8 August 2024

I-RES H1 2024 Results

Irish Residential Properties REIT plc

Underlying revenue growth of 2.1% and continued strong occupancy of 99.6%

Irish Residential Properties REIT plc ("**I-RES**" or the "**Company**"), the leading provider of residential rental accommodation in Ireland, today issues its results for the six-month period from 1 January 2024 to 30 June 2024.

Financial and Operational Highlights

- Like-for-like revenue growth of 2.1%, driven by both organic rental growth across the existing portfolio and enhanced ancillary revenue generation. Reported revenue for the period of €42.8 million, reducing versus prior year by 3.3% driven by the impact of asset disposals completed during the second half of 2023 which represented c. 5% of our portfolio.
- Continued strong occupancy of 99.6% at 30 June, reflecting the effectiveness of our leasing operations and the continued strong demand for our high-quality portfolio of modern properties.
- NRI margins broadly stable on a like for like basis, demonstrating the positive impact of moderating inflation levels in Ireland and continued rigorous cost control by management. NRI for the period of €32.7 million (30 June 2023: €34.3 million), with the reduction again driven by the impact of 2023 asset disposals.
- Financing costs reduced by 10.0% as disposal proceeds were deployed to reduce higher cost debt during 2023. The Company continues to have excellent visibility of future financing requirements, with 83% of our drawn debt fixed at a blended rate of 3.27%. Non-recurring costs of €1.5 million were recorded in the period associated with Shareholder Activism. A further €0.9 million was incurred in relation to the Strategic Review.
- Adjusted EPRA Earnings of €14.2 million and resulting Adjusted EPRA EPS of 2.7c, down from 2.8c in H1 2023.
- Hugh Scott-Barrett appointed as Chair and lead of the Board's Strategic Review in February 2024, having served as non-executive director since September 2022. Experienced real estate executive Eddie Byrne appointed as CEO in May 2024 with direct input into the Strategic Review since his appointment.
- Enhanced our vertically integrated digital platform "I-RES Living" through the launch of our new resident and corporate website. This launch is part of our wider operational and digital transformation strategy of enhancing our offering to customers and driving efficiencies in the business.
- In line with Irish REIT legislation the Board intends to declare an interim dividend of 1.88 cents per share for H1 2024 representing 85% of our relevant distributable earnings in the period. Moving forward we intend to continue to pay, in line with REIT legislation, 85% of relevant earnings as a dividend to shareholders.

Asset Portfolio Valuation and Balance Sheet Management

- As at 30 June 2024, I-RES' portfolio had a total value of €1,243 million (31 December 2023: €1,274 million) with the change in the period driven by modest yield expansion, and partially offset by positive rental growth. The portfolio has an EPRA net initial yield of 5.1% representing a yield expansion of 0.2% since 31 December 2023 and resulting in an IFRS NAV per share of 126.4 cents (31 December 2023: 131.7 cents). This yield expansion resulted in a non-cash fair value revaluation adjustment of €32.5 million and a loss before tax for the period of €20.3 million. Net LTV was 45.4% at 30 June 2024, comfortably below our debt covenants and the limits set by the Irish REIT legislation.
- The Strategic Review has identified c. 315 units suitable for an asset recycling programme which is expected to generate proceeds of between €110 and €115 million (based on estimated current OMV[1]) over a 3 to 5 year period, with the proceeds to be deployed in line with our capital allocation policy. In the latter part of H1 2024, we completed 6 individual unit disposals, generating c. €2 million of net proceeds, with disposals completed at a significant premium to latest book values.

Strategic Review

- We have separately announced this morning the conclusion of our Strategic Review, which commenced in February 2024 and was led by Chair Hugh Scott-Barrett and a dedicated Board subcommittee including CEO Eddie Byrne and non-executive directors Denise Turner, Philip Burns, and Richard Nesbitt. The Review was supported by international financial and real estate advisors.
- The Board has unanimously concluded that, following rigorous market testing, a sale of the Company or its assets is unlikely to maximise shareholder value. No proposals were received to acquire the Company during the course of the Review.

[1] OMV – Open Market Value at 30 June 2024 based on expected proceeds from individual sales

- The Strategic Review has identified the following initiatives or actions which the Board believes will drive value maximisation for shareholders over the medium-term:
    - Executing a selective capital recycling programme which is accretive to value, including the disposal of c. 315 units which is expected to generate between €110 and €115 million of proceeds over a 3 to 5 year period (based on estimated current OMV). Disposals are expected to take place over a 3 to 5 year period as turnover of current tenancies is a prerequisite for the disposal of these units under Irish law. This represents c. 8% of the total portfolio and c. 23% of the Company's market capitalisation[1].
    - Generation of supplementary revenue streams consistent with existing Irish regulations.
    - Optimising the Company's cost structure to maximise Net Rental Income Margin and Adjusted EBITDA Margin to ensure the Company is best placed to leverage future growth opportunities.
    - Taking advantage of the significant growth and consolidation opportunities which exist in the Irish PRS market over the medium-term, and for which I-RES is uniquely positioned to capitalise on.
    - Continuing to work constructively with stakeholders, including government, to push for positive change in the Irish residential regulation system.
    - Continuing to advocate with the relevant Irish authorities for changes to the Irish REIT regime to better align with progressive REIT systems in other European jurisdictions.
    - Exploring attractive opportunities to partner, inter alia, with Irish government bodies to deliver new supply to the affordable housing market including the Secure Tenancy Affordable Rental ("STAR") scheme.

Commenting on the results, Eddie Byrne, Chief Executive Officer, said:

"I am pleased to report my first set of results as CEO of I-RES. It has been an active period for the Company with the delivery of another strong operational performance and the completion of our Strategic Review. I joined the Company at a very exciting time and it is clear that significant opportunities exist for I-RES in an exceptionally strong Irish PRS market.

While overall we believe the outlook is positive, the current Irish rental regulatory structure remains the single most inhibiting factor for our business. The 2% cap on rental increases has had a profound impact on the supply of new build-to-let properties in the market and is an impediment to critical international investment. We believe that a more progressive and evidence based regulatory framework that is fair and equitable to both the resident and the property owner, will attract institutional capital and help to alleviate the current supply shortage while also providing safe and secure tenancy for residents.

We are continuing to engage constructively with stakeholders to encourage reform of PRS regulation in Ireland, and welcome recent publications from the Departments of Housing and Finance and the Housing Commission, which all point towards a change of tone that the current regulatory structure requires significant reform. We are also engaging with Irish government bodies on initiatives such as the Secure Tenancy Affordable Rental programme to support the delivery of new supply to the affordable housing market.

Looking ahead, we will focus on implementing the operational initiatives identified by the Strategic Review which will help to optimise our portfolio, drive value maximisation for shareholders, and improve our financial performance over the medium-term."

[1] Based on closing share price on 7 August 2024

Financial Highlights

For the six months ended	30 June 2024	30 June 2023	% change
Operating Performance			
Revenue from Investment Properties (€ millions)	**42.8**	44.3	(3.3%)
Net Rental Income (€ millions)	**32.7**	34.3	(4.6%)
Adjusted EBITDA (€ millions) [(1)]	**26.6**	28.7	(7.3%)
Financing Costs (€ millions)	**(11.9)**	(13.3)	(10.0%)
Adjusted EPRA Earnings before non-recurring costs (€ millions)[(1)]	**14.2**	15.0	(5.3%)
Deduct: Non-recurring costs (€ millions) [(1)(2)]	**(2.4)**	—	
EPRA Earnings (€ millions)[(1)]	**11.8**	15.0	(21.3%)
Add: Decrease in fair value of investment properties (€ millions)	**(32.5)**	(56.5)	
Add: Gain/(Loss) on disposal of investment property (€ millions)	**0.4**	(0.7)	
Add: (Loss)/Gain on derivative financial instruments (€ millions)	**(0.1)**	0.1	
Loss before tax (€ millions)	**(20.3)**	(42.1)	
Basic EPS (cents)	**(3.8)**	(8.3)	
EPRA EPS (cent)	**2.2**	2.8	(21.3%)
Adjusted EPRA EPS (cents)[(1)]	**2.7**	2.8	(5.3%)
Proposed Interim Dividend per share (cents)	**1.88**	2.45	(23.3%)
Portfolio Performance			
Total Number of Residential Units	**3,728**	3,930	(5.1%)
Overall Portfolio Occupancy Rate[(1)]	**99.6%**	99.5%	
Overall Portfolio Average Monthly Rent (€)[(1)]	**1,796**	1,772	1.4%

As at	30 June 2024	31 December 2023	% change
Assets and Funding			
Total Property Value (€ millions)	**1,243.5**	1,274.4	(2.4%)
Net Asset Value (€ millions)	**669.3**	697.3	(4.0%)
IFRS Basic NAV per share (cents)	**126.4**	131.7	(4.0%)
Group Net LTV	**45.4%**	44.3%	
Gross Yield at Fair Value	**7.0%**	6.7%	
EPRA Net Initial Yield	**5.1%**	4.9%	
Other			
Market Capitalisation (€ millions)	**481.9**	587.7	
Total Number of Shares Outstanding	**529,578,946**	529,578,946	
Weighted Average Number of Shares – Basic	**529,578,946**	529,578,946	

(1) For definitions, method of calculation and other details, refer to the Financial Review and Glossary.

(2) The non-recurring costs include €1.5 million associated with Shareholder Activism and a further €0.9 million for the Strategic Review, totalling €2.4 million of non-recurring costs at 30 June 2024 and general and administrative expenses of €6.0 million at 30 June 2024 that total the general and administrative expense costs of €8.4 million reflected in the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2024.

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Results Presentation: webcast and conference call details:

I-RES will host a live audio webcast and conference call of the results presentation this morning at 09:00am BST. Access details are listed below:

Ireland: +353 (0) 1 691 7842
UK: +44 20 3936 2999
Global Dial-In Numbers: click HERE
Access Code: 793317
Webcast Link: https://www.investis-live.com/ires-reit/667536841c01ae0c0019053b/bfwe

This report and a copy of the presentation slides will also be available to download on the investor relations section of the I-RES website at 07:00am BST: https://www.iresreit.ie/investors

About Irish Residential Properties REIT plc

Irish Residential Properties REIT plc ("I-RES") is a growth oriented Real Estate Investment Trust providing quality professionally managed homes in sustainable communities in Ireland. The Group owns 3,728 apartments and houses for private rental in Dublin and Cork. I-RES aims to be the provider of choice for the Irish living sector, known for excellent service and for operating responsibly, minimising its environmental impact, and maximising its contribution to the community. The Company's shares are listed on Euronext Dublin. Further information at www.iresreit.ie.

Forward-Looking Statements

This Report includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "maintain", "forecast", "potential", "target" or "believe", or, in each case, their negative or other comparable terminology, or by discussions of strategy, plans, objectives, trends, goals, projections, future events or intentions. Such forward-looking statements are based on the beliefs of management as well as assumptions made and information currently available to the Company. Forward-looking statements speak only as of the date of this report and save as required by law, the Irish Takeover Rules, the Euronext Dublin Listing Rules and/or by the rules of any other securities regulatory authority, the Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements or risk factors in this report, including any changes in its expectations, new information, or any changes in events, conditions or circumstances on which these forward-looking statements are based. Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on, such forward-looking statements. There is no guarantee that the Company will generate a particular rate of return.

Chair Statement

Strong Operational Start to 2024

I was pleased to take over as Chair of I-RES in February 2024, having served as a non-executive director on the Board since 2022. Since my appointment, I have had the opportunity to visit a number of the I-RES properties and all of the regional offices and engage with the wider team which has given me a real sense of the strengths of the business.

