewed to ensure that it: appropriately reflects the Company's REIT status; is more aligned to the Company's strategic objectives and income focus; and incentivises Executive Directors and the wider leadership team to deliver long-term sustainable returns and protect shareholder value through the cycle. The Committee intends to consult with major shareholders on a revised proposal on long term incentive arrangements during 2023. A new remuneration policy will then be put to shareholders for approval at the 2024 AGM.

Remuneration in 2023 – Salary & Pension

As disclosed in the 2021 Remuneration Report, the Committee approved a phased salary increase for the CEO over a two year period (2022 and 2023) to reflect the significant increase in the size and complexity of the CEO's role following the internalisation. The CEO's salary therefore increased from €475,000 to €550,000 with effect from 1 January 2023 as the second stage of this phased increase.

As a consequence of the internalisation the scope and responsibility of the CFO's role has expanded materially since joining the business in April 2021 as the Finance Director. The CFO's remit now includes leadership responsibilities for capital management, IT, technology transformation, procurement and compliance with the Central Bank of Ireland requirements in respect of I-RES Fund Management Limited as our Alternative Investment Fund Manager. The CFO was appointed to the Board in April 2022. The Committee therefore considers it appropriate to increase the CFO's salary from €330,000 to €380,000 to better reflect the nature and responsibility of the CFO's role and to provide further alignment with market practice for similar sized companies. The increase will be phased over a two year period in line with best practice. The CFO's salary increased from €330,000 to €355,000 with effect from 1 January 2023. The CFO's salary will then increase to €380,000 with effect from 1 January 2024 subject to the performance of the CFO and the Group. The Committee consulted with major shareholders and with the proxy advisers in Autumn 2022 in respect of the proposed changes to the salary and bonus opportunity (see below) for the CFO and received a strong level of support for the proposal.

Future salary increases for the Executive Directors will be considered by the Committee having regard to the salary increases for the wider workforce.

As disclosed in the 2021 Remuneration Report, in line with the wider focus on workforce pension alignment, the CEO agreed to maintain her 2021 pension level (15% of €400,000 salary, being €60,000 per annum) for future years. Following his appointment to the Board, the CFO has agreed to maintain his 2022 pension level (15% of €330,000 salary, being €49,500 per annum) for future years.

The average salary increases for the workforce effective from 1 January 2023 including increases and role changes is 8% of salary, with higher salary increases (in % of salary terms) provided to lower paid employees. The average pension contribution level currently made for the workforce is 4% of salary.

Annual bonus

The 2023 bonus opportunity for the CEO and CFO is equal to 150% of salary and 125% of salary respectively. The CFO's bonus opportunity has increased compared to 2022 (100% of salary) following his appointment to the Board, to ensure that his total compensation opportunity better reflects the nature and responsibility of the CFO's role and to provide further alignment with market practice for similar sized companies.

The bonuses are subject to a combination of EPRA earnings (35%), net rental income (NRI) (35%) and strategic objectives (30%). The Committee has agreed strategic measures with each of the CEO and CFO that place an enhanced weighting on delivery of the Company's ESG ambitions together with a continued focus on the Company's strategy in the current uncertain economic climate, risk management, investor relations and people management as the internalisation process is fully embedded. Performance targets are considered to be commercially sensitive and will be fully disclosed in the 2023 Remuneration Report.

LTIP

The CEO and CFO will be granted LTIP awards with a maximum opportunity equal to 135% of salary and 100% of salary respectively. In line with the remuneration policy, the LTIP awards are subject to EPS (50%) and relative TSR (50%) performance measures. The Committee has reviewed the TSR comparator group and has determined that for 2023 TSR performance should be compared to the constituents of the residential sub-sector of the FTSE EPRA NAREIT Europe Developed Index rather than the FTSE EPRA NAREIT Europe Developed Index as a whole. This residential sub-sector comprises around 20 residential real estate peers across Europe. The Committee considers that this provides a more comparable industry peer group whilst retaining an objective and formulaic approach to selecting the TSR comparator group (as the residential sub-sector is defined by FTSE Russell).

Conclusion

We remain committed to a responsible approach to executive remuneration, as I trust this Remuneration Report demonstrates. The Committee considers that the remuneration received by the Executive Directors in respect of 2022 was appropriate, taking into account the Group's performance, the Executive Directors' personal performance and the experience of shareholders and employees. We look forward to your support for the remuneration-related resolutions on the agenda of the 2023 AGM.

Aidan O'Hogan
Chair of the Remuneration Committee

The Remuneration Committee is chaired by Aidan O'Hogan. All members of the Remuneration Committee were independent Non-Executive Directors when appointed by the Board and continue to be independent. Accordingly, the Remuneration Committee is constituted in compliance with the Code and the Articles of Association.

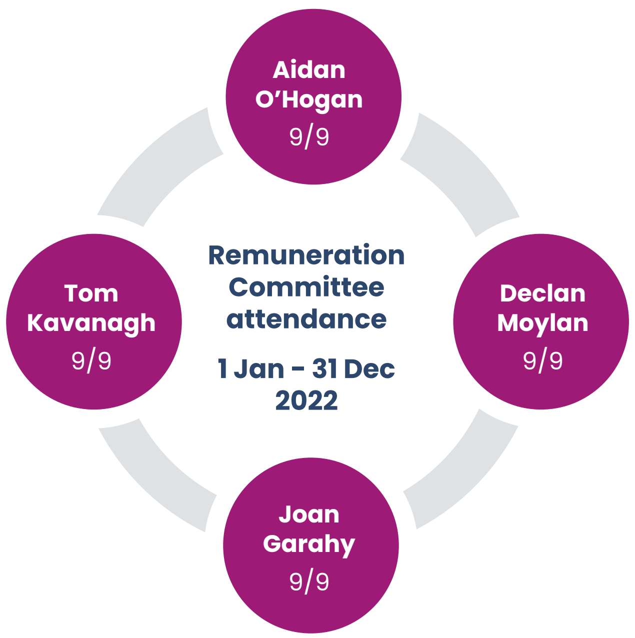
No member of the Remuneration Committee has any conflicts of interest, nor do they have any personal financial interest other than as shareholders (where relevant).

All members of the Remuneration Committee are appointed for an initial term of up to three years, which may be extended by the Board. As highlighted in the biographies of each member of the Remuneration Committee on pages 72 to 74, the members of the Remuneration Committee bring a range of different experience and skills to the Committee.

Meetings of the Remuneration Committee

The Remuneration Committee met nine (9) times during the period from 1 January 2022 to 31 December 2022.

Remuneration Committee Meetings attended/eligible to attend (including ad hoc meetings)



Terms of Reference and Principal Duties

The terms of reference of the Remuneration Committee are regularly reviewed and updated for best practice and compliance with the Code. The Board reviewed the terms of reference of the Remuneration Committee on 16 November 2022 and confirmed that there were no material changes required. The roles and responsibilities delegated to the Remuneration Committee under the terms of reference can be accessed electronically at www.i-res.ie.

The Remuneration Committee evaluates its own performance relative to its terms of reference. Following the 2022 annual review, it was concluded that the Remuneration Committee was satisfied with its performance.

The Remuneration Committee's principal duties include:

- delegated responsibility for determining the policy for Directors' remuneration and setting remuneration for the Company's Chair and Executive Directors and senior management, including the Company Secretary, in accordance with the Principles and Provisions of the Code;
- establishing remuneration schemes that promote long-term shareholding by Executive Directors that support alignment with long term shareholder interests, having regard to the recommendations of the Code;
- designing remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;
- when determining Executive Director remuneration policy and practices, considering the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- in determining remuneration policy, taking into account all other factors which the Remuneration Committee deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance;
- reviewing the ongoing appropriateness and relevance of the remuneration policy;
- within the terms of the agreed remuneration policy and in consultation with the Chair and/or CEO, as appropriate, determining the total individual remuneration package of each Executive Director, the company Chair and senior managers including bonuses, incentive payments and share options or other share awards;
- appointing remuneration consultants;
- reviewing the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for Executive Directors and senior managers, and the performance targets to be used;
- reviewing workforce remuneration and related policies; and
- working and liaising as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

Remuneration Policy

The following section sets out the key extracts of the Company's Remuneration Policy for Executive and Non-Executive Directors, which was approved by 99.2% of shareholders at the 2020 AGM (the "2020 Remuneration Policy"). The 2020 Remuneration Policy is set out in full in the 2019 Annual Report & Accounts.

The table below details how the Remuneration Committee addressed the factors set out in the UK Corporate Governance Code Provision 40 in respect of Directors' remuneration:

Clarity and Simplicity:	The Remuneration Committee aimed to incorporate simplicity and transparency into the design and delivery of the 2020 Remuneration Policy. The remuneration structure is simple to understand for both participants and shareholders and is aligned to the strategic priorities of the business.
Risk:	The 2020 Remuneration Policy includes a number of points to mitigate potential risk - Defined limits on the maximum opportunity levels under incentive plans - Provisions to allow malus and clawback to be applied where appropriate - Performance targets calibrated at appropriately stretching but sustainable levels - Bonus deferral, LTIP holding periods, in-employment and post-employment shareholding requirements ensuring alignment of interests between Executive Directors and shareholders and encouraging sustainable performance
Predictability:	We aim for our disclosure to be clear to allow shareholders to understand the range of potential values which may be earned under the remuneration arrangements.
Proportionality:	A significant part of an Executive's reward is linked to performance with a clear line of sight between business performance and the delivery of shareholder value.
Alignment to culture:	The incentive arrangements and the performance measures used are strongly aligned to those that the Board considers when determining the success of the implementation of the Company's purpose, values and strategy. Please see page 106 of this Report for more information on the Company's strategy and key performance indicators.

Provision 41

The Remuneration Policy is designed to be simple and transparent and to incentivise and reward Executive Directors for delivering the Group's strategy and creating long term sustainable value for shareholders. Performance metrics align with the Group's financial and strategic priorities, including ESG commitments. In determining the quantum and balance of fixed and performance related pay and performance metrics, the Committee considers: market data available for comparable real estate investment trusts inside and outside of Ireland; remuneration for the wider workforce including pay ratios. The Committee is satisfied that the pay ratios are appropriate when considering that the Executive Directors' remuneration arrangements reflect the impact of their role on the Company's performance and the pay, reward and progression policies across the Group.

Policy table for Executive Directors

Element	Operation	Opportunity	Performance Metrics
Basic Salary To provide a fixed level of compensation reflecting the individual's skills and experience	The Remuneration Committee will consider the salary level from time to time during the policy period, having regard to any significant changes in the size and scope of the role and the business, material changes in comparative market data for similar roles and reward for individual development.	No maximum level	Not applicable
Benefits To provide benefits which are competitive with market practice	An annual taxable cash allowance towards car, health cover and risk benefits such as death in service critical illness and disability cover contributions.	No maximum level Benefits allowance for 2023: CEO: €25,000 CFO: €13,500	Not applicable
Pension To provide competitive post retirement benefits	Fixed contributions into an approved Company defined contribution executive pension scheme or an equivalent cash supplement is proposed.	CEO: €60,000 CFO: €49,500 For any new Executive Director appointment, the maximum pension contribution or cash supplement will be aligned with the contribution available to the majority of the workforce	Not applicable
Annual Bonus To support the delivery of the Company's business strategy and KPIs and reward annually for contribution to financial and non- financial performance	Annual bonus based on stretching performance conditions set by the Remuneration Committee at the start of each year. 20% of any bonus paid will be paid as restricted Company shares to promote sustainable performance and provide additional alignment of the CEO with shareholder interests. Dividends will be paid as they arise. Any bonus payments will be subject to withholding (malus) or requirement of repayment (clawback) provisions in the event of the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Company's Consolidated financial statements, engagement in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement, as finally determined (beyond any right of appeal) by a court of competent jurisdiction, and the bonus payment received would have been lower had the financial results been properly reported. The Remuneration Committee has the discretion to override formulaic outcomes in circumstances where it judges it would be appropriate to do so and, in such circumstances, the basis for the exercise of any such discretion will be disclosed in the Annual Report. The cash portion of the bonus may be payable (in whole or in part) as an employer pension contribution if agreed between the individual and Remuneration Committee.	Maximum opportunity of 150% of basic salary For the achievement of Target performance, 50% of the Maximum opportunity (75% of basic salary) would be expected to be payable	The Remuneration Committee will determine the performance measures, their weightings and the calibration of targets each year and will clearly disclose these in the Remuneration Report. 2022 performance measures and targets are set out on page 105.

Element	Operation	Opportunity	Performance Metrics
Long-Term Incentives To align the interests of the Executive Directors with those of shareholders and reward the delivery of long term strategic performance objectives and the creation of shareholder value	On her appointment as CEO, a share option award was granted to Margaret Sweeney and she was entitled to be awarded options to acquire 3% of the number of shares issued by the Company from time to time pursuant to any equity raise (private or public) of the Company. From 2020, this share option arrangement for the CEO was replaced with annual awards of shares, subject to stretching three-year performance conditions. Following the three-year performance period, there is a further two-year holding period to further promote sustainable performance and shareholder alignment. Dividend equivalents (as a cash amount or additional shares) will be paid at the end of the vesting period. All LTIP awards will be subject to malus and clawback provisions. The Remuneration Committee has the discretion to override formulaic outcomes in circumstances where it judges it would be appropriate to do so and, in such circumstances, the basis for the exercise of any such discretion will be disclosed in the Annual Report. In the event of an equity restructuring, the Remuneration Committee may make an equitable adjustment to the terms of share and share option awards by adjusting the number and kind of shares which have been granted. Outstanding LTIP awards would normally vest and become exercisable on a change of control, subject to plan rules, and taking account of the degree to which performance conditions have been satisfied. The Remuneration Committee may exercise its discretion to vary the level of vesting having regard to the circumstances and reasons for the events giving rise to the change of control or determine that it would be appropriate for the LTIP awards to be exchanged for equivalent awards in the purchaser's shares where such an award would be substantially equivalent, in value and in terms and conditions, to the award in the Company. The LTIP limit cannot exceed 10% of the Company's issued ordinary share capital (adjusted for share issuance and cancellation) during the 10-year period prior to that date.	Awards of face value up to 135% of salary	The vesting of these shares will be determined by performance against earnings per share ("EPS") and relative total shareholder return ("TSR" conditions set by the Remuneration Committee at the time of each grant. The performance targets for each award will be clearly disclosed in the relevant year's Remuneration Report. 2022 Performance conditions are set out on page 109.
Shareholding Requirement To further align the interests of the Executive Directors with those of shareholders and encourage sustainable performance	Executive Directors are required to build and maintain a shareholding interest in the Company equivalent to at least 200% of their basic salary. There will be a five-year period to build up this holding from the introduction of the policy. For the purposes of the requirement, "shareholding interest" includes shares if vesting is not subject to any further performance conditions. Vested but unexercised share options, deferred bonus shares and LTIP shares during the two-year holding period following the achievement of the performance condition will be included with a 50% discount applied where appropriate to reflect the number of shares which would be owned assuming sufficient shares were sold to pay tax due. A post-employment shareholding requirement will also apply: A shareholding interest in the Company equivalent to at least 200% of basic salary (or the actual shareholding interest on exit if lower) will be required to be held for a period of two years after leaving employment.	Not applicable	Not applicable

Service contracts

Margaret Sweeney has a service contract with the Company terminable upon six months' prior written notice at the discretion of Margaret Sweeney or 12 months' prior written notice at the discretion of the Company. Margaret Sweeney is entitled to be paid her full remuneration (net of any social welfare benefits) during any periods of inability to work due to illness or accident, not exceeding in aggregate six weeks in any consecutive 12-month period; and thereafter six weeks' half remuneration (net of any social welfare benefits).

Ms. Sweeney's notice period entitlements are limited to salary and benefits over 12 months or less, subject to mitigation.

Brian Fagan has a service contract with the Company terminable upon six months' prior written notice at the discretion of Brian Fagan or six months' prior written notice at the discretion of the Company. Brian Fagan is entitled to be paid his full remuneration (net of any social welfare benefits) during any periods of inability to work due to illness or accident, not exceeding in aggregate six weeks in any consecutive 12-month period; and thereafter six weeks' half remuneration (net of any social welfare benefits).

Mr Fagan's notice period entitlements are limited to salary and benefits over six months or less, subject to mitigation.

Policy for Recruitment of New Executive Directors

The Remuneration Committee will determine the remuneration arrangements in respect of any newly appointed Executive Directors that may be appointed in the future, in line with and subject to the limits in the Remuneration Policy as set out above, including use of performance criteria, holding periods and application of recovery or withholding periods.

Salary levels will be determined taking into account the experience of the individual, the size and scope of the role and the business, and comparative market data for similar roles.

Relocation benefits may be provided if necessary.

If for an external appointment it is necessary to buy out incentive arrangements which would be forfeited on leaving the previous employer, this will be done taking into account the form (e.g. cash or shares), vesting period and any performance conditions applicable to the remuneration being forfeited. If an internal appointment is made, remuneration arrangements awarded prior to promotion to Executive Director level will continue to run in line with the schedule and conditions determined at time of grant.

Non-Executive Director Fees

The remuneration of the Non-Executive Directors is determined by the Board as a whole. No Director may be involved in any decisions in respect of his or her own remuneration. Levels of remuneration for Non-Executive Directors reflect the time commitment and responsibilities of the role. The fees paid to Non-Executive Directors are therefore set at a level which aims to attract individuals with the necessary experience and ability to make a significant contribution to the Company and to compensate them appropriately for their role. Levels of fees may be reviewed from time to time during the policy period, having regard to any significant changes in the size and scope of the role and the business, and material changes in comparative market data for similar roles. Details of the fees for Non-Executive Directors, including the Chairman, Committee Chairs and the Senior Independent Director are set out on page 110.

Potential derogation from the Remuneration Policy

The Remuneration Committee intends that remuneration arrangements will operate in accordance with the above Remuneration Policy until an amended Remuneration Policy is put to shareholders for approval. The European Union (Shareholders' Rights) Regulations 2020 allow for the potential for a temporary derogation from the Remuneration Policy where doing so is necessary in exceptional circumstances, to serve the long term interests and sustainability of the traded PLC as a whole or to assure its viability. By definition, it is not possible to fully list all such exceptional circumstances, but the Remuneration Committee would only use such ability to apply a derogation after careful consideration and where the Remuneration Committee considers the circumstances were truly exceptional and the consequences for the Company and shareholders of not doing so would be significantly detrimental. Where time allowed, shareholders would be consulted prior to applying such a change, or, at minimum where this was not possible, the full details of the derogation would be communicated as soon as practical (e.g., by market announcement/ on the Company's website) and disclosed in detail in the next Remuneration Report. Under the potential derogation, the Remuneration Committee would have the ability to vary the elements of remuneration described in the above table, including levels and performance conditions applicable to incentive arrangements.

Consultation with employees

While the Committee currently does not consult directly with employees when setting remuneration for Executive Directors, it does take into account the remuneration structures, policies and practices in the Group as a whole, the feedback from employee engagement activities and the information provided by our external advisors. In addition, matters relating to remuneration which come to the attention of Mr. Tom Kavanagh, in his capacity as the designated Director with responsibility for workforce engagement and culture, are reported to the Committee. The Group has a number of different channels for engagement and the Committee will consider how it can engage more effectively with the wider workforce to explain broader pay policies and practices and the alignment to the Executive Directors' Remuneration Policy.

Annual Remuneration Report for 2022

This report will be submitted as an advisory vote to shareholders at the 2023 AGM. The report complies with the European Union (Shareholder's Rights) Regulations 2020.

Total Remuneration received for 2022

All elements of the remuneration received by the Directors for 2022 were consistent with the Directors' remuneration policy as approved by shareholders at the 2020 AGM.

During the financial year ended 31 December 2022:

- There were no deviations from the procedure for implementing the remuneration policy.
- There were no derogations from the remuneration policy.
- No use was made of the possibility to reclaim variable remuneration using the malus and clawback mechanisms described in the remuneration policy.

The Remuneration Committee report for 2021 was the subject of an advisory shareholder vote at the AGM in 2022. The resolution was passed with the support of 96.08% of those voting.

Base Salary for 2022

The actual salaries paid to the Executive Directors for the financial year ended 31 December 2022 are set out in the table below. As reported in the Remuneration Committee report for 2021 the CEO's base salary was increased to €475,000 in 2022. The CFO 's base salary for 2022 was €330,000. The base salaries for the CEO and CFO for 2023 will be €550,000 and €355,000 as explained on page 96.

Benefits for 2022

The CEO and CFO receive an annual taxable cash allowance of €25,000 and €13,500 respectively towards car, health cover and risk benefits such as critical illness and disability cover contributions.

Total Remuneration of Executive Directors in 2022

The table below sets forth the total remuneration received by each Executive Director in respect of 2022 (and a comparison to 2021)[1].

		Fixed Remuneration			Variable Remuneration					
Name	Year	Basic Salary (€'000)	Fees (€'000)	Benefits (€'000)	Annual Bonus (€'000)	Deferred Bonus (€'000)	Long-Term Incentive (€'000) (2)	Pension (€'000)	Total Remuneration (€'000)	Proportion of fixed and variable
Executive Directors										
Margaret Sweeney	2022	475	-	25	348	87		60	995	56%/44%
	2021	400	-	25	459	115	-	60	1,058	46%/54%
Brian Fagan(3)	2022	240	-	10	120	30		32(4)	432	65%/35%
	2021	-	-	-	-	-	-	-	-	-

(1) The table includes all emoluments paid to or receivable by Directors in respect of qualifying services during the review period. No compensation for loss of office, payments for breach of contract or other termination payments were paid to any current or former Director in the period under review.
(2) For more information on options and LTIP awards granted to the Directors, please refer to the section below titled "Long-term Incentives".
(3) Brian Fagan joined the Board 11 April 2022. The table includes all emoluments paid to or receivable by Brian Fagan from 11 April to 31 December 2022.
(4) Paid directly to Brian Fagan in lieu of pension contributions.

Pension for 2022

The CEO participates in a defined contribution pension arrangement and the CFO receives a cash allowance in lieu of pension contributions. In 2022, as reported in the 2021 Remuneration Committee Report, the level of pension contribution for the CEO was frozen at €60,000 being 15% of her 2021 base salary. The CFO received a cash allowance equivalent to 15% of his base salary (€49,500). As explained on page 96 the CFO's cash allowance in lieu of pension contributions will be frozen at this level going forwards. For 2023, pension provision represents 10.9% and 13.9% of the CEO and CFO base salaries respectively.

Annual bonus for 2022

The CEO's and CFO's annual bonus maximum opportunity level for 2022 was 150% and 100% of basic salary respectively. A bonus deferral arrangement is in place such that 20% of any bonus paid is deferred into Company shares for a period of three years to promote sustainable performance and provide additional alignment of the CEO and CFO with shareholder interests.

For 2022, 70% of annual bonus for each of the CEO and CFO was determined by financial performance measures and 30% was based on strategic objectives. The weightings, targets and performance against each are summarised in the tables below:

2022 Quantitative Financial Measures for CEO and CFO

Measure	Weighting (% of Maximum bonus	Threshold performance (25% of Maximum payout)	Target performance (50% of Maximum payout)	Stretch performance (100% of Maximum payout)	Performance achieved	Amount Earned by CEO/CFO (% of max weighting)
EPRA earnings (1)	30%	€35.46m	€37.33m	€38.26m	€36.65m	40.90%
Net Rental Income	20%	€61.72m	€64.97m	€66.59m	€65.74m	73.60%
EPRA NAV	20%	€842.7m	€887.1m	€909.2m	€ 847.35m	27.60%

(1) EPRA Earnings have been adjusted for non-recurring costs during the year. See further detail on non-recurring costs on page 23.

2022 strategic objectives

CEO – Margaret Sweeney – 30% total weighting			
Area	**Aims and Measures**	**Weighting (% of bonus) and rating**	**Commentary**
ESG	↘ Development of base line assessment for Scope 1, 2 and 3 carbon emissions by Group	7.5% out of 9%	**Partially Achieved** – baseline assessment completed and presented to the Sustainability Committee in respect of Scope 1 & 2 during 2022. Scope 3 report presented in early 2023
	↘ Base line Assessment of Property portfolio for energy use		**Fully achieved** – baseline assessment completed and presented to the Sustainability Committee
	↘ Integrating Sustainability criteria into Investment policy		**Fully achieved** - Investment criteria, due diligence process and investment assessment updated in 2022 to incorporate sustainability criteria
	↘ Enhancement of Group disclosure on ESG to meet investor and funder expectations, including initial TCFD assessment and inclusion in a second index in addition to GRESB		**Fully achieved** - GRESB submission completed and score improvement. Submissions also made to CDP and S&P Global indexes
	↘ Improvement in Customer Satisfaction rating over 2021		**Fully achieved** - Significant improvement in resident satisfaction in 2022 Annual Resident Survey
	↘ Development of plan for Community engagement aligned to company objectives		**Fully achieved** - Detailed plan in place for Community engagement linked to overall investment and location strategy of 'Building Communities and Creating Value'
Transition	Successfully oversee the transition and internalisation of management of the company including integration of IFML and I-RES REIT	6%	**Fully achieved** – Internalisation and transition delivered within agreed timeframes
Investor Relations	Develop and manage proactive investor relations with existing and prospective investors to support delivery of the approved Company strategy	6%	**Fully achieved** - The CEO developed and maintained strong relationships and communications with the Group's investors during 2022 including in respect of internalisation
Strategy	Delivery of Company strategy in line with risk management strategy to ensure no material avoidable and within our control risks during 2022	6%	**Fully achieved** - The Company's Growth strategy continued to be implemented in the context of managing leverage in line with Board policy and the risk environment and added value for shareholders. Proposals were brought to Board to mitigate the increasing risk assessment based on macro environment and rising interest rates. This included additional hedging of credit facilities in December 2022 and proposals regarding recycling of assets including Hampton Wood in August 2022

CFO – Brian Fagan – 30% total weighting			
Area	**Aims and Measures**	**Weighting (% of bonus) and rating**	**Commentary**
Risk	Successfully oversee risk management strategy to ensure no material avoidable and within our control risks	3%	**Fully achieved** - Significant risks with internalisation and transition appropriately planned and risk assessment incorporated into transition project
Transition	Successfully oversee the transition of financial reporting and finance function from CAPREIT	9%	**Fully achieved** – Transition achieved within agreed timeframes
Finance Team	Build a finance team for I-RES REIT plc and integrate IFML Finance function into a unified finance team with appropriate reporting and control structures	6%	**Fully achieved** – New I-RES Group Finance team in place with reporting and control structures
IT Migration	Successful delivery of the IT migration project & implementation/integration of new systems	6%	**Fully achieved** – New system implemented on time with Data transferred so as not to cause any business interruption
Banking	Management, development and execution of I-RES' Banking/Debt relationships/arrangements in line with strategic objectives	6%	**Fully achieved** – Key strategic objectives for 2022 were extension of RCF facility to 2026 and hedging of proportion of drawn debt under RCF. Both achieved
Investor Relations	Supporting CEO in development of I-RES' existing investor relations and develop new relationships	3%	**Fully achieved**- The CFO supported the CEO in the development and maintenance of strong relationships and communications with the Group's investors during 2022 including in respect of internalisation and in particular the once off costs associated with internalisation

The Remuneration Committee assessed performance against each of the qualitative measures on the basis of whether they were fully achieved, partially achieved or not achieved.

The Committee considered the achievement and performance of each of the CEO and CFO against the specific qualitative objectives set for 2022. For the qualitative measures, the Committee placed enhanced weighting on delivery of ESG in light of investor feedback on the importance of measurable targets.

Pursuant to the above assessment, totalling the above percentage outcomes, the Committee determined that, for the CEO 28.5% of the maximum 30% of this part of the bonus would be payable and for the CFO the full 30% of this part of the bonus would be payable.

Having carried out a thorough review, the Committee was satisfied that Bonus 2022 pay-outs were aligned with overall company and individual performance as well as stakeholder experience during the performance period.

Total Bonus and Bonus Deferral for 2022

The total bonus achieved by the CEO in respect of the financial year ended 2022 was 91.5% of her base salary (61% of the maximum bonus opportunity of 150%). In line with this, on 23 February 2023, the Remuneration Committee awarded the CEO a performance-related bonus of €434,795 in respect of the Company's financial year ended on 31 December 2022 (the "CEO 2022 Bonus").

€347,836 (representing 80%) of the CEO 2022 Bonus was paid to the CEO in cash. The remainder of the CEO 2022 Bonus, €86,959 (representing 20%), was settled as a restricted entitlement, to the beneficial interest in 79,342 ordinary shares in the capital of the Company.

The total bonus achieved by the CFO in respect of the financial year ended 2022 was 62.5% of his base salary (62.5% of the maximum bonus opportunity of 100%). In line with this, on 23 February 2023, the Remuneration Committee awarded the CFO a performance-related bonus of €206,329 in respect of the Company's financial year ended on 31 December 2022 (the "CFO 2022 Bonus").

Of this €165,063.20 (representing 80%) was paid to the CFO in cash. The remainder of the CFO 2022 Bonus, €41,265.80 (representing 20%), was settled as a restricted entitlement, to the beneficial interest in 37,651 ordinary shares in the capital of the Company.

LTIP Awards Vesting

On 27 March 2020, the Remuneration Committee awarded the CEO a conditional award over 437,601 shares under the terms of the LTIP (equivalent to 135% of basic salary). The award was subject to EPS and relative TSR performance measures over a three year performance period which ended on 31 December 2022. As set out in the table below, the threshold performance targets were not achieved and the awards will lapse in full on 27 March 2023.

