YEW GROVE

REIT PLC

Report and Consolidated Financial Statements

For the financial period from 5 April 2018 (date of incorporation) to 31 December 2018

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STRATEGIC REPORT

Chairman's Statement

I am delighted to introduce the Report and Consolidated financial statements of Yew Grove REIT plc (the "Company") for the financial period from 5 April 2018 (date of incorporation) to 31 December 2018 following the Company's successful initial public offering and admission to trading on the Alternative Investment Market of the London Stock Exchange and the Euronext Growth market* of Euronext Dublin in June 2018.

Activity

2018 was a significant and busy year for the Company having successfully launched its initial public offering and admission to trading on both the Alternative Investment Market of the London Stock Exchange and the Euronext Growth market of Euronext Dublin with Admission on 8 June 2018. The Company was the only REIT to successfully float on these exchanges in 2018. Having raised €75 million and acquired the shares of the Yew Tree Investment Fund, the Company was left with investment capital of some €50 million. Those funds, together with an additional €6.2 million drawn from a revolving debt facility of €20 million from the Allied Irish Bank plc, were invested in 5 new locations: namely the Gateway buildings on East Wall Road just north of the Dublin Docks; Blackwater House in Mallow, County Cork; and three buildings on the IDA Ireland park outside of Letterkenny, County Donegal in the north west of Ireland. Following the year end the Company purchased an office on the Cork Airport Business Park and agreed to purchase another on the IDA Ireland park outside Waterford in Ireland's south east. These investments leave the Company almost fully invested, with a strong tenancy mix and rent roll which will stand the Company in good stead in future.

During 2018 the Company organised the integration of the Yew Tree Investment Fund, with the transfer of the Yew Tree Investment Fund's seed portfolio into the Company and progressed the liquidation of the Yew Tree Investment Fund. In early November the Company applied for and received Court approval for the capital reduction of its share premium account, allowing for the declaration and payment of the Company's maiden dividend early in 2019.

Board

During the period the Board devoted considerable time to the Company's post flotation organisation and acquisitions and to the strategic plans for the development of the business. Full details of the Board's activities are set out in the Corporate Governance Statement on pages 37 to 45.

As required by the Corporate Governance Code the majority of the Board are independent non-executive directors with a level of relevant experience and diversity so the Board can oversee executive management and provide an effective framework of corporate controls. These include the Board Committees (whose roles are described in more detail below) as well as the Company's investment process. The Company has a clearly defined process under which all material acquisitions and disposals of buildings as well as material amendments to leases (as well as other core contracts) come to the Board for discussion and approval if they have been recommended by the investment committee of the Company.

The Board also oversees and is updated on the Company's performance by regularly reviewing financial performance in absolute terms and against budgets. It sets the overall strategic direction of the business by conducting an annual Board review of the market, the Company's place in that market and the proposed focus for the year ahead.

I would like to thank each member of the Board for their commitment during the period and I look forward to working with them for the benefit of the Company in the following year.

* While subsequently re-named Euronext Growth, at Admission it was the Enterprise Securities Market.

BARRY O'DOWD
CHAIRMAN

"These investments leave the Company almost fully invested, with a strong tenancy mix and rent roll which will stand the Company in good stead in the future."

Management and employees

On behalf of the Board, I would also like to thank the management team and employees of the Company for their continued hard work and energy over the past 7 months. We look forward to their contributions in the years ahead. It has been a busy and demanding year and as we look forward to further growth in 2019 and beyond we believe that our success is driven by the dedication and commitment of our team. Since Admission the Company has had an Alternative Investment Fund Manager agreement in place with Ballybunion Capital which remains in place.

Outlook

We are confident in the continued growth and success of our business in 2019. The first mover advantage bestowed upon us by the successful IPO gives us the opportunity to grow our business through the strong pipeline of opportunity which has developed over the past year. We remain committed to our strategy as outlined in the admission document and believe that we are well positioned to grow profitably.

On behalf of the Board, I would like to thank you, our shareholders, for your continued support.

Barry O'Dowd
Chairman

23 April 2019

Chief Executive Officer's Statement

I am pleased to announce a strong set of inaugural results for the Yew Grove Group of companies ("the Group) for the financial period from 5 April 2018 (date of incorporation) to 31 December 2018.

The net proceeds from the IPO have been fully invested and together with the two investments in Waterford and Cork (made after the filing of the Company's Initial Financial Statements and announcement of the results) mean that most of the current bank facility is now drawn and invested. The properties that have been acquired have enhanced the rent roll and tenancy mix of the overall portfolio.