I-RES has been very active in the first half of 2024, delivering another strong operational performance and completing our Strategic Review which has evaluated all options available to maximise value for shareholders. The exceptionally strong dynamics of the Irish residential market, which is currently characterised by a chronic supply and demand imbalance, continues to support the execution of our strategy to be the market leading provider of mid-market rental accommodation in Ireland. The Irish economy is set to continue its strong growth trajectory, with demographic changes such as rapid population growth and changes in average household size expected to provide structural demand tailwinds for our business in the short to medium term. In contrast, the current regulatory landscape continues to provide an ongoing challenge for the sector. The 2% cap on rental increases continues to restrict institutional capital investment for new rental properties in the market, further exacerbating the imbalance between supply and demand. A recent publication from the Housing Commission has corroborated our view that reform of the current regulatory structure is required to provide a fair and equitable system that both incentivises investment in supply and provides secure, sustainable tenancy for residents. The Department of Housing also cited several limitations and unintended consequences resulting from the current regulatory environment in their review of the PRS sector published in July. As the largest provider of rental accommodation in Ireland, I-RES continues to maintain an active programme of engagement with stakeholders and policymakers to push for change to current regulation.

Our scalable operating platform, which is unique in the Irish market, produced another strong operational performance in the first half of 2024, as evidenced by our sector leading occupancy rate of 99.6%. Our underlying business continued to exhibit a solid financial performance, with Revenue and Net Rental Income both increasing year over year on a like-for-like basis. Our financing costs also reduced in the first half of the year, reflecting the positive impact of the strategic asset disposal programme completed in 2023, the proceeds of which were used to reduce our higher cost debt.

Our business model continues to be highly recurring and cash-generative in nature, supporting our commitment to the payment of regular dividends to shareholders. In line with Irish REIT regulations, I-RES is required to distribute at least 85% of its Property Rental Business income each financial year to shareholders, assuming sufficient distributable reserves. In compliance with REIT regulations, for the six months ending 30 June 2024, the Company proposes to declare an interim dividend of 1.88 cents per share representing 85% of our relevant distributable earnings for the period. Moving forward we intend to continue to pay, in line with REIT legislation, 85% of relevant earnings as a dividend to shareholders.

Building a sustainable business in adherence to ESG principles remains a core component of our strategy. We are committed to minimising our environmental footprint, promoting sustainable living, and building communities where we operate. I-RES is committed to achieving Net Zero Carbon by 2050 and our ambition is to reduce our carbon emissions in line with the Paris Climate Agreement as we believe it is our responsibility to limit carbon impacts of our assets and meet this significant industry challenge. During the first half of 2024, we published our dedicated ESG report which highlights the significant progress we have made in our sustainability journey during 2023, including reductions in our GHG emissions and further improvement in our ESG agency ratings.

Appointment of CEO

We were pleased to announce the appointment of Eddie Byrne as CEO of the Company in May. Eddie has brought a significant degree of real estate and transactional experience to the role and has a 20+ year track record across both the Irish and international real estate markets. Since joining I-RES, Eddie has had a clear focus on the operations of the Company and has been able to provide valuable and complementary insight as part of the Board sub-Committee which has overseen the Strategic Review.

Conclusion of Strategic Review

We have separately announced this morning the conclusion of our Strategic Review which commenced in February and explored all strategic options available to maximise value for shareholders. The Review was overseen by a Board sub-Committee, led by myself, and including newly appointed CEO Eddie Byrne and non-executive directors Denise Turner, Philip Burns and Richard Nesbitt since his appointment to the Board on May 10, 2024. The Board sub-Committee was supported by international financial and real estate advisors. Following on from our update provided to the market on 25 April, we are pleased to announce the findings from the comprehensive analysis of the Review.

As indicated in our update on 25 April, despite the public announcement of the Strategic Review, and following further rigorous market testing with capital markets and industry participants, the Board has unanimously concluded that a sale of the Company or its assets is unlikely to result in a maximisation of shareholder value in the short-term. This conclusion is based on several factors, in particular the challenges presented by the current regulatory structure in the Irish rental market, as well as the prevailing higher interest rate environment and the resultant impact on financing potential leveraged takeovers. The Irish residential real estate market also continues to be characterised by historically low liquidity levels, with approximately €240 million of transactions completed in 2023, c.73% below the historical 10-year average. Therefore, an accelerated sale of the Company's assets in the direct market including to occupiers and social providers such as the government, would be challenging to maximise value for shareholders in the short-term.

The Strategic Review has identified the following initiatives which the Board feels will drive value maximisation for shareholders over the medium-term:

- A programme to drive value accretion and improve portfolio composition by recycling c. 315 units and releasing between €110 and €115 million of value over a 3 to 5 year period (based on current estimated OMV). The programme represents c. 8% of the current portfolio and c. 23% of the Company's market capitalisation[1]. Disposal proceeds are expected to be deployed in line with our capital allocation priorities, initially strengthening our Balance Sheet and actively managing our LTV by reducing higher cost debt, whilst retaining flexibility for opportunities that are accretive to our earnings profile over time.
- Generation of supplementary revenue streams that are consistent with existing Irish regulations.
- Optimising the Company's cost structure to maximise Net Rental Income Margin and adjusted EBITDA Margin to ensure the Company is best placed to leverage future growth opportunities.
- Exploit the very significant growth and consolidation opportunities which currently exist in the Irish PRS market. The Board believes that I-RES is uniquely positioned to take advantage of these opportunities and is actively exploring these opportunities and other commercial ventures.
- Continuing to work constructively with stakeholders, including government, to push for positive change in the Irish residential regulation system, most particularly the current acute restrictions on annual rent increases which, the Board believes, have had a severe negative impact on the supply of new product into the Irish rental market.
- Continuing to advocate with the relevant Irish authorities for changes to the Irish REIT structure to better align with progressive REIT systems in other European jurisdictions.
- Exploring attractive opportunities to partner, inter alia, with Irish government bodies to deliver new supply to the affordable housing market; the most relevant scheme for the Company is the Secure Tenancy Affordable Rental programme ("STAR") and the Company is in dialogue with government agencies to support the development of a workable scheme.

The Board believes the current REIT structure offers shareholders advantages over non-REIT structures, including increased liquidity, tax efficiency, and access to the exceptional dynamics of the Irish PRS market. However, certain elements of the Irish REIT structure remain restrictive when compared to other European countries, and the Company is determined to maintain active engagement with policymakers and advocate for reform.

Following the conclusion of the Strategic Review, the Board remains committed to regularly and carefully assessing the suitability of our strategic direction for prevailing market conditions and remains open minded to all the options analysed as part of the Review.

[1] Based on closing share price on 7 August 2024

Co-Operation Agreement & Board Changes

As announced on 8 April 2024, I-RES entered into a Co-Operation agreement with Vision Capital ("Vision") following a period of public shareholder activism which commenced in 2023 and included the requisition of an EGM in February 2024. Vision had also submitted resolutions for inclusion at the 2024 I-RES AGM, seeking to put forward three nominees for appointment to the Board and seeking to have I-RES fund the costs of its activism campaign against the Company. Under the terms of the Co-Operation agreement, Vision withdrew its 2024 AGM resolutions and undertook to vote in favour of I-RES Board recommended resolutions (excluding those concerning material transactions) at general meetings of the Company until after the Company's 2025 AGM. Vision also agreed to a standstill on initiating or participating in any further shareholder activist campaigns during that period.

Also under the terms of the agreement, the Board recommended the appointment to the Board of two Vision nominees, Richard Nesbitt and Amy Freedman, both of which were approved at the 2024 AGM along with the proposed incumbent Board Directors. Since their appointment, Richard and Amy have participated in all Board meetings and have brought capital markets, real estate and governance skills which have complemented the existing Board skillset. Richard also directly participated in our Strategic Review, having joined the Board sub-Committee following his appointment. The agreement also provides that should Vision's shareholding in I-RES reduce below 3%, one of the Board Directors nominated by Vision would be required to resign.

Under the Company's constitution the maximum permitted number of Directors on the Board is nine. To facilitate the appointment of Richard and Amy, executive director Brian Fagan did not seek re-election to the Board at the 2024 AGM. Mr Fagan's position as CFO was not impacted by this change.

Outlook

The outlook for our business remains positive. The demand for high-quality residential rental accommodation in Ireland is set to remain robust for the medium-term, underpinning the delivery of revenues and our business model moving forward. Whilst challenges remain with regards to regulation, we believe that a more balanced and progressive system would benefit all stakeholders. We look forward to embarking on our new strategic direction as guided by the Strategic Review, whilst recognising that the divergence between the Net Asset Value of the Company and its market capitalisation remains a key challenge for the Board. As the leading scale player in the Irish residential property market, and the only company with an autonomous operating platform, we are well placed to capitalise on the many growth and consolidation opportunities which are expected to arise in the short to medium term. We look forward to the remainder of the year and engaging with shareholders on the outcomes of the Strategic Review.

Hugh Scott-Barrett
Chair

Chief Executive's Statement

Introduction

I was delighted to be appointed as CEO of I-RES in May 2024 and I believe that I have joined the Company at a very exciting and opportune time. We announced the conclusion of our Strategic Review this morning, and as we embark on our new strategic pathway what is clear to me is that significant growth and consolidation opportunities exist over the medium-term for I-RES in an exceptionally strong Irish PRS market. We look forward to implementing the findings of the Strategic Review through the remainder of 2024 and beyond.

We delivered another strong operational performance in the first half of the year, driven by our scalable and best-in-class operating platform and our high-quality portfolio of assets. Our balance sheet position remains robust, and we have begun to execute our asset recycling programme which will be value enhancing for shareholders. We continued to drive our sustainability agenda in the first half of 2024 and this remains a strategic priority for the Company.

Strong Operational Performance in H1 2024

Our market leading and scalable operating platform has underpinned the delivery of another strong and resilient operational performance in the first half of 2024. Vacancies across our residential portfolio remained at a negligible level, with an occupancy rate of 99.6% at 30 June 2024. Our continued sector-leading occupancy rates reflect both property management efficiencies and the underlying strength of demand for high-quality mid-market rental accommodation in Dublin. Portfolio Average Monthly Rent increased in line with our expectations by 1.4% to €1,796 at 30 June 2024 and is now estimated by our independent valuers to be c.16% below current market levels. The high reversionary potential of the portfolio, which has grown since the imposition of the 2% cap on rental increases in Ireland and represents a significant opportunity for potential future growth.

Revenue, on a like-for-like basis, increased by 2.1% for the 6 months to 30 June 2024, driven by organic rental increases and supplementary revenue generation. H1 2024 reported revenue reduced by 3.3% to €42.8 million, reflecting the impact from the strategic disposal of c. 200 units completed during the second half of 2023, the proceeds of which were used to strengthen the Company's Balance Sheet.

Net Rental Income ("NRI") increased by 1.9% on a like for like basis in H1 2024, with margins broadly in line with H1 2023 on the same basis. This illustrates the positive impact of moderating inflation levels in Ireland and continued rigorous cost control by management. The impact of 2023 disposals resulted in reported NRI reducing by 4.6% to €32.7 million. Our market leading platform retains considerable operating leverage and is well positioned for increased scale in the future.

The EBITDA generation from our underlying business continues to be robust and demonstrates the cash generative and highly recurring nature of our business model. Income associated with the 2023 strategic asset disposals, the impact of which is expected to be less pronounced in the second half of 2024, and a slight increase in temporary General & Administrative costs, saw Adjusted EBITDA decline by 7.3% to €26.6 million. These headwinds have been offset by an improved inflationary environment and ongoing robust cost control initiatives including ongoing digitalisation of our service offering.

The impact of higher prevailing interest rates during the first half of 2024 compared to the corresponding period in 2023 negatively impacted financing costs but this was offset by a reduction of higher cost debt through the deployment of proceeds from the strategic asset disposal programme in 2023. Finance costs decreased by 10.0% to €11.9 million in the period while Adjusted EPRA earnings decreased by 5.3% to €14.2 million.

The portfolio saw a marginal outward shift in yields during the first half of 2024, stemming principally from expectations of slower than anticipated cuts to interest rates. Our ability to meaningfully offset movements in yields through rental growth and realisation of the portfolio's reversionary potential remains restricted by current government regulations, which continue to cap increases in Rent Pressure Zones at 2%.

Capital Management and Portfolio Optimisation

The Group's Balance Sheet remains robust, with excellent visibility of future financing requirements. 83% of our drawn debt is fixed against interest rate movements at an attractive blended rate of 3.27%, with no debt maturities until April 2026 and laddering thereafter out to 2032.

We are pleased to maintain our dividend payout policy of 85% of distributable earnings in line with Irish REIT regulation and have proposed an interim dividend for 2024 of 1.88 cents representing 85% of our relevant distributable earnings in the period. Moving forward we intend to continue to pay, in line with REIT legislation, 85% of relevant earnings as a dividend to shareholders.