Performance level	Vesting level	Adjusted EPS portion (50% weighting) Percentage growth in EPS: 2022 compared to base year of 2019	TSR portion (50% weighting) TSR relative to constituents of the FTSE EPRA/NAREIT Europe Developed Index
Below Threshold	0%	Below 3% p.a.	Below Median
Threshold	25%	3% p.a.	Median
Stretch (or above)	100%	6% p.a.	Upper Quartile
Performance		0.3% p.a.	Below Median

LTIP Awards Granted During 2022

On 23 February 2022, the Remuneration Committee awarded the CEO and the CFO each a conditional award over 430,369 and 221,476 shares respectively, under the terms of the LTIP (equivalent to 135% and 100% of basic salary respectively).

The vesting of the 2022 award is subject to the achievement of the performance conditions set out in the table below. In the event of vesting at the end of the three year performance period, awards will be held for a further period of at least two years.

Performance level	Vesting level	Adjusted EPS portion (50% weighting) Percentage growth in EPS: 2024 compared to base year of 2021*	TSR portion (50% weighting) TSR relative to constituents of the FTSE EPRA/NAREIT Europe Developed Index
Below Threshold	0%	Below 2% p.a.	Below Median
Threshold	25%	2% p.a.	Median
Stretch (or above)	100%	3% p.a.	Upper Quartile
Between Threshold and Stretch	Pro-rate between 25% and 100%	Between 2% and 3% p.a.	Between Median and Upper Quartile

Name	Number of shares awarded in 2022	Share Price at Date of award	Face Value at Date of award
Margaret Sweeney	430,369	1.49	€641,249.81
Brian Fagan	221,476	1.49	€329,999.24

* Adjusted EPS targets are based on normalised EPRA earnings which is calculated by excluding from EPRA earnings the effects of certain non-recurring and exceptional items.

The Committee is satisfied that the adjusted EPS performance range set for the 2022 LTIP awards was stretching relative to internal modelling and external forecasts, particularly given the increasing regulatory pressure facing the business and sector through rental caps.

The share price for the 2022 award was 8% below the share price for the 2021 award. Therefore, the Committee does not consider there to be potential for participants to benefit from 'windfall gains' as a result of a material fall in share price prior to grant. Furthermore, while there was a small increase in the underlying number of shares awarded during 2022 over 2021, there had been a significant decrease in the number of shares awarded in 2021 compared to 2020 reflecting the increase in the share price during that period, reaffirming the Committee's conviction that the granting of awards to participants is fully aligned with the interests of shareholders as the share price increases or decreases.

Non-Executive Director Fees in 2022

Non-Executive Directors (NEDs) have letters of appointment which set out their duties and responsibilities. The appointments are initially for a three-year term but are terminable on one month's notice.

In 2022, the NEDs were paid a fee of €65,000 per annum with additional fees paid to the Senior Independent Director (€15,000 per annum) and Committee Chairs (€25,000 per annum). The Chairman received an annual fee of €200,000.

The table below sets forth the total remuneration received by each NED (other than the Chairman) in respect of 2022 (and a comparison to 2021).

	Base Fee		Committee Chair Fee		SID Fee		Total	
Non-Executive Directors	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**
Aidan O'Hogan	65	50	25	25	15	-	105	90
Hugh Scott-Barrett[1]	17	-	-	-	-	-	17	-
Joan Garahy	65	50	25	25	-	-	90	75
Phillip Burns	65	50	-	-	-	-	65	50
Stefanie Frensch	65	33[2]	-	-	-	-	65	33
Tom Kavanagh	65	50	25	21[3]	-	-	90	71

(1) Based on a start date of 29 September 2022
(2) Based on a start date of 1 July 2021
(3) Took up role on 11 May 2021

Comparative information on the change of remuneration and company performance

The table overleaf compares the year-on-year change in total remuneration of each of the Directors over the past five years with company performance over the same period. On 31 December 2020 the Company had 3 employees and on 31 December 2021 the Company had 11 employees (one of whom sat on the Board). Comparable year-on-year change in average remuneration for the workforce therefore cannot be provided for the previous 5 years. The table overleaf compares the year-on-year change in average remuneration for the workforce in 2022.

Name	Role	2018	2019	2020	2021[8]	2022
Executive Directors' remuneration						
Margaret Sweeney	Remuneration	730	1037	632	1058	995
	% Change	475%[1]	42%	-39%	67%	(6%)
Brian Fagan	Remuneration	–	–	–	–	432[2]
	% Change	–	–	–	–	–
Non-Executive Directors' remuneration						
Declan Moylan	Remuneration	100	134	140	170	200
	% Change	14%	34%	4%	21%[3]	18%
Aidan O'Hogan	Remuneration	75	75	75	90	105
	% Change	39%[4]	0%	0%	20%[5]	17%
Hugh Scott-Barrett	Remuneration					17[6]
	% Change					
Joan Garahy	Remuneration	75	75	75	83	90
	% Change	92%[7]	0%	0%	11%	8%
Phillip Burns	Remuneration	50	50	50	58	65
	% Change	0%	0%	0%	16%	12%
Stefanie Frensch	Remuneration				33	65
	% Change					97%[9]
Tom Kavanagh	Remuneration	29	50	50	71	90
	% Change		72%[10]	0%	42%[11]	27%
Company performance						
EPRA Earnings	Total (€ millions)	27.8	33.1	34	31.6	30.9
	% Change from previous year	12%	19%	3%	(7%)	(2%)
EPRA EPS	Total (cents)	6.5	6.9	6.5	6	5.8
	% Change from previous year	8%	6%	(6%)	(8%)	(3%)
Total Number of Residential units	Total	2679	3666	3688	3829	3938
	% Change from previous year	9%	37%	1%	4%	3%
Additional Numbers						
Adjusted EPRA Earnings	Total (€ millions)	27.8	33.1	36.3	37.08	37
	% Change from previous year	12%	19%	10%	2%	0%
Adjusted EPRA EPS	Total (cents)	6.5	6.9	7	7	6.9
	% Change from previous year	8%	6%	1%	0%	(1%)
Average remuneration on a full time equivalent basis of employees of the Group	Remuneration	–	–	–	149	62
	% Change from previous year					(58%)

(1) On 1 November 2017, Margaret Sweeney was appointed Chief Executive Officer and full-time Executive Director and this accounts for the substantial change in remuneration in 2018 above to include salary, pension contributions and bonus
(2) On 11 April 2022, Brian Fagan was appointed to the Board as a full time Executive Director.
(3) Declan Moylan's annual fee for his role as the Chairman was increased to €200,000 per annum effective 1 July 2021 which resulted in a 21% increase from 2020 to 2021.
(4) Aidan O'Hogan' s increase of 39% in 2018 was due to Aidan's additional role as Chair of the Remuneration Committee.
(5) Aidan O'Hogan' s increase of 20% in 2021 was due to the Board's decision to remunerate the role of Senior Independent Director
(6) Hugh Scott Barrett was appointed to the Board on 29 September 2022
(7) Joan Garahy's increase of 92% in 2018 was due to Joan being part of the Board for a full year and with effect from 1 November 2017, being appointed Chair of the Audit Committee.
(8) As of 1 July 2021, the annual fee for all Non-Executive Director roles was increased to €65,000.
(9) Stefanie Frensch was appointed to the Board on 1 July 2021. The increase of 97% in 2022 was due to Ms Frensch being part of the Board for a full year.
(10) Tom Kavanagh was appointed to the Board on 1 June 2018. The increase of 72% in 2019 was due to Mr. Kavanagh being part of the Board for a full year.
(11) Tom Kavanagh's increase of 42% in 2021 was due to his appointment as the Chair of the Sustainability Committee on 11 May 2021.

Interests of Directors and the Secretary in the share capital

As of 31 December 2022, the CEO maintained a 'shareholding interest' of approximately 638% of basic salary based on a market price of €1.11 being the closing price of the Company's shares on 31 December 2022.

As of 31 December 2022, the CFO maintained a 'shareholding interest' of approximately 10% of basic salary based on a market price of €1.11 being the closing price of the Company's shares on 31 December 2022 and in line with the remuneration policy will continue to build up his shareholding.

The movement in Directors' and Company Secretary's shares during 2022 is set out below:

Name	Ordinary Shares at 1 January 2022	Ordinary Shares at 31 December 2022	% of Company as at 31 December 2022	Outstanding Option Awards as at 1 January 2022	Outstanding Restricted Shares pursuant to the LTIP at 31 December 2022(1)	Ordinary Shares as at 6 March 2023
Declan Moylan	150,000	150,000	0.03%			150,000
Margaret Sweeney	266,413	432,912	0.08%	4,596,499	1,203,790	548,379
Brian Fagan	-	29,086	0.01%		417,679	66,737
Aidan O'Hogan	186,774	186,774	0.04%			186,774
Hugh Scott-Barrett	-	40,000	0.01%			40,000
Joan Garahy	34,850	34,850	0.01%			34,850
Phillip Burns	-	-	-			_
Stefanie Frensch	-	30,000	0.01%			30,000
Tom Kavanagh	81,129	81,129	0.02%			81,129
Anna-Marie Curry	-	4,143	0.01%		58,873	14,171
Totals	**719,166**	**988,894**	**0.22%**		**1,621,422**	**1,152,040**

(1) LTIP awards granted in 2020 will lapse in full during 2023 as the threshold EPS and relative TSR targets were not achieved.

In accordance with the disclosure requirements prescribed by Euronext Dublin Listing Rule 6.1.82(1), the interests disclosed above include both direct and indirect legal and beneficial interests in shares. Other than as noted above, there were no movements in Directors' shareholdings or outstanding option awards or Restricted Shares pursuant to the LTIP between 31 December 2022 and 6 March 2023.

The Directors and the Company Secretary have no beneficial interests in any of the Group's subsidiary or associated undertakings.

The Company is not aware of any other arrangements between its shareholders which may result in restrictions on the transfer of securities or voting rights.

Market value share options

Director	Grant Date	Exercise Price(€)	No of options 01-Jan 21	Options granted during the period	Amount Exercisable	Options vested during the period	Options exercised during the period	Options lapsed during the period	No of options 31 Dec 2022	Vesting Date(s)	Latest date for exercise
Margaret Sweeney	10-Jul-19	1.682	1,294,038		1,294,038	431,346			1,294,038	One third in each year starting 10-Jul-2020	9-Jul-26
Margaret Sweeney	18-Jun-19	1.71	1,302,461		1,302,461	434,154			1,302,461	One third in each year starting 18-Jun-2020	17-Jun-26
Margaret Sweeney	16-Nov-17	1.489	2,000,000		2,000,000				2,000,000	One third in each year starting 16-Nov-2018	15-Nov-24

Performance based LTIP awards

Director	Grant Date	No of awards held	Awards granted during the period	Awards vested during the period	Awards lapsed during the period	Total number of awards 31 Dec 2022	Performance period	Vesting Date
Margaret Sweeney	23-Feb-22	-	430,369			430,369	1 Jan 22 - 31 Dec 24	23-Feb-25
Margaret Sweeney	05-Mar-21	335,820				335,820	1 Jan 21 – 31 Dec 23	05-Mar-24
Margaret Sweeney	27-Mar-20	437,601				437,601(1)	1 Jan 20 – 32 Dec 22	27-Mar-23
Brian Fagan	05-Aug-21	196,203				196,203	1 Jan 21 – 31 Dec 23	05-Aug-24
Brian Fagan	25-Feb-22		221,476			221,476	1 Jan 22 - 31 Dec 24	25-Feb-25

(1) LTIP awards granted in 2020 will lapse in full during 2023 as the threshold EPS and relative TSR targets were not achieved.

Employee Share Schemes

Options and performance based LTIP awards are issuable pursuant to I-RES' share-based compensation plans. Eligible participants include employees or Executive Directors of the Company. Further details on the share schemes are included in note 13 of the Group financial statements.

Implementation of Remuneration Policy in 2023

CEO and CFO Remuneration in 2023

Basic salary
As disclosed on page 96, the CEO's and CFO's salaries were increased to €550,000 and €355,000 respectively with effect from 1 January 2023.

Annual Bonus
The 2023 bonus opportunity for the CEO and CFO is equal to 150% of salary and 125% of salary respectively.

In each case, 20% of any bonus payment will be deferred for three years into shares in line with the shareholder approved Remuneration Policy set out above.

The table below sets out the measures and weightings that will apply for 2023. The full details of targets and performance against each will be set out on a retrospective basis in the 2023 Remuneration Report.

The Committee has decided that, given the current market volatility, NRI and EPRA are the most appropriate measures for a short term incentive structure and has therefore, not included Net Asset Value (NAV) as a measure for the 2023 annual bonus.

Measure	Weighting (% of Maximum bonus)	Rationale and Description
EPRA earnings[1]	35%	Incentivises operational success in achieving rental growth, income from sales and reduction in operational and finance costs relative to a challenging budget.
Net Rental Income	35%	Net Rental income incentivises management to focus on growing income and reducing cost.
Qualitative strategic objectives	30%	The Committee has agreed strategic measures with each of the CEO and CFO that place an enhanced weighting on delivery of the Company's ESG ambitions together with a continued focus on the Company's strategy in the current uncertain economic climate, risk management, investor relations and people management as the internalisation process is fully embedded. Due to matters of commercial sensitivity it would not be in the interests of the Company to disclose the precise operational targets for the annual bonus at the date of production of this report. Details of the objectives and the performance achieved will be disclosed retrospectively in the 2023 Annual Report.

(1) EPS is based on normalised EPRA earnings which is calculated by excluding from EPRA earnings the effects of certain non-recurring and exceptional items.

Long Term Incentives
On 15 March 2023, in line with the Remuneration Policy the Committee granted conditional share awards to the CEO and CFO over shares equal to 135% of salary and 100% of salary respectively. The vesting of the awards is subject to EPS (50%) and relative TSR (50%) performance conditions measured over a three year period ending 31 December 2025, in line with the Remuneration Policy. The awards will be required to be held for a further period of at least two years post-vesting.

The Committee has reviewed the TSR comparator group and has determined that for 2023 TSR performance should be compared to the constituents of the residential sub-sector of the FTSE EPRA NAREIT Europe Developed Index rather than the FTSE EPRA NAREIT Europe Developed Index as a whole. This residential sub-sector comprises around 20 residential real estate peers across Europe. The Committee considers that this provides a more comparable industry peer group whilst retaining an objective and formulaic approach to selecting the TSR comparator group (as the residential sub-sector is defined by FTSE Russell).

Details of the TSR targets are set out below. The Committee considers the EPS targets to be commercially sensitive at this point in time and will provide full disclosure of the targets in next years' Remuneration Report.

As with each award, the Committee will conduct a rigorous evaluation of vesting levels against the shareholder and stakeholder experience at the conclusion of the performance period.

Performance level	Vesting level	TSR portion (50% weighting)
Below Threshold	0%	Below Median
Threshold	25%	Median
Stretch (or above)	100%	Upper Quartile (or above)
Between Threshold and Stretch	Pro-rata between 25% and 100%	Between Median and Upper Quartile

Name	Number of shares awarded in 2023	Share Price at Date of award	Face Value at Date of award
Margaret Sweeney	750,000	€0.99	€742,500
Brian Fagan	358,586	€0.99	€355,000

Executives' external appointments

The Executive Directors are permitted to take on external appointments with other publicly listed companies with the prior approval of the Board. The Board recognises that there are benefits to both the Company and the Executive Directors, for the Executive Directors to serve as a Non-Executive Board member of other companies. The Executive Directors are permitted to retain any payments received in respect of such appointments.

On 27 February 2014, Margaret Sweeney was appointed as a Non-Executive Director of Dalata Hotel Group plc, for which she received an annual fee in 2022 of €85,000. In October 2022 Dalata Hotel Group plc announced that Ms Sweeney intends to retire as a Director of the Company in 2023.

External Services

The Remuneration Committee has engaged remuneration consultants, Deloitte LLP, who have no other relationship with the Group or any individual Director, to provide advice in relation to executive remuneration and the remuneration report. Deloitte is a founder member of the Remuneration Consultants Group and as such voluntarily operates under its Code of Conduct in relation to executive remuneration. Deloitte's fees for advice during 2022 were €88,000.

Disclosures required under the provisions of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as amended

I-RES Fund Management Limited (IFML) is the Alternative Investment Fund Manager for the Company.

The total remuneration paid in the period to the staff of IFML, all of whom are engaged in managing the Group's activities, was €4.9 million, of which €4.5 million comprised fixed remuneration and €0.4 comprised variable remuneration. The number of staff employed by IFML as at 31 December 2022 was 78 (77 as at 31 December 2021). There were no senior managers or members of staff of IFML whose actions had a material impact on the risk profile of the Company.

Report of the Nomination Committee

Nomination Committee Membership

Declan Moylan (Chair)	Appointed 31 March 2014
Aidan O'Hogan	Appointed 31 March 2014 – 23 March 2016 Re-Appointed 31 March 2017
Joan Garahy	Appointed 1 November 2017
Phillip Burns	Appointed 23 March 2016

Dear Shareholder,

I am pleased to present the Report of the Nomination Committee for the year ended 31 December 2022 which details the main activities undertaken by the Committee during the year.

The Nomination Committee plays a fundamental role in ensuring we select and recommend strong candidates for appointment to the Board. The Committee monitors and evaluates the balance of skills, experience, independence and knowledge on the Board and its committees, so that they can effectively discharge their responsibilities, with any changes recommended to the Board for its review and decision. The Committee is also responsible for succession planning and, following the internalisation of management in 2022, now also has a role in monitoring talent development at senior management level.

During 2022 the Committee led a significant Board refreshment process ensuring that the composition of the Board and its Committees has an appropriate balance of skills, knowledge, experience, diversity and independence for a fully internalised company.

The Board has used external advisers to support these changes and to ensure they are in line with best-in-practice standards for corporate governance.

The Committee led the process for the appointment of Brian Fagan, our CFO as an Executive Director in April 2022 and Hugh Scott-Barrett as an Independent Non-Executive Director in September 2022. These two appointments added further strength and experience to the Board post internalisation, with Hugh bringing listed real estate REIT executive and Board experience and Brian bringing executive financial experience from property and investment businesses.

An area of focus for the Committee has been the process of succession for the Senior Independent Director and Chairman roles where the tenure for both these positions has run concurrently. In October 2022 it was announced that, having served 9 years as a Non-Executive Director, Aidan O'Hogan will not seek re-election at the 2023 AGM. On behalf of the Board, I would like to thank Aidan for his support over the last nine years and his significant contribution to I-RES since its initial public offering in 2014, and in particular in his role as Senior Independent Director since 31 March 2017.

The Committee led the process for the appointment of a new Independent Non-Executive Director with appropriate Irish real estate expertise to join the Board on Aidan's retirement. In this regard we were pleased to recently announce the appointment of Ms Denise Turner to the Board with effect from 4 May 2023 (subject to approval at the 2023 AGM of her election as a Director of the Company). Denise is an experienced property professional with deep industry expertise.

In addition, the Committee has recommended and the Board has approved the appointment of Ms Joan Garahy as Senior Independent Director to succeed Aidan in that role from 4 May 2023 (subject to approval of her re-election to the Board at the 2023 AGM). Joan has more than 30 years experience advising on and managing investment funds, is currently on the Board of ICON plc and was formerly Senior Independent Director at Kerry Group plc.

Looking ahead

I will have served nine years as a Director including six years as Chairman on 31 March 2023. The Committee is cognisant of the Corporate Governance Code guidance on Chair tenure but is of the view that there is a need to ensure continuity in stewardship and to avoid changing both the Chairman and the Senior Independent Director at the same time. The Committee and the Board has recommended that I continue as Chairman until the AGM in 2024 to allow appropriate time to identify a successor and to enable an orderly succession to the role. The Corporate Governance Code contemplates such an extension to facilitate effective succession planning and the development of a diverse Board, particularly where the Chair in question was an existing Non-Executive Director on appointment, as I was. The Committee will undertake a formal succession process which will be led by Ms Garahy when she takes over as Senior Independent Director.

Declan Moylan
Chair of the Nomination Committee

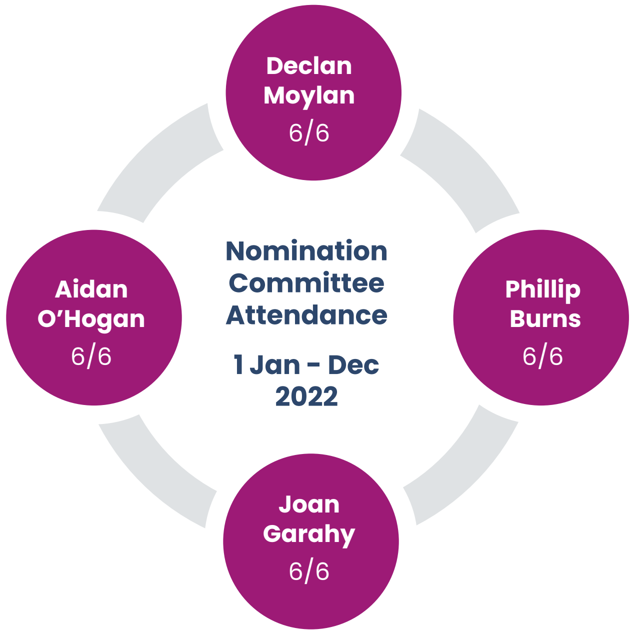
The Nomination Committee is chaired by Declan Moylan, who is also the Chairman. The Company considers the Chairman of the Company to be independent and accordingly a majority of members of the Nomination Committee are independent. Therefore, the Nomination Committee is constituted in compliance with the Code and the Articles of Association regarding its composition.

All members are appointed for an initial term of up to three (3) years, which may be extended by the Board. The term of appointment for Phillip Burns expired on 23 March 2022. Accordingly, the Board agreed that the appointment of Phillip Burns would be extended for an additional term of approximately three years commencing on 24 March 2022 and expiring at the end of the 2025 AGM (subject to him continuing to meet the criteria for membership of the Nomination Committee).

Meetings of the Nomination Committee

The Nomination Committee meets at least twice per year and as otherwise required. The Nomination Committee met six (6) times during the period from 1 January 2022 to 31 December 2022.

Nomination Committee Meetings attended/ eligible to attend (including ad hoc meetings)



Terms of Reference and Principal Duties

The Nomination Committee reviews its terms of reference on an annual basis for best practice and compliance with the Code and, if necessary, proposes for formal Board adoption amendments to the Nomination Committee's terms of reference. The Board reviewed the terms of reference for the Nomination Committee most recently on 16 November 2022 and confirmed that there were no substantive changes required. The roles and responsibilities delegated to the Nomination Committee under the terms of reference can be accessed electronically at www.i-res.ie.

The Nomination Committee evaluates its own performance relative to its terms of reference. Following the 2022 annual review, it was concluded that the Nomination Committee was operating effectively.

The Nomination Committee's principal duties include:

- regularly reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any changes and evaluating the balance of skills, knowledge, experience and diversity on the Board;
- identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- reviewing and recommending the re-election by shareholders of Directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual Directors, the Chair and the Board as whole; and
- ensuring plans are in place for appointments to and orderly succession to the Board and senior management positions and overseeing the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

Key activities during 2022

While not intending to be an exhaustive list of the Nomination Committee's considerations and activities during the 2022 financial year, the Nomination Committee undertook the following key activities during that period:

February – Q4 2021

- Reviewed the results of the Board Evaluation process and reported to the Board thereon
- Assessed the balance of skills, experience, independence, diversity and knowledge of each Director and across the Board
- Reviewed the time commitments of the Chairman, Senior Independent Director and Non-Executive Directors
- Considered the scale of other appointments that the Chair of the Board and other Non-Executive Directors may take on without compromising their effectiveness
- Adopted an updated Board induction plan

March – Annual Report

- Approved the Report of the Nomination Committee included in the 2021 Annual Report
- Commenced a search process with the assistance of external expertise, and ultimately recommended to the Board the appointment of Hugh Scott-Barrett as a Director of the Board with effect from 29 September 2022
- Considered and recommended to the Board that Mr Tom Kavanagh be appointed as the Board Director for Workforce Engagement and Culture for a term of three (3) years expiring at the end of the Company's 2025 annual general meeting

May – Q1 2022

- Reviewed Director Education Agenda for 2022
- Received an update on the search process for the appointment of a new INED to the Board

August – Q2 2022

- Adopted an updated skills matrix for Board members to further understand the level of experience on the Board in line with the Company's strategy, to aid future succession planning and talent management, as well as ensure that an appropriate balance of skills and expertise exists
- Received an update on the search process for the appointment a new INED to the Board

September – Adhoc meeting

- Reviewed the feedback from the I-NED selection process and recommended the appointment of Hugh Scott-Barrett as a Director of the Board
- Discussion on potential extension of the term of the Chair
- Agreed to commence a process for the appointment of a new I-NED , having regard to the possibility of needing to replace Mr. Aidan O'Hogan if he did not seek re-election after 9 years on the Board and retired in May 2023

November – Q3 2022

- Discussed feedback from the shareholder consultation on the potential extension of the term of the Chair
- Received an update on the search process for the appointment of a new INED to the Board

Board Appointment Process

The Nomination Committee leads the process for considering appointments to the Board and its committees. The Committee identifies and nominates for the approval of the Board, candidates to fill Board vacancies as and when they arise, following a formal, rigorous and transparent procedure.

Before any appointment is made by the Board, the Nomination Committee evaluates the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepares a description of the role and capabilities required for a particular appointment and the time commitment expected.

In identifying suitable candidates, the Nomination Committee either advertises directly or uses the services of external advisers to facilitate the search. As part of the search process the Committee considers candidates from a wide range of backgrounds. Each candidate is considered on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position.

Suitable candidates are interviewed by specified members of the Nomination Committee and the results of the interviews are reviewed by the Nomination Committee. The candidate(s) selected by the Nomination Committee are recommended to the Board for approval.

Prior to the appointment of a Director, all other directorships, appointments, significant commitments and interests of the relevant candidate are required to be disclosed to the Board.

On appointment to the Board, the Nomination Committee ensures that Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings. In addition, all new Directors participate in the Company's induction process.

As a result of the Committee's review process there were some additions made to the Board during 2022.

Mr Brian Fagan joined the Board on 11 April 2022 as an Executive Director. Mr. Fagan had joined the Company as Finance Director on 26 April 2021 and was appointed as Chief Financial Officer on 11 April 2022 following internalisation of management.

Mr. Hugh Scott-Barrett joined the Board on 29 September 2022 as an Independent Non-Executive Director. In advance of Mr Scott-Barrett's appointment, the Nomination Committee prepared a position description and engaged Korn Ferry, an international executive search firm, to carry out an extensive search process for suitable candidates for the Board. In making their decision to recommend the appointment of Mr Scott-Barrett, the Committee considered and interviewed several candidates proposed by Korn Ferry. The Committee reviewed the background, knowledge, skills and experience of Mr Scott-Barrett against the position description previously approved by the Committee and also carried out extensive due diligence including a detailed consideration of other time commitments, and any matters that would likely create any actual or perceived conflict of interest. On completion of this suitability assessment the Nomination Committee recommended the appointment of Mr Scott-Barrett to the Board.

Korn Ferry have no connection with the Company, or any individual director, other than their work as advisers in respect of Board composition and related matters. Having previously supported the Company in respect of Board appointments, Korn Ferry had an understanding of the skills and experience of existing Directors, and were well placed to support the Board in ensuring due consideration was given to the impact of Mr Scott-Barrett's appointment on the composition of the Board as a whole.

The Committee is satisfied that the new Board members appointed during 2022 bring a broad range of complementary skills, knowledge and experience to the Board.

Board Chair Tenure and Succession planning

The Nomination Committee assesses the aggregate skills and experience of the Directors in light of the current and future needs of the Board and its committees, both on a routine basis and in particular when considering renewal of contracts and potential new appointments.

Our Board Chair, Declan Moylan was appointed to the Board as an Independent Non-Executive Director on 31 March 2014, on the initial IPO of the Company and became Chair in March 2017. While Declan has been Board Chair for less than 9 years, the Board and Committee are mindful of the fact that 31 March 2023 will be the nine year anniversary of his first appointment to the Board. The Committee is cognisant that the Code includes a provision whereby the Chair *"should not remain in post beyond nine years from the date of their first appointment to the Board."* However, the Code further outlines that *"to facilitate effective succession planning and the development of a diverse Board, this period can be extended for a limited time, particularly in those cases where the Chair was an existing Non-Executive Director on appointment."*

The Board is of the view that there is a need to ensure continuity in stewardship and to avoid changing both the Chairman and the Senior Independent Director at the same time. On 31 January 2022 I-RES internalised its management through the acquisition of its manager IRES Fund Management Limited. The remainder of 2022 was a year of transition for I-RES as that internalisation was embedded.

In addition, there has also been considerable change on the Board within the last two years. In July 2021, Ms Stefanie Frensch was appointed to the Board and Mr Mark Kenny resigned as a Non-Executive Director. Mr Brian Fagan was appointed as an Executive Director in April 2022, Mr Hugh Scott Barrett was appointed as an Independent Non-Executive Director in September 2022, and in October 2022 we announced that Mr Aidan O'Hogan intended to retire from the Board in May 2023. We recently announced the appointment of Ms Denise Turner to the Board with effect from 4 May 2023 (subject to approval at the 2023 AGM of her election as an Independent Non-Executive Director of the Company).