Results

Pre-tax profits for the period were €2.3 million including a net valuation gain of over €1.6 million. The valuation gain was partially driven by growth in value of the seed portfolio, but more substantially by the increase in value of properties acquired since the IPO in June 2018. The Company has tripled the size of its property portfolio since IPO, and the valuation gain recorded for the period represents a significant achievement given the market assumption that Irish commercial property investments have an associated cost (including stamp duty, legal, surveying and other fees) of 8.46%.

As a result, European Public Real Estate ("EPRA") Net Asset Value ("NAV") per share increased to 100.18c as at 31 December 2018, from 96.55c as at 30 June 2018. This means that the Company has not only covered the acquisition costs of the new properties, but also the costs of flotation. This is a noteworthy achievement for a company in its first seven months of activity.

The agreement of a revolving credit facility with Allied Irish Banks plc ("AIB") increased the Company's funds available for investment and has allowed us to execute further attractive investments.

The contracted rent roll as at 31 December 2018 was €6.3 million and following the purchase of the Cork and Waterford buildings and the completion of the car park at our Athlone facility the contracted rent roll will increase again, to €7.4 million. The Company has excellent opportunities to increase this from the existing portfolio both through asset management as well as generally increasing rental levels driven by a backdrop of strong demand from tenants in our geographic target market.

Dividend

I am pleased that, as disclosed during the financial period, the Board have agreed to pay an interim dividend in respect of the period to 31 December 2018. The declared dividend was the Group's net income, which rounds to 0.964 cents per share.

Again, as disclosed during 2018, the Company intends to pay quarterly dividends in 2019 and announced the first of its quarterly dividends at the end of March.

Review of activity

In the period from our April 2018 incorporation to period end, we successfully completed a €75 million IPO in June 2018 and have grown our portfolio to 14 properties. This includes 10 properties from the seed portfolio acquired at IPO.

In July 2018, the Group acquired two office buildings (Buildings One and Three Gateway, together the "Gateway buildings") on East Wall Road, Dublin 3, just north of the Dublin docklands. The two buildings were acquired for €31.0 million (including transaction costs). In October, the Group acquired Blackwater House in Mallow for €2.0 million (including transaction costs). In November 2018, the Group agreed terms with IDA Ireland and a tenant of its Athlone property to acquire land and begin construction of a car park adjacent to that property. That work, which cost c €0.5 million, was completed in February 2019. In December 2018, the Group completed the acquisition of three buildings on an IDA park outside Letterkenny in Donegal for an aggregate purchase price of €17.1 million (including transaction costs). The costs of these acquisitions are detailed in note 13 to the accounts below.

JONATHAN LAREDO
CHIEF EXECUTIVE OFFICER

In November 2018, the Company was granted permission by the Courts to reduce its share premium account which was transferred to distributable reserves and as a result when the Company's Initial Financial Statements were filed with the CRO in February 2019, the Board was able to announce the payment of an interim dividend for 2018.

Finally, in December 2018, the Company agreed a revolving credit facility with AIB secured on some of its properties. The facility has a three-year initial term and has an initial principal amount of €19.95 million. At period end the Group had uncommitted facilities of €13.7 million, the majority of which has since been deployed.

Post balance sheet events

On 7 February 2019 the Company declared the payment of an interim dividend in respect of the period ended 31 December 2018 of €723,000 for 0.964 cents per ordinary share. This was paid to shareholders on 26 February 2019.

On 8 February 2019 the Company exchanged contracts to purchase Office Block A, located in the IDA Waterford Business and Technology Park, Butlerstown, Waterford for €4 million plus costs, representing a gross yield to fair value of 8.56% after accounting for all purchase costs. The property, 36,845 sq. ft. of open plan office space arranged over three storeys and is tenanted by Tech Mahindra Business Services Ltd under a 20 years lease with a break in five years, and SE2 Information Services Ireland Ltd under a five years lease.

On 11 February 2019 the Company delivered a completed car park in Athlone to its adjacent tenant under a co-terminus lease.

On 15 February the Company announced the inaugural grant of options to executive management under the Long Term Incentive Plan that had been established in June 2018 at Admission to the Alternative Investment Market of the London Stock Exchange and the Euronext Growth market of Euronext Dublin.