Our Net LTV at 30 June 2024 stood at 45.4% (31 December 2023: 44.3%), comfortably below the 50% limit set by Irish REIT regulations and our debt covenants. The impact of marginal yield expansion during the period was partially offset by individual unit sales completed at a significant premium to latest book values, the proceeds of which were used to reduce higher cost debt. Post period end, we have successfully contracted and completed for the disposal of another 5 units, also at a premium to latest book values.

As outlined in this morning's announcement which concluded our Strategic Review, we have identified c. 315 units, or approximately 8% of our portfolio, which is suitable for disposal and is expected to generate between €110 and €115 million of proceeds based on current estimated OMV. Disposals are expected to take place over a 3 to 5 year period as turnover of current tenancies is a prerequisite for the disposal of these units under Irish law. Factors contributing to suitability for disposal include assets located in properties that are not wholly controlled by I-RES and assets with upcoming capital expenditure requirements. This ongoing strategy is expected to be value enhancing and optimise overall portfolio quality. Disposal proceeds will be reallocated in line with our capital allocation strategy, initially reducing higher cost debt, actively managing LTV through the cycle and within the required levels of the Irish REIT rules and debt covenants, whilst retaining flexibility for initiatives which are accretive to the Company's earnings profile over time.

Regulation Remains a Significant Challenge

Current Irish rental regulation remains the single most inhibiting factor for our business. The 2% cap on rental increases, originally intended to protect residents, has had a profound impact on the supply of new build-to-let properties in the market and is now resulting in significant and sustained open market rent growth. The lack of available rental accommodation also raises questions over Ireland's position as a leading European destination for FDI.

We welcomed the findings of the Housing Commission in May of this year, which recommended in favour of significant reform to the current rental regulatory structure, including a revised system where percentage rent increases would take account of several relevant factors such as management and maintenance costs, interest rates, and affordability. However, noting the complexity of the Irish Housing system, the detail of any new regulatory system is very important. As highlighted in a separate Department of Finance report in June, rental regulation is accepted by capital market investors as part of the housing market in most European countries, but the bluntness of the current 2% cap, which does not allow a reset of rents to market rates when a new tenancy commences at an existing property, makes Ireland an outlier and disincentivises institutional capital investment. We also welcomed the findings of the Department of Housing's review of the PRS sector in July, which raised several critical observations of the current regulatory structure, including the negative impact of the 2% rent cap on supply of new stock, and the implications for property quality of a mismatch between rental growth which is capped and cost inflation which remains uncapped. The recommendation for a dedicated review of what rent control measures, if any, are required after the expiration of the current legislation was welcomed by us, and we look forward to continued engagement with policy makers on that topic.

We believe that a more progressive and evidence based regulatory framework that is fair and equitable can attract institutional capital and help to alleviate the current supply shortage while simultaneously providing safe and secure tenancy for residents. I-RES is continuing to work constructively with stakeholders to encourage reform of PRS regulation in Ireland.

Strategic Review Points to Significant Opportunities For I-RES

As mentioned, we have separately announced this morning the conclusion of our Strategic Review. Although the Review commenced in February, I was pleased to be directly involved following my appointment as CEO as I was part of the Board sub-Committee which oversaw the process.

It was immediately obvious to me that I-RES possesses a high-quality portfolio of modern and sustainable assets that are well located in a Dublin market offering significant opportunities for future growth. Our portfolio is underpinned by an unmatched and scalable operating platform, offering significant flexibility as we continue to pursue new strategic pathways identified by the Review.

The Strategic Review has indicated that significant opportunities for growth and consolidation are emerging in the Irish PRS sector upon which I-RES can capitalise. As one of a very limited number of participants in the market with permanent capital, and the largest market share, I-RES is well positioned to take advantage of these consolidation opportunities which are expected to arise in the short to medium term. These include closed end funds with PRS portfolios coming to market as they reach maturity, and the option for capital light initiatives with market participants who don't possess or seek an operational footprint in Ireland. Our unique and scalable operating platform leaves us well placed to benefit from synergies through potential consolidation opportunities which we are continuing to actively explore.

The PRS market continues to be characterised by a chronic supply and demand imbalance which is becoming more pronounced as individual rental property owners continue to exit the market at pace, further restricting supply. Institutional capital remains constrained by the restrictive regulation and short-term macroeconomic headwinds, with contributions to supply predominantly targeted at social and affordable housing. Demand levels remain exceptionally strong, with high levels of population growth, expected decline in household size to nearer the EU average, and net inward migration all underpinning the requirement for more rental properties. The Irish government's indicative Housing for All targets of 50,000 new units per year broadly translate to a requirement of c. 4,000 new PRS units annually. Analysis conducted as part of the Strategic Review suggests the number of new rental properties required is well in excess of that figure, offering significant opportunities for future growth.

The Strategic Review has also identified three primary initiatives to generate operational efficiencies within the I-RES platform to maximise returns: (i) conducting selective asset recycling which is accretive to value as referenced in the previous section (ii) optimising costs both in relation to Net Rental Income Margin and General & Administrative Costs to ensure the Company is best placed to leverage future growth opportunities, and (iii) generating supplementary revenue streams consistent with current Irish regulation.

Further Progress on our Sustainability Journey

I-RES is committed to sustainability and embedding ESG principles into our core business strategy. We released our latest ESG report in the first half of 2024, highlighting the significant progress we are continuing to make against our three core strategic pillars: Operating Responsibly, Protecting the Environment, and Building Communities. We aim to achieve measurable ESG targets, evident in our Gold level EPRA status, two star GRESB rating, and CDP C rating. Whilst pleased with our progress to date, we are continuing to strive for further improvements in our ratings each year.

Recognising the impact of the built environment on carbon emissions, I-RES has made significant strides in environmental sustainability. In 2023, we achieved a 59% reduction in Scope 1 and a 0.3% reduction in Scope 2 GHG emissions. Our investment policy now includes climate considerations, and we are on track to finalise our Net Zero pathway by setting interim targets. We actively promote biodiversity through the All-Ireland Pollinator Plan, ensuring our properties feature nature positive spaces. Our commitment to providing high quality and energy efficient properties to our tenants is reflected in the sustainability credentials of our portfolio, with 90% of units having a BER between A and C, and 100% of landlord procured energy coming from renewable sources.

I-RES will always prioritise the integration and well-being of our residents and the communities in which we operate. Through our I-RES Living app, we have seen further improvement in resident engagement levels and consequently the quality and speed of service support we are able to offer them. I-RES continues to support local community groups and businesses, including participation in the Co-Operation Ireland Future Leaders program, which underscores our commitment to fostering young leaders and community development.

In preparation for implementation of the EU Corporate Sustainability Reporting Directive (CSRD) we are currently carrying out a Double Materiality assessment of our sustainability impacts and dependencies and how these impact our business going forward. This exercise will help inform future development of our ESG strategy and ensure it is correctly aligned with industry best practice.

Outlook

The market fundamentals which support the I-RES investment case remain exceptionally strong and are further underpinned by an Irish economy that continues to outperform. Our scalable operating platform, which is unique in the Irish market, continues to deliver strong operational performances and provides us with a distinct advantage to capitalise on the significant growth and consolidation opportunities which exist in the Irish PRS market.

We look forward to continuing to implement the operational initiatives identified by the Strategic Review which will help to optimise our portfolio, drive value maximisation for shareholders, and improve financial performance over the medium-term. We approach the future with confidence and we remain committed to being the leading provider of high-quality and affordable rental accommodation in Ireland.

Eddie Byrne

Chief Executive Officer

Financial Review

Income Statement

In H1 2024 we have continued to deliver a robust performance across all key operational metrics despite the persistent challenging backdrop. This operational performance was driven by continued strong demand in the market, cost saving initiatives and efficiencies delivered by our internalised platform. Disposing of c.5% of our portfolio in 2023 as we recycled capital and repaid expensive debt has impacted the H1 performance versus the prior period along with the cumulative impact of inflation experienced in Ireland since the beginning of 2022 at c.15%. Our experienced team and portfolio of high-quality residential accommodation sets us apart from the market and ensures that we continue to meet the needs of our residents. This has contributed to a consistently high occupancy rate in excess of 99%, standing at 99.6% at 30 June 2024. This fundamentally full occupancy rate is supported by our mid-market residential sector positioning where demand continues to outstrip supply. Our average monthly rent increased to €1,796 at 30 June 2024 from €1,774 at 31 December 2023 and our portfolio is currently estimated to be 16% below market rent.

Revenue has increased by 2.1% like for like in the period driven by organic growth, continued strong occupancy rates and improved ancillary income with organic growth capped at a maximum of 2%. Overall reported revenue has declined by 3.3% in the period to €42.8 million, driven by aforementioned disposals in H2 2023. On a like-for-like basis, Net Rental Income increased 1.9% with NRI margin broadly stable with H1 2023. On an overall basis NRI Margin was 76.5% in the first six months of 2024 compared with 77.3% for full year 2023 and 77.5% for H1 2023. The reduction in margin is due to certain fixed costs of the platform not reducing proportionally through disposals. We continue to focus on deriving efficiencies from our platform and have an ongoing focus on cost management. We have launched our new corporate and resident websites, with the latter assisting in streamlining tenant engagement. Whilst we experienced operating cost inflation in areas such as staff costs, we have also been impacted by Employment Regulation Orders (EROs) which are focused on the contract cleaning and security industries. We have managed to offset the majority of these inflationary impacts through reduced expenditure on utilities (reduced consumption and pricing), stable OMC service charges, stable repairs and maintenance costs, and strong collections during the period in excess of 99%.

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, and excludes non-recurring costs. In the period there has been an increase attributed to costs associated with the launch of our new corporate and resident websites and executive recruitment and CEO handover costs.

Adjusted EBITDA was €26.6 million (2023: €28.7 million) reflecting the factors outlined above, whilst financing costs reduced by 10% aided by lower drawn debt post successful completion of the disposal program in H2 2023. Strong cash generation of the underlying business and the focused approach by management on cost savings, efficiencies and delivering returns has resulted in the Company maintaining stable borrowings since 31 December 2023 whilst also paying a dividend of €10.6 million in the period. Adjusted EPRA earnings decreased to €14.2 million from €15.0 million in the period, with Adjusted EPRA EPS of 2.7c versus 2.8c for H1 2023. EPRA EPS decreased to 2.2c from 2.8c with the fall primarily as a result of non-recurring costs.

Non-recurring costs totalled €2.4 million for the period. These costs related primarily to Shareholder Activism, totalling €1.5 million. In addition, as announced on the 8th January I-RES has been conducting a Strategic Review, the outcome of which has been announced separately this morning with the key findings outlined by the Chair and CEO above. Costs associated with the Strategic Review for the period totalled €0.9 million. A small amount of additional costs are expected to be incurred as part of the close out of the Strategic Review in H2.

Financing costs, which include the amortisation of certain financing expenses, interest and commitment fees, reduced in the period to €11.9 million from €13.3 million for the six months ended 30 June 2023. The primary driver of the decreased financing costs relates to lower debt levels, post successful completion of the asset disposal program in 2023. The weighted average cost of interest for the period was 3.83% aligned with 2023 at 3.85%. In January 2024, I-RES reduced the overall facility size of the RCF from €600 million to €500 million which has resulted in commitment fee savings.

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. In the period, the fair value loss on investment properties of €32.5 million is mainly attributed to a softening of yields driven by the wider market fundamentals including increased interest rates offset by gains made in relation to increased rental income. Our Gross Yield was 7.0% at period end compared against a weighted average cost of interest of 3.83% for the period.