The Board is of the view that Mr Moylan's performance as a Non-Executive Director and Chairman continues to be effective, that he contributes significantly in these roles through his individual skills, considerable knowledge and experience of the Company, and that he continues to demonstrate strong independence in the manner in which he discharges his responsibilities as a Non-Executive Director and Chairman. Consequently, despite his length of tenure, there is no association with management which could compromise his independence.

As Senior Independent Director, Mr O'Hogan consulted with all major shareholders and the proxy advisers in respect of the potential extension of Mr Moylan's term for a further 12 months from the AGM in 2023. The response from shareholders was overwhelmingly positive, with almost all of them agreeing that continuity, especially following completion of internalisation, should be prioritised for a period.

Therefore, the Board concluded that it would be in the best interests of the Company that Mr Moylan's tenure as Chair would be extended for a period of 12 months following the 2023 AGM.

Accordingly, subject to approval of his re-election at the 2023 AGM, Mr. Moylan will remain in role as Board Chair until his successor is appointed and, in any event, will retire from the Board no later than the date of the 2024 AGM.

Board Committees

Given the recent and upcoming changes to the Board composition, the Nomination Committee is carrying out a full review of the composition of the Board Committees including the Committee Chairs in 2023 and will make recommendations to the Board in this regard.

Diversity and Inclusion

The Board and the Nomination Committee recognise the importance of, and are committed to supporting diversity and inclusion in the boardroom where Directors believe that their views are heard, their concerns are addressed and they serve in an environment where no bias, discrimination or harassment is tolerated on any matter. The Board and the Nomination Committee understand that a diverse Board will offer different perspectives in order to provide effective oversight of the Company's business and guide the Company towards its strategic aims. Diversity also improves the quality of decision-making by the Board by reducing the risk of group-think and supports the development of a diverse pipeline of candidates to serve on the Board.

I-RES' Board Diversity and Inclusion Policy requires the Board to consider a broad range of characteristics when considering diversity including, but not limited to:

- age, gender, social and ethnic background;
- educational and professional background, possession of technical skills in the Company's field of operations, including "soft" and cognitive skills necessary to be an effective Director;
- personal strengths such as strength of character, experience, knowledge and understanding; and
- expertise in relevant environmental, social and governance ("ESG") matters.

The Nomination Committee in the context of its Board evaluation processes, regularly reviews the structure, size and composition of the Board, taking diversity and the considerations noted above in particular into account, in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Nomination Committee also considers diversity in the context of Board appointments and succession planning. Each of these processes will take account of and address the Board's diversity at that time and consider needs for enhancement of diversity on the Board. In implementing the Board Diversity and Inclusion Policy during 2022, the Nomination Committee considered diversity in evaluating the optimum composition of the Board and in evaluating the effectiveness of the Board.

The Committee is satisfied that the current Board composition includes an appropriate diversity of skills. These skills are outlined in the skills matrix set out below.

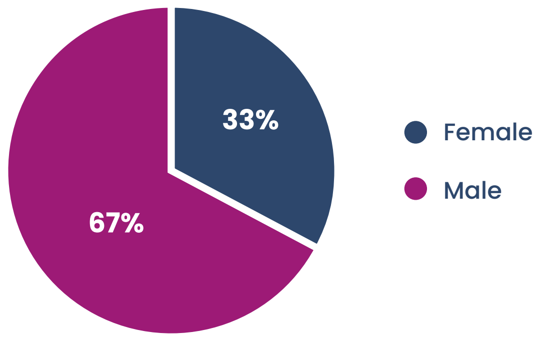
Skill	Number of Directors with that Skill
Management Experience	8
Financial Acumen	7
Capital Markets	5
Real Estate Experience	7
Property Development Experience	3
Sustainability	5
Human Resources/ People Management	6
Government Relations	3
Audit, Risk Management and Compliance	5
Health & Safety	3
Technology/Digital/ Cyber Security	2
PLC Experience	7
International Experience	7
Mergers & Acquisitions	7

All Board appointments, are based on a transparent selection process using objective criteria, including consideration of diversity (including gender and ethnicity), necessary experience, characteristics, skillsets and other attributes necessary to ensure effective oversight of the Company's business and to guide the Company towards its strategic objectives. Where using recruitment consultants, the Nomination Committee seeks, and will continue to seek, to work with consultants who have made a commitment to promote diversity.

The Company continues to meet Board gender diversity best practice in Ireland by having 33% female Board representation as at 31st December 2022, which includes the Company's CEO and the Chair of the Audit Committee. The fact that each of these senior roles are occupied by women demonstrates the Board's commitment to ensuring appropriate gender diversity on the Board.

Given the fact that I-RES is an Irish company with all of its operations in Ireland, the Board and the Nomination Committee have only set measurable objectives in relation to female representation on the Board. The Nomination Committee will consider annually whether additional measurable objectives such as quantitative targets and timeframes for achieving diversity are appropriate and, if thought fit, will recommend such measurable objectives to the Board for adoption. The Board is committed to having an appropriate balance of skills and perspectives, including gender balance on the Board.

Gender Representation on the Board
as at 31 December 2022



With respect to gender quotas, consistent with the targets set by the Balance for Better Business Review Group, the Board has set the following targets for female representation on the Board:

By end of 2021	27%
By end of 2022	30%
By end of 2023	33%

The Board had surpassed its target for 2022 and, with the appointment of Denise Turner (subject to approval at the 2023 AGM of her election as a Director of the Company), the Board will have 44% female representation, surpassing the Board target for 2023 as well.

With regard to the wider workforce, in 2022, I-RES achieved its silver 'Investors in Diversity' accreditation, from the Irish Centre for Diversity, reflecting our commitment to diversity and inclusion at every level of the organisation. As a public-facing service organisation, respect and fairness are at the heart of what we do, and we have in place a range of supports for our staff to ensure we treat colleagues and residents in the most inclusive way. In 2022 we averaged 41 hours training per person, including unconscious bias training for all employees.

For further information on our employee diversity actions see our 2022 ESG Report available at www.i-res.ie

Report of the Sustainability Committee

Sustainability Committee Membership

Tom Kavanagh (Chair)	Appointed 11 May 2021
Margaret Sweeney	Appointed 11 May 2021
Stefanie Frensch	Appointed 1 July 2021

Dear Shareholder,

It is my pleasure to present the Report of the Sustainability Committee for the year ended 31 December 2022.

The Board and the Board Sustainability Committee are committed to keeping the I-RES business thriving, whilst also enabling us to meet our ESG obligations and legislative requirements such as the Climate Action Plan. However, beyond this, we are seeking ways to achieve our wider ambitions and to realise the potential of I-RES to be an ESG leader in real estate in Ireland.

The I-RES vision is to be the provider of choice for the Irish rental sector, known for excellent service and for operating responsibly, minimising our environmental impact and maximising our contribution to local communities.

We are committed to sustainable and responsible business practices and take a long-term approach to investing in the Irish rental market. This was exemplified in 2022 by our €21.8 million investment in Ireland's first LEED Gold, BER A-Rated residential building at The School Yard in Dublin 1. This long-term view also informs how we operate and maintain our properties; the service we provide to our residents; and our daily interactions with our partners, employees and the wider communities.

Being the provider of choice for the Irish rental market means mitigating the environmental impact of our operations, through a long-term, fact-based view of key ESG issues particularly in the current macroeconomic environment. Our focus on ESG is underpinned by an ambitious strategy, with documented commitments that define our focus areas and establish clear, meaningful, and quantifiable targets, against which we will monitor progress towards our ESG goals which are set out in detail in our ESG report which can be accessed electronically at www.i-res.ie

This strategy is part of the DNA of the business and is factored into every decision-making process from Board level to on-site resident service and property management teams. The I-RES team understand that the choices we make every day have a direct impact on the environment and the quality of life of our residents and communities.

Progress in 2022

Over the last year of transition, we comprehensively reviewed our sustainability strategy to ensure it remains appropriate in light of the changes to the business and reflective of the priorities of our stakeholders. To that effect, we refreshed our materiality assessment, and identified three overarching pillars of: operating responsibly; protecting the environment; and building communities both for our employees and for our customers.

We continue to engage with all of our key stakeholders, including our employees, investors, funding partners, residents, suppliers and regulators, to ensure that I-RES continues to respond to their evolving expectations. As we move forward in to 2023 we are developing our strategy to align with regulations and industry frameworks and developing our net zero pathway.

Sustainability is a key part of the deliverables of the senior team at I-RES. The implementation of our sustainability strategy falls within the responsibilities of the Chief Executive and the wider management ESG Steering Group. The oversight of the implementation of this strategy, falls within the remit of the Board of Directors. The Board is supported in discharging this duty by the Sustainability Committee which develops and recommends to the Board the Company's ESG strategy and provides direction in building the in-house skills required to deliver against targets.

During the last year, we made some strategic appointments that further strengthened the Board's approach to sustainability matters. We appointed Brian Fagan, our CFO as an executive Director and Hugh Scott-Barrett as an independent non-executive director. I myself was appointed into the role of Board Director for Workforce Engagement and Culture and in that role met with all employees in person and supported the sustainability training programme.

In 2022, we achieved some significant milestones. We were delighted to retain our EPRA Sustainability Best Practices Recommendations ("sBPR") Gold Award and GRESB 1-star award. We report against a number of frameworks and engage regularly with ESG rating agencies, to ensure the progress we are making is understood. We continuously review ratings and benchmarks to promote transparency to all stakeholders, thus in 2022 we completed our first submission to CDP. We are focused on initiatives which will improve our score over the coming years whilst ensuring that our ESG performance is transparent.

We reduced our Scope 1 (I-RES' headquarters) and Scope 2 (wholly managed buildings) greenhouse gas emissions (on an absolute basis) by 41% and 26% respectively in 2022 and have set the ambitious targets of reducing these further by 30% and 10% respectively in 2023, and we believe we are well positioned to achieve this target.

In 2022, we began work to develop our science-based targets and to assess our baseline carbon intensity related to operational energy for our portfolio. We mapped the energy and carbon intensity of each of our buildings against the CRREM (Carbon Risk Real Estate Monitor) trajectories, to understand how they are currently performing and the reduction targets we need to achieve by 2050. In 2023, alongside a range of practical initiatives within our buildings, we will also build in the target setting work to develop fully costed Net Zero Carbon transition plans.

The Board and management were pleased to be recognised as 1 of only 2 Irish companies to receive the highest recognition by European Women on Boards for gender diversity. In addition, the Company and its employees were pleased to be awarded the Investors in Diversity Silver Award from the Irish Centre for Diversity. I-RES currently has 49% female employees across the Company and our people come from a broad range of nationalities and possess a wide range of cross-sectoral skills and expertise.

We are pleased with our progress over the last year and saw this progress recognised in the improvement of our scores across different rating agencies. The high scores achieved by I-RES across a range of E, S and G performance indicators, further reassures us that we are on the track towards achieving our strategy. This recognition is an important part of I-RES' ESG journey and we look forward to continued progress in 2023.

Finally, for more information on our achievements in 2022 and our plans for 2023, please refer to pages 32 to 47 of this report and to our ESG Report which can be accessed electronically at www.i-res.ie.

I trust that you will find this report to be useful in understanding the operations and activities of the Sustainability Committee during the year.

Tom Kavanagh
Chair of the Board
Sustainability Committee

The Board Sustainability Committee is chaired by Tom Kavanagh, an Independent Non-Executive Director. The Board is satisfied that the Board Sustainability Committee members are appropriately qualified and experienced to fulfil their roles and have a broad mix of skills and experience arising from senior roles they hold or have held with other organisations, and that the Sustainability Committee as a whole has competence relevant to the sector in which the Company operates.

Meetings of the Sustainability Committee

The Sustainability Committee meet at least four (4) times per year and otherwise as required. The Committee met six (6) times during 2022.

Sustainability Committee Meetings attended/ eligible to attend (including ad hoc meetings)

Terms of Reference and Principal Duties

The Sustainability Committee reviews its terms of reference on an annual basis and, if necessary, proposes for formal Board adoption amendments to the Committee's terms of reference. The Board reviewed the terms of reference of the Sustainability Committee on 16 November 2022 and made a number of small changes to include a responsibility to liaise with the other Board committees on relevant matters as determined from time to time. The Sustainability Committee terms of reference are available on the Company's website.

The Sustainability Committee evaluates its own performance relative to its terms of reference. Following the 2022 annual review, it was concluded that the Sustainability Committee was operating effectively.

The Sustainability Committee's principal duties include:

- Developing and recommending to the Board the Company's ESG strategy, policies, risks targets and investment required to achieve the Company's ESG strategy;
- Ensuring any ESG commitments are consistent with the Company's business strategy and Code of Ethics;
- Making recommendations to the Board on effective engagement with stakeholders, including employees, and ensuring stakeholder views are taken into account in Board decisions;
- Providing oversight in relation to building ESG competency at the Board and Management level;
- Ensuring appropriate assurance has been provided in relation to any ESG related disclosure or data to be made publicly available;
- Reviewing and recommending to the Board the approval of the annual ESG Report;
- Reviewing any submissions by the Company to any benchmark or rating agency and the results of any benchmark assessment;
- Liaising with the Company's other Board Committees on relevant matters as determined from time to time including:
  - The Audit Committee – in respect of the exercise by the Audit Committee of its duties in respect of sustainability related financial disclosures.
  - Nomination Committee – in the exercise of its duties relating to Diversity and Inclusion on the Board;
  - The Remuneration Committee – in respect of the adoption of short and long term performance measures that support the Company's ESG Strategy.

Regulation (EU) 2019/2099 on Sustainability-Related Disclosures in the Financial Services Sector (the "SFDR")

As is evident from this report and from the details set out in our 2022 ESG Report (available at www.i-res.ie), I-RES is committed to best practice in relation to ESG matters in the conduct of its affairs. From the perspective of SFDR I-RES is classified as being within the scope of Article 6 of SFDR. At I-RES we continually enhance our approach to ESG matters and detailed reporting on our future intentions and aspirations are included in our 2022 ESG Report available at www.i-res.ie.

How the Sustainability Committee Discharged its Responsibilities in 2022

In the year under review, the principal activities of the Sustainability Committee were as follows:

March – Q4 2021
- Reviewed and approved the ESG Target setting Strategy
- Discussed Investor Roadshow ESG Feedback

March – Annual Report
- Approved the Report of the Sustainability Committee included in the 2021 Annual Report
- Approved the 2021 ESG Report

May – Q1 2022
- Reviewed progress report on ESG Strategic Priorities
- Reviewed and approved the project plan for SBTI /Net Zero Pathway
- Reviewed and discussed the latest developments in ESG and Sustainability
- Reviewed the Company's support for Ukrainian refugees

June – Adhoc Meeting
- Reviewed and approved the Company's GRESB submission in respect of 2021

August – Q2 2022
- Reviewed and recommended the Sustainability Section from the Interim Report
- Received a presentation from the Social Value Portal on 'The S in ESG: understanding social value, its importance and impact to maximise value creation'
- Held a joint meeting with the Audit Committee on sustainability related disclosure requirements

November – Q3 2022
- Reviewed a report on the Company's progress with submissions to Ratings agencies
- Reviewed the Company Diversity and Inclusion plan
- Reviewed and recommended to the Board the updated ESG strategy Roadmap
- Reviewed in detail the 2021 GRESB results

Report of the Directors

The Directors of the Company present their report and the audited financial statements for the financial period from 1 January 2022 to 31 December 2022.

Principal Activity

The Company is an Irish real estate company, focused on the private residential rental property market on the Island of Ireland. The Company owns interests primarily in residential rental accommodations and ancillary and/or strategically located commercial properties located in and near major urban centres in Ireland, in particular Dublin. The Company purchased its first real estate assets on 10 September 2013 and is now one of the largest private residential landlords in Ireland. The Company's net assets and operating results are derived from real estate located in Ireland.

Review of Activities, Business Performance Measures, and Events since the Year-End

The Chairman's Statement on pages 12 to 15, the Chief Executive's Statement on pages 16 to 20, the Financial Review on pages 21 to 29 and the Business Strategy on pages 48 to 51 contain a review of the development and performance of the business during the year, the state of affairs of the business at 31 December 2022, recent events and likely future developments. Information in respect of events since the year-end as required by the Companies Act, 2014 is included in these sections and in note 31 of the Group financial statements on page 192.

The Corporate Governance Report on pages 76 to 85, the Report of the Audit Committee on pages 86 to 93, the Report of the Remuneration Committee on pages 94 to 115, the Report of the Nomination Committee on page 116 to 123, the Report of the Sustainability Committee on pages 124 to 127, the Financial Review on pages 21 to 29 and the Business Strategy on pages 48 to 51 are deemed to be included in this Report of the Directors for the purposes of the Companies Act, 2014.

This Report, the documents referred to therein, which include a description of the principal risks and uncertainties facing the Company, the Chief Executive's Statement on pages 16 to 20, the Financial Review on pages 21 to 25, the Business Performance Measures on page 26 to 29, the Business Strategy on pages 48 to 51 and the Risk Report on pages 56 to 69.

Revenue for the financial period amounted to €84.9 million (€79.7 million for the 2021 year).

The loss for the year attributable to shareholders amounted to (€11.8) million (profit of €65.6 million for the 2021 year). EPRA Earnings per Share were 5.8 (6.0 cents for the 2021 year), and IFRS NAV per share was 160.0 cents (166.5 cents as at 31 December 2021). Further details of the results for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 148.

REIT Status

I-RES elected for REIT status on 31 March 2014 under section 705 E of the Taxes Consolidation Act, 1997. As a result, the Company does not pay Irish corporation tax on the profits and gains from qualifying rental business in Ireland from that date, provided it meets certain conditions. The primary requirements to maintaining REIT status relates to LTV and distributions to shareholders.

As an Irish REIT, I-RES is required to distribute to its shareholders (by way of dividend), on or before the filing date for its tax return for the accounting period in question, at least 85% of the Property Income of the Property Rental Business arising in each accounting period (provided it has sufficient distributable reserves). In addition, under the Irish REIT legislation, I-RES is required to maintain an LTV of below 50%. If I-RES were to fail in meeting these conditions in a period and, within a reasonable timeframe as determined by Irish Revenue Commissioner, failed to secure that the condition was subsequently met, then the Revenue Commissioner could treat I-RES as no longer qualifying as a REIT. The implication of such would be that the REIT could be deemed to have ceased to be a REIT or Group REIT at the end of the accounting period immediately prior to the accounting period in which the failure to meet the condition was present and Irish corporation tax would be due on the profits and gains from qualifying rental business in Ireland from that period.

The Directors confirm that the Group complied with all the above REIT requirements for the period from 1 January 2022 to 31 December 2022.

Dividends

Under the Irish REIT Regime, subject to having sufficient distributable reserves, the Company is required to distribute to shareholders at least 85% of the Property Income of its Property Rental Business for each accounting period. Each year it is the Board's intention to propose semi-annual dividends payable in March and September.

Accordingly, in 2022, the Board paid dividends of approximately €31.7 million for the 2021 accounting period and approximately €12.2 million in respect of the period from 1 January 2022 to 30 June 2022. On 24 February 2023, the Directors announced an additional dividend of €14.9 million (dividends per share of 2.81 cents) for the year ended 31 December 2022, to be paid on 3 April 2023 to shareholders on record as of 10 March 2023. This dividend was made up of a Property Income Distribution ("PID"), as defined in the Irish REIT Legislation. Therefore, the total dividend paid in respect of the 2022 accounting period was 5.11 cent per share (5.99 for the 2021 year).

Share Capital

The authorised share capital of the Company is 1,000,000,000 ordinary shares of €0.10 each, of which 529,578,946 shares were in issue at 31 December 2022. All of these shares are of the same class. They all carry equal voting rights and rank equally for dividends. No shares in the Company were acquired or redeemed by the Company during the financial period ended 31 December 2022 or made subject to charge or lien. There are no securities holding special rights with regard to control of the Company. Particulars of the authorised and issued share capital of the Company as at 31 December 2022 are set out in note 14 of the Group financial statements on page 171.

During the financial period ended 31 December 2022 and as at 6 March 2023, the Company held no shares in treasury, and no subsidiary undertaking of the Company held shares in the Company.

Save for restrictions imposed by the Company on relevant persons in order to comply with its obligations under the Market Abuse Regulation (596/2014), for example under its share dealing code, there are no restrictions on the transfer of shares in the Company and no requirements to obtain approval of the Company, or of other holders of securities in the Company, for a transfer of shares in the Company, save that the Directors may decline to register any transfer of a share:

- to or by a minor or a person with a mental disorder (as defined by the Mental Health Act, 2001);
- in certain circumstances where the Directors have given notice to a shareholder under the Articles of Association requiring such shareholder to notify the Company of his or her interest in any shares in the Company (and/or the interests of all persons having a beneficial interest in any shares in the Company held by such shareholder and/ or any arrangement entered into by such shareholder or any such person regarding a transfer of any such share or acting in relation to any meeting of the Company) and such shareholder is in default for a prescribed period in supplying such information to the Company;
- if the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of shares, or whose direct, indirect or beneficial ownership of shares would or might cause a specific regulatory burden to be imposed on the Company, such as under the US Securities Exchange Act of 1934;
- in certificated form where the following documents have not been produced: the original share certificate and the usual form of stock transfer, duly executed by the holder of the shares and stamped with the requisite stamp duty; and
- in uncertificated form only in such circumstances as may be permitted or required by the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.

The Directors and the Company Secretary have no beneficial interests in any of the Group's subsidiary or associated undertakings.

The Company is not aware of any other arrangements between its shareholders which may result in restrictions on the transfer of securities or voting rights.

Employee Share Schemes

Options and Restricted Shares are issuable pursuant to I-RES' share-based compensation plan, namely, the LTIP. Eligible participants include employees or Executive Directors of the Company. Further details on the LTIP are included in note 13 of the Group financial statements.

Powers of the Board

The Directors are responsible for the management of the business of the Company and may exercise all the power of the Company subject to applicable legislation and regulation and the Company's Constitution.

The Directors' powers to allot, issue, repurchase and reissue ordinary shares are dependent on the terms of the resolutions from time to time in force so empowering the Directors. At the Company's 2022 annual general meeting, the Directors were given the power:

- To call a general meeting on 14 clear days' notice
- To consider the continuation in office of KPMG as Auditor
- To fix the remuneration of the Auditor
- To receive and consider the Report of the Remuneration Committee
- To allot relevant securities up to specified limits
- To make market purchases of the Company's own shares
- To re-issue treasury shares at a specified price range

The authorities described above are due to expire at the conclusion of the 2023 annual general meeting of the Company or 15 months from the passing of the resolution.

Details of the resolutions to be considered at the next annual general meeting of the Company will be sent to shareholders in advance of the 2023 annual general meeting.

Rules concerning the appointment and removal of Directors of the Company

Directors are appointed on a resolution of the shareholders at a general meeting, usually the annual general meeting, either to fill a vacancy or as an additional Director. The Directors have the power to fill a casual vacancy or to appoint an additional Director (within the maximum number of Directors fixed by the Company in a general meeting), and any Director so appointed holds office only until the conclusion of the next annual general meeting following his or her appointment, when the Director concerned shall retire, but shall be eligible for reappointment at that meeting.

Each Director is obliged to retire at each annual general meeting and, if wishing to continue in office, may offer himself or herself for re-election at the annual general meeting.

Directors

As at the date of this Report, there are nine (9) Directors on the Board. The CEO, Margaret Sweeney, and the CFO, Brian Fagan, are Executive Directors. Declan Moylan (the Chairman), Phillip Burns, Joan Garahy, Tom Kavanagh, Stefanie Frensch, Aidan O'Hogan (Senior Independent Director) and Hugh Scott-Barrett are Non Executive Directors. A short biographical note on each Director appears on pages 72 to 74.

In accordance with Provision 18 of the UK Code and the Company's Constitution, all Directors of the Company are subject to election by shareholders at the first annual general meeting after their appointment, and to annual re-election thereafter. In accordance with this, each of Declan Moylan, Margaret Sweeney, Brian Fagan, Phillip Burns, Stefanie Frensch, Joan Garahy, Tom Kavanagh and Hugh Scott-Barrett will retire and, being eligible, will offer himself/herself for re-election at the Company's 2023 annual general meeting. In addition, Denise Turner will offer herself for election at the Company's 2023 annual general meeting. Aidan O'Hogan is retiring at the 2023 AGM and so will not offer himself for re-election.

Non-Executive Directors Agreements for Service

Other than Margaret Sweeney and Brian Fagan, the Directors do not have service contracts but do have letters of appointment which reflect their responsibilities and commitments. Margaret Sweeney entered into an employment agreement with the Company effective 1 November 2017 (as amended on 18 February 2020 and 27 March 2020). Brian Fagan entered into an employment agreement with the Company effective on 26 April 2021 (as amended on 11 April 2022). Each Director has the same general legal responsibilities to the Company as any other Director and the Board as a whole is collectively responsible for the overall success of the Company.

The details of the Non-Executive Directors' current terms of office and dates of current service contracts are set out below:

Name	Date of appointment to Board	Date of most recent letter of appointment	Year term expires (on conclusion of the AGM)	Notice period
Declan Moylan	31-Mar-14	21-Mar-23	On conclusion of 2024 AGM	3 months
Phillip Burns	23-Mar-16	21-Mar-23	On conclusion of 2025 AGM	3 months
Stefanie Frensch	01-Jul-21	15-Jun-21	On conclusion of 2024 AGM	3 months
Joan Garahy	18-Apr-17	21-Mar-23	On conclusion of 2026 AGM	3 months
Tom Kavanagh	01-Jun-18	03-Mar-21	On conclusion of 2024 AGM	3 months
Aidan O'Hogan	31-Mar-14	19-Feb-20	On conclusion of 2023 AGM	3 months
Hugh Scott-Barrett	29 Sep-22	29-Sep-22	On conclusion of 2025 AGM	3 months

The letter of appointment for each Non-Executive Director provides that the Company may terminate that Director's appointment with immediate effect in certain circumstances, including where a Director commits a material breach of his or her obligations under their letter of appointment or otherwise at the discretion of the Director or the Company on three months' prior written notice. No compensation is payable to any Director in the event of any such termination. In addition to their general legal responsibilities, the Directors have responsibility for the Company's strategy, performance, financial and risk control, and personnel.

With effect from 1 November 2017, Margaret Sweeney has served on the Board of the Company as an Executive Director. The terms of Ms. Sweeney's contract of employment are summarised on page 102 of this Report.

With effect from 11 April 2022, Brian Fagan has served on the Board of the Company as an Executive Director. The terms of Mr. Fagan's contract of employment are summarised on page 102 of this Report.

Copies of the terms and conditions of appointment for each Director are available for inspection by any person at the offices of the Company, (attention Company Secretary), South Dock House, Hanover Quay, Dublin 2, Ireland during normal business hours and at the Company's annual general meeting for 15 minutes prior to the meeting and during the meeting.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment, whether through resignation, purported redundancy or otherwise, that occurs as a result of a takeover of the Company, except under the terms of the LTIP.

Conflicts of Interest - Directors

Section 231 of the Companies Act, 2014 requires each Director who is in any way, either directly or indirectly, interested in a contract or proposed contract with the Company to declare the nature of his or her interest at a meeting of the Directors. The Company keeps a register of all such declarations, which may be inspected by any Director, secretary, auditor or member of the Company at the offices of the Company (attention Company Secretary), South Dock House, Hanover Quay, Dublin 2, Ireland during normal business hours

Subject to certain exceptions, the Articles of Association generally prohibit Directors from voting at Board meetings or meetings of committees of the Board on any resolution concerning a matter in which they have a direct or indirect interest which is material to, or a duty which conflicts or may conflict with the interests of, the Company. Directors may not be counted in the quorum in relation to resolutions on which they are not entitled to vote.

Corporate Governance

The Company has complied, from 1 January 2022 to 31 December 2022, with the provisions set out in the Code, which applied to the Company for the financial period ended 31 December 2022, except as disclosed on page 78 under Compliance with the 2018 Corporate Governance Code.

The Governance Report on pages 76 to 127 sets out the Company's application of the principles and compliance with the provisions of the Code and the Company's system of risk management and internal control.

Principal Risks and Uncertainties

A description of the principal risks and uncertainties facing the Group is set out on pages 61 to 69.

Substantial Shareholdings

The Company has been notified of the following interests of 3% or more of the voting rights over the share capital of the Company as at 31 December 2022 and 6 March 2023:

Holder	31 December 2022		6 March 2023	
	Number of Shares	%	Number of Shares	%
Capreit Limited Partnership	98,910,000	18.68%	98,910,000	18.68%
FMR LLC	50,007,052	9.44%	47,622,857	8.99%
Setanta Asset Management Limited	31,630,347	5.97%	31,630,347	5.97%
Aviva Plc & its Subsidiaries	30,632,848	5.68%	26,228,643	4.95%
APG Asset Management N.V.	26,534,023	5.01%	26,239,424	4.95%
Vision Capital Corporation	25,162,625	5.01%	25,162,625	5.01%
Irish Life Investment Managers Limited	20,838,363	4.99%	20,838,363	4.99%
GLG Partners LP	13,207,986	3.17%	13,207,986	3.17%
Blackrock, Inc.	15,892,204	3.00%	15,892,204	3.00%

Except as disclosed above, the Company has not been notified as at 6 March 2023 of any other interest of 3% or more of the voting rights in its share capital nor is it aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The table above summarises the various notifications that the Company has received for shareholders with 3% or more of the voting rights. The percentage ownership is based on the number of shares outstanding at the time the Company was notified.