On 27 February 2019 the Company completed the purchase of Unit 2600, Cork Airport Business Park, Cork Airport for €7.5 million plus costs, representing a gross yield at fair value of 7.85% after accounting for purchase costs. The property, a two storey, 40,953 sq. ft office block which was refurbished in 2015 to a high standard and includes a 163-space car park, is tenanted by Clearstream Global Securities Services Ltd, a subsidiary of Deutsche Borse AG, under a 25 year lease with final expiry in just over five years' time.

On 29th March 2019 the Company declared the payment of an interim dividend in respect of the first quarter of 2019 of €825,000 for 1.10 cents per ordinary share. This is to be paid to shareholders on 13 May 2019.

Property valuation

Lisney valued the Company's property portfolio at 31 December 2018, which included the initial valuation of all properties acquired since the IPO. The portfolio was valued at €77.9 million recognising a net valuation gain of €1.6 million.

As at 31 December 2018, the portfolio had a contracted rent roll of €6.3 million representing a gross yield at fair value of 8.1%. The expected gross reversionary yield on the portfolio is in excess of 8.7%.

Chief Executive Officer's Statement (continued)

The portfolio has a weighted average unexpired lease term ("WAULT") of 4.9 years to break and 7.4 years to final maturity. Given the current state of the market, i.e. that demand for property in our geographic target market is driving rent levels up, the Company is currently happy with a slightly shorter WAULT to break/rent review where it can increase rental earnings more quickly.

The post balance sheet transactions mentioned above increase that contracted rent roll to €7.43 million representing a gross yield at fair value of 8.13% with an expected gross reversionary yield in excess of 8.7%.

Finance

Facility drawings at 31 December 2018 stood at €6.2 million with further available facility of €13.7 million. Total debt to equity gearing and LTV at 31 December 2018 were 8.25% and 7.96% respectively. Details of the facility and the amount drawn can be seen at note 18 to the accounts below. Following the 2019 acquisitions most of the balance of the facility has now been drawn.

Irish Commercial Real Estate Market

The strength and depth of the Company's potential acquisition pipeline is a reflection of the positive Irish commercial real estate market, as well as the Company's first mover advantage as the only publicly quoted vehicle focusing predominantly outside of the Dublin Central Business District ("CBD"). The Irish economy has performed strongly in recent years and this has been reflected by the volume of property investment transactions. 2018 was one of the strongest years on record with total transactions of €3.6 billion. More significantly for the Company, approximately 67% of those transactions happened outside of the Dublin CBD,* i.e. within the Company's geographic target market. The prognosis for the economy remains positive despite underlying concerns relating to Brexit and other macro-economic headwinds.

On current trends, demand for office space is increasingly being driven by the requirement from multinationals for large footplate, Grade A or modern space. In addition, the Irish Government has a proactive policy focused on balanced regional development which is encouraging the growth of regional FDI centres. With current rent rates for prime space outside of the CBD at half of the CBD levels or lower, multinationals and other tenants attracted by suitable space are driving demand and falling vacancy rates. For the past 3 years take up has been stronger in Dublin's secondary and suburban areas than in the CBD, and in 2018 vacancy rates in those locations fell, whilst vacancy increased in the CBD (principally in older, poorer quality buildings). Vacancy rates have fallen in Cork, Limerick, Galway and the other key cities and towns in which large corporate FDI companies are increasingly looking to site their businesses. Rising rents have seen the beginnings of development outside of the CBD, with over half a million square feet under construction.*

Transactions in industrial property are fewer as a severe shortage of suitable properties makes secondary transactions expensive and relatively infrequent. This market accounted for only 3% of all commercial real estate investment transactions in the first 3 quarters of 2018.* However, the demand for space is driving rents upwards and there are increasing numbers of forward funded developments for tenants. The Company expects to see that continue in 2019 and beyond.

These trends align with Yew Grove REIT's differentiated strategy, targeting well-tenanted commercial real estate located outside of the Dublin CBD and I and the Board look forward with a high degree of optimism to our first full year of active operations.

* Source: Cushman and Wakefield.

“On current trends, demand for office space is increasingly being driven by the requirement from multinationals for large footplate, Grade A or modern space.”

Ashtown Gate
Office, Dublin

Strategic Priorities

Our business strategy is driven by our dividend strategy

The Company is committed to building a portfolio of commercial buildings in Ireland, outside of Dublin's central business district ('CBD'). Target properties should be structurally sound, attractive to tenants of good credit standing (government or large corporations) and generate a rent roll and a reversionary rent which will support a sustainable and growing dividend, paid quarterly.