Operational and Financial Results

Net Rental Income and Profit for the Six Months Ended

	30 June 2024 €'000	30 June 2023 €'000
Revenue		
Revenue from investment properties	**42,807**	44,276
Operating Expenses		
Property taxes	**(559)**	(599)
Property operating costs	**(9,505)**	(9,372)
	(10,064)	(9,971)
Net Rental Income ("NRI")	**32,743**	34,305
NRI margin	**76.5%**	77.5%
Adjusted general and administrative expenses(1)	**(5,976)**	(5,558)
Share-based compensation expense	**(180)**	(72)
Adjusted EBITDA(2)	**26,587**	28,675
Non-recurring costs(1)	**(2,394)**	—
Depreciation of property, plant and equipment	**(276)**	(265)
Lease interest	**(170)**	(107)
Financing costs	**(11,942)**	(13,268)
Taxation	**(24)**	(62)
EPRA Earnings	**11,781**	14,973
Gain/(Loss) on disposal of investment property	**436**	(695)
Net movement in fair value of investment properties	**(32,486)**	(56,459)
(Loss)/Gain on derivative financial instruments	**(72)**	40
Tax on disposal of properties	**—**	(1,785)
Loss for the Period	**(20,341)**	(43,926)

(1) The non-recurring costs include €1.5 million associated with Shareholder Activism and a further €0.9 million for the Strategic Review, totalling €2.4 million of non-recurring costs and general and administrative expenses of €6.0 million incurred in 2024 that total the general and administrative expense costs of €8.4 million reflected on the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2024.

(2) 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.

Investment Property

Our total investment property value at 30 June 2024 is €1,243 million. This represents a 2.4% reduction which includes the disposal of 6 individual units and further yield expansion albeit at a much lower level than seen in the past 18 months; this was offset by continued positive rental growth. As part of our ongoing capital management and recycling programme, 6 individual units were disposed at a significant premium to latest book value. Whilst these opportunities to realise value are not prevalent across the whole portfolio, where value can be realised, we will continue to explore and transact on these opportunities. At 30 June, a fair value loss of €32.5 million was recorded.

Property Portfolio Overview

The following table provides the details of the Group's property portfolio as at 30 June 2024.

Property Location	# of Buildings	# of Units Owned(1)	Commercial Space Owned (sq.m)(1)	Average Monthly Rent Per Unit (1)(2)(3)	Rent (per sqm per month)	Occupancy (1)(2)
Total South Dublin	12	1,116	6,851	€ 1,995	€ 24.9	99.0%
Total City Centre	8	582	3,062	€ 1,926	€ 26.8	99.7%
Total West City	3	409	—	€ 1,775	€ 23.3	100%
Total North Dublin	8	768	—	€ 1,660	€ 20.7	100%
Total West Dublin	4	805	14,753	€ 1,584	€ 20.8	99.6%
Cork	1	48	—	€ 1,429	€ 17.4	100%
Total Portfolio	**36**	**3,728**	**24,666**	**€1,796**	**€ 23.2**	**99.6%**

(1) As at 30 June 2024.
(2) Based on available residential units.
(3) Refer to page 16 for further discussion on average monthly rent per apt. and occupancy.

Portfolio Management

The Group continues to explore and identify opportunities to create shareholder value. As outlined in the Strategic Review update, we have identified c .315 units whereby liquidity and valuation premiums can be achieved by selling to individual purchasers. Whilst it is a process that relies on unit turnovers, in the period we disposed of 6 units for total net proceeds of €2.0 million representing a significant uplift on latest book value. We will continue to engage in this strategy as outlined as units become available and use the proceeds in line with our capital allocation strategy of reducing higher cost debt, actively managing LTV through the cycle and within the required levels of the Irish REIT rules and debt covenants, and reallocation of capital for acquisitions which are accretive to the Company's earnings profile over time.

As part of the acquisition agreement entered into in January 2022 the Company has a gross capital commitment of €24.1 million in respect of 44 units at Ashbrook, Clontarf. The Vendor did not achieve Practical Completion by the Longstop Practical Completion Date. Therefore, the Company has executed its right to terminate the contract. As at 30 June, the matter was the subject of a contract dispute resolution process. Subsequent to the period end the Independent Architect has ruled in our favour and therefore the Company is continuing with the termination of the contract.

Financing and Capital Structure

I-RES seeks to use gearing to enhance shareholder returns over the long term. 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 no debt maturities until 2026 and then laddered out to 2032. Net LTV at 30 June 2024 has increased to 45.4%, LTV stands at 45.9%, well below the 50% maximum allowed by the Irish REIT regime and the Group's debt financial leverage ratio covenant.

Our debt facilities are made up of a €500 million Revolving Credit Facility (RCF) and circa €200 million (Euro Equivalent) Private Placement Notes. The Private Placement Notes were issued in March 2020 and are made up of €130 million fixed interest notes and $75 million which on closing I-RES entered into a cross currency interest rate swap resulting in an overall weighted average fixed interest rate of 1.92% inclusive of swap costs and excluding transaction costs. The maturity of the notes is laddered over circa six, nine and eleven-year maturities, with the first repayment due in March 2027. The Company has entered into hedging arrangements in respect of both the RCF and Private Placement Notes and c.83% of drawn debt is fixed at a blended interest rate of 3.27%.

The Group has a weighted average drawn debt maturity of 2.8 years and no debt maturities before April 2026. The weighted average cost of interest is 3.83% for the six months ended 30 June 2024 (31 December 2023: 3.85%). I-RES also has undrawn committed facilities of €127.5 million available under the RCF for investment and €6.2 million of cash and cash equivalents as at 30 June 2024.

I-RES' borrowings are as follows:

As at	30 June 2024 €'000	31 December 2023 €'000
RCF borrowings	**372,520**	373,020
Euro denominated Private Placement notes	**130,000**	130,000
USD denominated Private Placement notes(1)	**70,032**	67,892
Weighted Average Cost of Interest(2)	**3.83%**	3.85%

(1) The principal amount of USD notes is $75 million. The movement during the period relates to foreign exchange movements. I-RES has entered into cross currency swap 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

Summary

The first half of 2024 has underlined the significant demand in the Irish market for high quality professionally managed residential accommodation and I-RES' ability to be a sector leader. We continue to deliver a robust operational performance whilst managing the headwinds faced by the sector over the last two years and realigning the Company for its next phase of growth. Whilst the period has seen inflation moderate, ECB interest rates remain elevated and thus, we continue to focus on ensuring a strong and flexible balance sheet is maintained. Through our investment in our people and technology platform, we have placed ourselves in a strong position as highlighted by the Strategic Review and will continue to explore value maximising opportunities such as individual unit sales.

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 performance of its operations.

Occupancy

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

AMR and Occupancy

	Total Portfolio					Properties owned prior to 30 June 2023 (Like for Like properties)				
	2024		2023			2024		2023		
As at 30 June	AMR	Occ. %	AMR	Occ. %	AMR change %	AMR	Occ. %	AMR	Occ. %	AMR change %
Residential	**1,796**	**99.6%**	€1,772	99.5%	1.4%	**1,796**	**99.6%**	€1,760	99.5%	2.0%

The Group's AMR increased to €1,796 at 30 June 2024 a 2.0% increase on like for like properties in line with the regulatory cap of 2%, while residential occupancy remained consistently high at 99.6%, indicative of the strong market fundamentals in the Irish residential rental sector. AMR is used as a measure for the sustainable year over year changes in revenue.

During the period, c.7% 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.

Gross Yield at Fair Value

As at	30 June 2024 (€'000)	31 December 2023 (€'000)
Annualised Passing Rent[1]	**86,354**	85,288
Aggregate fair market value as at reporting date	**1,237,785**	1,268,550
Gross Yield at Fair Value	**7.0%**	6.7%

(1) 30 June 2024 Annualised Passing rent consist of residential annualised passing rent of €81.3 million and commercial annualised passing rent of €5.0 million.

The portfolio Gross Yield at Fair Value was 7.0% as at 30 June 2024 compared to 6.7% as at 31 December 2023, excluding the fair value of development land. The movement represents the impact of softening yields on the portfolio valuation offset by rental gains.

EPRA Net Initial Yield

The EPRA Net Initial Yield calculates the ratio of annualised rental income minus property outgoings to the gross fair values of the residential properties. The fair values are increased by the purchasers' costs. The topped-up net initial yield eliminates the rental incentives in the annualised net rental income. Rental incentives are of only minor importance to a company specialising in residential properties.

EPRA Net Initial Yield

As at	30 June 2024 (€'000)	31 December 2023 (€'000)
Annualised passing rent	**86,354**	85,288
Less: Operating expenses[1] (property outgoings)	**(20,288)**	(19,341)
Annualised net rent	**66,066**	65,947
Completed investment properties	**1,237,785**	1,268,550
Add: Allowance for estimated purchaser's cost	**64,505**	65,976
Gross up completed portfolio valuation	**1,302,290**	1,334,526
EPRA Net Initial Yield	**5.1%**	4.9%
EPRA topped-up Net Initial Yield	**5.1%**	4.9%

(1) Calculated based on the net rental income to operating revenue ratio of 76.5% for 2024 (77.3% for 2023).

EPRA Earnings per Share

EPRA Earnings represents the earnings from the core operational activities of 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 performance of its operations.

EPRA Earnings per Share

For the six months ended	30 June 2024	30 June 2023
(Loss)/Profit for the period (€'000)	**(20,341)**	(43,926)
Adjustments to calculate EPRA Earnings exclude:		
(Gain)/Loss on disposal of investment properties (€'000)	**(436)**	695
Changes in fair value on investment properties (€'000)	**32,486**	56,459
Tax on profits on disposals (€'000)	**—**	1,785
Changes in fair value of derivative financial instruments (€'000)	**72**	(40)
EPRA Earnings (€'000)	**11,781**	14,973
Non-recurring costs (€'000)	**2,394**	—
Adjusted EPRA Earnings for non-recurring costs (€'000)	**14,175**	14,973
Basic weighted average number of shares	**529,578,946**	529,578,946
Diluted weighted average number of shares	**529,578,946**	529,578,946
EPRA Earnings per share (cents)	**2.2**	2.8
Adjusted EPRA EPS for non-recurring costs per share (cents)	**2.7**	2.8
EPRA Diluted Earnings per share (cents)	**2.2**	2.8

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 Assets ("**EPRA NTA**") and EPRA Net Disposal Value ("**EPRA NDV**"). Each EPRA NAV metric serves a different purpose. The EPRA NRV measure is calculated 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. No deferred tax liability is calculated for I-RES as it is a REIT, and taxes are paid at the shareholder level on the 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 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

As at	30 June 2024		
	EPRA NRV	EPRA NTA[(1)]	EPRA NDV[(2)]
Net assets (€'000)	**669,251**	**669,251**	**669,251**
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	**(2,527)**	**(2,527)**	**—**
Fair value adjustment for fixed interest rate debt (€'000)	**—**	**—**	**31,146**
Real estate transfer costs (€'000)[(3)]	**64,505**	**—**	**—**
EPRA net assets (€'000)	**731,229**	**666,724**	**700,397**
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)	**126.4**	**126.4**	**126.4**
EPRA Net Asset Value per share (cents)	**138.1**	**125.9**	**132.3**

	31 December 2023		
As at	EPRA NRV	EPRA NTA[(1)]	EPRA NDV[(2)]
Net assets (€'000)	697,331	697,331	697,331
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	163	163	—
Fair value adjustment for fixed interest rate debt (€'000)	—	—	30,058
Real estate transfer tax (€'000)[(3)]	65,976	—	—
EPRA net assets (€'000)	763,470	697,494	727,389
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)	131.7	131.7	131.7
EPRA Net Asset Value per share (cents)	144.2	131.7	137.4

(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 30 June 2024 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

Early Signs of Improvement in Macroeconomic Landscape

Following a prolonged period of macroeconomic turbulence which was characterised by slowing growth, restrictive monetary policy, and persistent inflation, the EU economy began to demonstrate early signs of improvement in the first half of 2024. Inflation moderated to 2.2%[1] in June and is currently forecasted to remain broadly at that level for the remainder of the year, down sharply from an average rate of 6.3%[2] in 2023. Falling inflation prompted the ECB to break from the historical norm and cut interest rates ahead of the US Federal Reserve, implementing its first cut of 25bp in June and officially beginning a new cycle. The ECB continues to view the general direction of travel in the Euro area as one of disinflation with inflation gradually moving towards the long-term target of 2%. This first cut in interest rates is a positive first step on the path back to an interest rate environment that is more supportive of economic growth and real estate investment markets.