Information required to be disclosed by LR 6.1.77, Euronext Dublin Listing Rules

For the purposes of LR 6.1.77, the information required to be disclosed by LR 6.1.77 can be found in the following locations:

Section	Topic	Location
(1)	Interest capitalised	Financial Statements, Note 5
(2)	Publication of unaudited financial information in a circular or prospectus	Not applicable
(3)	Small related party transactions	Report of the Directors
(4)	Details of long-term incentive schemes	Report of the Remuneration Committee
(5)	Waiver of emoluments by a Director	Not applicable
(6)	Waiver of future emoluments by a Director	Not applicable
(7)	Non-pre-emptive issues of equity for cash	Not applicable
(8)	Item (7) in relation to major subsidiary undertakings	Not applicable
(9)	Parent participation in a placing by a listed subsidiary	Not applicable
(10)	Contracts of significance	Financial Statements, Note 24
(11)	Provision of services by a controlling shareholder	Not applicable
(12)	Shareholder waivers of dividends	Not applicable
(13)	Shareholder waivers of future dividends	Not applicable
(14)	Agreement with controlling shareholders	Not applicable

All of the information cross-referenced above is hereby incorporated by reference into this Report of the Directors.

Principal Subsidiaries and Joint Ventures

Details of the Company's principal subsidiaries as at 31 December 2022, which include IRES Fund Management Limited (acquired 31 January 2022 and which is the Company's Alternative Investment Fund Manager), IRES Residential Properties Limited (acquired on 31 March 2015 in connection with the acquisition of the Rockbrook Portfolio and holds the Rockbrook Portfolio), IRES Residential Properties (Tara View) Limited (acquired on 11 August 2022 in connection with the development of apartments at Merrion Road and holds the Tara View Portfolio) and certain owners' management companies in which the Company holds a majority of the voting rights, are set out in note 5 of the Group financial statements on pages 161 to 164. All of the Company's principal subsidiaries are incorporated in Ireland.

Financial Instruments

Financial instruments are set out in note 19 of the Group financial statements on page 173.

Financial Risk Management

The financial risks include market risk, liquidity risk, credit risk and capital management risk. The financial risk management objectives and policies of the Group are set out in note 20 of the Group financial statements on pages 173 to 180 and are included in this report by cross reference.

Subsequent Events

Information in respect of events since the year-end is contained in note 31 to the Group financial statements on page 192 and are included in this report by cross reference.

Political Contributions

There were no political contributions which are required to be disclosed under the Electoral Act, 1997 or the Irish Companies Act, 2014.

Accounting Records

The Directors are responsible for ensuring accounting records, as required by Sections 281 to 285 of the Companies Act, 2014, are kept by the Company. The Directors believe that they have complied with this requirement by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at its registered office located at South Dock House, Hanover Quay, Dublin 2, Ireland.

Relevant Audit Information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. Insofar as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Directors' Compliance Statement

The Directors, in accordance with Section 225(2) of the Companies Act, 2014, acknowledge that they are responsible for securing the Company's compliance with its "Relevant Obligations" within the meaning of Section 225 of the Companies Act, 2014 (described below as "**Relevant Obligations**").

The Directors confirm that:

- A compliance policy statement has been drawn up setting out the Company's policy (that is in the opinion of the Directors appropriate to the Company) with regard to compliance by the Company with its Relevant Obligations;
- Appropriate arrangements and structures that, in the Directors' opinion, are designed to ensure material compliance with the Company's Relevant Obligations, have been put in place; and
- A review has been conducted during the financial year of the arrangements and structures that have been put in place to secure the Company's compliance with its Relevant Obligations.

Regulation 21 of SI 255/2006 European Communities (Takeover Bids (Directive (2004/25/EC)) Regulations 2006

Each of the Company and its subsidiary, I-RES Residential Properties Limited has certain financial indebtedness arising under a private placement of loan notes and, banking facilities, which may require repayment and (in respect of the banking facilities) cancellation of the commitments thereunder in the event that a change of control occurs with respect to the Company (or, in the case of I-RES Residential Properties Limited's financial indebtedness, I-RES Residential Properties Limited), which may have the effect of also terminating (in whole or part) hedges transacted under the International Swaps and Derivative Association, Inc. ("**ISDA**") documentation entered into by I-RES Residential Properties Limited. In addition, the LTIP contains change of control provisions which allow for the acceleration of the exercisability of share options or awards in the event that a change of control occurs with respect to the Company.

There are no other significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a bid.

For the purposes of Regulation 21 of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, the information on Directors on pages 72 to 74 and the disclosures on Directors' Remuneration on page 111 of this Report cover the information required and are deemed to be incorporated in the Report of the Directors.

Auditor

KPMG, Chartered Accountants, were appointed statutory auditor on 17 July 2018 and have been re-appointed annually since that date, and pursuant to section 383(2) will continue in office. A resolution authorising the Directors to set their remuneration will be proposed at the Company's 2023 annual general meeting.

Audit Committee

The Board has established an Audit Committee in compliance with the Code to assist with certain responsibilities relating to internal controls, risk management and reporting. Refer to the Report of the Audit Committee on page 86 for the procedures established by the Audit Committee to discharge these responsibilities.

General Meetings

The Company holds a general meeting each year as its annual general meeting in addition to any other meeting in that year. Not more than 15 months shall elapse between the date of one annual general meeting and that of the next. The Directors are responsible for the convening of general meetings. Information is distributed to shareholders at least 20 working days prior to the annual general meeting.

No business other than the appointment of a Chairman shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Except as provided in relation to an adjourned meeting, two (2) persons entitled to vote upon the business to be transacted, each being a member or proxy for a member or a duly authorised representative of a corporate member, shall be a quorum.

Votes may be given either personally or by proxy or a duly authorised representative of a corporate member. Subject to rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person and every proxy or duly authorised representative of a corporate body shall have one vote. No individual shall have more than one vote, and on a poll, every member present in person or by proxy or a duly authorised representative of a corporate body shall have one vote for every share carrying voting rights of which the individual is the holder.

Resolutions are categorised as either ordinary or special resolutions. A bare majority of more than 50% of the votes cast by members voting on the relevant resolution is required for the passing of an ordinary resolution, whereas a qualified majority of more than 75% of the votes cast by members voting on the relevant resolution is required in order to pass a special resolution. Matters requiring a special resolution include, for example: altering the objects of the Company; altering the Articles of Association of the Company; and approving a change of the Company's name.

Constitution

The Company's Constitution sets out the objects and powers of the Company. The Articles of Association detail the rights attaching to shares in the Company, the method by which such shares can be purchased or re-issued, the provisions which apply to the holding and voting at general meetings and the rules relating to Directors, including their appointment, retirement, re-election, duties and powers. The Articles of Association may be amended by special resolution of the Company's shareholders, being a resolution proposed on not less than 21 days' notice as a special resolution and passed by more than 75% majority of those voting on the resolution.

The Directors' Report was approved by the Board of Directors on 22 March 2023 and is signed on their behalf by:

Directors

Declan Moylan
Chairman

Margaret Sweeney
Executive Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group's and Company's financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and applicable law including Article 4 of the IAS regulation.

The Directors have elected to prepare the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework as applied in accordance with the provisions of Companies Act 2014.

Under company law, the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the 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 Group and 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 Group or 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 which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation.

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 safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

In accordance with applicable law and the Euronext Dublin Listing Rules, the Directors are also required to prepare a Report of the Directors and reports relating to Directors' remuneration and corporate governance. The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 (the "Transparency Regulations") to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group. The Report of the Directors, on pages 128 to 135, the Chairman's Statement on pages 12 to 15, the Chief Executive's Statement on pages 16 to 20, the Financial Review on pages 21 to 29, the Business Strategy on pages 48 to 52 and the Risk Report on pages 56 to 69 are deemed to be the management report as required by the Transparency Regulations.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors believe that they have complied with this requirement by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books and accounting records of the Group and the Company are maintained at the Company's registered office located at South Dock House, Hanover Quay, Dublin 2, Ireland.

Each of the Directors, whose names and functions are listed on pages 72 to 74 confirms that, to the best of each director's knowledge and belief:

As required by the Transparency Regulations:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group and the Company as at 31 December 2022 and of the results of the Group, taken as a whole, for the period 1 January 2022 to 31 December 2022;
- the management report, comprising the Report of the Directors, the Chairman's Statement, the Chief Executive's Statement, the Financial Review, the Business Strategy and the Risk Report, include a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole as at 31 December 2022, together with a description of the principal risks and uncertainties that the Company and the Group faces; and
- the financial statements use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations or have no realistic alternative but to do so.

As required by the Code:

- the Report and financial statements contained therein, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board

Declan Moylan
Chairman

Margaret Sweeney
Executive Director

Dated this 22nd day of March 2023

Tara View,
Dublin 4

69
Residential Units
acquired in 2022

3 Financial Statements

In this section:

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Irish Residential Properties REIT Public Limited Company ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2022 set out on pages 147 to 210, contained within the reporting package 635400EOPACLULRENY18-2022-12-31-en.zip, which comprise the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2 and 3.

The financial reporting framework that has been applied in their preparation is Irish Law, including the Commission Delegated Regulation 2019/815 regarding the single electronic reporting format (ESEF) and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

» the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at December 31, 2022 and of the Group's loss for the year then ended;
» the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
» the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
» the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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 section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 17 July 2018. The period of total uninterrupted engagement is the 5 years ended December 31, 2022. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

» Using our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysing how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered were most likely to adversely affect the Group's and Company's available financial resources over this period were the impact of a significant decrease in occupancy levels and decline in rental collection allied to increase in interest rates potentially impacting on asset values during the going concern period.
» Considering whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's and Company's financial forecasts.

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

» Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
» Inquiring of directors, the audit committee and internal audit as to the Group's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
» Inquiring of directors, the audit committee, and internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
» Inspecting the Group's regulatory and legal correspondence.
» Reading Board and subcommittee minutes.
» Considering remuneration incentive schemes and performance targets including the EPRA earnings and Net Rental Income target for management remuneration.
» Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions
- Assessing significant accounting estimates for bias
- Assessing the disclosures in the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Transactions with related parties is no longer considered a key audit matter. We continue to perform audit procedures over transactions with related parties. However, following the internalisation of the Company's Management Company in 2022 such transactions with the Management Company reduced in their significance in the audit and therefore, it is not separately identified in our report this year.

In arriving at our audit opinion above, the key audit matter, was as follows

Group key audit matters

Valuation of Investment Property: Consolidated €1,499 million (2021 - €1,493 million) Company €1,317 million (2021: €1,247 million)

Refer to page 152 to 153 (accounting policy) and pages 161 to 164 (financial disclosures)

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

The key audit matter	How the matter was addressed in our audit
The Groups' investment property portfolio (including properties under development and development land) comprises a portfolio of mainly residential property assets, 99% of which are located in Dublin. The Group's investment property portfolio is valued at €1,499 million (Company: €1,317 million) at 31 December 2022 and represents 98% of the Group's total assets and 88% of the Company's total assets. The valuation of the Group's and Company's investment property portfolio is inherently subjective, as it requires, amongst other factors, consideration of the specific characteristics of each property, the location and nature of each property, consideration of prevailing property market conditions and in respect of income generating properties, estimation of future rentals beyond the current lease terms. In respect of development land, further factors include market comparables. The Directors engage external valuers to value the Group's and Company's investment property portfolio in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards. The valuation experts used by the Group have considerable experience of the markets in which the Group operates. In determining the valuation of the Group's investment properties, the valuers take into account the above considerations and rely on the accuracy of the underlying lease and related information provided to the valuers by the Group. We regard this area as a key audit matter due to the significance of the estimates and judgements involved in the valuation of the Group's and Company's investment property portfolio.	Our audit procedures included, among others, the following: » We evaluated the design and implementation of the key control over the investment property valuation process. » We performed testing over the accuracy and completeness of lease information provided by the Group to the external valuers for income generating properties. » We inspected the valuation reports and confirmed that the valuation approach was in accordance with RICS standards and suitable for the purposes of the Group's financial statements. » We assessed the external valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. » We met with the external valuers to understand the valuation of the portfolio. These discussions included gaining an understanding of the external valuers' process; the significant assumptions employed in estimating future rental incomes and future capital expenditure requirements for income generating properties; and the judgements in the selection of appropriate capitalisation rates for a sample of selected properties. » We considered the capitalisation rate assumptions for selected properties used by the valuers in performing their valuations and compared them to relevant market evidence, such as benchmarking against specific property sales and performing an internal comparison across the Group's property portfolio. » We agreed the value of all investment properties included in the financial statements to the valuation reports prepared by the external valuers. » We assessed the adequacy of the disclosures in relation to the valuation of investment properties and found them to be appropriate. » We compared the proceeds received from sales of investment property with the reported fair value, which provides an indicator of the accuracy and reliability of historic revaluations. » We found no evidence to suggest that the objectivity of the valuers in their performance of the valuations was compromised. On the basis of the work performed, we found the significant assumptions used in the valuations to be appropriate.

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements and Company financial statements as a whole was set at €8.5 million (2021: €8.8 million) and €8.2m (2021: €8.5 million) respectively, determined with reference to benchmarks of net assets (of which it represents 1% (2021: 1%) and 1% (2021: 1%) respectively.

In addition, we applied a lower materiality of €1.6 million (2021: €1.6 million) for testing profit or loss items excluding the net movement in fair value of investment properties. In our judgement, the application of this specific materiality is appropriate due to key performance indicators of the Group driven by profit or loss items.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at €6.3 million (2021: €6.4 million) and €6.2 million (2021:€6.4 million) respectively, determined with reference to benchmarks of net assets (of which it represents 75% (2021: 75%) and 75% (2021: 75%) respectively. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors including; the low number and value of misstatements detected and the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

We consider net assets to be the most appropriate benchmark as this is what the readers of the financial statements place most importance upon.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.4 million (2021: €0.4 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

In our judgement, the application of this specific materiality is appropriate due to key performance indicators of the Group driven by profit or loss items. We applied materiality to assist us determine what risks were significant risks and the procedures to be performed.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.

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 Chairman's Statement, Chief Executive's Statement, Financial Review, Market Update, Sustainability Review, Business Strategy, Investment Policy, Risk Report, Corporate Governance Statement, Report of the Audit Committee, Report of the Remuneration Committee, Report of the Nomination Committee, Report of the Sustainability Committee and Report of the Directors. 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 undertaken during the course of the audit, 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.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability, that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin.

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

» Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
» Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate;
» Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities;
» Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
» Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
» Section of the annual report that describes the review of effectiveness of risk management and internal control systems; and;
» Section describing the work of the audit committee

The Listing Rules of Euronext Dublin also requires us to review certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

We have nothing to report in this regard

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 76 to 85, that:

» based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process , and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
» based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
» the Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

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.

Other 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;
» the Company has not provided the information required by Section 1110N in relation to its remuneration report for the financial year 31 December 2021.

In respect of the information required by Section 1110N paragraph 2 (e) (iii), the annual change of the average remuneration, on a full-time equivalent basis, of employees of the Company was not provided for the financial year 31 December 2021, due to the low number of employees employed by the Company in the financial year.

Except for the above, we have nothing to report on other matters in respect of the Companies Act 2014.

Independent Auditor's Report

to the Members of Irish Residential Properties Reit plc

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 pages 136 and 137,, 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 Group and 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 Group or 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://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

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.

22 March 2023
Sean O'Keefe

for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm

1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	31 December 2022 €'000	31 December 2021 €'000
Assets			
Non-Current Assets			
Investment properties	5	**1,498,998**	1,493,405
Property, plant and equipment	7	**8,718**	9,212
Derivative financial instruments	19	**6,340**	–
		1,514,056	1,502,617
Current Assets			
Other current assets	8	**6,297**	14,168
Derivative financial instruments	19	**1,474**	931
Cash and cash equivalents	15	**6,965**	10,347
		14,736	25,446
Total Assets		**1,528,792**	1,528,063
Liabilities			
Non-Current Liabilities			
Bank indebtedness	10	**453,738**	416,622
Private placement notes	11	**198,237**	193,740
Lease liability	23	**8,268**	9,090
Derivative financial instruments	19	**—**	3,961
		660,243	623,413
Current Liabilities			
Accounts payable and accrued liabilities	9	**12,797**	15,414
Derivative financial instruments	19	**9**	–
Security deposits		**7,974**	7,796
Lease liability	23	**416**	–
		21,196	23,210
Total Liabilities		**681,439**	646,623
Shareholders' Equity			
Share capital	14	**52,958**	52,945
Share premium		**504,583**	504,470
Share-based payment reserve		**1,201**	1,093
Cashflow hedge reserve	19	**5,633**	(348)
Retained earnings		**282,978**	323,280
Total Shareholders' Equity		**847,353**	881,440
Total Shareholders' Equity and Liabilities		**1,528,792**	1,528,063
IFRS Basic NAV per share	28	**160.0**	166.5

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

Declan Moylan
Chairman

Margaret Sweeney
Executive Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	31 December 2022 €'000	31 December 2021 €'000
Operating Revenue			
Revenue from investment properties	16	**84,857**	79,744
Operating Expenses			
Property taxes		**(1,078)**	(712)
Property operating costs		**(18,042)**	(15,992)
Net Rental Income ("NRI")		**65,737**	63,040
General and administrative expenses	17	**(17,154)**	(16,479)
Share-based compensation expense	13	**(117)**	(276)
Net movement in fair value of investment properties	5	**(45,599)**	34,934
Gain on disposal of investment property		**2,795**	905
Gain on derivative financial instruments	19	**35**	59
Depreciation of property, plant and equipment	7	**(536)**	(519)
Lease interest	6	**(222)**	(232)
Financing costs	18	**(16,803)**	(13,886)
(Loss)/Profit before taxation		**(11,864)**	67,546
Taxation	21	**44**	—
(Loss)/Profit for the Year		**(11,820)**	67,546
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges - effective portion of changes in fair value		**11,375**	4,737
Cash flow hedges - cost of hedging deferred		**(144)**	378
Cash flow hedges - reclassified to profit or loss		**(5,250)**	(5,386)
Other Comprehensive income/(loss) for the year		**5,981**	(271)
Total Comprehensive (Loss)/Income for the Year Attributable to Shareholders		**(5,839)**	67,275
Basic (Loss)/Earnings per Share (cents)	27	**(2.2)**	12.8
Diluted (Loss)/Earnings per Share (cents)	27	**(2.2)**	12.8

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Share-based payments Reserve €'000	Cashflow hedge Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2022		52,945	504,470	323,280	1,093	(348)	881,440
Total comprehensive income for the year							
Loss for the year		—	—	(11,820)	—	—	(11,820)
Other comprehensive income for the year		—	—	—	—	5,981	5,981
Total comprehensive loss for the year		—	—	(11,820)	—	5,981	(5,839)
Transactions with owners, recognised directly in equity							
Long-term incentive plan	13	—	—	—	117	—	117
Share issuance	14	13	113	9	(9)	—	126
Dividends paid	22	—	—	(28,491)	—	—	(28,491)
Transactions with owners, recognised directly in equity		13	113	(28,482)	108	—	(28,248)
Shareholders' Equity at 31 December 2022		52,958	504,583	282,978	1,201	5,633	847,353

For the year ended 31 December 2021

	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Share-based payments Reserve €'000	Cashflow hedge Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2021		52,507	500,440	287,656	1,169	(77)	841,695
Total comprehensive income for the year							
Profit for the year		—	—	67,546	—	—	67,546
Other comprehensive loss for the year		—	—	—	—	(271)	(271)
Total comprehensive income for the year		—	—	67,546	—	(271)	67,275
Transactions with owners, recognised directly in equity							
Long-term incentive plan	13	—	—	—	276	—	276
Share issuance	14	438	4,030	352	(352)	—	4,468
Dividends paid	22	—	—	(32,274)	—	—	(32,274)
Transactions with owners, recognised directly in equity		438	4,030	(31,922)	(76)	—	(27,530)
Shareholders' Equity at 31 December 2021		52,945	504,470	323,280	1,093	(348)	881,440

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Note	31 December 2022 €'000	31 December 2021 €'000
Cash Flows from Operating Activities:			
Operating Activities			
(Loss)/Profit for the Year		**(11,820)**	67,546
Adjustments for non-cash items:			
Fair value adjustment - investment properties	5	**45,599**	(34,934)
Gain on disposal of investment property		**(2,795)**	(905)
Depreciation of property, plant and equipment	7	**536**	519
Amortisation of other financing costs	23	**1,998**	1,644
Share-based compensation expense	13	**117**	276
Gain on derivative financial instruments	19	**(35)**	(59)
Allowance for expected credit loss		**725**	626
Straight-line rent adjustment	5	**588**	1,113
Interest accrual relating to derivatives	23	**9**	—
Income taxes	21	**(44)**	—
(Loss)/Profit adjusted for non-cash items		**34,878**	35,826
Net income relating to financing and investing activities	23	**15,027**	12,474
Changes in operating assets and liabilities	23	**(3,314)**	4,785
Income taxes paid	21	**(7)**	—
Net Cash Generated from Operating Activities		**46,584**	53,085
Cash Flows from Investing Activities			
Net proceeds from disposal of investment property	4	**54,932**	4,359
Deposits on acquisitions		**(3,855)**	(5,470)
Acquisition of investment properties		**(79,155)**	(56,442)
Development of investment properties	5	**(4,632)**	(9,361)
Property capital investments	5	**(8,769)**	(11,002)
Direct leasing cost	5	**(4)**	(149)
Purchase of property, plant and equipment	7	**(44)**	(9)
Acquisition of subsidiary, net of cash acquired	12	**1,093**	—
Net Cash Used in Investing Activities		**(40,434)**	(78,074)
Cash Flows from Financing Activities			
Financing fees	23	**(1,610)**	(830)
Interest paid	23	**(15,453)**	(12,825)
Credit Facility drawdown	23	**93,000**	89,500
Credit Facility repayment	23	**(56,000)**	(23,500)
Interest rate swap payments		**(698)**	—
Lease payment	6	**(406)**	(396)
Proceeds on issuance of shares	23	**126**	4,468
Dividends paid to shareholders	22	**(28,491)**	(32,274)
Net Cash Generated (Used in)/from Financing Activities		**(9,532)**	24,143
Changes in Cash and Cash Equivalents during the Year		**(3,382)**	(846)
Cash and Cash Equivalents, Beginning of the Year		**10,347**	11,193
Cash and Cash Equivalents, End of the Year		**6,965**	10,347

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

Notes to Consolidated Financial Statements

1. General Information

Irish Residential Properties REIT plc ("I-RES" or the "Company") was incorporated in Ireland on 2 July 2013. On 16 April 2014, I-RES obtained admission of its ordinary shares to the primary listing segment of the Official List of Euronext Dublin and to trading on the main market for listed securities of Euronext Dublin. I-RES' registered office is South Dock House, Hanover Quay, Dublin 2, Ireland. The ordinary shares of I-RES are traded on the main market for listed securities of Euronext Dublin under the symbol "I-RES". The Group owns interests in residential rental accommodations, as well as commercial and development sites, the majority of which are located in and near major urban centres in Dublin, Ireland.

2. Significant Accounting Policies

a. Basis of preparation

This financial information has been derived from the information to be used to prepare the Group's consolidated financial statements for the year ended 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRS Interpretations Committee ("IFRIC") interpretations and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The financial information for the years ended 31 December 2022 and 31 December 2021 has been prepared under the historical cost convention, as modified by the fair value of investment properties, derivative financial instruments at fair value and share options at grant date through the profit or loss in the consolidated statement of profit or loss and other comprehensive income.

The consolidated financial statements of the Group are prepared on a going concern basis of accounting. The consolidated financial statements of the Group have been presented in Euro, which is the Company's functional currency.

The consolidated financial statements of the Group cover the 12-month period from 1 January 2022 to 31 December 2022.

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

Going concern
The Group meets its day-to-day working capital requirements through its cash and deposit balances. The Group's plans indicate that it should have adequate resources to continue operating for the foreseeable future. The Group has a strong consolidated statement of financial position with sufficient liquidity and flexibility in place to manage through the potential headwinds in the current market. The Group can draw an additional €101 million from its RCF (as defined below in note 10) while maintaining a maximum 50% Loan to value ratio as at 31 December 2022, as required by REIT legislation. As at 31 December 2022, the current undrawn RCF amount is €143 million. The Group generated positive cashflows from operations for the year ended 31 December 2022. Accordingly, the Directors consider it appropriate that the Group adopts the going concern basis of accounting in the preparation of the consolidated financial statements.

b. Basis of consolidation

These consolidated financial statements incorporate the financial statements of I-RES and its subsidiaries, IRES Residential Properties Limited, IRES Fund Management Limited and IRES Residential Properties (Tara View) Limited. I-RES controls these subsidiaries by virtue of its 100% shareholding in the companies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries
Subsidiaries are entities controlled by I-RES. I-RES controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial information of subsidiaries (except owners' management companies) is included in the consolidated financial statements from the date on which control commences until the date on which control ceases. I-RES does not consolidate owners' management companies in which it holds majority voting rights. For further details, please refer to note 24.

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

c. Investment properties and investment properties under development

Investment properties
The Group considers its income properties to be investment properties under IAS 40, Investment Property ("IAS 40") and has chosen the fair value model to account for its investment properties in the consolidated financial statements. Under IFRS 13, Fair Value Measurement ("IFRS 13"), 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.

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

c. Investment properties and investment properties under development (continued)

Development land
Development land is also stated at fair value by qualified independent valuers at each reporting date with fair value adjustments recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income. In the case of development land, the valuation approach applied is the comparable sales approach, which considers recent sales activity for similar land parcels in the same or similar markets. Land values are estimated using either a per acre or per buildable square foot basis based on highest and best use. Such values are applied to the Group's properties after adjusting for factors specific to the site, including its location, highest and best use, zoning, servicing and configuration.

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

d. Property asset acquisition

At the time of acquisition of a property or a portfolio of investment properties, the Group evaluates whether the acquisition is a business combination or asset acquisition. The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

e. Property, plant and equipment

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

f. Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The identifiable assets and liabilities are measured and recorded at fair value at the date of acquisition. The cost of acquisition is measured as the total amount of consideration transferred, measured at the acquisition date. Acquisition costs are expensed as incurred.

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

f. Business combinations (continued)

Goodwill is recognised when the aggregate of the consideration transferred and any non-controlling interest is greater than the fair value of the net identifiable assets at the acquisition date. If the consideration transferred is lower than the fair value of the net assets of the subsidiary acquired, it is recognised as a bargain purchase and the difference is recognised in the Statement of Profit or Loss and other comprehensive income.

g. IFRS 9, Financial Instruments ("IFRS 9")

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

Derecognition of financial assets and financial liabilities
The Group derecognises a financial asset when:

» the contractual rights to the cash flows from the financial asset expire; or
» it transfers the rights to receive the contractual cash flows in a transaction in which either:
  » substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  » the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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

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

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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

Type	Classification	Measurement
Financial assets		
Cash and cash equivalents	Held to Collect	Amortised cost
Other receivables	Held to Collect	Amortised cost
Derivative financial instruments	FVTOCI	Fair value through other comprehensive income
Financial liabilities		
Bank indebtedness	Other financial liabilities	Amortised cost
Private placement notes	Other financial liabilities	Amortised cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortised cost
Security deposits	Other financial liabilities	Amortised cost
Derivative financial instruments	FVTOCI	Fair value through other comprehensive income

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

g. IFRS 9, Financial Instruments ("IFRS 9") (continued)

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

Other receivables
Such receivables arise when I-RES provides services to a third party, such as a resident and are included in current assets, except for those with maturities more than 12 months after the consolidated statement of financial position date, which are classified as non-current assets. Loans and other receivables are included in other assets initially at fair value on the consolidated statement of financial position and are subsequently accounted for at amortised cost.

Other liabilities
Such financial liabilities are initially recorded at fair value and subsequently accounted for at amortised cost and include all liabilities other than derivatives. Derivatives are at fair value through other comprehensive income ("OCI").

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

Derivative financial instruments and hedge accounting
The Group utilises derivative financial instruments to hedge foreign exchange risk and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives which are not designated as hedges are remeasured at fair value, with changes generally recognised through profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, hedge accounting is used in line with IFRS 9. The effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to financing costs in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

h. IFRS 16, Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

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

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

h. IFRS 16, Leases (continued)

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

» fixed payments, including in-substance fixed payments;
» variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
» amounts expected to be payable under a residual value guarantee; and
» the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

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

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

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

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

h. IFRS 16, Leases (continued)

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

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

Expected credit loss
The Group recognises a loss allowance for expected credit losses on trade receivables and other financial assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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 Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For individual residential customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 30 days past due based on historical experience of recoveries of similar assets. For individual commercial customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 60 days past due based on historical experience of recoveries of similar assets.

i. IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

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

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

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

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

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

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

j. Operating segments

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

k. Statement of cash flows

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

l. Income taxes

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

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

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

Corporation tax is payable in the normal way in respect of income and gains from any residual business (generally including any property trading business) not included in the Property Rental Business. I-RES is liable to pay other taxes such as VAT, stamp duty, land tax, local property tax and payroll taxes in the normal way.

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

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

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

m. Equity and share issue costs

The equity of I-RES consists of ordinary shares issued. Shares issued are recorded at the date of issuance. Direct issue costs in respect of the issue of shares are accounted for as a deduction from retained earnings. The excess consideration for shares above nominal value is recorded as share premium.

n. Net asset value ("NAV")

The NAV is calculated as the value of the Group's assets less the value of its liabilities, measured in accordance with IFRS and in particular will include the Group's property assets at their fair value assessed independently by valuers.

o. Share-based payments

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

The grant-date fair value of restricted share units issued to senior employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The fair value for all restricted share units granted is measured using a Monte Carlo simulation. 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. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

p. Property taxes

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

q. Security deposits

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

r. Pension

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

s. Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial calculation as held-for-sale and subsequent gains or losses on remeasurement are recognised in the consolidated statement of profit or loss and other comprehensive income.

t. Impact expected from new or amended standards

The following standards and amendments are not expected to have a significant impact on reported results or disclosures of the Group and were not effective at the financial year end 31 December 2022 and have not been applied in preparing these consolidated financial statements. The Group will apply the new standards from the effective date.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1), IASB effective date 1 January 2023.
Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Definition of Accounting Estimates (Amendments to IAS 8), IASB effective date: 1 January 2023.
The amendments make a distinction between how an entity should present and disclose different types of accounting changes in its financial statements. Changes in accounting policies much be applied retrospectively while changes in accounting estimates are accounted for prospectively.

IFRS 17 Replaces IFRS 4 Insurance Contracts, IASB effective date: 1 January 2023.
IFRS 17 provides consistent principles for all aspects of accounting for insurance contracts. It removes existing inconsistencies and enables investors, analysts and others to meaningfully compare companies, contracts and industries.

The Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), IASB effective date for IAS 1: 1 January 2023.
Under the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies. To support the amendments, IASB has development guidance and examples to illustrate how the 'four-step materiality process' should be applied in IFRS Practice Statement 2.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), effective date 1 January 2023.
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Notes to Consolidated Financial Statements (continued)

3. Critical Accounting Estimates, Assumptions and Judgements

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

The valuation estimate of investment properties is deemed to be significant. See note 20(a) and note 5 for a detailed discussion of valuation methods and the significant assumptions and estimates used.

4. Recent Investment Property Acquisitions, Developments and Disposals

For the year 1 January 2022 to 31 December 2022

Investment property acquisitions

Property	Acquisition Date	Unit Count	Region	Total Acquisition Costs €'000
Ashbrook	January/ May 2022(1)	108	North Dublin	42,604
Tara View	August 2022	69	South Dublin	48,043
		177		**90,647**

(1) 86 units were acquired in January 2022, a further 22 units were acquired in May 2022.

Completed development

Property	Unit Count	Region	Total Costs Spent in 2022 €'000	Total Development Cost spent to date €'000
School Yard	**61**	City Centre	**4,632**	**19,091(1)**

(1) Total development costs spent to date exclude costs spent prior to the construction phase and any unrealised fair value movement recognised as part of the bi-annual valuation process.

Disposals

Name	Unit Count	Region	Net proceeds from disposals €'000
Hampton Wood	128	North Dublin	53,901
Tara View	1	South Dublin	1,031
	129		**54,932**

Notes to Consolidated Financial Statements (continued)

4. Recent Investment Property Acquisitions, Developments and Disposals (continued)

For the year 1 January 2021 to 31 December 2021

Investment property acquisitions

Property	Acquisition Date	Unit Count	Region	Total Acquisition Costs €'000
Phoenix Park	January 2021	146	West Dublin	61,559
Richmond Gardens	March 2021	1	City Centre	506
Bakers Yard	March 2021	1	City Centre	277
		148		62,342

Properties under development

Property	Development Contract Date	Unit Count	Region	Total Costs Spent in 2021 €'000	Total Development Cost spent to date €'000
School Yard	January 2020	61	City Centre	9,135	14,459

Disposals

Name	Unit Count	Other Land and Property	Region	Net proceeds from disposals €'000
Tallaght Cross West	-	Unit C4 and Food Court	West Dublin	1,598
Elm Park	7		South Dublin	2,755
	7			4,353

5. Investment Properties

Valuation basis

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

The Group uses Savills and CBRE as external independent valuers. The Group's investment property is rotated between these valuers on a periodic basis. The valuers fair valued all of the Group's investment properties as at 31 December 2022. The valuers employ qualified valuation professionals who have recent experience in the location and category of the respective properties. Valuations are prepared on a bi-annual basis at the interim reporting date and the annual reporting date.

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

Notes to Consolidated Financial Statements (continued)

5. Investment Properties (continued)

Valuation basis (continued)

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

Investment property under development
In the case of investment property under development, the approach applied is the "residual method" of valuation, which is the valuation method as described above with a deduction for the costs necessary to complete the development together with an allowance for the remaining risk. At 31 December 2022, all investment property under development was completed and reclassified to investment property producing income.

During the year ended 31 December 2022, the Company incurred development costs of €4.6 million (31 December 2021: €9.1 million) relating to the properties under development.

Cumulative borrowing costs of €300,000 (€206,000 as at 31 December 2021) were included in capitalised development expenditures prior to their reclassification. The weighted average interest rate used to capitalise the borrowing costs was 1.80% (31 December 2021: 1.80%).

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

Information about fair value measurements using unobservable inputs (Level 3)
At 31 December 2022, the Group considers that all of its investment properties fall within Level 3 fair value as defined by IFRS 13. As outlined in IFRS 13, a Level 3 fair value recognises that the significant inputs and considerations made in determining the fair value of property investments cannot be derived from publicly available data, as the valuation methodology in respect of a property also has to rely on a number of unobservable inputs including technical reports, legal data, building costs, rental analysis (including rent moratorium), professional opinion on profile, lot size, layout and presentation of accommodation. In addition, the valuers utilise proprietary databases maintained in respect of properties similar to the assets being valued.

The Group tests the reasonableness of all significant unobservable inputs, including yields and stabilised net rental income ("Stabilised NRI") used in the valuation and reviews the results with the independent valuers for all valuations. The Stabilised NRI represents cash flows from property revenue less property operating expenses, adjusted for market-based assumptions such as market rents, short term and long term vacancy rates, bad debts, management fees and repairs and maintenance. These cashflows are estimates for current and projected future income streams.

Sensitivity analysis

Stabilised NRI and "Equivalent Yields" are key inputs in the valuation model used.

Equivalent Yield is the rate of return on a property investment based on current and projected future income streams that such property investment will generate. This is derived by the external valuers and is used to set the term and reversionary yields.

For example, completed properties are valued mainly using a term and reversion model. For the existing rental contract or term, estimated Stabilised NRI is based on the expected rents from residents over the period to the next lease break option or expiry. After this period, the reversion, estimated Stabilised NRI is based on expectations from current market conditions. Thus, a decrease in the estimated Stabilised NRI will decrease the fair value and an increase in the estimated Stabilised NRI will increase the fair value.

The Equivalent Yields magnify the effect of a change in Stabilised NRI, with a lower yield resulting in a greater effect on the fair value of investment properties than a higher Equivalent Yield.

Notes to Consolidated Financial Statements (continued)

5. Investment Properties (continued)

Sensitivity analysis (continued)

For investment properties producing income and investment properties under development, an increase of 1% in the Equivalent Yield would have the impact of a €256.4 million reduction in fair value while a decrease of 1% in the Equivalent Yield would result in a fair value increase of €394.7 million. An increase between 1% - 4% in Stabilised NRI would result in a fair value increase from €14.8 million to €59.1 million respectively in fair value, while a decrease between 1% - 4% in Stabilised NRI would have the impact ranging from €14.8 million to €59.1 million reduction respectively. I-RES believes that this range of change in Stabilised NRI is a reasonable estimate in the next twelve months based on expected changes in net rental income.

The direct operating expenses recognised in the consolidated statement of profit or loss and other comprehensive income for the Group is €19.1 million for the year ended 31 December 2022 (31 December 2021: €16.7 million), arising from investment property that generated rental income during the period. The direct operating expenses are comprised of the following significant categories: property taxes, utilities, repairs and maintenance, wages, insurance, service charges and IT costs.

The direct operating expenses recognised in the consolidated statement of profit or loss and other comprehensive income arising from investment property that did not generate rental income for the year ended 31 December 2022 and 31 December 2021 was not material.

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

Quantitative information

A summary of the Equivalent Yields and ranges along with the fair value of the total portfolio of the Group as at 31 December 2022 is presented below:

As at 31 December 2022

Type of Interest	Fair Value €'000	WA Stabilised NRI(1) €'000	Rate Type(2)	Max.	Min.	Weighted Average
Income properties	1,477,168	2,906	Equivalent Yield	5.75%	4.00%	4.80%
Development land(3)	21,830	n/a	Market Comparable (per sq ft.)	€123.4	€30.1	€117.5
Total investment properties	**1,498,998**					

(1) WA Stabilised NRI is the NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI"). The WA Stabilised NRI is an input to determine the fair value of the investment properties.
(2) The Equivalent Yield disclosed above is provided by the external valuers.
(3) Development land is fair-valued based on the value of the undeveloped site per square foot.

As at 31 December 2021

Type of Interest	Fair Value €'000	WA Stabilised NRI(1) €'000	Rate Type(2)	Max.	Min.	Weighted Average
Income properties	1,450,635	2,875	Equivalent Yield	5.43%	3.90%	4.53%
Properties under development	18,000	1,113	Equivalent Yield	4.25%	4.25%	4.25%
			Average Development Cost (per sq ft.)	€378.3	€378.3	€378.3
Development land(3)	24,770	n/a	Market Comparable (per sq ft.)	€140.9	€27.5	€134.6
Total investment properties	1,493,405					

(1) WA Stabilised NRI is the NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI"). The NRI is input to determine the fair value of the investment properties.
(2) The Equivalent Yield disclosed above is provided by the external valuers.
(3) Development land is fair-valued based on the value of the undeveloped site per square foot.

Notes to Consolidated Financial Statements (continued)

5. Investment Properties (continued)

Quantitative information (continued)

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

Reconciliation of carrying amounts of investment properties

For the year ended 31 December 2022	Income Properties €'000	Properties Under Development €'000	Development Land €'000	Total €'000
Balance at the beginning of the year	1,450,635	18,000	24,770	1,493,405
Acquisitions	90,647	—	—	90,647
Development expenditures	—	4,632	—	4,632
Reclassification(1)	22,632	(22,632)	—	—
Property capital investments	8,769	—	—	8,769
Capitalised leasing costs(2)	(588)	—	—	(588)
Direct leasing costs(3)	(4)	—	—	(4)
Disposal	(52,264)	—	—	(52,264)
Unrealised fair value movements	(42,659)	—	(2,940)	(45,599)
Balance at the end of the year	1,477,168	—	21,830	1,498,998

For the year ended 31 December 2021	Income Properties €'000	Properties Under Development €'000	Development Land €'000	Total €'000
Balance at the beginning of the year	1,346,683	8,901	24,770	1,380,354
Acquisitions	62,342	—	—	62,342
Development expenditures	—	9,135	56	9,191
Property capital investments	11,002	—	—	11,002
Capitalised leasing costs(2)	(1,113)	—	—	(1,113)
Direct leasing costs(3)	149	—	—	149
Disposal	(3,454)	—	—	(3,454)
Unrealised fair value movements	35,026	(36)	(56)	34,934
Balance at the end of the year	1,450,635	18,000	24,770	1,493,405

(1) The development at School Yard was reclassified from properties under development to income properties upon completion in 2022.
(2) Straight-line rent adjustment for commercial leasing.
(3) Includes cash outlays for leasing.

The vast majority of the residential leases are for one year or less.

The carrying value of the Group investment properties of €1,499.0 million at 31 December 2022 (€1,493.4 million at 31 December 2021) was based on an external valuation carried out as at that date. The valuations were prepared in accordance with the RICS Valuation – Global Standards, 2020 (Red Book) and IFRS 13.

Notes to Consolidated Financial Statements (continued)

6. Leases

Leases as lessee (IFRS 16)

The Group has used an incremental borrowing rate of 2.48% to determine the lease liability.

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

Right-of-use assets

For the year ended 31 December 2022	Land and Buildings (€'000)
Balance at the beginning of the period	9,070
Depreciation charge for the year	(506)
Balance at the end of the year (Note 7)	8,564

For the year ended 31 December 2021	Land and Buildings (€'000)
Balance at the beginning of the year	9,576
Depreciation charge for the year	(506)
Balance at the end of the year (Note 7)	9,070

Amounts recognised in profit or loss

For the year ended 31 December 2022, I-RES recognised interest on lease liabilities of €222,000 (31 December 2021: €232,000).

Amounts recognised in statement of cash flows

For the year ended 31 December 2022, I-RES's total cash outflow for leases was €406,000. (31 December 2021: €396,000).

Refer to note 23 for movements in the lease liability.

Lease as lessor

The Group leases out its investment property consisting of its owned residential and commercial properties as well as a portion of the leased property. All leases are classified as operating leases from a lessor perspective. See note 16 for an analysis of the Group's rental income.

Notes to Consolidated Financial Statements (continued)

7. Property, Plant and Equipment

	Land and Buildings (Note 6) €'000	Furniture and Fixtures €'000	Total €'000
At cost			
As at 1 January 2022	10,114	228	10,342
Additions	—	44	44
Disposals	—	(41)	(41)
As at 31 December 2022	10,114	231	10,345
Accumulated depreciation			
As at 1 January 2022	(1,044)	(86)	(1,130)
Charge for the year	(506)	(30)	(536)
Disposals	—	39	39
As at 31 December 2022	(1,550)	(77)	(1,627)
As at 31 December 2022	8,564	154	8,718

	Land and Buildings (Note 6) €'000	Furniture and Fixtures €'000	Total €'000
At cost			
As at 1 January 2021	10,114	219	10,333
Additions	—	9	9
As at 31 December 2021	10,114	228	10,342
Accumulated depreciation			
As at 1 January 2021	(538)	(73)	(611)
Charge for the year	(506)	(13)	(519)
As at 31 December 2021	(1,044)	(86)	(1,130)
As at 31 December 2021	9,070	142	9,212

8. Other Assets

As at	31 December 2022 €'000	31 December 2021 €'000
Other Current Assets		
Prepayments(1)	2,429	2,242
Deposits on acquisitions(2)	2,462	10,099
Other receivables(3)	-	466
Trade receivables	1,406	1,361
Total	6,297	14,168

(1) Includes prepaid costs such as OMC service charges, insurance and specific costs relating to preparing planning applications of development lands and costs associated with ongoing transactions.
(2) Includes deposit paid for Ashbrook Phase 2.
(3) Relates to levies received in respect of services to be incurred.

9. Accounts Payable and Accrued Liabilities

As at	31 December 2022 €'000	31 December 2021 €'000
Accounts Payable and Accrued Liabilities(1)		
Rent - early payments	3,271	3,411
Trade creditors	689	726
Accruals(2)	8,745	10,799
Value Added Tax	92	478
Total	12,797	15,414

(1) The carrying value of all accounts payable and accrued liabilities approximates their fair value.
(2) Includes property related accruals, development accruals and professional fee accruals.

10. Bank indebtedness

As at	31 December 2022 €'000	31 December 2021 €'000
Bank Indebtedness		
Loan drawn down	457,020	420,020
Deferred loan costs	(3,282)	(3,398)
Total	453,738	416,622

The Revolving Credit Facility of €600 million is secured by a floating charge over assets of the Company, IRES Residential Properties Limited and a fixed charge over the shares held by the Company in its subsidiaries, IRES Residential Properties Limited and IRES Fund Management Limited, on a pari passu basis. This facility is being provided by Barclays Bank Ireland PLC, The Governor and Company of the Bank of Ireland, Allied Irish Banks, P.L.C. and HSBC Bank PLC. In July 2022, Ulster Bank Ireland DAC assigned its portion of the facility to Allied Irish Banks, P.L.C. as part of its exit of the Irish market.

The interest on the RCF is set at the annual rate of 1.75%, plus the one-month or three-month EURIBOR rate (at the option of I-RES). There are commitment fees charged on the undrawn loan amount of the RCF. The effective interest rate for the RCF is 2.67% (2021: 2.42%). On 14 December 2022, I-RES entered into hedging arrangements to fix the interest cost on €275m of the RCF. See further details in note 19.

On 11 February 2022, the Company exercised an option for an extension with all five banks (Ulster Bank Ireland DAC, Bank of Ireland, Allied Irish Bank, Barclays Bank plc and HSBC Bank plc) for the entire €600 million facility with a new maturity date of 18 April 2026. The extension included an arrangement fee of €1.6 million.

The financial covenants in relation to the RCF principally relate to Loan to Value and Interest Cover Ratio. I-RES has complied with all its debt financial covenants to which it was subject during the period. Loan to Value has remained below the required 50% at 43.3%. Interest Cover has remained above the requirement of 2.0x at 3.6x.

Notes to Consolidated Financial Statements (continued)

11. Private Placement Notes

On 11 March 2020, I-RES successfully closed the issue of €130 million notes and IRES Residential Properties Limited, its subsidiary, closed the issue of USD $75 million notes on a private placement basis (collectively, the "Notes"). The Notes have a weighted average fixed interest rate of 1.92% inclusive of a USD/Euro swap and an effective interest rate of 2.07%. Interest is paid semi-annually on 10 March and 10 September.

The Notes have been placed in four tranches:

	Maturity	Contractual interest rate	Derivative Rates	As at 31 December 2022 €'000	As at 31 December 2021 €'000
EUR Series A Senior Secured Notes	10 March 2030	1.83%	n/a	**90,000**	90,000
EUR Series B Senior Secured Notes	10 March 2032	1.98%	n/a	**40,000**	40,000
USD Series A Senior Secured Notes	10 March 2027	3.44%	1.87%	**46,738**	43,922(1)
USD Series B Senior Secured Notes	10 March 2030	3.63%	2.25%	**23,369**	21,960(2)
				200,107	195,882
Deferred financing costs, net				**(1,870)**	(2,142)
Total				**198,237**	193,740

(1) The principal amount of the USD Series A Senior Secured Notes is USD $50 million.
(2) The principal amount of the USD Series B Senior Secured Notes is USD $25 million.

The Notes are secured by a floating charge over the assets of the Group and a fixed charge over the shares held by the Company in IRES Residential Properties Limited on a pari passu basis.

The financial covenants in place in relation to the Private Placement Notes are aligned with the RCF. See note 10 for further details.

12. Business Combinations

On 29 January 2022, the Company and CAPREIT entered into binding legal agreements pursuant to which the Company exercised its right under the Investment Management Agreement and purchased 100% of the issued shares of IRES Fund Management Limited (the 'Investment Manager') on a liability free (other than liabilities in the ordinary course of business)/cash free basis for €1, effective from 31 January 2022 ("Completion"). The acquisition was deemed to be in the best interests of I-RES to internalise its management. The consideration is subject to adjustment pursuant to a completion accounts process. This includes an initial payment by the Company on completion of approximately €1.1 million in respect of cash acquired and a working capital adjustment, based on 31 January 2022 completion accounts. The below provides details on the consideration paid and/or payable as at 31 December 2022, as well as the fair values of the net assets acquired as at 31 January 2022.

Notes to Consolidated Financial Statements (continued)

12. Business Combinations (continued)

	Total €'000
Current Assets	
Prepaid expenses	8
Other receivables	1,044
Cash and cash equivalents	2,459
	3,511
Current Liabilities	
Accounts payable and accrued liabilities	(1,947)
Other payables	(198)
	(2,145)
Identifiable Net Assets acquired	1,366
Total Consideration	1,366

Satisfied by	Total €'000
Cash paid on acquisition	1,131
Cash paid on completion	235
Total Consideration	1,366

No goodwill is attributed to the transaction as the total consideration equates to the identifiable net assets of the acquired entity. Additionally, no intangible assets have been identified.

No contingent liabilities were recognised on the acquisition completed during the period. The gross contractual value of other receivables as at the date of acquisition equates to its fair value.

The acquisition costs associated with the transaction are included in the non-recurring costs recorded in 2021 and 2022.

The effect on the profit and loss of the Group post acquisition or as if the acquisition had taken place for the full period is not practical to disclose given the relationship and current and historic transactions between the two entities. The effect on revenue for the Group post acquisition or as if the acquisition had taken place for the full period is nil given that the revenue recorded by IRES Fund Management Limited is directly related to I-RES. Post completion of the acquisition, I-RES no longer incurs an external Property Management and Asset Management Fee. These costs were historically paid to IRES Fund Management Limited, the entity acquired and therefore the profit or loss of IRES Fund Management is materially affected by transactions with the acquirer, I-RES.

13. Share-based Compensation

a) Options

Options are issuable pursuant to I-RES' share-based compensation plan, namely, the long-term incentive plan ("LTIP"). For details on options granted under the LTIP, please refer to the statutory financial statements prepared for the year ended 31 December 2020 and 31 December 2021. As at 31 December 2022, the maximum number of additional options, or Restricted Share Units ("RSU") issuable under the LTIP is 20,594,128 (31 December 2021: 21,235,010).

Notes to Consolidated Financial Statements (continued)

13. Share-based Compensation (continued)

a) Options (continued)

LTIP

For the year ended	WA exercise price[1]	31 December 2022	31 December 2021
Share Options outstanding as at 1 January	1.32	**4,721,499**	9,096,499
Issued, cancelled or granted during the period:			
Exercised or settled	1.01	**(125,000)**	(4,375,000)[3]
Share Options outstanding as at 31 December[2]	1.61	**4,596,499**	4,721,499

(1) Weighted average exercise price for share options outstanding as at 1 January 2021 was 1.32 and 1.59 for share options outstanding at 31 December 2021
(2) Of the Share Options outstanding above, 4,596,499 were exercisable at 31 December 2022 (31 December 2021: 3,855,999) from 15 November 2024 to 9 July 2026 with a range of exercise price of €1.489 to €1.71.
(3) See note 24 for more details.

The fair value of options has been determined as at the grant date using the Black-Scholes model.

b) Restricted Stock Unit Awards

Restricted Stock Units (RSUs) were first awarded in the year ended 31 December 2020. Under the Remuneration policy, recipients of RSUs are granted a variable number of equity instruments depending on their salary. The awards are subject to vesting against market and non-market based conditions. A summary of the awards is set out in the table below. All awards are outstanding at 31 December 2022.

Date of award	Number of awards	EPS Growth (% of award)	TSR Performance (% of award)
27 March 2020	437,601	50%	50%
5 March 2021	335,820	50%	50%
5 August 2021	221,519	50%	50%
23 February 2022	685,402	50%	50%
10 August 2022	57,980	50%	50%

There is between a 24 month and 61 month holding period post vesting, but this is not subject to measurement as all conditions terminate on vesting. The LTIP awards are measured as follows:

Market-based condition: The expected performance of I-RES shares over the vesting period is calculated using a Monte Carlo simulation. Inputs are share price volatility for I-RES and the average growth rate. These inputs are calculated with reference to relevant historical data and financial models. It should be recognised that the assumption of an average growth rate is not a prediction of the actual level of returns that will be achieved. The volatility assumption in the distribution gives a measure of the range of outcomes that may occur on either side of this average value. This is used to amortise the fair value of an expected cost over the vesting period. On vesting, any difference in amounts accrued versus actual is amended through reserves.

Non-market-based conditions: The fair value of the shares to be issued is determined using the grant date market price. The expected number of shares is calculated based on the expectations of the number of shares which may vest at the vesting date and amortised over the vesting period. At each reporting date, the calculation of the number of shares is revised according to current expectations or performance.

Notes to Consolidated Financial Statements (continued)

13. Share-based Compensation (continued)

b) Restricted Stock Unit Awards (continued)

50% of the awards are subject to an EPS measure and 50% is subject to a TSR measure relative to constituents of the FTSE EPRA/NAREIT Europe Developed Index. Results and inputs are summarised in the table below:

	2022 RSU Awards	2021 RSU Awards	2020 RSU Awards
Fair value per award (TSR tranche) (per share)	**€0.70 to €0.75**	€0.70 to €0.75	€0.57
Inputs			
Three year Risk free interest rate (%)	0.04% to 0.87%	(0.69%) to (0.85%)	(0.70%)
Three year Historical volatility	26.84% to 28.26%	25.68% to 25.80%	22.21%
Fair value per award (EPS tranche) (per share)	**€1.24 to €1.36**	€1.22 to €1.33	€1.05
Inputs			
Two year Risk free interest rate (%)	(0.17%) to 0.70%	(-0.70%) to (-0.79%)	(0.71%)
Two year Expected volatility	23.42 to 29.08%	22.45% to 29.77%	24.06%

The expected volatility is based on historic market volatility prior to the issuance.

The total share-based compensation expense relating to options for the year ended 31 December 2022 was €24,000 (31 December 2021: €87,000) and total share-based compensation expense relating to restricted stock unit awards for the year ended 31 December 2022 was €93,000 (31 December 2021: €189,000).

14. Shareholders' Equity

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

The number of shares authorised is as follows:

For the year ended	31 December 2022	31 December 2021
Authorised Share Capital	**1,000,000,000**	1,000,000,000
Ordinary shares of €0.10 each		

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

For year ended	31 December 2022	31 December 2021
Ordinary shares outstanding, beginning of period	**529,453,946**	525,078,946
New shares issued	**125,000**	4,375,000
Ordinary shares outstanding, end of year	**529,578,946**	529,453,946

Notes to Consolidated Financial Statements (continued)

15. Cash and Cash Equivalents

For the year ended	31 December 2022	31 December 2021
Cash and cash equivalents	6,965	10,347

Cash and cash equivalents include cash at bank held in current accounts. The management of cash is discussed in note 20. The Group holds funds in excess of its regulatory minimum capital requirement at all times.

16. Revenue from Investment Properties

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

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Rental Income	72,688	68,966
Revenue from services	10,642	9,626
Car park income	1,527	1,152
Revenue from contracts with customers	12,169	10,778
Total Revenue	84,857	79,744

17. General and Administrative Expenses

For the year ended	31 December 2022 €'000	31 December 2021 €'000
General and administrative expenses	11,031	6,235
Asset Management fee	375	4,814
Total recurring general and administrative expenses	11,406	11,049
Non-recurring costs	5,748	5,430
Total General and administrative expenses	17,154	16,479

Recurring general and administrative expenses include costs such as director fees, executives' and employees' salaries, professional fees for audit, legal and advisory services, depositary fees, property valuation fees, insurance costs, asset management fee and other general and administrative expenses. Non-recurring G&A costs are primarily legal, consulting and advisory expenses that relate to the termination of the Investment Management Agreement, Internalisation of the Manager, Transitional Services Agreement fees to CAPREIT and other one off third-party advisory services. The external asset management fee terminated from 31 January 2022, the date IRES Fund Management Limited was acquired.

Notes to Consolidated Financial Statements (continued)

18. Financing costs

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Financing costs on RCF	12,629	9,963
Financing costs on private placement debt	5,293	4,926
Foreign exchange loss/(gain) on private placement debt	4,225	4,497
Reclassed from OCI	(5,250)	(5,386)
Gross financing costs	16,897	14,000
Less: Capitalised interest	(94)	(114)
Total Financing costs	16,803	13,886

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

Cross-currency swap

On 12 February 2020, I-RES entered into a cross-currency swap to (i) hedge the US-based loan of USD $75 million into €68.9 million effective 11 March 2020 and (ii) convert the fixed interest rate on the US-based loan to a fixed Euro interest rate, maturing on 10 March 2027 and 10 March 2030. (See note 11 for derivative fixed rates) This hedging agreement is accounted for as a cashflow hedge in accordance with the requirements of IFRS 9. Hedges are measured for effectiveness at each reporting date with the effective portion being recognised in equity in the hedging reserve and the ineffective portion being recognised through profit or loss within financing costs.

For the year ended 31 December 2022, the ineffective portion that has been recorded in the consolidated statement of profit or loss and other comprehensive income was €35,000 (31 December 2021: €nil). The fair value of the effective portion of €7,310,000 (31 December 2021: €4,737,000) was included in the cash flow hedge reserve along with a gain on hedging of €144,000 (31 December 2021: cost of hedging of €378,000). The fair value of the cash flow hedge was an asset of €3,042,000 and a liability of €nil at 31 December 2022 (31 December 2021: asset of €931,000 and liability of €3,961,000).

Interest rate swap

On 14 December 2022, I-RES entered into hedging arrangements in respect of its RCF, specifically interest rate swap agreements aggregating to €275 million until maturity of the facility, converting this portion of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. For the year ended 31 December 2022, the fair value of the effective portion of €4,065,000 (31 December 2021: €nil) has been recorded in the consolidated statement of profit or loss and other comprehensive income. The fair value of the interest rate swaps was an asset of €4,772,000 and a liability of €9,000 at 31 December 2022 (31 December 2021: €nil).

The interest rate swaps entered into in 2017 expired in January 2021 resulting in a fair value gain of €59,000 and a liability of €nil at 31 December 2021.

20. Financial Instruments, Investment Properties and Risk Management

a) Fair Value of Financial Instruments and Investment Properties

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

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

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

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

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

a) Fair Value of Financial Instruments and Investment Properties (continued)

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

The following table presents the Group's estimates of fair value on a recurring basis based on information available as at 31 December 2022, aggregated by the level in the fair value hierarchy within which those measurements fall.