Irish Economic Indicators Remain Strong

The market for rental accommodation in Ireland continues to be supported by both exceptionally strong demand fundamentals and a chronic undersupply of housing. The Irish economy is expected to continue its strong performance with GDP growth in 2024 of 1.2%[3] and 2025 of 3.6% forecasted to outperform the EU average in both years. Economic performance remains underpinned by a strong labour market, with near record-low unemployment levels, which are expected to remain at 4.4% in 2024 and well below the EU average of 6.1%.

Ongoing structural demographic shifts are also set to provide a tailwind for structural housing demand in Ireland. The Irish population is now an estimated 5.28 million people, with growth of nearly 100,000 people (1.9%) in 2023, the largest 12-month population increase since 2008[4]. Economic growth, longer life expectancy, and the effects of net inward migration suggest that Ireland's fast-paced population growth will continue, with estimates indicating that growth in the greater Dublin area population could be as high as 18% out to 2035[5].

Continued Upward Pressure on House Prices and Rents

The impact of the imbalance between supply and demand for housing in Ireland is reflected in the National Residential Property Price Index (RPPI) which increased by 8.2% nationally and 8.6% in Dublin for the 12 months to May 2024[6].

The Residential Tenancies Board ("RTB") have indicated that the standardised average rent in Q4 2023 for new tenancies in Dublin grew by 6.5% to €2,098[7]. This was 16% higher than the standardised average rent for existing tenancies which stood at €1,805, demonstrating the two-tier nature of the Irish rental market for properties new to the market versus properties subject to the 2% rental cap since its imposition in December 2021.

[1] CSO, June 2024
[2] CSO, December 2023
[3] EU Commission: Spring 2024 Economic Forecast
[4] CSO Population and Migration Estimates, April 2023
[5] Savills Report, May 2024
[6] CSO RPPI, May 2024
[7] RTB Rental Index, Q4 2023

Principal risks and uncertainties

The 2023 Annual Report for Irish Residential Properties REIT plc ("Annual Report), approved on 3 April 2024, outlined the Group's principal risks and uncertainties in the Risk Report at that time.

The directors of the Company have set out below, the continuing principal risks and uncertainties. The principal risks and uncertainties below should be read in conjunction with the Group's Risk Report set out in the Annual Report to understand the Group's risk management and internal control systems, as well as the directors' processes surrounding identification and measurement of principal risks and uncertainties.

No new additional risks and uncertainties have been added nor any removed since 3 April 2024.

Risk Description	Dec 23 Rating/ Trend	Jun 24 Rating/ Trend	Risk Description	Dec 23 Rating/ Trend	Jun 24 Rating/ Trend
Geopolitical instability, Economy, and Inflation	↑	↔	Cyber Security & Data Protection	↑	↑
Regulatory and Legislative Change	↔	↔	Major Asset or SHE Incident	↔	↔
Investment & Asset Management	↔	↔	Environmental Sustainability	↔	↔
Access to Capital	↔	↔	Regulatory & Legal Compliance	↔	↔
Cost of Capital, Interest Rate Increase and Loan To Value Ratio	↑	↔			

Residual Risk Rating				
High	Medium	Low		
↓	↓	↓	Decreasing	Trend
↔	↔	↔	Stable	
↑	↑	↑	Increasing	

As shown in the table above there have been no changes to the residual risk assessments, but in 2 cases the risk areas have been assessed as stabilised rather than increasing as was the position at the year end.

At the international level there continues to be continuing evidence of the impacts of global uncertainty due to key issues such as the conflicts in Ukraine and the Middle East, tension with China and Taiwan and the uncertainly over the outcome of the November presidential election in the USA. More positively recent elections both in Ireland and the EU resulted in a more stable outcome from a regulatory perspective than had been predicted. In the Irish context the economy is performing solidly and the country remains a stable environment in which to transact business and continues to attract inward investment. While continuing to be an area of key focus and one of the higher principal risks it is considered at this point to have stabilised.

The level of interest rate volatility has reduced with key rates stable or reducing. CBRE in their Q1 2024 Residential Investment overview highlighted some supporting evidence that residential yields are now stabilising across Europe and that institutional groups in Europe still view the fundamentals of the Irish residential market favourably. However, there are still some continuing concerns due to issues such as rent caps, cost of capital and yield levels. In light of that uncertainty until there is further supporting evidence that the cycles in both areas are fully stabilised it would be too early to say this risk heading is decreasing but it is considered that it has stabilised since the year end.

Statement of Directors' Responsibilities

For the six months ended 30 June 2024

The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

In preparing the condensed set of consolidated financial statements included within the half-yearly financial report, the directors are required to:

- prepare and present the condensed set of consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and the Transparency Rules of the Central Bank of Ireland;
- ensure the condensed set of consolidated financial statements has adequate disclosures;
- select and apply appropriate accounting policies;
- make accounting estimates that are reasonable in the circumstances; and
- assess the Entity'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 the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the condensed set of consolidated financial statements that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

1. The condensed set of consolidated financial statements included within the half-yearly financial report of Irish Residential Properties REIT plc for the six months ended 30 June 2024 ("the interim financial information") which comprises the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland.
2. The interim financial information presented, as required by the Transparency Directive, includes:
   A. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
   B. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
   C. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
   D. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

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

Signed on behalf of the Board 7 August 2024

Hugh Scott-Barrett	**Eddie Byrne**
Chair	**Executive Director**

KPMG

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Independent Review Report to Irish Residential Properties REIT plc ("the Entity")

Conclusion

We have been engaged by the Entity to review the Entity's condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises Condensed Consolidated Interim Statement of Financial Position, Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Interim Statement of Changes in Equity, Condensed Consolidated Interim Statement of Cash Flows, a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as adopted by the EU and the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Central Bank (Investment Market Conduct) Rules 2019 ("Transparency Rules of the Central Bank of Ireland).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However, future events or conditions may cause the Entity to cease to continue as a going concern, and the above conclusions are not a guarantee that the Entity will continue in operation.

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Independent Review Report to Irish Residential Properties REIT plc ("the Entity")

(continued)

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland.

The directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

As disclosed in note 2, the annual financial statements of the Entity for the year ended 31 December 2024 are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In preparing the condensed set of consolidated financial statements, the directors are responsible for assessing the Entity'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 the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Entity a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

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

This report is made solely to the Entity in accordance with the terms of our engagement to assist the Entity in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Entity those matters we are required to state to it in this 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 Entity for our review work, for this report, or for the conclusions we have reached.

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

7 August 2024

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2024	Note	(Unaudited) 30 June 2024 €'000	(Audited) 31 December 2023 €'000
Assets			
Non-Current Assets			
Investment properties	5	**1,243,485**	1,274,360
Property, plant and equipment		**7,955**	8,208
Derivative financial instruments	15	**700**	—
		1,252,140	1,282,568
Current Assets			
Other current assets	6	**8,029**	6,312
Derivative financial instruments	15	**3,182**	2,879
Cash and cash equivalents		**6,199**	7,864
		17,410	17,055
Total Assets		**1,269,550**	1,299,623
Liabilities			
Non-Current Liabilities			
Bank indebtedness	8	**371,537**	371,355
Private placement notes	9	**198,436**	196,125
Lease liability	18	**7,624**	7,842
Derivative financial instruments	15	**—**	3,667
		577,597	578,989
Current Liabilities			
Accounts payable and accrued liabilities	7	**15,151**	15,675
Security deposits		**7,119**	7,202
Lease liability	18	**432**	426
		22,702	23,303
Total Liabilities		**600,299**	602,292
Shareholders' Equity			
Share capital	11	**52,958**	52,958
Share premium	11	**504,583**	504,583
Share-based payment reserve		**1,534**	1,354
Cashflow hedge reserve	15	**2,001**	(672)
Retained earnings		**108,175**	139,108
Total Shareholders' Equity		**669,251**	697,331
Total Shareholders' Equity and Liabilities		**1,269,550**	1,299,623
IFRS Basic NAV per share	23	**126.4**	131.7

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024	Note	(Unaudited) 30 June 2024 €'000	(Unaudited) 30 June 2023 €'000
Operating Revenue			
Revenue from investment properties	12	**42,807**	44,276
Operating Expenses			
Property taxes		**(559)**	(599)
Property operating costs		**(9,505)**	(9,372)
		(10,064)	(9,971)
Net Rental Income ("NRI")		**32,743**	34,305
General and administrative expenses	13	**(8,370)**	(5,558)
Share-based compensation expense	10	**(180)**	(72)
Net movement in fair value of investment properties	5	**(32,486)**	(56,459)
Gain/(Loss) on disposal of investment property		**436**	(695)
(Loss)/Gain on derivative financial instruments	15	**(72)**	40
Depreciation of property, plant and equipment		**(276)**	(265)
Lease interest	18	**(170)**	(107)
Financing costs	14	**(11,942)**	(13,268)
Loss Before Taxation		**(20,317)**	(42,079)
Taxation		**(24)**	(1,847)
Loss for the Period		**(20,341)**	(43,926)
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		**7,006**	835
Cash flow hedges - cost of hedging deferred		**106**	(66)
Cash flow hedges - reclassified to profit or loss		**(4,439)**	771
Other Comprehensive Income for the Period		**2,673**	1,540
Total Comprehensive Loss for the Period Attributable to Shareholders		**(17,668)**	(42,386)
Basic Loss per Share (cents)	22	**(3.8)**	(8.3)
Diluted Loss per Share (cents)	22	**(3.8)**	(8.3)

The accompanying notes form an integral part of these consolidated financial statements.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2024	Note	Share Capital	Share Premium	Retained Earnings	Share-based payments Reserve	Cashflow hedge Reserve	Total
(Unaudited)		**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Shareholders' Equity at 1 January 2024		**52,958**	**504,583**	**139,108**	**1,354**	**(672)**	**697,331**
Comprehensive loss for the period							
Loss for the period		**—**	**—**	**(20,341)**	**—**	**—**	**(20,341)**
Other comprehensive income for the period		**—**	**—**	**—**	**—**	**2,673**	**2,673**
Total Comprehensive Loss for the Period		**—**	**—**	**(20,341)**	**—**	**2,673**	**(17,668)**
Transactions with owners, recognised directly in equity							
Long-term incentive plan		**—**	**—**	**—**	**180**	**—**	**180**
Dividends paid	17	**—**	**—**	**(10,592)**	**—**	**—**	**(10,592)**
Total transactions with owners, recognised directly in equity		**—**	**—**	**(10,592)**	**180**	**—**	**(10,412)**
Shareholders' Equity at 30 June 2024		**52,958**	**504,583**	**108,175**	**1,534**	**2,001**	**669,251**

For the six months ended 30 June 2023	Note	Share Capital	Share Premium	Retained Earnings	Share-based payments Reserve	Cashflow hedge Reserve	Total
(Unaudited)		**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Shareholders' Equity at 1 January 2023		**52,958**	**504,583**	**282,978**	**1,201**	**5,633**	**847,353**
Comprehensive income for the period							
Loss for the period		—	—	(43,926)	—	—	(43,926)
Other comprehensive income for the period		—	—	—	—	1,540	1,540
Total Comprehensive Loss for the Period		—	—	(43,926)	—	1,540	(42,386)
Transactions with owners, recognised directly in equity							
Long-term incentive plan		—	—	—	72	—	72
Dividends paid	17	—	—	(14,881)	—	—	(14,881)
Total transactions with owners, recognised directly in equity		—	—	(14,881)	72	—	(14,809)
Shareholders' Equity at 30 June 2023		**52,958**	**504,583**	**224,171**	**1,273**	**7,173**	**790,158**

The accompanying notes form an integral part of these consolidated financial statements.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2024	Note	(Unaudited) 30 June 2024 €'000	(Unaudited) 30 June 2023 €'000
Cash Flows from Operating Activities:			
Operating Activities			
Loss for the period		**(20,341)**	(43,926)
Adjustments for non-cash items:			
Fair value adjustment - investment properties	5	**32,486**	56,459
(Gain)/Loss on disposal of investment property		**(436)**	695
Depreciation of property, plant and equipment		**276**	265
Amortisation of other financing costs	18	**874**	1,022
Share-based compensation expense	10	**180**	72
Loss/(Gain) on derivative financial instruments	15	**72**	(40)
Allowance for expected credit loss		**135**	(12)
Capitalised leasing costs	5	**390**	472
Interest accrual relating to derivatives	18	**—**	(9)
Taxation		**24**	1,847
Loss adjusted for non-cash items		**13,660**	16,845
Interest expense		**11,238**	12,353
Changes in operating assets and liabilities	18	**(2,459)**	(3,608)
Net Cash Generated from Operating Activities		**22,439**	25,590
Cash Flows from Investing Activities			
Net proceeds from disposal of investment property	4	**2,037**	18,103
Property capital investments	5	**(3,601)**	(3,019)
Direct leasing cost	5	**—**	23
Purchase of property, plant and equipment		**(23)**	(18)
Net Cash (Used in)/Generated from Investing Activities		**(1,587)**	15,089
Cash Flows from Financing Activities			
Financing fees	18	**(21)**	—
Interest paid	18	**(11,192)**	(13,039)
Credit Facility drawdown	18	**7,000**	—
Credit Facility repayment	18	**(7,500)**	(13,000)
Lease payment	18	**(212)**	(207)
Dividends paid to shareholders	17	**(10,592)**	(14,881)
Net Cash Used in Financing Activities		**(22,517)**	(41,127)
Changes in Cash and Cash Equivalents during the Period		**(1,665)**	(448)
Cash and Cash Equivalents, Beginning of the Period		**7,864**	6,965
Cash and Cash Equivalents, End of the Period		**6,199**	6,517

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") is a company located in Ireland. The address of the Company's registered office is South Dock House, Hanover Quay, Grand Canal Square, Dublin 2.