As at 31 December 2022, the fair value of the Group's private placement debt is estimated to be €158.2 million (31 December 2021: €203.7 million) due to changes in interest rates since the private placement debt was issued and the impact of the passage of time on the fixed rate of the private placement debt. The fair value of the private placement debt is based on discounted future cash flows using rates that reflect current rates for similar financial instruments with similar duration, terms and conditions, which are considered Level 2 inputs. The private placement debt is recorded at amortised cost of €198.2 million (31 December 2021: €193.7 million).

As at 31 December 2022, the fair value of the Group's RCF approximates the carrying value as the interest rate of the RCF is on a 1 month or 3 month basis.

As at 31 December 2022	Level 1 Quoted prices in active markets for identical assets and liabilities €'000	Level 2 Significant other observable inputs €'000	Level 3 Significant unobservable inputs(1) €'000	Total €'000
Recurring Measurements – Assets				
Investment properties	–	–	1,498,998	1,498,998
Derivative financial instruments	–	7,814	–	7,814
	–	7,814	1,498,998	1,506,812
Recurring Measurements – Liability				
Derivative financial instruments(2)(3)	–	(9)	–	(9)
Total	–	7,805	1,498,998	1,506,803

As at 31 December 2021	Level 1 Quoted prices in active markets for identical assets and liabilities €'000	Level 2 Significant other observable inputs €'000	Level 3 Significant unobservable inputs(1) €'000	Total €'000
Recurring Measurements – Assets				
Investment properties	–	–	1,493,405	1,493,405
Derivative financial instruments	–	931	–	931
	–	931	1,493,405	1,494,336
Recurring Measurements – Liability				
Derivative financial instruments(2)(3)	–	(3,961)	–	(3,961)
Total	–	(3,030)	1,493,405	1,490,375

(1) See note 5 for detailed information on the valuation methodologies and fair value reconciliation.
(2) The valuation of the interest rate swap instrument is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. The fair value is determined using the market-standard methodology of netting the discounted future fixed cash payments and the discounted variable cash receipts of the derivatives. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rates. If the total mark-to-market value is positive, I-RES will include a current value adjustment to reflect the credit risk of the counterparty and if the total mark-to-market value is negative, I-RES will include a current value adjustment to reflect I-RES' own credit risk in the fair value measurement of the interest rate swap agreements.
(3) The cross-currency swaps are valued by constructing the cash flows of each side and then discounting them back to the present using appropriate discount factors, including consideration of credit risk, in those currencies. The cash flows of the more liquid quoted currency pair will be discounted using standard discount factors, while the cash flows of the less liquid currency pair will be discounted using cross-currency basis-adjusted discount factors. Following discounting, the spot rate will be used to convert the present value amount of the non-valuation currency into the valuation currency.

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management

The main risks arising from the Group's financial instruments are market risk, interest rate risk, liquidity risk and credit risk. The Group's approach to managing these risks is summarised as follows:

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

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

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

The Group also has private placement notes that are denoted in USD. The Group's risk management strategy is to mitigate foreign exchange variability to the extent that it is practicable and cost effective to do so. The Group utilises cross currency swaps to hedge the foreign exchange risk associated with the Group's existing, fixed foreign-currency denominated Borrowings. The use of cross-currency interest rate swaps is consistent with the Group's risk management strategy to effectively eliminate variability in the Group's functional currency equivalent cash flows on a portion of its Borrowings due to variability in the USD-EUR exchange rate. The hedges protect the Group against adverse variability in foreign exchange rates and the effective portion is recognised in equity in the hedging reserve, with the ineffective portion being recognised through profit or loss within financing costs.

Derivatives designated as hedges against foreign exchange risks are accounted for as cash flow hedges. Hedges are measured for effectiveness at each accounting date and the accounting treatment of changes in fair value revised accordingly. Specifically, the Company is hedging (1) the foreign exchange risk on the USD interest payments and (2) the foreign exchange risk on the USD principal repayment of the USD Borrowings at maturity. This hedging relationship qualifies for foreign currency cash flow hedge accounting.

On 12 February 2020, I-RES entered into cross-currency swaps to (i) exchange the USD loan of USD $75 million into €68.9 million effective 11 March 2020 and (ii) convert the fixed interest rate on the USD loan to a fixed Euro interest rate, maturing on 10 March 2027 and 10 March 2030.

At the inception of the hedging relationship the Company has identified the following potential sources of hedge ineffectiveness:

1. Movements in the Company's and hedging counterparty's credit spread that would result in movements in fair value of the Hedging Instrument that would not be reflected in the movements in the value of the Hedged Transactions.
2. The possibility of changes to the critical terms (e.g. reset dates, index mismatches, payment dates) of the Hedged Transaction due to a refinancing or debt renegotiation such that they no longer match those of the Hedging Instrument. The Company would reflect such mismatch when modelling the hypothetical derivative and this could be a potential source of hedge ineffectiveness.

Whilst sources of ineffectiveness do exist in the hedging relationship, the Company expects changes in value of both the hedging instrument and the hedged transaction to offset and systematically move in opposite directions given that the critical terms of the hedging instrument and the hedged transactions are closely aligned at inception as described above. Therefore, the Company has qualitatively concluded that there is an economic relationship between the hedging instrument and the hedged transaction in accordance with IFRS 9.

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management (continued)

Cash flow hedges
At 31 December 2022, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

As at	31 December 2022	31 December 2026	31 December 2027	31 December 2030
Cross Currency Swaps				
Net exposure (€'000)	68,852	68,852	22,951	–
Average fixed interest rate	2.00%	2.00%	2.25%	–
Interest Rate Swaps				
Net exposure (€'000)	22,345	–	–	–
Average fixed interest rate	2.50%	–	–	–

The amounts at the reporting date relating to items designated as hedged items were as follows:

As at 31 December 2022	Change in value used for calculating hedge ineffectiveness (€'000)	Cashflow hedge reserve (€'000)
Private placement debt	7,310	1,426
Interest rate swap	4,065	4,207

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	As at 31 December 2022					For the year ended 31 December 2022		
	Carrying amount							
	Nominal amount (€'000)	Assets (€'000)	Liability (€'000)	Changes in the value of hedging instrument recognised in OCI (€'000)	Hedge ineffectiveness recognised in profit or loss (€'000)	Line items in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss (€'000)	Line items in profit or loss affected by reclassification
Cross Currency Swaps	68,852	3,042	–	7,310	35	Gain on derivative financial instruments	(5,392)	Financing costs
Interest Rate Swaps	275,000	4,772	(9)	4,065	–	Gain on derivative financial instruments	142	Financing costs

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management (continued)

	As at 31 December 2021					For the year ended 31 December 2021		
	Carrying amount							
	Nominal amount (€'000)	Assets (€'000)	Liability (€'000)	Changes in the value of hedging instrument recognised in OCI (€'000)	Hedge ineffectiveness recognised in profit or loss (€'000)	Line items in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss (€'000)	Line items in profit or loss affected by reclassification
Cross Currency Swaps	68,852	931	(3,961)	(5,115)	–	Gain on derivative financial instruments	(5,386)	Financing costs

Master netting or similar agreements
The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

As at 31 December 2022	Note	Gross amounts of financial instruments in the statement of financial position (€'000)	Related financial instruments that are not offset (€'000)	Net amount (€'000)
Financial assets				
Derivative financial instruments	19	7,814	–	7,814
Financial liabilities				
Derivative financial instruments	19	(9)	–	(9)

Managing interest rate benchmark reform and associated risks
The Group does not have any exposures to IBORs on its financial instruments due to IBOR reform as fixed to fixed rates are used. IBOR reform does not impact the Group's risk management and hedge accounting. The Group has EURIBOR on its RCF, which is not impacted by the interest rate benchmark reform.

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management (continued)

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

As at 31 December 2022, I-RES' RCF was drawn for €457.0 million. The interest on the RCF is paid at a rate of 1.75% per annum plus the one-month or three-month EURIBOR rate (at the option of I-RES) or at a floor of zero if EURIBOR is negative. As previously noted, on 14 December 2022, I-RES entered into interest rate swaps in respect of its RCF, aggregating to €275 million until maturity of the facility, converting this portion of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. As of the year end, approximately 72% of the Company's drawn debt is now fixed against interest rate volatility. The Company's private placement debt has a fixed rate of 1.92%. For the year ended 31 December 2022, a 100-basis point change in 1 month Euribor interest rates across the period would have had the following effect:

As at 31 December 2022	Change in interest rates Basis Points	Increase/(decrease) in net income €'000
EURIBOR rate debt[1]	+100	(4,589.6)
EURIBOR rate debt[1]	-100	974.0

(1) Based on the fixed margin of 1.75% plus the 1 month EURIBOR during year ended 31 December 2022 and a hedged interest rate of 2.50% for the period interest rate swaps in place.

As at 31 December 2021	Change in interest rates Basis Points	Increase (decrease) in net income €'000
EURIBOR rate debt[1]	+100	(1,789)
EURIBOR rate debt[2]	-100	–

(1) Based on the fixed margin of 1.75% plus the one-month EURIBOR rate as at 31 December 2021 of -0.574% on the RCF.
(2) Based on the fixed margin of 1.75% plus the floor of zero on the RCF.

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

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

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management (continued)

The following tables show the Group's contractual undiscounted maturities for its financial liabilities:

As at 31 December 2022	Total €'000	6 months or less[1] €'000	6 to 12 months[1] €'000	1 to 2 years[1] €'000	2 to 5 years[1] €'000	More than 5 years[1] €'000
Non-derivative financial liabilities						
Loan drawn down	457,020	–	–	–	457,020	–
Bank indebtedness interest [2]	93,463	13,257	15,528	29,749	34,929	–
Private placement debt[3]	200,107	–	–	–	46,738	153,369
Private placement debt interest	25,934	1,739	1,739	3,478	10,434	8,544
Lease liability	10,670	314	314	628	1,883	7,531
Other liabilities	9,434	9,434	–	–	–	–
Security deposits	7,974	7,974	–	–	–	–
	804,602	**32,718**	**17,581**	**33,855**	**551,004**	**169,444**
Derivative financial liabilities						
Foreign exchange swap:						
Outflow	(8,422)	(687)	(687)	(1,374)	(4,122)	(1,552)
Inflow[3]	14,472	1,206	1,206	2,412	7,236	2,412
Net inflow/(outflow)	**6,050**	**519**	**519**	**1,038**	**3,114**	**860**
Interest rate swap:						
Outflow[4]	(22,345)	(3,438)	(3,438)	(6,875)	(8,594)	–
Inflow	26,633	3,539	4,832	8,307	9,955	–
Net inflow/(outflow)	**4,288**	**101**	**1,394**	**1,432**	**1,361**	**–**

(1) Based on carrying value at maturity dates.
(2) Based on current in-place interest rate for the remaining term to maturity.
(3) Based on forward foreign exchange rates as at 31 December 2022.
(4) Based on 1 month EURIBOR forward curve as at 31 December 2022.

As at 31 December 2021	Total €'000	6 months or less[1] €'000	6 to 12 months[1] €'000	1 to 2 years[1] €'000	2 to 5 years[1] €'000	More than 5 years[1] €'000
Non-derivative financial liabilities						
Loan drawn down	420,020	–	–	–	420,020	–
Bank indebtedness interest [2]	21,734	3,645	3,705	7,350	7,034	–
Private placement debt[3]	195,882	–	–	–	–	195,882
Private placement debt interest	32,203	2,374	2,374	4,748	14,244	8,463
Lease liability	11,454	314	314	628	1,883	8,315
Other liabilities	11,525	11,525	–	–	–	–
Security deposits	7,796	7,796	–	–	–	–
	700,614	25,654	6,393	12,726	443,181	212,660
Derivative financial liabilities						
Foreign exchange swap:						
Outflow	(77,961)	(687)	(687)	(1,374)	(4,122)	(71,091)
Inflow[3]	80,970	1,154	1,154	2,308	6,924	69,430
Net inflow/(outflow)	3,009	467	467	934	2,802	(1,661)

(1) Based on carrying value at maturity dates.
(2) Based on current in-place interest rate for the remaining term to maturity.
(3) Based on forward foreign exchange rates as at 31 December 2021.

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

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management (continued)

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

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

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

The Group monitors its collection experience on a monthly basis and ensures that a stringent policy is adopted to provide for all past due amounts. All residential accounts receivable balances exceeding 30 days are written off to bad debt expense and recognised in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss and other comprehensive income. The Group's allowance for expected credit loss amounted to €725,000 for the year ended 31 December 2022 and is recorded as part of property operating costs in the consolidated statement of profit or loss and other comprehensive income (31 December 2021: €626,000).

Cash and cash equivalents are held with major Irish and European institutions which have credit ratings between A- and A+. The Company deposits cash with a number of individual institutions to avoid concentration of risk with any one counterparty. The Group has also engaged the services of a depository to ensure the security of cash assets.

Risk of counterparty default arising on derivative financial instruments is controlled by dealing with high-quality institutions and by a policy limiting the amount of credit exposure to any one bank or institution. Derivative financial instrument counter parties have credit ratings in the range of A- to A+.

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

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

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business At 31 December 2022, capital consists of equity and debt and Group Total Gearing was 43.3% (2021: 40.7%). I-RES seeks to use gearing to enhance shareholder returns over the long term. The level of gearing is monitored carefully by the Board.

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

Notes to Consolidated Financial Statements (continued)

21. Taxation

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

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

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

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

Income tax expense recognised in the consolidated statement of profit or loss and other comprehensive income

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Irish corporation tax expense	—	—
Income tax withheld	8	—
Irish capital gains tax expense	80	—
Adjustment in respect of prior years	(132)	—
Total current taxation	**(44)**	—

Reconciliation of effective tax rate

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Loss before taxation	(11,864)	—
At the standard rate of corporation tax in Ireland of 12.5%	—	—
Adjusted for:		—
Tax exempt property rental loss	12,185	—
Adjustment in respect of prior years	(263)	—
Other items	(58)	—
Adjusted profit	**—**	
Total income tax expense at 12.5%	**—**	—

The deferred tax is €nil at 31 December 2022 (31 December 2021: €nil).

Notes to Consolidated Financial Statements (continued)

22. Dividends

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

On 10 September 2022, the Directors resolved to pay an additional dividend of €12.2 million for the year ended 31 December 2022. The dividend of 2.3 cents per share was paid on 9 September 2022 to shareholders on record as at 19 August 2022.

On 23 February 2022, the Directors resolved to pay an additional dividend of €16.3 million for the year ended 31 December 2021. The dividend of 3.08 cents per share was paid on 29 March 2022 to shareholders on record as at 04 March 2022.

On 6 August 2021, the Directors resolved to pay an additional dividend of €15.4 million for the six months ended 30 June 2021. The dividend of 2.91 cents per share was paid on 10 September 2021 to shareholders on record as at 20 August 2021.

On 19 February 2021, the Directors resolved to pay an additional dividend of €16.9 million for the year ended 31 December 2020. The dividend of 3.22 cents per share was paid on 20 April 2021 to shareholders on record as at 26 March 2021.

Distributable reserves in accordance with the Irish REIT Regime were calculated as follows:

For the year ended	31 December 2022 €'000	31 December 2021 €'000
(Loss)/Profit for the year	(11,820)	67,546
Plus/(Minus): unrealised loss/(gain) on net movement in fair value of investment properties	45,599	(34,934)
Property Income of the Property Rental Business	33,779	32,612
Add back/(deduct):		
Share-based compensation expense	117	276
Unrealised change in fair value of derivatives	(35)	(59)
Distributable Reserves	33,861	32,829

Notes to Consolidated Financial Statements (continued)

23. Supplemental Cash Flow Information

Breakdown of operating income items related to financing and investing activities

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Financing costs as per the consolidated statement of profit or loss and other comprehensive income	16,803	13,886
Interest expense accrual	332	237
Capitalised interest	94	114
Lease interest	222	232
Less: amortisation of financing fees	(1,998)	(1,644)
Interest Paid	15,453	12,825

Net income items relating to financing and investing activities

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Financing costs on Credit Facility	16,803	13,886
Amortisation of other financing costs	(1,998)	(1,644)
Lease interest	222	232
Net income items relating to financing and investing activities	15,027	12,474

Changes in operating assets and liabilities

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Prepayments	(187)	409
Trade receivables	(770)	(339)
Other receivables	466	208
Accounts payable and other liabilities	(3,001)	4,273
Security deposits	178	234
Changes in operating assets and liabilities	(3,314)	4,785

Issuance of Shares

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Issuance of shares	126	4,468
Issuance costs	—	—
Net proceeds	126	4,468

Notes to Consolidated Financial Statements (continued)

23. Supplemental Cash Flow Information (continued)

Changes in liabilities due to financing cash flows

For the year ended 31 December 2022

	Changes from Financing Cash Flows					Non-cash Changes				
Liabilities	**1 January 2022**	**Revolving Credit Facility drawdown**	**Revolving Credit Facility repayment**	**Lease payments**	**Financing fees**	**Amortisation of other financing costs**	**Foreign exchange**	**Interest accrual relating to derivatives**	**Change in fair value of hedging instruments**	**31 December 2022**
Bank indebtedness	420,020	93,000	(56,000)	—	—	—	—	—	—	**457,020**
Deferred loan costs, net	(3,398)	—	—	—	(1,610)	1,726	—	—	—	**(3,282)**
Private placement debt	195,882	—	—	—	—	—	4,225	—	—	**200,107**
Deferred loan costs, net	(2,142)	—	—	—	—	272	—	—	—	**(1,870)**
Derivative financial instruments	3,961	—	—	—	—	—	—	9	(3,961)	**9**
Lease liability	9,090	—	—	(406)	—	—	—	—	—	**8,684**
Total liabilities from financing activities	**623,413**	**93,000**	**(56,000)**	**(406)**	**(1,610)**	**1,998**	**4,225**	**9**	**(3,961)**	**660,668**

For the year ended 31 December 2021

	Changes from Financing Cash Flows					Non-cash changes				
Liabilities	**1 January 2021**	**Revolving Credit Facility drawdown**	**Revolving Credit Facility repayment**	**Lease payments**	**Financing fees on private placement debt**	**Amortisation of other financing costs**	**Foreign exchange**	**Interest accrual relating to derivatives**	**Change in fair value of hedging instruments**	**31 December 2021**
Bank indebtedness	354,020	89,500	(23,500)	—	—	—	—	—	—	420,020
Deferred loan costs, net	(3,971)	—	—	—	(800)	1,373	—	—	—	(3,398)
Private placement debt	191,385	—	—	—	—	—	4,497	—	—	195,882
Deferred loan costs, net	(2,383)	—	—	—	(30)	271	—	—	—	(2,142)
Derivative financial instruments	8,159	—	—	—	—	—	—	—	(4,114)	3,961
Lease liability	9,486	—	—	(396)	—	—	—	—	—	9,090
Total liabilities from financing activities	556,696	89,500	(23,500)	(396)	(830)	1,644	4,497	—	(4,114)	623,413

Notes to Company Financial Statements (continued)

24. Related Party Transactions

CAPREIT LP has an indirect 18.7% beneficial interest in I-RES. Previously it was determined that CAPREIT had significant influence over I-RES due to its beneficial interest and ownership of IRES Fund Management Limited ("the Manager"). On 31 January 2022 I-RES acquired the Manager from CAPREIT. Post completion of the acquisition, I-RES has determined that CAPREIT no longer has significant influence over I-RES. The below represent the transactions entered into with CAPREIT during the period whereby they demonstrated significant influence.

Effective 1 November 2015, CAPREIT LP's wholly-owned subsidiary at the time, IRES Fund Management Limited ("the Manager" or "IRES Fund Management") entered into the investment management agreement with I-RES (the "Investment Management Agreement"), as amended or restated, pursuant to which I-RES paid 3.0% per annum of its gross rental income as property management fees and 0.5% per annum of its net asset value together with relevant reimbursements as asset management fees to the Manager. The Investment Management Agreement governed the provision of portfolio management, risk management and other related services to the Company by the Manager on a day-to-day basis. The Investment Management agreement had an initial term of five years and thereafter would continue in force for consecutive five- year periods if not terminated.

On 31 March 2021, the Company received a 12 months' notice of termination from the Manager. The notice stated that the termination of the Investment Management Agreement would take effect on 31 March 2022.

As previously disclosed, the Investment Management Agreement provides that if I-RES determines that it is in its best interests to internalise the management of the Company that the Company will purchase the issued shares of the Manager on a liability free (other than liabilities in the ordinary course of business)/cash free basis for €1.

On 29 January 2022, the Company and CAPREIT entered into binding legal agreements pursuant to which the Company exercised its right under the IMA and purchased the issued shares of the Investment Manager on a liability free (other than liabilities in the ordinary course of business)/cash free basis for €1, effective from 31 January 2022 ("Completion"). As the Investment Manager served as the Company's alternative investment fund manager ("AIFM") under the Alternative Investment Fund Managers Regulations 2013 ("AIFM Regulations"), the Company also received the necessary approvals from the Central Bank of Ireland ("CBI") to acquire the shares in the Investment Manager, subject to a requirement that all aspects of the Investment Manager's business be transferred to the Company and an application be submitted to the CBI for the Company to become authorised as an internally managed AIF.

The Company agreed to enter into a transitional services agreement with CAPREIT (the "Transitional Services Agreement") with effect from Completion, pursuant to which CAPREIT continued to provide certain transitional assistance to the Company for a period of three months to facilitate the migration of data and implementation of new IT systems in the Company. The charges for the transitional services were calculated in the same manner as such charges were calculated for the equivalent services prior to the date of the Transitional Services Agreement (being 3.0% per annum equivalent of the Company's gross rental income as property management fees and 0.5% per annum equivalent of its net asset value, net of employee costs relating to staff of the Investment Manager who transitioned with the AIFM on completion of its acquisition) which equated to c.€357k plus VAT per month. The total charge associated with the Transitional Services Agreement for the period was €1.3 million including VAT and is recorded in general and administrative expenses.

For the year ended 31 December 2022, I-RES incurred €0.4 million in asset management fees. In addition, €0.2 million in property management fees were incurred and recorded under operating expenses. For the year ended 31 December 2021, €4.8 million in asset management fees and €2.4 million in property management fees were incurred. For the year ended 31 December 2022, CAPREIT LP charged back €0.2 million (31 December 2021: €1.2 million) relating to salaries.

The amount payable to CAPREIT LP (including IRES Fund Management) was nil as at 31 December 2022 (31 December 2021: €2.2 million). The amount receivable from CAPREIT LP (including IRES Fund Management) was nil (31 December 2021: €0.2 million).

Transactions with Key Management Personnel

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" is defined as those persons having authority for planning, directing and controlling the activities of the Company. I-RES has determined that the key management personnel comprise the Board of Directors. See note 29 for further details on remuneration.

Notes to Consolidated Financial Statements (continued)

24. Related Party Transactions (continued)

Owners' management companies not consolidated

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

Owners' Management Entity	Registered Official Address	Development Managed	Percentage of Voting Rights Held % of total(1)	Service Fees Incurred in the Period	Payable by I-RES €'000	Prepaid by I-RES €'000
Majority voting rights held						
Priorsgate Estate Owners' Management Company Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	Priorsgate	52.4	232.6	—	—
GC Square (Residential) Owners' Management Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	The Marker Residences	81.0	301.4	—	—
Lansdowne Valley Owners' Management Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	Lansdowne Gate	78.6	675.4	—	329.7
Charlestown Apartments Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Charlestown	82.5	587.3	—	49.8
Bakers Yard Owners' Management Company Company Limited by Guarantee	Ulysses House Foley Street Dublin 1	Bakers Yard	66.2	196.5	—	—
Rockbrook Grande Central Owners' Management Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	Grande Central	73.5	377.6	—	—
Rockbrook South Central Owners' Management Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	South Central	80.0	608.4	—	—

Notes to Consolidated Financial Statements (continued)

24. Related Party Transactions (continued)

Owners' Management Entity	Registered Official Address	Development Managed	Percentage of Voting Rights Held % of total(1)	Service Fees Incurred in the Period	Payable by I-RES €'000	Prepaid by I-RES €'000
Majority voting rights held						
Rockbrook Estate Management Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	Rockbrook Commercial	92.9(2)	30.3	—	—
TC West Estate Management Company Limited by Guarantee	Charter House, 5 Pembroke Row, Dublin 2 D02 FW61	Tallaght Commercial	75.0	241.8	—	—
TC West Residential Owners' Management Company Limited by Guarantee	Charter House, 5 Pembroke Row, Dublin 2 D02 FW62	Tallaght Residential	87.2	1,063.6	—	—
Gloucester Maple Owners' Management Company Limited by Guarantee	Ti Phuirseil Freeport, Barna, Galway H91 W90P	City Square	89.3	29.3	—	29.3
Elmpark Green Residential Owners' Management Company Limited by Guarantee	2 Lansdowne, Shelbourne Ballsbridge Dublin 4	Elmpark Green	60.5	527.9	—	133.4
Coldcut Owners' Management Company Limited by Guarantee	c/o Brehan Capital Partners Limited, 2nd Floor, Guild House, Guild Street Dublin 1	Coldcut Park	97.7	229.2	—	—
Time Place Property Management Company Limited by Guarantee	RF Property Management Ground Floor Ulusses House 23/24 Foley Street, Dublin 1, D01 W2T2	Time Place Dublin 18	74.4	158.0	—	—
Burnell Green Management Company Company Limited by Guarantee	City Junction Business Park, Northern Cross, Malahide Road Dublin 17	Burnell Green Northern Cross Dublin 17	93.2	219.7	—	—
Ashbrook Management Company Limited by Guarantee	Unit 12, The Seapoint Building, 44/45 Clontarf Road, Dublin 3	Ashbrook	56.3	200.5	—	—
Oak Lodge Management Company Limited by Guarantee	Burton Hall Drive, Sandyford, Dublin 18	Tara View	98.5	—	—	—

Notes to Consolidated Financial Statements (continued)

24. Related Party Transactions (continued)

Owners' Management Entity	Registered Official Address	Development Managed	Percentage of Voting Rights Held % of total(1)	Service Fees Incurred in the Period	Payable by I-RES €'000	Prepaid by I-RES €'000
Minority voting rights held						
BSQ Owners' Management Company Limited by Guarantee	5th Floor, St Stephens Green Earlsfort Terrace, Dublin 2	Beacon South Quarter	12.7	1,006.3	—	—
GC Square Management Company Limited by Guarantee	2nd Floor, Guild House Guild Street, Dublin 1	The Marker Commercial	48.0	—	—	—
Sandyford Forum Management Company Company Limited by Guarantee	28/30 Burlington Road Dublin 4	The Forum	6.3	16.1	—	7.1
Stapolin Management Company Limited by Guarantee	15 Adelaide Street Dun Laoghaire Co Dublin A96 D8Y9	Stapolin	11.4	59.8	—	15.5
Red Arches Management Company Limited by Guarantee	16 Adelaide Street Dun Laoghaire Co Dublin A96 D8Y9	Red Arches	4.7	31.9	—	8.0
Stillbeach Management Company Company Limited by Guarantee	Wyse 9 Lower Baggot Street Dublin 2 D02 XN82	Beechwood Court Stillorgan Co Dublin	32.0	111.2	—	111.2
Burnell Court Management Company Company Limited by Guarantee	City Junction Business Park, Northern Cross, Malahide Road Dublin 17	Burnell Court Northern Cross Dublin 17	25.8	117.9	—	—
Carrington Park Residential Property Management Company Limited by Guarantee	Rfpm Ulysses House Foley Street Dublin 1, D01 W2T2	Carrington Park Dublin 9	40.8	310.6	—	—
Heywood Court Management Company (Dublin) Company Limited by Guarantee	Lansdowne Partnership, 69 Mespil Road, Dublin 4	Heywood Court Dublin 9	43.3	93.1	23.7	—
Harty's Quay Management Company Limited by Guarantee	David O'Suillivan & Co 1st Floor Red Abbey Bld, Unit 20 South Link Industrial Estate Cork	Harty's Quay Co Cork	29.4	112.5	—	—
Belville Court Management Company Company Limited by Guarantee	1/2 Windsor Terrace, Dun Laoghaire, Co Dublin	Belville Dublin 18	47.5	60.9	28.8	—

Notes to Consolidated Financial Statements (continued)

24. Related Party Transactions (continued)

Owners' Management Entity	Registered Official Address	Development Managed	Percentage of Voting Rights Held % of total(1)	Service Fees Incurred in the Period	Payable by I-RES €'000	Prepaid by I-RES €'000
Minority voting rights held						
Malahide Waterside Management Company Limited by Guarantee	Office 3 The Eden Business Centre, Grange Road, Rathfarnham, Dublin 16, D16 T293	Waterside	9.6	16.0	—	5.4
PPRD Management Company CLG	Wyse Property Management Ltd., 94 Baggot Street Lower, Dublin 2, Dublin, D02 XN82	Phoenix Park 1	21.8	249.1	116.3	—
PPRD 2 Management Company CLG	21 Pembroke Road, Dublin 2, Dublin, D04k225, Ireland, D04 K225	Phoenix Park 2	30.2	(1.0)	—	24.7
Total				**7,863.4**	**168.8**	**714.1**

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

All of the owners' management companies are incorporated in Ireland and are property management companies. As noted above, as at 31 December 2022, €168,800 is payable and €714,100 is prepaid by the Group to the owners' management companies. As at 31 December 2021, €161,500 was payable and €413,500 was prepaid by I-RES to the owners' management companies.

25. Contingencies

At Beacon South Quarter, in addition to the capital expenditure work that has already been completed, water ingress works were identified in 2016 and I-RES is working with the Beacon South Quarter owners' management company to resolve these matters. There is also an active insurance claim with respect to the water ingress and related damage. The amount of potential costs relating to these structural remediation works cannot be currently measured with sufficient reliability.