On 16 April 2014, I-RES obtained admission of its ordinary shares to the primary listing segment of the Official List of the Irish Stock Exchange for trading on the regulated market for listed securities of Euronext Dublin.

These unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2024 encompass the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

2. Material Accounting Policies

a) Basis of preparation

These condensed consolidated interim financial statements of the Group have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and in accordance with International Accounting Standard 34 ("Interim Financial Reporting") as adopted by the European Union ("EU"). This interim report ("Report") should be read in conjunction with the annual financial statements for the period 1 January 2023 to 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations as adopted by the EU.

These condensed consolidated interim financial statements of the Group do not comprise statutory financial statements within the meaning of the Companies Act 2014. The statutory financial statements were prepared for the year ended 31 December 2023, approved by the board of directors ("the Board") on 3 April 2024, accompanied by an unqualified audit report and were released to market on 10 April 2024.

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

The condensed consolidated interim financial statements of the Group cover the six month period 1 January 2024 to 30 June 2024. These statements are unaudited but reviewed by our auditor KPMG Ireland.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, except for those detailed below.

New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period. However, the adoption of new accounting standards did not result in any material changes.

Future Accounting Changes

I-RES has assessed the new or amended IFRS issued by the IASB for annual reporting periods beginning after 31 December 2023. None of the new or amended IFRS are expected to have a significant impact on I-RES.

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's occupancy rate remained strong at 99.6%. The Group also has a strong statement of financial position with sufficient liquidity and flexibility in place. The Group has undrawn facilities of €127.5. million as at 30 June 2024. The Group generated positive cashflows from operations for the six months ended 30 June 2024. Accordingly, the Directors of the Company consider it appropriate that the Group adopts the going concern basis of accounting in the preparation of the condensed consolidated interim financial statements.

2. Material Accounting Policies *(continued)*

b) Basis of consolidation

These condensed consolidated financial statements incorporate the financial statements of I-RES and its subsidiaries, IRES Residential Properties Limited, IRES Fund Management Limited, IRES Residential Properties (Tara View) Limited and IRES Residential Properties (Orion) 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 condensed consolidated interim 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 19.

3. Critical Accounting Estimates, Assumptions and Judgements

The preparation of the condensed consolidated interim 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 condensed consolidated interim 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 16(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 period 1 January 2024 to 30 June 2024

Disposals

Name	Other Land and Property	Unit Count	Region	Net proceeds from disposal €'000
Individual units		6	South Dublin, Cork & North Dublin	**2,037**
Total		**6**		**2,037**

4. Recent Investment Property Acquisitions, Developments and Disposals *(continued)*

For the year 1 January 2023 to 31 December 2023

Disposals

Name	Other Land and Property	Unit Count	Region	Net proceeds from disposal €'000
Rockbrook	Development Site	—	South Dublin	14,596
Bakers Yard		6	City Centre	1,444
Tara View		4	South Dublin	4,077
Hansfield Wood/ Pipers Court		194	West Dublin	68,555
Total		**204**		**88,672**

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 30 June 2024. 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 each year. The Board determines the Group's valuation policies and procedures for property valuations. The Board decides which independent valuers to appoint for the external valuation of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Investment property producing income

For investment property, the income approach/yield methodology involves applying market-derived 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 30 June 2024, all investment property under development was completed and reclassified to investment property producing income.

During the six months ended 30 June 2024, the Company incurred development costs of €nil (30 June 2023: €nil) relating to properties under development.

5. Investment Properties *(continued)*

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 30 June 2024, 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. Assets classified as held for sale are recorded at their fair value less costs to dispose.

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 independent 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.

For investment properties producing income (excluding assets held for sale), an increase of 1% in the Equivalent Yield would have the impact of a €184 million reduction in fair value while a decrease of 1% in the Equivalent Yield would result in a fair value increase of €263 million. An increase between 1% - 4% in Stabilised NRI would result in a fair value increase ranging from €12 million to €50 million respectively in fair value, while a decrease between 1% - 4% in Stabilised NRI would have an impact of a reduction ranging from €12 million to €50 million, respectively. I-RES believes that this range of change in Stabilised NRI is a reasonable estimate based on potential changes in net rental income.

5. Investment Properties *(continued)*

Sensitivity analysis *(continued)*

The direct operating expenses recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income for the Group is €10.1 million for the six months ended 30 June 2024 (30 June 2023: €10.0 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 condensed consolidated interim statement of profit or loss and other comprehensive income arising from investment property that did not generate rental income for the six months ended 30 June 2024 and 30 June 2023 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 30 June 2024 is presented below:

As at 30 June 2024

Type of Interest	Fair Value €'000	WA Stabilised NRI(1) €'000	Rate Type(2)	Max.	Min.	Weighted Average
Income properties	**1,237,785**	**3,174**	**Equivalent Yield**	**6.50%**	**4.75%**	**5.76%**
Development land(3)	**5,700**	**n/a**	**Market Comparable (per sq. ft.)**	**€106.8**	**€44.5**	**€91.7**
Total investment properties	**1,243,485**					

(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 and combines residential and commercial for properties where relevant.

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

As at 31 December 2023

Type of Interest	Fair Value €'000	WA Stabilised NRI(1) €'000	Rate Type(2)	Max.	Min.	Weighted Average
Income properties	1,268,550	3,183	Equivalent Yield	6.27%	4.50%	5.58%
Development land(3)	5,810	n/a	Market Comparable (per sq. ft.)	€106.8	€46.5	€92.3
Total investment properties	**1,274,360**					

(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 and combines residential and commercial for properties where relevant.

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

5. 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 six months ended	30 June 2024			
	Income Properties	Properties Under Development	Development Land	Total
	€'000	€'000	€'000	€'000
Balance at the beginning of the period	**1,268,550**	**—**	**5,810**	**1,274,360**
Property capital investments	**3,601**	**—**	**—**	**3,601**
Capitalised leasing costs[1]	**(390)**	**—**	**—**	**(390)**
Disposals	**(1,600)**	**—**	**—**	**(1,600)**
Unrealised fair value movements	**(32,376)**	**—**	**(110)**	**(32,486)**
Balance at the end of the period	**1,237,785**	**—**	**5,700**	**1,243,485**

For the year ended	31 December 2023			
	Income Properties	Properties Under Development	Development Land	Total
	€'000	€'000	€'000	€'000
Balance at the beginning of the year	1,477,168	—	21,830	1,498,998
Property capital investments	7,590	—	—	7,590
Capitalised leasing costs[1]	(876)	—	—	(876)
Direct leasing costs	(28)	—	—	(28)
Disposals	(74,533)	—	(15,000)	(89,533)
Unrealised fair value movements	(140,771)	—	(1,020)	(141,791)
Balance at the end of the year	**1,268,550**	**—**	**5,810**	**1,274,360**

(1) Straight-line rent adjustment for commercial leasing.

The vast majority of the residential leases are for one year or less.

The carrying value of the Group investment properties of €1,243.5 million at 30 June 2024 (€1,274.4 million at 31 December 2023) 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.

6. Other Current Assets

As at	30 June 2024	31 December 2023
	€'000	€'000
Prepayments[1]	**6,984**	5,346
Trade receivables	**1,045**	966
Total Other Current Assets	**8,029**	6,312

(1) Includes prepaid costs such as OMC Service charges, insurance and costs associated with ongoing transactions including deposits.

7. Accounts Payable and Accrued Liabilities

As at	30 June 2024	31 December 2023
	€'000	€'000
Rent - early payments	**2,733**	3,722
Trade creditors	**785**	800
Accruals[1]	**11,355**	10,732
Value Added Tax	**278**	421
Total Accounts Payable and Accrued Liabilities[2]	**15,151**	15,675

(1) Includes property related accruals, development accruals and professional fee accruals
(2) The carrying value of all accounts payable and accrued liabilities approximates their fair value.

8. Bank Indebtedness

As at	30 June 2024	31 December 2023
	€'000	€'000
Loan drawn down	**372,520**	373,020
Deferred loan costs	**(983)**	(1,665)
Total Bank Indebtedness	**371,537**	371,355

The Revolving Credit Facility of €500 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 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.

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 in the period for the RCF is 4.84%. 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 15.

On 11 February 2022, the Company exercised an option for an extension with all syndicate banks for the entire €600 million facility with a new maturity date of 18 April 2026. On 22 December 2023, the Company served a notice of cancellation per the agreement to reduce the facility by €100m with effect from 4 January 2024, thus reducing the overall facility to €500m.

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 45.9%. Interest Cover has remained above the requirement of 175% at 240%.

9. Private Placement Notes

On 11 March 2020, I-RES successfully issued €130 million of notes and IRES Residential Properties Limited, its subsidiary, issued $75 million of 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:

As at	Maturity	Contractual interest rate	Derivative Rates	30 June 2024 €'000	31 December 2023 €'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%	**46,688**	45,261	(1)
USD Series B Senior Secured Notes	10 March 2030	3.63%	2.25%	**23,344**	22,631	(2)
				200,032	197,892	
Deferred financing costs, net				**(1,596)**	(1,767)	
Total Private Placement Notes				**198,436**	196,125	

(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.

10. 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 2023 and 31 December 2022. As at 30 June 2024, the maximum number of additional options, or Restricted Share Units ("RSU") issuable under the LTIP is 44,984,779 (31 December 2023: 19,786,557).

LTIP

For the six months ended	WA exercise price	30 June 2024	30 June 2023
Share Options outstanding as at 1 January	1.61	**4,596,499**	4,596,499
Issued, cancelled or granted during the period:			
Exercised or settled		—	—
Share Options outstanding as at 30 June(1)	1.61	**4,596,499**	4,596,499

(1) Of the Share Options outstanding above, 4,596,499 were exercisable at 30 June 2024 (30 June 2023: 4,596,499) until 30 April 2025 with a range of exercise price of €1.489 to €1.71.

The fair value of options has been determined as at the grant date using the Black-Scholes model.

10. Share-based Compensation *(continued)*

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 outstanding awards is set out in the table below. All awards are outstanding at 30 June 2024.

Date of award	Number of awards	EPS Growth (% of award)	TSR Performance (% of award)	Total Accounting Return (% of award)	% Reduction in Scope 1 and Scope 2 combined greenhouse gas emissions
5 August 2021	221,519	50%	50%	-	-
23 February 2022	685,402	50%	50%	-	-
10 August 2022	57,980	50%	50%	-	-
15 March 2023	1,245,172	50%	50%	-	-
28 May 2024	1,166,544	30%	30%	30%	10%

During the period, 335,820 awards granted in 2021 did not vest and have therefore lapsed.

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.