26. Commitments

In January 2022, the Company entered into a forward purchase agreement to acquire 44 residential units at Ashbrook, Clontarf. The transaction was part of the total purchase price of €66.0 million (including VAT but excluding other transaction costs) paid for a total of 152 units, with the Company taking ownership of 108 units during the period to date. Delivery of the additional 44 units is anticipated in Q4 of 2023. The remaining consideration is €24.1 million.

Notes to Consolidated Financial Statements (continued)

27. (Loss)/Earnings per Share

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

For the year ended	31 December 2022	31 December 2021
(Loss)/Profit attributable to shareholders of I-RES (€'000)	**(11,820)**	67,546
Basic weighted average number of shares	**529,560,795**	527,412,302
Diluted weighted average number of shares(1)(2)	**530,953,506**	528,130,822
Basic (Loss)/Earnings per share (cents)	**(2.2)**	12.8
Diluted (Loss)/Earnings per share (cents)	**(2.2)**	12.8

(1) Diluted weighted average number of shares includes the additional shares resulting from dilution of the long-term incentive plan options as of the reporting period date.
(2) At 31 December 2022, 4,596,499 options (31 December 2021: 4,596,499) were excluded from the diluted weighted average number of ordinary shares because their effect would have been anti-dilutive.

EPRA issued Best Practices Recommendations most recently in October 2019, which gives guidelines for performance matters.

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

EPRA Earnings per Share

For the year ended	31 December 2022	31 December 2021
(Loss)/Profit for the year (€'000)	**(11,820)**	67,546
Adjustments to calculate EPRA Earnings exclude:		
Changes in fair value on investment properties (€'000)	**45,599**	(34,934)
(Profit) or losses on disposal of investment property	**(2,795)**	(905)
Changes in fair value of derivative financial instruments (€'000)	**(35)**	(59)
EPRA Earnings (€'000)	**30,949**	31,648
Basic weighted average number of shares	**529,560,795**	527,412,302
Diluted weighted average number of shares	**530,953,506**	528,130,822
EPRA Earnings per share (cents)	**5.8**	6.0
EPRA Diluted Earnings per share (cents)	**5.8**	6.0

Notes to Consolidated Financial Statements (continued)

28. Net Asset Value per Share

In October 2019, EPRA introduced three EPRA NAV metrics to replace the then existing EPRA NAV calculation that was previously being presented. The three EPRA NAV metrics are EPRA Net Reinstatement Value ("EPRA NRV"), EPRA Net Tangible Asset ("EPRA NTA") and EPRA Net Disposal Value ("EPRA NDV"). Each EPRA NAV metric serves a different purpose. The EPRA NRV measure is to highlight the value of net assets on a long term basis. EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. Lastly, EPRA NDV provides the reader with a scenario where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liabilities. The table below presents the transition between the Group's shareholders' equity derived from the consolidated financial statements and the various EPRA NAV.

EPRA NAV per Share

As at	31 December 2022		
	EPRA NRV	EPRA NTA(1)	EPRA NDV(2)
Net assets (€'000)	**847,353**	**847,353**	**847,353**
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	**(4,674)**	**(4,674)**	**—**
Fair value adjustment for fixed interest rate debt (€'000)	**—**	**—**	**40,612**
Real estate transfer cost (€'000)(3)	**76,368**	**—**	**—**
EPRA net assets (€'000)	**918,957**	**842,589**	**887,965**
Number of shares outstanding	**529,578,946**	**529,578,946**	**529,578,946**
Diluted number of shares outstanding	**529,578,946**	**529,578,946**	**529,578,946**
Basic Net Asset Value per share (cents)	**160.0**	**160.0**	**160.0**
EPRA Net Asset Value per share (cents)	**173.5**	**159.1**	**167.7**

As at	31 December 2021		
	EPRA NRV	EPRA NTA(1)	EPRA NDV(2)
Net assets (€'000)	881,440	881,440	881,440
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	—	—	—
Fair value adjustment for fixed interest rate debt (€'000)	—	—	(10,008)
Real estate transfer cost (€'000)(3)	75,372	—	—
EPRA net assets (€'000)	956,812	881,440	871,432
Number of shares outstanding	529,453,946	529,453,946	529,453,946
Diluted number of shares outstanding	529,498,519	529,498,519	529,498,519
Basic Net Asset Value per share (cents)	166.5	166.5	166.5
EPRA Net Asset Value per share (cents)	180.7	166.5	164.6

(1) Following changes to the Irish REIT legislation introduced in October 2019, if a REIT disposes of an asset of its property rental business and does not (i) distribute the gross disposal proceeds to shareholders by way of dividend; (ii) reinvest them into other assets of its property rental business (whether by acquisition or capital expenditure) within a three-year window (being one year before the sale and two years after it); or (iii) use them to repay debt specifically used to acquire, enhance or develop the property sold, then the REIT will be liable to tax at a rate of 25% on 85% of the gross disposal proceeds, subject to having sufficient distributable reserves. For the purposes of EPRA NTA, the Group has assumed any such sales proceeds are reinvested within the required three year window.
(2) Deferred tax is assumed as per the IFRS statement of financial position. To the extent that an orderly sale of the Group's assets was undertaken over a period of several years, during which time (i) the Group remained a REIT; (ii) no new assets were acquired or sales proceeds reinvested; (iii) any developments completed were held for three years from completion; and (iv) those assets were sold at 31 December 2022 valuations, the sales proceeds would need to be distributed to shareholders by way of dividend within the required time frame or else a tax liability amounting to up to 25% of distributable reserves plus current unrealised revaluation gains could arise for the Group.
(3) This is the purchaser costs amount as provided in the valuation certificate. Purchasers' costs consist of items such as stamp duty on legal transfer and other purchase fees that may be incurred and which are deducted from the gross value in arriving at the fair value of investment for IFRS purposes. Purchasers' costs are in general estimated at 9.96% for commercial, 4.46% for residential apartment units and 12.46% for houses and duplexes.

Notes to Consolidated Financial Statements (continued)

29. Directors' Remuneration, Employee Costs and Auditor Remuneration

Key Management personnel of the Group consist of the Board of directors. The remuneration of the key management personnel paid during the period were as follows:

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Directors' remuneration(1)		
Short-term employee benefits	1,932	1,503
Pension costs	92	60
Other benefits(2)	214	83
Share-based payments	113	276
Total	2,351	1,922

(1) Brian Fagan was elected as a Director of I-RES on 11 April 2022, his remuneration is included from that date.
(2) Included in this amount is pay-related social insurance and benefits paid to the Directors.

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Employees costs		
Salaries, benefits and bonus	7,559	1,600
Social insurance costs	761	126
Pension costs	174	66
Share-based payments	117	276
Total	8,611	2,068

The average number of employees in the period was 86 (2021: 5). The total number of employees at the reporting period was 95 (31 December 2021: 11).

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Auditor remuneration (including expenses)(1)		
Audit of Group accounts	185	135
Other assurance services(2)	15	15
Non-assurance services(3)	-	37
Total	200	187

(1) Included in the auditor remuneration for the Group is an amount of €175,000 (31 December 2021: €125,000) that relates to the audit of the Company's financial statements.
(2) Non-audit remuneration for 31 December 2022 and 31 December 2021 relates to the review of the interim financial statements.
(3) Non-assurance services advisory fee for Sustainability Advisory Services

30. Holding Company Details

The name of the holding company of the Group is Irish Residential Properties REIT plc. The legal form of the Company is a public limited company. The place of registration of the holding company is Dublin, Ireland and its registration number is 529737. The address of the registered office is South Dock House, Hanover Quay, Dublin 2, Ireland.

31. Subsequent Events

At the date of authorisation of the consolidated financial statements there are no adjusting or non-adjusting events after the reporting period.

Company Statement of Financial Position

As at 31 December 2022

	Note	31 December 2022 €'000	31 December 2021 €'000
Assets			
Non-Current Assets			
Investment properties	III	1,316,988	1,358,245
Investment in subsidiaries	VI	2,240	873
Property, plant and equipment	V	8,718	9,213
Derivative financial instruments	XIX	3,298	–
		1,331,244	1,368,331
Current Assets			
Loan advances to subsidiaries	VII	148,621	98,558
Other current assets	IX	7,286	14,006
Derivative financial instruments	XIX	1,474	–
Cash and cash equivalents		4,137	9,394
		161,518	121,958
Total Assets		1,492,762	1,490,289
Liabilities			
Non-Current Liabilities			
Bank indebtedness	XI	453,738	416,623
Private placement notes	XII	128,783	128,572
Loan advances from subsidiary	VIII	68,852	68,852
Lease liability	XXII	8,268	9,090
		659,641	623,137
Current Liabilities			
Accounts payable and accrued liabilities	X	15,014	14,157
Derivative financial instruments	XIX	9	–
Security deposits		7,276	7,225
Lease liability	XXII	416	–
		22,715	21,382
Total Liabilities		682,356	644,519
Shareholders' Equity			
Share capital		52,958	52,945
Share premium		504,583	504,471
Other reserve		1,201	1,093
Cashflow hedge reserve	XIX	4,207	–
Retained earnings		247,457	287,261
Total Shareholders' Equity		810,406	845,770
Total Shareholders' Equity and Liabilities		1,492,762	1,490,289

The accompanying notes form an integral part of these financial statements.

Declan Moylan
Chairman

Margaret Sweeney
Executive Director

Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	31 December 2022 €'000	31 December 2021 €'000
Operating Revenue			
Revenue from investment properties	XV	**78,042**	73,549
Operating Expenses			
Property taxes		**(986)**	(633)
Property operating costs		**(16,724)**	(14,654)
Net Rental Income ("NRI")		**60,332**	58,262
General and administrative expenses	XVI	**(17,196)**	(16,368)
Share-based compensation expense	XIII	**(117)**	(276)
Net movement in fair value of investment properties	III	**(45,259)**	34,046
Gain on disposal of investment property		**2,812**	905
Gain on derivative financial instruments	XVIII	—	59
Depreciation of property, plant and equipment	V	**(536)**	(519)
Lease interest	IV	**(222)**	(232)
Operating (loss)/profit for the year		**(186)**	75,877
Financing costs	XVII	**(16,787)**	(13,902)
Interest from intercompany loan	VII	**5,651**	4,676
(Loss)/Profit for the year		**(11,322)**	66,651
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges - effective portion of changes in fair value	XIX	**4,065**	—
Cash flow hedges - reclassified to profit or loss	XIX	**142**	—
Other Comprehensive Income/(loss) for the year		**4,207**	—
Total Comprehensive (Loss)/Income for the Year Attributable to Shareholders		**(7,115)**	66,651
Basic (Loss)/Earnings per Share (cents)	XXV	**(2.1)**	12.6
Diluted (Loss)/Earnings per Share (cents)	XXV	**(2.1)**	12.6

The accompanying notes form an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Cashflow Hedge Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2022		52,945	504,471	287,261	1,093	—	845,770
Total comprehensive income for the year							
Loss for the year		—	—	(11,322)	—	—	(11,322)
Other comprehensive income for the year		—	—	—	—	4,207	4,207
Total comprehensive loss for the year		—	—	(11,322)	—	4,207	(7,115)
Transactions with owners, recognised directly in equity							
Long-term incentive plan	XIII	—	—	—	117	—	117
Share issuance		13	113	9	(9)	—	126
Dividends paid	XXI	—	—	(28,491)	—	—	(28,491)
Transactions with owners, recognised directly in equity		13	113	(28,482)	108	—	(28,248)
Shareholders' Equity at 31 December 2022		52,958	504,583	247,457	1,201	4,207	810,406

For the year ended 31 December 2021	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Cashflow Hedge Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2021		52,507	500,440	252,532	1,169	—	806,648
Total comprehensive income for the year							
Profit for the period		—	—	66,651	—	—	66,651
Total comprehensive income for the year		—	—	66,651	—	—	66,651
Transactions with owners, recognised directly in equity							
Long-term incentive plan	XIII	—	—	—	276	—	276
Share issuance		438	4,031	352	(352)	—	4,468
Dividends paid	XXI	—	—	(32,274)	—	—	(32,274)
Transactions with owners, recognised directly in equity		438	4,031	(31,922)	(76)	—	(27,529)
Shareholders' Equity at 31 December 2021		52,945	504,471	287,261	1,093	—	845,770

The accompanying notes form an integral part of these financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2022

	Note	31 December 2022 €'000	31 December 2021 €'000
Cash Flows from Operating Activities:			
Operating Activities			
(Loss)/Profit for the Year		(11,322)	66,651
Adjustments for non-cash items:			
Fair value adjustment - investment properties	III	45,259	(34,046)
Gain on disposal of investment property		(2,812)	(905)
Depreciation of property, plant and equipment	V	536	519
Amortisation of other financing costs	XXII	1,936	1,555
Share-based compensation expense	XIII	117	276
Gain on derivative financial instruments		—	(59)
Allowance for expected credit loss		689	545
Straight-line rent adjustment		581	1,106
Interest accrual relating to derivatives	XXII	9	—
(Loss)/Profit adjusted for non-cash items		34,993	35,642
Net income relating to financing and investing activities		9,318	7,903
Changes in operating assets and liabilities	XXII	(3,342)	4,108
Net Cash Generated from Operating Activities		40,969	47,653
Cash Flows from Investing Activities			
Net proceeds from disposal of investment property		53,901	4,359
Deposits on acquisitions		(3,855)	(5,470)
Acquisition of investment properties		(31,112)	(56,442)
Development of investment properties	III	(4,632)	(9,305)
Property capital investments	III	(8,441)	(9,823)
Direct leasing cost	III	(6)	(127)
Purchase of property, plant and equipment	V	(44)	(9)
Interest received from subsidiaries	VII	1,534	3,893
Advances to subsidiaries	VII	(45,946)	(262)
Acquisition of subsidiary, net of cash acquired	VI	1,093	—
Net Cash Used in Investing Activities		(37,508)	(73,186)
Cash Flows from Financing Activities			
Financing fees	XXII	(1,610)	(830)
Interest paid	XXII	(15,337)	(12,888)
Credit Facility drawdown	XXII	93,000	89,500
Credit Facility repayment	XXII	(56,000)	(23,500)
Lease payment	XXII	(406)	(396)
Proceeds on issuance of shares	XXII	126	4,468
Dividends paid to shareholders		(28,491)	(32,274)
Net Cash Generated (Used in)/from Financing Activities		(8,718)	24,080
Changes in Cash and Cash Equivalents during the Year		(5,257)	(1,453)
Cash and Cash Equivalents, Beginning of the Year		9,394	10,847
Cash and Cash Equivalents, End of the Year		4,137	9,394

The accompanying notes form an integral part of these financial statements.

Notes to the Company Financial Statements

I. Significant Accounting Policies

These Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS") but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

» Disclosures in respect of capital management;
» The effects of new but not yet effective IFRSs;

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements of the Company are prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of investment properties and derivatives at fair value through profit or loss and the measurement of share options at fair value at the date of grant. The financial statements of the Company have been presented in Euro, which is the Company's functional currency.

For Company details, refer to note 30 of the consolidated financial statements.

The significant accounting policies of the Company are the same as those of the Group, which are set out in note 2 of the consolidated financial statements.

Investment in subsidiaries

Investment in subsidiaries is shown at cost less provision for any impairment or diminution in value.

Intercompany loan

The intercompany loan is recognised at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs and discounts directly related to the intercompany loan were recognised within interest expense on intercompany loan in the statement of profit or loss and other comprehensive income over the expected term of the intercompany loan.

II. Critical Accounting Estimates, Assumptions and Judgements

For further information on critical accounting estimates, assumptions and judgements, refer to note 3 of the consolidated financial statements.

Notes to Company Financial Statements (continued)

III. Investment Properties

For further information on investment properties, refer to note 5 of the consolidated financial statements.

For the Company, an increase of 1% in the Equivalent Capitalisation Rate would have the impact of a €225.1 million reduction in fair value while a decrease of 1% in the Equivalent Capitalisation Rate would result in a fair value increase of €344.5 million. An increase between 1% and 4% in Stabilised NRI would have an impact ranging from €13.1 million to €52.4 million respectively in fair value, while a decrease between 1% and 4% in Stabilised NRI would have the impact ranging from €13.1 million to €52.4 million reduction respectively. I-RES believes that this range of change in Stabilised NRI is a reasonable estimate in the next twelve months based on expected changes in Stabilised NRI.

A summary of the Equivalent Capitalisation Rates and ranges along with the fair value of the total portfolio of the Company as at 31 December 2022 and 2021 is presented below:

As at 31 December 2022

Type of Interest	Fair Value €'000	WA Stabilised NRI(1) €'000	Rate Type(2)	Max.	Min.	Weighted Average
Income properties	1,310,158	2,939	Equivalent Yield	5.75%	4.10%	4.85%
Development land(3)	6,830	n/a	Market Comparable (per sq ft.)	€122.8	€30.1	€104.5
Total investment properties	**1,316,988**					

(1) WA Stabilised NRI is the NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI"). The WA Stabilised NRI is an input to determine the fair value of the investment properties.
(2) The Equivalent Yield disclosed above is provided by the external valuers.
(3) Development land is fair-valued based on the value of the undeveloped site per square foot.

As at 31 December 2021

Type of Interest	Fair Value €'000	WA Stabilised NRI(1) €'000	Rate Type(2)	Max.	Min.	Weighted Average
Income properties	1,332,595	2,883	Equivalent Yield	5.43%	3.90%	4.55%
Properties under development	18,000	1,113	Equivalent Yield	4.25%	4.25%	4.25%
		n/a	Average Development Cost (per sq ft.)	€378.3	€378.3	€378.3
Development land(3)	7,650	n/a	Market Comparable (per sq ft.)	€133.5	€27.5	€120.7
Total investment properties	1,358,245					

(1) WA Stabilised NRI is the NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI"). The WA Stabilised NRI is an input to determine the fair value of the investment properties.
(2) The Equivalent Yield disclosed above is provided by the external valuers.
(3) Development land is fair-valued based on the value of the undeveloped site per square foot.

Notes to Company Financial Statements (continued)

III. Investment Properties (continued)

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

Reconciliation of carrying amounts of investment properties

For the year ended 31 December 2022	Income Properties €'000	Properties Under Development €'000	Development Land €'000	Total €'000
Balance at the beginning of the year	1,332,595	18,000	7,650	1,358,245
Acquisitions	42,604	—	—	42,604
Development expenditures	—	4,632	—	4,632
Reclassification(1)	22,632	(22,632)	—	—
Property capital investments	8,441	—	—	8,441
Capitalised leasing costs(2)	(581)	—	—	(581)
Direct leasing costs(3)	6	—	—	6
Disposal	(51,100)	—	—	(51,000)
Unrealised fair value movements	(44,439)	—	(820)	(45,259)
Balance at the end of the year	**1,310,158**	**—**	**6,830**	**1,316,988**

For the year ended 31 December 2021	Income Properties €'000	Properties Under Development €'000	Development Land €'000	Total €'000
Balance at the beginning of the year	1,230,781	8,901	7,650	1,247,332
Acquisitions	62,342	—	—	62,342
Development expenditures	—	9,135	—	9,135
Property capital investments	9,823	—	—	9,823
Capitalised leasing costs(2)	(1,106)	—	—	(1,106)
Direct leasing costs(3)	127	—	—	127
Disposal	(3,454)	—	—	(3,454)
Unrealised fair value movements	34,082	(36)	—	34,046
Balance at the end of the year	1,332,595	18,000	7,650	1,358,245

(1) The development at School Yard was reclassified from properties under development to income properties upon completion in 2022.
(2) Straight-line rent adjustment for commercial leasing.
(3) Includes cash outlays for leasing.

IV. Leases

For further information on the Leases, refer to note 6 of the consolidated financial statements.

V. Property, Plant and Equipment

For further information on the property, plant and equipment, refer to note 7 of the consolidated financial statements.

Notes to Company Financial Statements (continued)

VI. Investment in Subsidiaries

As at	31 December 2022 €'000	31 December 2021 €'000
Opening Balance	873	873
Additions	1,367	–
Disposals	–	–
Closing Balance	2,240	873

On 31st January 2022, the Company acquired 100% of the shares in IRES Fund Management Limited for a consideration of €1.4 million. For further information on the acquisition of IRES Fund Management Limited, refer to note 12 of the consolidated financial statements.

On 10th August 2022, the Company acquired 100% of the shares in IRES Residential Properties (Tara View) Limited, formerly Bayvan Limited, for a consideration of €1.

VII. Loan Advances to Subsidiaries

As at	31 December 2022 €'000	31 December 2021 €'000
Balance at the beginning of the year	98,558	97,513
Interest income	5,651	4,676
Interest received	(1,534)	(3,893)
Advances to/(repayments from) subsidiaries	45,946	262
Balance at the end of the year	148,621	98,558

On 31 March 2015, the Company acquired the entire issued share capital of IRES Residential Properties Limited for €0.8 million and provided financing to IRES Residential Properties Limited to repay the loan on the Rockbrook Portfolio to CAPREIT LP. The total amount in aggregate receivable from its subsidiary amounted to €101.4 million as at 31 December 2022 (€98.6 million as at 31 December 2021), net of repayments. This receivable is interest bearing at 4.94% per annum fixed and repayable on demand.

On 10 August 2022, the Company acquired 100% of the issued share capital of IRES Residential Properties (Tara View) Limited and provided financing to IRES Residential Properties (Tara View) Limited to pay the development costs for the Tara View portfolio. The total amount in aggregate receivable from the subsidiary amounted to €47.2 million as at 31 December 2022 (€nil as at 31 December 2021), net of repayments. This receivable is interest bearing at 4.25% per annum fixed and repayable on demand.

As these receivables are repayable on demand, 'the expected credit loss associated with these balances is considered to be insignificant.

Notes to Company Financial Statements (continued)

VIII. Loan Advances from Subsidiary

On 10 March 2020, IRES Residential Properties Limited provided the following facilities to the Company. Interest is paid semi-annually on 9 March and 9 September of each year.

As at	Maturity	Contractual interest rate	31 December 2022 €'000
Series A Facility	9 March 2027	1.87%	45,901
Series B Facility	9 March 2030	2.25%	22,951
Total			68,852

IX. Other Assets

As at	31 December 2022 €'000	31 December 2021 €'000
Other Current Assets		
Prepayments(1)	2,344	2,230
Deposits on acquisitions(2)	2,462	10,099
Other receivables(3)	–	467
Trade receivables	1,023	1,211
Intercompany receivable	1,457	–
Total	7,286	14,007

(1) Includes prepaid costs such as OMC Service charges, insurance and specific costs relating to preparing planning applications of development lands and costs associated with ongoing transactions.
(2) Includes deposit paid for Ashbrook Phase 2.
(3) Relates to levies received in respect of services to be incurred.

X. Accounts Payable and Accrued Liabilities

As at	31 December 2022 €'000	31 December 2021 €'000
Accounts Payable and Accrued Liabilities(1)		
Rent - early payments	3,014	3,126
Trade creditors	636	584
Accruals(2)	5,489	9,980
Value Added Tax	40	467
Intercompany payable	5,835	–
Total	15,014	14,157

(1) The carrying value of all accounts payable and accrued liabilities approximates their fair value.
(2) Includes property related accruals, development accruals and professional fee accruals.

XI. Bank Indebtedness

For further information on the Credit Facility, refer to note 10 of the consolidated financial statements.

Notes to Company Financial Statements (continued)

XII. Private Placement Notes

On 11 March 2020, I-RES successfully closed the issue of €130 million notes on a private placement basis (collectively, the "Notes"). Interest is paid semi-annually on 10 March and 10 September.

The Notes have been placed in two tranches:

As at	Maturity	Contractual interest rate	31 December 2022 €'000	31 December 2021 €'000
EUR Series A Senior Secured Notes	10 March 2030	1.83%	**90,000**	90,000
EUR Series B Senior Secured Notes	10 March 2032	1.98%	**40,000**	40,000
			130,000	130,000
Deferred financing costs, net			**(1,217)**	(1,428)
Total			**128,783**	128,572

The Notes are secured by a floating charge over the assets of the Group and a fixed charge over the shares held by the Company in IRES Residential Properties Limited.

XIII. Share-based Compensation

For further information on share-based compensation, refer to note 13 of the consolidated financial statements.

XIV. Shareholders' Equity

For further information on shareholders' equity, refer to note 14 of the consolidated financial statements.

XV.Revenue From Investment Properties

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

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Rental Income	**66,945**	63,800
Revenue from services	**9,653**	8,644
Car park income	**1,444**	1,085
Revenue from contracts with customers	**11,097**	9,749
Total Revenue	**78,042**	73,549

XVI. General and Administrative Expenses

For the year ended	31 December 2022 €'000	31 December 2021 €'000
General and administrative expenses	**7,213**	6,124
Asset Management fee	**4,235**	4,814
Total recurring general and administrative expenses	**11,448**	10,938
Non-recurring costs	**5,748**	5,430
Total General and administrative expenses	**17,196**	16,368

Recurring general and administrative expenses include costs such as director fees, executives' and employees' salaries, professional fees for audit, legal and advisory services, depositary fees, property valuation fees, insurance costs, asset management fee and other general and administrative expenses. Non-recurring G&A costs are primarily legal, consulting and advisory expenses that relate to the termination of the Investment Management Agreement, Internalisation of the Manager, Transitional Services Agreement fees to CAPREIT and other one off third-party advisory services.

From 31st January 2022, the asset management fee became an intercompany transaction following the acquisition of IRES Fund Management by the Company. The external asset management fee for the year ended 31 December 2022 was €0.4 million (31 December 2021: €4.8 million) and the internal fee was €3.8 million (31 December 2021: €nil).

XVII. Finance Cost

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Financing costs on RCF	**12,629**	9,963
Financing costs on private placement debt	**2,717**	2,612
Financing costs on loan advances from subsidiary	**1,393**	1,441
Reclassed from OCI	**142**	—
Gross financing costs	**16,881**	14,016
Less: Capitalised interest	**(94)**	(114)
Total Financing costs	**16,787**	13,902

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

The derivative financial instruments consist of the interest rate swap entered into on 14 December 2022. For further information on the derivative financial instruments of the Company refer to note 19 of the consolidated financial statements.

Notes to Company Financial Statements (continued)

XIX. Financial Instruments, Investment Properties and Risk Management

a) Fair Value of Financial Instruments and Investment Properties

For further information on the fair value of financial instruments and investment properties, refer to note 20(a) of the consolidated financial statements. The following table presents the Company's estimates of the fair value on a recurring basis based on information available as at 31 December 2022, and aggregated by the level in the fair value hierarchy within which those measurements fall.

As at 31 December 2022, the fair value of the Company's private placement debt is estimated to be €100 million. (31 December 2021: €132.4 million). The fair value of the Company's loan advances from subsidiary is estimated to be €72.7 million. (31 December 2021: €71.3 million). The change in fair value is due to changes in interest rates since the private placement debt was issued and the impact of the passage of time on the fixed rate of the private placement debt. The fair value of the private placement debt is based on discounted future cash flows using rates that reflect current rates for similar financial instruments with similar duration, terms and conditions, which are considered Level 2 inputs.

As at 31 December 2022	Level 1 Quoted prices in active markets for identical assets and liabilities €'000	Level 2 Significant other observable inputs €'000	Level 3 Significant unobservable inputs(1) €'000	Total €'000
Recurring Measurements – Assets				
Investment properties	–	–	1,316,988	1,316,988
Derivative financial instruments	–	4,772	–	4,772
	–	4,772	1.316,988	1,321,760
Recurring Measurements – Liability				
Derivative financial instruments(2)	–	(9)	–	(9)
Total	–	4,763	1,316,988	1,321,751

As at 31 December 2021	Level 1 Quoted prices in active markets for identical assets and liabilities €'000	Level 2 Significant other observable inputs €'000	Level 3 Significant unobservable inputs(1) €'000	Total €'000
Recurring Measurements – Assets				
Investment properties	–	–	1,358,245	1,358,245
Recurring Measurements – Liability				
Derivative financial instruments(2)	–	–	–	–
Total	–	–	1,358,245	1,358,245

(1) See note 5 of the consolidated financial statements for detailed information on the valuation methodologies and fair value reconciliation.
(2) The valuation of the interest rate swap instrument is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. The fair value is determined using the market-standard methodology of netting the discounted future fixed cash payments and the discounted variable cash receipts of the derivatives. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rates. If the total mark-to-market value is positive, I-RES will include a current value adjustment to reflect the credit risk of the counterparty, and if the total mark-to-market value is negative, I-RES will include a current value adjustment to reflect I-RES' own credit risk in the fair value measurement of the interest rate swap agreements.

Notes to Company Financial Statements (continued)

XIX. Financial Instruments, Investment Properties and Risk Management (continued)

b) Risk Management

For further information on risk management, refer to note 20(b) of the consolidated financial statements.