The awards are subject to various criteria as outlined in the table above The TSR measure is relative to constituents of the FTSE EPRA/NAREIT Europe Developed Index for the 2021-2022 awards. The 2023 and 2024 awards are relative to the residential subsector of this index for TSR. Results and inputs are summarised in the table below:

	2024 RSU Awards	2023 RSU Awards	2022 RSU Awards	2021 RSU Awards
Fair value per award (TSR tranche) (per share)	**€0.44**	**€0.48**	**€0.70 to €0.75**	**€0.70 to €0.75**
Inputs				
Risk free interest rate (%)	**3.01%**	2.63%	0.04% to 0.87%	(0.69%) to (0.85%)
Historical volatility	**24.09%**	24.13%	26.84% to 28.26%	25.68% to 25.80%
Fair value per award (EPS tranche) (per share)	**€0.84**	**€0.87**	**€1.24 to €1.36**	**€1.22 to €1.33**
Inputs				
Two year Risk free interest rate (%)	**3.08%**	2.66%	(0.17%) to 0.70%	(0.70%) to (0.79%)
Two year Expected volatility	**26.27%**	23.98%	23.42% to 29.08%	22.45% to 29.77%

10. Share-based Compensation *(continued)*

b) Restricted Stock Unit Awards *(continued)*

The expected volatility is based on historic market volatility prior to the issuance.

The total share-based compensation expense relating to options for the six months ended 30 June 2024 was €nil (30 June 2023: €nil) and total share-based compensation expense relating to restricted stock unit awards for the six months ended 30 June 2024 was €180,000 (30 June 2023: €72,000).

11. 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 issued in registered form and are transferable.

The number of shares authorised is as follows:

As at	30 June 2024	31 December 2023
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:

As at	30 June 2024	31 December 2023
Ordinary shares outstanding, beginning of period	**529,578,946**	529,578,946
New shares issued	—	—
Ordinary shares outstanding, end of period	**529,578,946**	529,578,946

12. Revenue from Investment Properties

I-RES generates revenue primarily from the rental income from investment properties. Rental income represents lease revenue earned from the conveyance of the right to use the property, including access to common areas, to a lessee for an agreed period of time. The rental contract also contains an undertaking that common areas and amenities will be maintained to a certain standard. This right of use of the property and maintenance performance obligation is governed by a single rental contract with the tenant. 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 six months ended	30 June 2024 €'000	30 June 2023 €'000
Rental Income	**35,261**	36,474
Revenue from services	**6,668**	6,916
Car park income	**878**	886
Revenue from contracts with customers	**7,546**	7,802
Total Revenue from Investment Properties	**42,807**	44,276

13. General and Administrative Costs

For the six months ended	30 June 2024 €'000	30 June 2023 €'000
General and administrative expenses	**5,976**	5,558
Total recurring general and administrative expenses	**5,976**	5,558
Non-recurring costs	**2,394**	—
Total General and administrative expenses	**8,370**	5,558

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 and other general and administrative expenses. Non-recurring G&A costs were primarily related to the Activism interaction and EGM (€1.5 million), along with costs also incurred in relation to the Strategic Review (€0.9 million).

14. Financing costs

For the six months ended	30 June 2024 €'000	30 June 2023 €'000
Financing costs on RCF	**11,645**	11,281
Financing costs on private placement debt	**2,596**	2,585
Foreign exchange loss/(gain) on private placement debt	**2,140**	(1,369)
Reclassed from OCI	**(4,439)**	771
Total Financing costs	**11,942**	13,268

15. 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 $75 million into €68.9 million effective 11 March 2020 and (ii) convert the fixed interest rate on the USD-based loan to a fixed Euro interest rate, maturing on 10 March 2027 and 10 March 2030 (see note 9 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 period ended 30 June 2024, the ineffective portion that has been recorded in the consolidated statement of profit or loss and other comprehensive income was a loss of €82,000 (30 June 2023: €40,000). The fair value of the effective portion of €2,472,000 (30 June 2023: €1,299,000) was included in the cash flow hedge reserve along with a gain on hedging of €106,000 (30 June 2023: cost €66,000). The fair value of the cash flow hedge was an asset of €1,355,000 and a liability of €nil at 30 June 2024 (31 December 2023: asset of €969,000 and a liability of €1,594,000).

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 the cost on this portion of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. For the period ended 30 June 2024, the ineffective portion that has been recorded in the consolidated statement of profit or loss and other comprehensive income was a gain of €10,000 (30 June 2023: €nil). The fair value of the effective portion of €4,534,000 (30 June 2023: €2,134,000) 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 €2,527,000 and a liability of €nil at 30 June 2024 (31 December 2023: asset of €1,910,000 and a liability of €2,073,000).

16. Financial Instruments, Investment Properties and Risk Management

a) Fair Value of Financial Instruments and Investment Properties

The Group classifies and discloses the fair value for each class of financial instrument based on the fair value hierarchy in accordance with IFRS 13. The fair value hierarchy distinguishes between market value data obtained from independent sources and the Group's own assumptions about market value. The hierarchy levels are defined below:

Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs based on factors other than quoted prices included in Level 1 and may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals; and

Level 3 - Inputs which are unobservable for the asset or liability and are typically based on the Group's own assumptions as there is little, if any, related market activity.

The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the asset or liability.

The following table presents the Group's estimates of fair value on a recurring basis based on information available as at 30 June 2024, aggregated by the level in the fair value hierarchy within which those measurements fall.

As at 30 June 2024, the fair value of the Group's private placement debt is estimated to be €170 million (31 December 2023: €168.4 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 €198.4 million at 30 June 2024 (31 December 2023: €196.1 million).

As at 30 June 2024, the fair value of the Group's RCF is estimated to be €370.0 million (31 December 2023: €373.4 million). The fair value is based on the margin rate and EURIBOR forward curve at the reporting date. The RCF is recorded at amortised cost of €371.5 million at 30 June 2024 (31 December 2023: €371.4 million).

16. Financial Instruments, Investment Properties and Risk Management *(continued)*

a) Fair Value of Financial Instruments and Investment Properties *(continued)*

As at 30 June 2024	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	**—**	**—**	**1,243,485**	**1,243,485**
Derivative financial instruments[2][3]	**—**	**3,882**	**—**	**3,882**
	—	**3,882**	**1,243,485**	**1,247,367**
Recurring Measurements – Liability				
Derivative financial instruments[2][3]	**—**	**—**	**—**	**—**
Total	**—**	**3,882**	**1,243,485**	**1,247,367**

As at 31 December 2023	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	—	—	1,274,360	1,274,360
Derivative financial instruments[2][3]	—	2,879	—	2,879
	—	2,879	1,274,360	1,277,239
Recurring Measurements – Liability				
Derivative financial instruments[2][3]	—	(3,667)	—	(3,667)
Total	—	(788)	1, 274,360	1,273,572

(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.

16. 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 opportunities 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 denominated 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 Group 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.

16. Financial Instruments, Investment Properties and Risk Management *(continued)*

b) Risk Management *(continued)*

Cash flow hedges

At 30 June 2024, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

As at	30 June 2024	30 June 2026	30 June 2027	30 June 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)	**12,604**	**—**	**—**	**—**
Average fixed interest rate	**2.50%**	**—**	**—**	**—**

The amounts at the reporting date relating to items designated as hedged items were as follows:

As at 30 June 2024	Change in value used for calculating hedge ineffectiveness (€'000)	Cashflow hedge reserve (€'000)
Cross Currency Swaps	**(2,472)**	**192**
Interest rate swap	**(4,534)**	**(2,193)**

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	As at 30 June 2024			For the six months ended 30 June 2024				
		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
Cross Currency Swaps	**68,852**	**1,355**	**—**	**(2,472)**	**82**	**(Loss)/Gain on derivative financial instruments**	**2,678**	**Financing costs**
Interest Rate Swaps	**275,000**	**2,527**	**—**	**(4,534)**	**(10)**	**(Loss)/Gain on derivative financial instruments**	**1,761**	**Financing costs**

	As at 31 December 2023			For the year ended 31 December 2023				
		Carrying amount						
	Nominal amount (€'000)	Assets (€'000)	Liability (€'000)	Changes in the value of hedging instrument recognised in OCI (€'000)	Hedge ineffectivenes s 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
Cross Currency Swaps	68,852	969	(1,594)	3,035	86	Gain on derivative financial instruments	(1,154)	Financing costs
Interest Rate Swaps	275,000	1,910	(2,073)	3,125	—	Gain on derivative financial instruments	1,661	Financing costs

16. Financial Instruments, Investment Properties and Risk Management *(continued)*

b) Risk Management *(continued)*

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 30 June 2024	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	**3,882**	**—**	**3,882**
Financial liabilities			
Derivative financial instruments	**—**	**—**	**—**

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.

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 30 June 2024, I-RES' RCF was drawn for €372.5 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 the cost on this portion of the facility into a fixed interest rate of 2.5% plus margin of 1.75%. As of the period end, approximately 83% of the Group's total drawn debt is now fixed against interest rate volatility. The Company's private placement debt has a fixed rate of 1.92%. For the period ended 30 June 2024, a 100-basis point change in interest rates would have the following effect:

As at 30 June 2024	Change in interest rates	Increase (decrease) in net income
	Basis Points	€'000
EURIBOR rate debt[1]	**+100**	**(499)**
EURIBOR rate debt[1]	**-100**	**499**

(1) Based on the fixed margin of 1.75% plus the 1 month EURIBOR rate during the period ended 30 June 2024 and a hedged interest rate of 2.50% for the quantum and period of interest rate swaps in place.

16. Financial Instruments, Investment Properties and Risk Management *(continued)*

b) Risk Management *(continued)*

As at 31 December 2023	Change in interest rates	Increase (decrease) in net income
	Basis Points	€'000
EURIBOR rate debt(1)	+100	(1,597)
EURIBOR rate debt(1)	-100	1,597

(1) Based on the fixed margin of 1.75% plus the 1 month EURIBOR rate during year ended 31 December 2023 and a hedged interest rate of 2.50% for the quantum and period of interest rate swaps in place.

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.

The following tables show the Group's contractual undiscounted maturities for its financial liabilities:

As at 30 June 2024	Total	6 months or less(1)	6 to 12 months(1)	1 to 2 years(1)	2 to 5 years(1)	More than 5 years(1)
	€'000	€'000	€'000	€'000	€'000	€'000
Non-derivative financial liabilities						
Loan drawn down	372,520	—	—	372,520	—	—
Bank indebtedness interest (2)	33,826	9,775	9,047	15,004	—	—
Private placement debt(3)	200,032	—	—	—	46,688	153,344
Private placement debt interest	26,130	2,447	2,447	4,894	11,470	4,872
Lease liability	9,729	314	314	628	1,883	6,590
Other liabilities	12,140	12,140	—	—	—	—
Security deposits	7,119	7,119	—	—	—	—
	661,496	31,795	11,808	393,046	60,041	164,806
Derivative financial liabilities						
Foreign exchange swap:						
Outflow	(5,669)	(683)	(687)	(1,374)	(2,408	(517)
Inflow(3)	9,906	1,227	1,227	2,454	4,150	848
Net Inflow	4,237	544	540	1,080	1,742	331
Interest rate swap:						
Outflow(4)	(12,605)	(3,438)	(3,438)	(5,729)	—	—
Inflow	15,347	4,810	4,273	6,264	—	—
Net Inflow	2,742	1,372	835	535	—	—

(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 30 June 2024.
(4) Based on 1 month EURIBOR forward curve as at 30 June 2024.

16. Financial Instruments, Investment Properties and Risk Management *(continued)*

b) Risk Management *(continued)*

As at 31 December 2023	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 €'000
Non-derivative financial liabilities						
Loan drawn down	373,020	—	—	—	373,020	—
Bank indebtedness interest [2]	38,673	9,953	8,400	13,683	6,637	—
Private placement debt[3]	197,892	—	—	—	45,261	152,631
Private placement debt interest	28,233	2,409	2,409	4,818	12,120	6,477
Lease liability	10,042	314	314	628	1,883	6,903
Other liabilities	11,532	11,532	—	—	—	—
Security deposits	7,202	7,202	—	—	—	—
Total	**666,594**	**31,410**	**11,123**	**19,129**	**438,921**	**166,011**
Derivative financial liabilities						
Foreign exchange swap:						
Outflow	(6,357)	(687)	(683)	(1,374)	(2,837)	(776)
Inflow[3]	11,567	1,189	1,189	2,378	5,578	1,233
Net Inflow	**5,210**	**502**	**506**	**1,004**	**2,741**	**457**
Interest rate swap:						
Outflow[4]	(15,470)	(3,438)	(3,438)	(6,875)	(1,719)	—
Inflow	15,236	4,931	3,786	5,275	1,244	—
Net (Outflow)/Inflow	**(234)**	**1,493**	**348**	**(1,600)**	**(475)**	**—**

(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 2023.
(4) Based on 1 month EURIBOR forward curve as at 31 December 2023.