Cash flow hedges
At 31 December 2022, the Company held the following instruments to hedge exposures to changes in interest rates:

As at	31 December 2022	31 December 2026	31 December 2027	31 December 2030
Interest Rate Swaps				
Net exposure (€'000)	22,345	–	–	–
Average fixed interest rate	2.50%	–	–	–

The amounts at the reporting date relating to items designated as hedged items were as follows:

As at 31 December 2022	Change in value used for calculating hedge ineffectiveness (€'000)	Cashflow hedge reserve (€'000)
Interest rate swap	4,065	4,207

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	As at 31 December 2022			For the year ended 31 December 2022				
		Carrying amount						
	Nominal amount (€'000)	Assets (€'000)	Liability (€'000)	Changes in the value of hedging instrument recognised in OCI (€'000)	Hedge ineffectiveness recognised in profit or loss (€'000)	Line items in profit or loss that includes hedge ineffectiveness	Amount reclassed from hedging reserve to profit or loss (€'000)	Line items in profit or loss affected by reclassification
Interest Rate Swaps	275,000	4,772	(9)	4,065	–	Gain on derivative financial instruments	142	Financing costs

Master netting or similar agreements
For further information on risk management, refer to note 20(b) of the consolidated financial statements.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

Notes to Company Financial Statements (continued)

XIX. Financial Instruments, Investment Properties and Risk Management (continued)

As at 31 December	Note	Gross amounts of financial instruments in the statement of financial position (€'000)	Related financial instruments that are not offset (€'000)	Net amount (€'000)
Financial assets				
Derivative financial instruments	19	4,772	—	4,772
Financial liabilities				
Derivative financial instruments	19	(9)	—	(9)

Liquidity risk

As at 31 December 2022	Total €'000	6 months or less(1) €'000	6 to 12 months(1) €'000	1 to 2 years(1) €'000	2 to 5 years(1) €'000	More than 5 years(1) €'000
Non-derivative financial liabilities						
Loan drawn down	457,020	—	—	—	457,020	—
Bank indebtedness interest (2)	93,463	13,257	15,528	29,749	34,929	—
Private placement debt	130,000	—	—	—	—	130,000
Private placement debt interest	19,884	1,220	1,220	2,440	7,320	7,684
Loan advance from subsidiary	68,852	—	—	—	—	68,852
Lease liability	10,670	314	314	628	1,883	7,531
Other liabilities	6,126	6,126	—	—	—	—
Security deposits	7,276	7,276	—	—	—	—
	793,291	28,193	17,062	32,817	501,152	214,067

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

As at 31 December 2021	Total €'000	6 months or less(1) €'000	6 to 12 months(1) €'000	1 to 2 years(1) €'000	2 to 5 years(1) €'000	More than 5 years(1) €'000
Non-derivative financial liabilities						
Loan drawn down	420,020	—	—	—	420,020	—
Bank indebtedness interest (2)	21,734	3,645	3,705	7,350	7,034	—
Private placement debt(3)	130,000	—	—	—	—	130,000
Private placement debt interest	22,324	1,220	1,220	2,440	7,320	10,124
Loan advance from subsidiary	68,852	—	—	—	—	68,852
Interest payable on loan advance from subsidiary	8,709	657	657	1,314	3,942	2,139
Lease liability	11,140	314	628	1,883	8,315	—
Other liabilities	10,567	10,567	—	—	—	—
Security deposits	7,225	7,225	—	—	—	—
	702,448	23,628	6,210	12,987	446,631	212,992

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

Notes to Company Financial Statements (continued)

XX. Taxation

For further information on taxation, refer to note 21 of the consolidated financial statements.

XXI. Dividends

For further information on dividends, refer to note 22 of the consolidated financial statements.

XXII. Supplemental Cash Flow Information

Breakdown of operating income items related to financing and investing activities

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Financing costs as per the statement of profit or loss and other comprehensive income	16,787	13,902
Interest expense accrual	170	195
Capitalised interest	94	232
Lease interest	222	114
Less: amortisation of financing fees	(1,936)	(1,554)
Interest Paid	15,337	12,888

Changes in operating assets and liabilities

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Prepayments	(114)	187
Trade receivables	188	308
Other receivables	(4,324)	207
Accounts payable and other liabilities	857	3,161
Security deposits	51	245
Changes in operating assets and liabilities	(3,342)	4,108

Issuance of Shares

For the year ended	31 December 2022 €'000	31 December 2021 €'000
Issuance of shares	126	4,468
Issuance costs	—	—
Net proceeds	126	4,468

Notes to Company Financial Statements (continued)

XXII. Supplemental Cash Flow Information (continued)

Changes in liabilities due to financing cash flows

For the year ended 31 December 2022	Changes from Financing Cash Flows					Non-cash Changes			
Liabilities	**1 January 2022**	**Revolving Credit Facility drawdown**	**Revolving Credit Facility repayment**	**Lease payments**	**Financing fees**	**Amortisation of other financing costs**	**Interest accrual relating to derivatives**	**Change in fair value of hedging instruments**	**31 December 2022**
Bank indebtedness	420,020	93,000	(56,000)	—	—	—	—	—	457,020
Deferred loan costs, net	(3,398)	—	—	—	(1,610)	1,726	—	—	(3,282)
Private placement debt	130,000	—	—	—	—	—	—	—	130,000
Deferred loan costs, net	(1,428)	—	—	—	—	211	—	—	(1,217)
Loan advances from subsidiary	68,852	—	—	—	—	—	—	—	68,852
Derivative financial instruments	—	—	—	—	—	—	9	—	9
Lease liability	9,090	—	—	(406)	—	—	—	—	8,684
Total liabilities from financing activities	**623,136**	**93,000**	**(56,000)**	**(406)**	**(1,610)**	**1,936**	**9**	—	**660,066**

For the year ended 31 December 2021	Changes from Financing Cash Flows					Non-cash Changes			
Liabilities	**1 January 2021**	**Revolving Credit Facility drawdown**	**Revolving Credit Facility repayment**	**Lease payments**	**Financing fees on**	**Amortisation of other financing costs**	**Interest accrual relating to derivatives**	**Change in fair value of hedging instruments**	**31 December 2021**
Bank indebtedness	354,020	89,500	(23,500)	—	—	—	—	—	420,020
Deferred loan costs, net	(3,971)	—	—	—	(800)	1,373	—	—	(3,398)
Private placement debt	130,000	—	—	—	—	—	—	—	130,000
Deferred loan costs, net	(1,579)	—	—	—	(30)	181	—	—	(1,428)
Loans advances from subsidiary	68,852	—	—	—	—	—	—	—	68,852
Derivative financial instruments	84	—	—	—	—	—	(25)	(59)	—
Lease liability	9,486	—	—	(396)	—	—	—	—	9,090
Total liabilities from financing activities	556,892	89,500	(23,500)	(396)	(830)	1,554	(25)	(59)	623,136

Notes to Company Financial Statements (continued)

XXIII. Related Party Transactions

During 2015 the Company financed the purchase of the Rockbrook Portfolio on behalf of its subsidiary, IRES Residential Properties Limited. The total amount receivable from IRES Residential Properties Limited amounted to €101.4 million as at 31 December 2022 (€98.6 million as at 31 December 2021), net of repayments. The total amount payable by the Company to IRES Residential Properties Limited amounted to €70.9 million as at 31 December 2022 (€68.9 million as at 31 December 2021). The loans are interest bearing and repayable on demand.

On 31st January 2022, the Company acquired 100% of the shares in IRES Fund Management Limited. The subsidiary provides asset management and property management services to the Company. For the year ended 31 December 2022 the asset management and property management fees totalled €2.7 million and €4.2 million respectively. As at 31 December the total amount payable to IRES Fund Management Limited was €2.0 million and the amount receivable was €0.5 million.

On 10th August 2022, the Company completed the acquisition of 100% of the shares of IRES Residential Properties (Tara View) Limited, formerly Bayvan Limited, and financed the development of the Tara View portfolio. The total amount receivable from IRES Residential Properties (Tara View) Limited was €48.2 million as at 31 December 2022. The total amount payable to the subsidiary was €1.7 million as at 31 December 2022.

For further information on related party transactions, refer to note 24 of the consolidated financial statements.

XXIV. Contingencies

For further information on contingent liabilities of the Company, refer to note 25 of the consolidated financial statements.

XXV. (Loss)/Earnings per Share

For further information on earnings per share, refer to note 27 of the consolidated financial statements.

For the year ended	31 December 2022	31 December 2021
(Loss)/Profit attributable to shareholders (€'000)	**(11,322)**	66,651
Basic weighted average number of shares	**529,560,795**	527,412,302
Diluted weighted average number of shares(1)(2)	**530,953,506**	528,130,822
Basic (Loss)/Earnings per share (cents)	**(2.1)**	12.6
Diluted (Loss)/Earnings per share (cents)	**(2.1)**	12.6

For further information on EPRA Earnings per share, refer to note 27 of the consolidated financial statements.

EPRA Earnings per Share

For the year ended	31 December 2022	31 December 2021
(Loss)/Profit for the period (€'000)	**(11,322)**	66,651
Adjustments to calculate EPRA Earnings exclude:		
Changes in fair value on investment properties (€'000)	**45,259**	(34,046)
(Profit) or losses on disposal of investment property	**(2,812)**	(905)
Changes in fair value of derivative financial instruments (€'000)	—	(59)
EPRA Earnings (€'000)	**31,125**	31,641
Basic weighted average number of shares	**529,560,795**	527,412,302
Diluted weighted average number of shares	**530,953,506**	528,130,822
EPRA Earnings per share (cents)	**5.9**	6.0

Notes to Company Financial Statements (continued)

XXVI. Net Asset Value per Share

For further information on net asset value per share, refer to note 28 of the consolidated financial statements.

As at	31 December 2022		
	EPRA NRV	EPRA NTA(1)	EPRA NDV(2)
Net assets (€'000)	810,406	810,406	810,406
Adjustments to calculate EPRA net assets exclude:	—	—	—
Fair value of derivative financial instruments (€'000)	(4,764)	(4,764)	—
Fair value adjustment for fixed interest rate debt' (€'000)	—	—	30,040
Real estate transfer cost (€'000)(3)	73,844	—	—
EPRA net assets (€'000)	879,486	805,642	840,446
Number of shares outstanding	529,578,946	529,578,946	529,578,946
Diluted number of shares outstanding	529,578,946	529,578,946	529,578,946
Basic Net Asset Value per share (cents)	153.0	153.0	153.0
EPRA Net Asset Value per share (cents)	166.1	152.1	158.7

As at	31 December 2021		
	EPRA NRV	EPRA NTA(1)	EPRA NDV(2)
Net assets (€'000)	845,770	845,770	845,770
Adjustments to calculate EPRA net assets exclude:	—	—	—
Fair value of derivative financial instruments (€'000)	—	—	—
Fair value adjustment for fixed interest rate debt' (€'000)	—	—	(6,322)
Real estate transfer cost (€'000)(3)	69,889	—	—
EPRA net assets (€'000)	915,659	845,770	839,448
Number of shares outstanding	529,453,946	529,453,946	529,453,946
Diluted number of shares outstanding	529,498,519	529,498,519	529,598,519
Basic Net Asset Value per share (cents)	159.7	159.7	159.7
EPRA Net Asset Value per share (cents)	172.9	159.7	158.5

(1) Following changes to the Irish REIT legislation introduced in October 2019, if a REIT disposes of an asset of its property rental business and does not (i) distribute the gross disposal proceeds to shareholders by way of dividend; (ii) reinvest them into other assets of its property rental business (whether by acquisition or capital expenditure) within a three-year window (being one year before the sale and two years after it); or (iii) use them to repay debt specifically used to acquire, enhance or develop the property sold, then the REIT will be liable to tax at a rate of 25% on 85% of the gross disposal proceeds, subject to having sufficient distributable reserves. For the purposes of EPRA NTA, the Group has assumed any such sales proceeds are reinvested within the required three year window.

(2) Deferred tax is assumed as per the IFRS statement of financial position. To the extent that an orderly sale of the Group's assets was undertaken over a period of several years, during which time (i) the Group remained a REIT; (ii) no new assets were acquired or sales proceeds reinvested; (iii) any developments completed were held for three years from completion; and (iv) those assets were sold at 31 December 2022 valuations, the sales proceeds would need to be distributed to shareholders by way of dividend within the required time frame or else a tax liability amounting to up to 25% of distributable reserves plus current unrealised revaluation gains could arise for the Group.

(3) This is the purchaser costs amount as provided in the valuation certificate. Purchasers' costs consist of items such as stamp duty on legal transfer and other purchase fees that may be incurred and which are deducted from the gross value in arriving at the fair value of investment for IFRS purposes. Purchasers' costs are in general estimated at 9.96% for commercial, 4.46% for residential apartment units and 12.46% for houses and duplexes.

XXVII. Directors' Remuneration, Employee Costs and Auditor Remuneration

For further information on Directors' remuneration and employee costs, refer to note 29 of the consolidated financial statements.

XXVIII. Commitments

For further information on Commitments, refer to note 26 of the consolidated financial statements.

XXIX. Subsequent Events

For further information on subsequent events, refer to note 31 of the consolidated financial statements.

4 Supplementary Information

Supplementary Information

Alternative Performance Measures

The Group has applied the European Securities and Markets Authority ("ESMA") 'Guidelines on Alternative Performance Measures' in this document.

An Alternative Performance Measure ("APM") is a measure of financial or future performance, position or cash flows of the Group which is not a measure defined by International Financial Reporting Standards ("IFRS"). The main APMs presented are European Public Real Estate Association ("EPRA") performance measures as set out in EPRA's Best Practices Recommendations Guidelines 2019 ("BPR"). These measures are defined by EPRA in order to encourage comparability with the real estate sector in Europe.

APM	Reconciled to IFRS measure	Reference	Definition
EPRA earnings	IFRS (loss)/profit for the financial year attributable to owners of the parent.	pg. 214	As EPRA earnings is used to measure the operational performance of the Group, it excludes all components not relevant to the underlying net income performance of the portfolio, such as the change in value of the underlying investments and any gains or losses from the sales of investment properties.
Adjusted EPRA earnings	IFRS (loss)/profit for the financial year attributable to owners of the parent.	pg. 28	As EPRA earnings is used to measure the operational performance of the Group, it excludes all components not relevant to the underlying net income performance of the portfolio, which is adjusted for one-off non-recurring costs and all the costs referenced above.
EPRA earnings per share ("EPS")	IFRS earnings per share	pg. 214	EPRA earnings per share ("EPS").
Adjusted EPRA earnings per share	IFRS earnings per share	pg. 28	Adjusted EPRA earnings per share.
Adjusted EBITDA	IFRS (loss)/profit for the financial year attributable to owners of the parent.	pg. 5	Earnings before interest, tax, depreciation and amortisation adjusted for non-recurring costs.
EPRA like-for-like rental growth reporting	n/a	n/a	Like-for-like rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.
EPRA Net Reinstatement Value ("NRV")	Total assets less total liabilities as calculated under IFRS (IFRS NAV)	pg. 215	This assumes that entities never sell assets and aims to represent the value required to rebuild the entity.
EPRA Net Reinstatement Value ("NRV") per share	Total assets less total liabilities as calculated under IFRS (IFRS NAV)	pg. 215	EPRA NRV calculated on a diluted basis.
EPRA Net Tangible Assets ("NTA")	Total assets less total liabilities as calculated under IFRS (IFRS NAV)	pg. 215	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
EPRA Net Tangible Assets ("NTA") per share	Total assets less total liabilities as calculated under IFRS (IFRS NAV)	pg. 215	EPRA NTA calculated on a diluted basis.

Supplementary Information

APM	Reconciled to IFRS measure	Reference	Definition
EPRA Net Disposal Value ("NDV")	Total assets less total liabilities as calculated under IFRS (IFRS NAV)	pg. 215	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.
EPRA Net Disposal Value ("NDV") per share	Total assets less total liabilities as calculated under IFRS (IFRS NAV)	pg. 215	EPRA NDV calculated on a diluted basis.
EPRA Net Initial Yield ("EPRA NIY")	n/a	pg. 216	Inherent yield of the completed portfolio using passing rent at the reporting date.
EPRA vacancy rate	n/a	pg. 216	ERV of the vacant space over the total ERV of the completed portfolio.
IFRS net asset value ("IFRS NAV")	Total equity per the consolidated statement of financial position	pg. 5	Total assets less total liabilities as calculated under IFRS.
Loan to value ("LTV")/ Group Total Gearing	n/a	pg. 5	Net debt as a proportion of the value of investment properties.
EPRA Loan to value ("LTV")	n/a	pg. 216	Net debt as a proportion of total assets.
Net debt	Financial liabilities	pg. 217	Financial liabilities net of cash balances (as reduced by the amounts collected from tenants for deposits, sinking funds and similar) available.
Annualised Passing rent	n/a	pg. 216	Annualised gross property rent receivable on a cash basis as at the reporting date.
Average Monthly Rent ("AMR")	n/a	pg. 26	Actual monthly residential rents, net of vacancies, divided by the total number of residential units owned as at the reporting date.
Occupancy	n/a	pg. 26	Total number of residential units occupied over the total number of residential units owned as at the reporting date.
Gross Yield at Fair Value	n/a	pg. 27	Annualised passing rent at the reporting date divided by the fair market value of the investment properties, excluding development land and investment properties under development, as at the reporting date.
EPRA Capital Expenditure Disclosure	Amounts expended on investment property, i.e. property purchases and development and refurbishment expenditure	pg. 216	Property-related capital expenditure analysed so as to illustrate the element of such expenditure that is 'maintenance' rather than investment.

Supplementary Information

EPRA Performance Measure

	Unit	31 December 2022	31 December 2021
EPRA Earnings	€'000	**30,949**	31,648
EPRA EPS	€ cents/share	**5.8**	6.0
Diluted EPRA EPS	€ cents/share	**5.8**	6.0
EPRA NRV	€'000	**918,957**	956,812
EPRA NRV per share	€ cents/share	**173.5**	180.7
EPRA NTA	€'000	**842,589**	881,440
EPRA NTA per share	€ cents/share	**159.1**	166.5
EPRA NDV	€'000	**887,965**	871,432
EPRA NDV per share	€ cents/share	**167.7**	164.6
EPRA NIY	%	**4.4%**	4.2%
EPRA "topped up" NIY	%	**4.4%**	4.2%
EPRA vacancy rate	%	**1.2%**	1.0%
EPRA LTV	%	**43.8%**	41.3%

EPRA Earnings per Share

For the year ended	31 December 2022	31 December 2021
(Loss)/Profit for the year (€'000)	**(11,820)**	67,546
Adjustments to calculate EPRA Earnings exclude:		
Costs associated with early close out of debt instrument (€'000)	**—**	—
Changes in fair value on investment properties (€'000)	**45,599**	(34,934)
(Profit) or losses on disposal of investment property	**(2,795)**	(905)
Changes in fair value of derivative financial instruments (€'000)	**(35)**	(59)
EPRA Earnings (€'000)	**30,949**	31,648
Basic weighted average number of shares	**529,560,795**	527,412,302
Diluted weighted average number of shares	**530,953,506**	528,130,822
EPRA Earnings per share (cents)	**5.8**	6.0
EPRA Diluted Earnings per share (cents)	**5.8**	6.0

Supplementary Information

EPRA NAV per Share

As at 31 December 2022	EPRA NRV	EPRA NTA[1]	EPRA NDV[2]
Net assets (€'000)	**847,353**	**847,353**	**847,353**
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	**(4,764)**	**(4,764)**	**—**
Fair value adjustment for fixed interest rate debt (€'000)	**—**	**—**	**40,612**
Real estate transfer tax (€'000)[3]	**76,368**	**—**	**—**
EPRA net assets (€'000)	**918,957**	**842,589**	**887,965**
Number of shares outstanding	**529,578,946**	**529,578,946**	**529,578,946**
Diluted number of shares outstanding	**529,578,946**	**529,578,946**	**529,578,946**
Basic Net Asset Value per share (cents)	**160.0**	**160.0**	**160.0**
EPRA Net Asset Value per share (cents)	**173.5**	**159.1**	**167.7**

As at 31 December 2021	EPRA NRV	EPRA NTA[1]	EPRA NDV[2]
Net assets (€'000)	881,440	881,440	881,440
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	—	—	—
Fair value adjustment for fixed interest rate debt (€'000)	—	—	(10,008)
Real estate transfer tax (€'000)[3]	75,372	—	—
EPRA net assets (€'000)	956,812	881,440	871,432
Number of shares outstanding	529,453,946	529,453,946	529,453,946
Diluted number of shares outstanding	529,498,519	529,498,519	529,498,519
Basic Net Asset Value per share (cents)	166.5	166.5	166.5
EPRA Net Asset Value per share (cents)	180.7	166.5	164.6

(1) Following changes to the Irish REIT legislation introduced in October 2019, if a REIT disposes of an asset of its property rental business and does not (i) distribute the gross disposal proceeds to shareholders by way of dividend; (ii) reinvest them into other assets of its property rental business (whether by acquisition or capital expenditure) within a three-year window (being one year before the sale and two years after it); or (iii) use them to repay debt specifically used to acquire, enhance or develop the property sold, then the REIT will be liable to tax at a rate of 25% on 85% of the gross disposal proceeds, subject to having sufficient distributable reserves. For the purposes of EPRA NTA, the Company have assumed any such sales proceeds are reinvested within the required three year window.

(2) Deferred tax is assumed as per the IFRS statement of financial position. To the extent that an orderly sale of the Group's asset was undertaken over a period of several years, during which time (i) the Group remained a REIT; (ii) no new assets were acquired or sales proceeds reinvested; (iii) any developments completed were held for three years from completion; and (iv) those assets were sold at 31 December 2022 valuations, the sales proceeds would need to be distributed to shareholders by way of dividend within the required time frame or else a tax liability amounting to up to 25% of distributable reserves plus current unrealised revaluation gains could arise for the Group.

(3) This is the purchaser costs amount as provided in the valuation certificate. Purchasers' costs consist of items such as stamp duty on legal transfer and other purchase fees that may be incurred and which are deducted from the gross value in arriving at the fair value of investment for IFRS purposes. Purchasers' costs are in general estimated at 9.96% for commercial, 4.46% for residential apartment units and 12.46% for houses and duplexes.

Supplementary Information

EPRA Net Initial Yield (NIY)

As at	31 December 2022 €000	31 December 2021 €000
Annualised passing rent	87,401	81,393
Less: Operating expenses[1] (property outgoings)	(18,313)	(17,093)
Annualised net rent	69,088	64,300
Notional rent expiration of rent-free periods[2]	—	—
Topped-up net annualised rent	69,088	64,300
Completed investment properties	1,477,168	1,450,635
Add: Allowance for estimated purchaser's cost	76,368	75,372
Gross up completed portfolio valuation	1,553,536	1,526,007
EPRA Net Initial Yield	4.4%	4.2%
EPRA topped-up Net Initial Yield	4.4%	4.2%

(1) Calculated based on the net rental income to operating revenue ratio of 77.5% (31 December 2021: 79.1%).
(2) For the year ended 31 December 2022.

EPRA Vacancy Rate[3]

As at	31 December 2022 €000	31 December 2021 €000
Estimated rental value of vacant space	974	820
Estimated rental value of the portfolio	82,648	78,635
EPRA Vacancy Rate	1.2%	1.0%

(3) Based on the residential portfolio

EPRA Capital Expenditure Disclosure

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

For the year ended	31 December 2022 €000	31 December 2021 €000
Acquisitions	423	461
Development	4,632	9,191
Like-for-like[4]	8,346	10,541
Other items	—	—
Total Capital Expenditure	13,401	20,193

(4) For 2022, Like-for-like is defined as properties held as of 31 December 2021.

Supplementary Information

EPRA LTV

As at	31 December 2022 €000	31 December 2021 €000
Loans & Borrowings	651,975	610,362
Net payables	14,474	9,042
Lease liability	8,684	9,090
Net derivative financial instruments	(7,805)	3,030
Cash and cash equivalents	(6,965)	(10,347)
Net debt	660,363	621,177
Investment properties	1,498,998	1,493,405
Property, plant and equipment	8,718	9,212
Total Property Value	1,507,716	1,502,617
EPRA LTV	43.8%	41.3%

Glossary of Terms

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

"Annualised Passing Rent"
Defined as the actual monthly residential and commercial rents under contract with residents as at the stated date, multiplied by 12, to annualise the monthly rent;

"Average Monthly Rent (AMR)"
Actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of apartments owned in the property;

"Basic Earnings per share (Basic EPS)"
Calculated by dividing the profit for the reporting period attributable to ordinary shareholders of the Company in accordance with IFRS by the weighted average number of ordinary shares outstanding during the reporting period;

"Companies Act, 2014"
The Irish Companies Act, 2014;

"Diluted weighted average number of shares"
Includes the additional shares resulting from dilution of the long-term incentive plan options as of the reporting period date;

"Adjusted EBITDA"
Adjusted EBITDA represents earnings before lease interest, financing costs, depreciation of property, plant and equipment, gain or loss on disposal of investment property, net movement in fair value of investment properties, gain or loss on derivative financial instruments and non-recurring expenses to show the underlying operating performance of the Group;

"EPRA"
The European Public Real Estate Association;

"EPRA Diluted EPS"
Calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the diluted weighted average number of ordinary shares outstanding during the reporting period. EPRA Earnings measures the level of income arising from operational activities. It is intended to provide an indicator of the underlying income performance generated from leasing and management of the property portfolio, while taking into account dilutive effects, and therefore excludes all components not relevant to the underlying net income performance of the portfolio, such as unrealised changes in valuation and any gains or losses on disposals of properties;

"EPRA Earnings"
EPRA Earnings is the profit after tax excluding revaluations and gains and losses on disposals and associated taxation (if any);

"Adjusted EPRA Earnings"
Represents EPRA Earnings adjusted for non-recurring costs to show the underlying EPRA Earnings of the Group;

"EPRA EPS"
Calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period. EPRA Earnings measures the level of income arising from operational activities. It is intended to provide an indicator of the underlying income performance generated from leasing and management of the property portfolio and therefore excludes all components not relevant to the underlying net income performance of the portfolio, such as unrealised changes in valuation and any gains or losses on disposals of properties;

"EPRA NAV"
EPRA introduced three EPRA NAV metrics to replace the existing EPRA NAV calculation that was previously being presented. The three EPRA NAV metrics are EPRA Net Reinstatement Value ("EPRA NRV'), EPRA Net Tangible Asset ("EPRA NTA") and EPRA Net Disposal Value ("EPRA NDV"). Each EPRA NAV metric serves a different purpose. The EPRA NRV measure is to highlight the value of net assets on a long term basis. EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. Any gains arising from the sale of a property are expected either to be reinvested for growth or 85% of the net proceeds are distributed to the shareholders to maintain the REIT status. Lastly, EPRA NDV provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated to the full extent of their liabilities;

"EPRA NAV per share"
Calculated by dividing each of the EPRA NAV metric by the diluted number of ordinary shares outstanding as at the end of the reporting period;

"Equivalent Yields (formerly referred as Capitalisation Rate)"
The rate of return on a property investment based on current and projected future income streams that such property investment will generate. This is derived by the external valuers and is used to estimate the term and reversionary yields;

"Group Total Gearing or Loan to Value (LTV)"
Calculated by dividing the Group's aggregate borrowings (net of cash) by the market value of the Group's portfolio value consistent with the financial covenant of the Group's Revolving Credit Facility and the Notes;

"Gross Yield"
Calculated as the Annualised Passing Rent as at the stated date, divided by the fair value of the investment properties, excluding fair value of development land and investment properties under development as at the reporting date;

"Irish REIT Regime"
Means the provisions of the Irish laws and regulations establishing and governing real estate investment trusts, in particular, but without limitation, section 705A of the Taxes Consolidation Act, 1997 (as inserted by section 41(c) of the Finance Act, 2013), as amended from time to time;

"Market Capitalisation"
Calculated as the closing share price multiplied by the number of shares outstanding;

"Net Asset Value" or "NAV"
Calculated as the value of the Group's or Company's assets less the value of its liabilities measured in accordance with IFRS;

"Net Asset Value per share"
Calculated by dividing NAV by the basic number of ordinary shares outstanding as at the end of the reporting period;

"Net Rental Income (NRI)"
Measured as property revenue less property operating expenses;

"Net Rental Income Margin"
Calculated as the NRI over the revenue from investment properties;

"Occupancy Rate"
Calculated as the total number of apartments occupied over the total number of apartments owned as at the reporting date;

"Property Income"
As defined in section 705A of the Taxes Consolidation Act, 1997. It means, in relation to a company or group, the Property Profits of the company or group, as the case may be, calculated using accounting principles, as: (a) reduced by the Property Net Gains of the company or group, as the case may be, where Property Net Gains arise, or (b) increased by the Property Net Losses of the company or group, as the case may be, where Property Net Losses arise;

"Property Profits"
As defined in section 705A of the Taxes Consolidation Act, 1997;

"Property Net Gains"
As defined in section 705A of the Taxes Consolidation Act, 1997;

"Property Net Losses"
As defined in section 705A of the Taxes Consolidation Act, 1997;

"Property Rental Business"
As defined in section 705A of the Taxes Consolidation Act, 1997;

"Sq. ft."
Square feet;

"Sq. m."
Square metres;

"Stabilised NRI"
Measured as property revenue less property operating expenses adjusted for market-based assumptions such as long-term vacancy rates, management fees, repairs and maintenance;

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

Forward-Looking Statements

I-RES Disclaimer

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

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

The forward-looking statements referred to in this report speak only as at the date hereof. Except as required by law or any appropriate regulatory authority, I-RES expressly disclaims any obligation or undertaking to release publicly any revision or updates to these forward-looking statements to reflect any change in (or any future) events, circumstances, conditions, unanticipated events, new information, any change in I-RES' expectations or otherwise including in respect of the Covid-19 pandemic, the uncertainty of its duration and impact, and any government regulations or legislation related to it.

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

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