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

Credit risk

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

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

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

The Group monitors its collection experience on a monthly basis and ensures that a stringent policy is adopted to provide for all past due amounts. All residential accounts receivable balances exceeding 30 days are written off to bad debt expense and recognised in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss and other comprehensive income. The Group's allowance for expected credit loss amounted to a charge of €135,000 for the six months ended 30 June 2024 and is recorded as part of property operating costs in the interim consolidated statement of profit or loss and other comprehensive income (30 June 2023: gain of €12,000).

Cash and cash equivalents are held with major Irish and European institutions which have credit ratings between A-1 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+.

16. Financial Instruments, Investment Properties and Risk Management *(continued)*

b) Risk Management *(continued)*

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 30 June 2024, capital consists of equity and debt and Group's Net LTV was 45.4% (31 December 2023: 44.3%). I-RES seeks to use borrowings to enhance shareholder returns over the long term. The level of borrowings 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.

17. Dividends

Under the Irish REIT Regime, subject to having sufficient distributable reserves, I-RES is required to distribute to shareholders at least 85% of the Property Income of its Property Rental Business for each accounting period.

On 23 February 2024, the Directors resolved to pay an additional dividend of €10.6 million for the year ended 31 December 2023. The dividend of 2.00 cents per share was paid on 28 March 2024 to shareholders on record as at 8 March 2024.

On 2 August 2023, the Directors resolved to pay an additional dividend of €12.9 million for the six months ended 30 June 2023. The dividend of 2.45 cents per share was paid on 1 September 2023 to shareholders on record as at 11 August 2023.

On 23 February 2023, the Directors resolved to pay an additional dividend of €14.9 million for the year ended 31 December 2022. The dividend of 2.81 cents per share was paid on 3 April 2023 to shareholders on record as at 10 March 2023.

On 10 September 2022, the Directors resolved to pay an additional dividend of €12.2 million for the six months ended 30 June 2022. The dividend of 2.3 cents per share was paid on 9 September 2022 to shareholders on record as at 19 August 2022.

Distributable reserves in accordance with the Irish REIT Regime were calculated as follows:

For the six months ended	30 June 2024	30 June 2023
	€'000	€'000
Loss for the period	**(20,341)**	(43,926)
Less: (Gain)/loss on disposal of investment property	**(436)**	695
Less: unrealised loss on net movement in fair value of investment properties	**32,486**	56,459
Property Income of the Property Rental Business	**11,709**	13,228
Add back:		
Share-based compensation expense	**180**	72
Unrealised change in fair value of derivatives	**72**	(40)
Distributable Reserves	**11,961**	13,260

18. Supplemental Cash Flow Information

Breakdown of operating income items related to financing and investing activities

For the six months ended	30 June 2024 €'000	30 June 2023 €'000
Financing costs as per the consolidated statement of profit or loss and other comprehensive income	**11,942**	13,268
Interest expense accrual	**(46)**	686
Lease interest	**170**	107
Less: amortisation of financing fees	**(874)**	(1,022)
Interest Paid	**11,192**	13,039

Changes in operating assets and liabilities

For the six months ended	30 June 2024 €'000	30 June 2023 €'000
Prepayments	**(1,638)**	(3,904)
Trade receivables	**(214)**	(595)
Accounts payable and other liabilities	**(524)**	917
Security deposits	**(83)**	(26)
Changes in operating assets and liabilities	**(2,459)**	(3,608)

Changes in liabilities due to financing cash flows

For the six months ended 30 June 2024

		Changes from Financing Cash Flows				Non-cash Changes				
Liabilities	1 January 2024	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	30 June 2024
Bank indebtedness	373,020	7,000	(7,500)	—	—	—	—	—	—	372,520
Deferred loan costs, net	(1,665)	—	—	—	(20)	702	—	—	—	(983)
Private placement debt	197,892	—	—	—	—	—	2,140	—	—	200,032
Deferred financing costs, net	(1,767)	—	—	—	(1)	172	—	—	—	(1,596)
Derivative financial instruments	3,667	—	—	—	—	_	—	—	(3,667)	—
Lease liability	8,268	—	—	(212)	—	—	—	—	—	8,056
Total liabilities from financing activities	579,415	7,000	(7,500)	(212)	(21)	874	2,140	—	(3,667)	578,029

18. Supplemental Cash Flow Information *(continued)*

Changes in liabilities due to financing cash flows *(continued)*

For the six months ended 30 June 2023

		Changes from Financing Cash Flows				Non-cash Changes				
Liabilities	**1 January 2023**	**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**	**30 June 2023**
Bank indebtedness	457,020	—	(13,000)	—	—	—	—	—	—	444,020
Deferred loan costs, net	(3,282)	—	—	—	—	886	—	—	—	(2,396)
Private placement debt	200,107	—	—	—	—	—	(1,369)	—	—	198,738
Deferred financing costs, net	(1,870)	—	—	—	—	136	—	—	—	(1,734)
Derivative financial instruments	9	—	—	—	—	—	—	(9)	4	4
Lease liability	8,684	—	—	(207)	—	—	—	—	—	8,477
Total liabilities from financing activities	**660,668**	—	**(13,000)**	**(207)**	—	**1,022**	**(1,369)**	**(9)**	**4**	**647,109**

19. Related Party Transactions

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.

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 ("OMCs") 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 OMCs' boards of directors. However, as each of those OMCs 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 OMCs to be material for consolidation as the total assets of the OMCs is less than 1% of the Group's total assets. I-RES has considered the latest available financial statements of these OMCs in making this assessment.

The total service fees billed in the period by the OMCs were €5.3 million, of which €0.5 million was payable and €3.3 million was prepaid as at 30 June 2024. As at 31 December 2023, €0.1 million was payable and €1.0 million was prepaid by I-RES to the OMCs.

20. 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.

21. 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 2022. As part of the acquisition agreement entered into the Company had a gross capital commitment of €24.1 million. The Vendor did not achieve Practical Completion by the Longstop Practical Completion Date. Therefore, the Company has executed its right to terminate the contract. As at 30 June, the matter was the subject of a contract dispute resolution process. Subsequent to the period end the Independent Architect has ruled in our favour and therefore the Company is continuing with the termination of the contract.

22. Loss 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 six months ended	30 June 2024	30 June 2023
Loss attributable to shareholders of I-RES (€'000)	**(20,341)**	(43,926)
Basic weighted average number of shares	**529,578,946**	529,578,946
Diluted weighted average number of shares(1)(2)	**529,578,946**	529,578,946
Basic Loss per share (cents)	**(3.8)**	(8.3)
Diluted Loss per share (cents)	**(3.8)**	(8.3)

(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 date.

(2) At 30 June 2024, 4,596,499 options (30 June 2023: 4,596,499) were excluded from the diluted weighted average number of ordinary shares because their effect would have been anti-dilutive.

EPRA Earnings represents the earnings from the core operational activities of the Group. It is intended to provide an indicator of the underlying performance of the property portfolio and therefore excludes all components not relevant to the underlying and recurring performance of the portfolio, including any revaluation results and results from the sale of properties. EPRA EPS is calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

EPRA Earnings per Share

For the six months ended	30 June 2024	30 June 2023
Loss for the period (€'000)	**(20,341)**	(43,926)
Adjustments to calculate EPRA Earnings exclude:		
(Gain)/Loss on disposal of investment property (€'000)	**(436)**	695
Changes in fair value on investment properties (€'000)	**32,486**	56,459
Taxation on disposal of properties (€'000)	**—**	1,785
Changes in fair value of derivative financial instruments (€'000)	**72**	(40)
EPRA Earnings (€'000)	**11,781**	14,973
Non-recurring costs (€'000)	**2,394**	—
Adjusted EPRA Earnings for non-recurring costs (€'000)	**14,175**	14,973
Basic weighted average number of shares	**529,578,946**	529,578,946
Diluted weighted average number of shares	**529,578,946**	529,578,946
EPRA Earnings per share (cents)	**2.2**	2.8
Adjusted EPRA EPS for non-recurring costs per share (cents)	**2.7**	2.8
EPRA Diluted Earnings per share (cents)	**2.2**	2.8

23. 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 calculated 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. No deferred tax liability is calculated for I-RES as it is a REIT and taxes are paid at the shareholder level on the 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 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

	30 June 2024		
As at	**EPRA NRV**	**EPRA NTA(1)**	**EPRA NDV(2)**
Net assets (€'000)	**669,251**	**669,251**	**669,251**
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	**(2,527)**	**(2,527)**	**—**
Fair value adjustment for fixed interest rate debt (€'000)	**—**	**—**	**31,146**
Real estate transfer cost (€'000)(3)	**64,505**	**—**	**—**
EPRA net assets (€'000)	**731,229**	**666,724**	**700,397**
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)	**126.4**	**126.4**	**126.4**
EPRA Net Asset Value per share (cents)	**138.1**	**125.9**	**132.3**

(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 30 June 2024 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.

23. Net Asset Value per Share *(continued)*

EPRA NAV per Share *(continued)*

	31 December 2023		
As at	**EPRA NRV**	**EPRA NTA[1]**	**EPRA NDV[2]**
Net assets (€'000)	697,331	697,331	697,331
Adjustments to calculate EPRA net assets exclude:			
Fair value of derivative financial instruments (€'000)	163	163	—
Fair value adjustment for fixed interest rate debt (€'000)	—	—	30,058
Real estate transfer cost (€'000)[3]	65,976	—	—
EPRA net assets (€'000)	763,470	697,494	727,389
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)	131.7	131.7	131.7
EPRA Net Asset Value per share (cents)	144.2	131.7	137.4

(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 2023 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.

24. Subsequent Events

There are no additional subsequent events to disclose in addition to the disclosure made in Note 21 Commitments.

25. Approval of Condensed Consolidated Interim Financial Statements

These unaudited condensed consolidated interim financial statements were approved by the Board on 7 August 2024.

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.

"Adjusted General and Administrative Expenses"

General and administrative expenses adjusted to remove non-recurring costs;

"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;

“Adjusted EPRA EPS”

EPRA EPS calculated using Adjusted EPRA Earnings;

“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 calculated 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 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 Net Loan to Value (Net LTV)”

Calculated by dividing the Group’s aggregate borrowings (net of cash) by the fair value of the Group’s property portfolio;

“Loan to Value (LTV)”

Calculated by dividing the Group’s aggregate borrowings by the fair value of the Group’s property portfolio;

“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;

“Like for Like”

Like-for-like amounts are presented as they measure operating performance adjusted to remove the impact of properties that were only owned for part of the relevant period or comparative period.

“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 divided by the revenue from investment properties;

“Occupancy Rate”

Calculated as the total number of apartments occupied divided by the total number of apartments owned as at the reporting date available to rent;

“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 be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, “continue”, “maintain”, “forecast”, “potential”, “target” or “believe”, or, in each case, their negative or other comparable terminology, or by discussions of strategy, plans, objectives, trends, goals, projections, future events or intentions. Such forward-looking statements are based on the beliefs of management as well as assumptions made and information currently available to the Company. Forward-looking statements speak only as of the date of this report and save as required by law, the Irish Takeover Rules, the Euronext Dublin Listing Rules and/or by the rules of any other securities regulatory authority, the Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements or risk factors in this report, including any changes in its expectations, new information, or any changes in events, conditions or circumstances on which these forward-looking statements are based. Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on, such forward-looking statements. There is no guarantee that the Company will generate a particular rate of return.

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Stock Exchange Listing

Shares of I-RES are listed on Euronext Dublin under the trading symbol "IRES".