The execution of that strategy is driven by a number of interlinked factors and objectives:

We will continue to manage our cost base carefully. The Company is committed to paying shareholders 100% of property income by way of a quarterly dividend. As our costs are principally fixed and not linked to the size of our capital base we will reduce our cost to revenue ratio as our capital base and portfolio grows, with the consequent benefits for our dividend capacity.

We use our first mover advantage to buy well. Our chosen market still offers the opportunity to invest in well tenanted buildings at attractive investment yields and as the only public vehicle focused on this opportunity, we continue to maximise our exposure to the sector. Irish commercial real estate outside of the Dublin CBD offers institutional quality buildings at net investment yields in excess of 7%. Our target market is small by European standards so it is not a core focus for European property firms. Most institutional investors are interested only in the larger transactions (typically above €20 million) which are few and far between. The Company targets properties below this threshold which are typically beyond the price range of most high net worth buyers. Because many of the non-public funds and companies also targeting these properties have found it difficult to raise capital over the past 12-15 months Yew Grove has an opportunity to grow its portfolio without a compression of net investment yields.

We manage the estate to optimise rent roll and WAULT. Many of the properties in which we invest offer the opportunity to improve the investment yield, either because rents are rising as demand for modern buildings with institutional floor plates outstrips supply, or because they have not been actively managed by the previous owners, or a combination of both factors. Where buildings are already fully let at rents which we consider to have little opportunity for growth, we look to extend and maximise the lease term. This fits with demand because, as there is a shortage of good quality office and industrial buildings in our target market, multinationals which are growing their activities locally are keen to tie down quality space with longer leases.

KCI Athlone
Industrial, Athlone

In addition to growing our portfolio through investments in existing buildings we are also focused on **developing relationships with key tenants** that require more space on sites they have occupied for some time. In certain circumstances we will **consider forward funded transactions** to finance the development of new industrial buildings or offices, provided the investment by Yew Grove meets our required rate of return.

We also expect to rationalise the portfolio by selling down some of the higher yielding, but smaller, buildings which are well tenanted but are not institutional grade stock. The price for these buildings suits the high net worth market and so should find interest at or above the valuations at which we own them. Any proceeds of sale will be reinvested.

As rental growth begins to slow and the market outside of the Dublin CBD matures (supply and demand begin to balance) we will seek to **extend the WAULT on the portfolio.** We expect therefore, that our portfolio will over time coalesce into a coherent collection of modern office and industrial buildings sited across the country, with approximately 50% to 65% in the Dublin suburbs and commuter belt and the balance spread between Cork, the Midlands and the rest of the country.

Key Performance Indicators

The Company's results for the financial period 2018 are set out in the Consolidated Statement of Comprehensive Income on page 75. The profit for the financial period ended 31 December 2018 was €2.3 million, including unrealised profits on investment properties of €1.6 million.

The Company's key performance indicators are chosen to be specific to the Company's sector, to provide a measure of the Company's performance and to show progression against the Company's investment objectives.

KPI	Relevance to Strategy	Performance against KPIs				
		Prior to Admission	30 June 2018	31 December 2018	Change from prior to Admission	Change from 30 June 2018
NAV per share	The NAV reflects the Company's ability to deploy its capital in a value enhancing manner.	100.0	96.5c	100.2c	+0.2c	+3.7c
EPRA NAV per share*	The EPRA NAV reflects the Company's ability to deploy its capital in a value enhancing manner that can be compared with its peers.	100.0	96.5c	100.2c	+0.2c	+3.7c
Dividend per share	The dividend reflects the Company's ability to deliver a sustainable income stream from its investment properties.	0	0	0	0	0
Total shareholder return*	The total shareholder return demonstrates the Company's ability to generate returns for its shareholders	100.0	101.1	100.0	+0c	-1c

* Alternative Performance Measures ("APMs"). The Company uses a number of financial measures to describe its performance which are not defined under International Financial Reporting Standards ("IFRS") and which are therefore considered APMs. In particular, measures developed by the European Public Real Estate Association ("EPRA") are reported in line with other public real estate companies. These are defined in more detail, and reconciled with IFRS where applicable, on page 115.

Operational Metrics

Additionally, the Company measures operational performance metrics that allow the Company's property operations to be compared with others in its sector or peer group.

The Company's investment objective, as laid out in the Admission document is to:

- Provide shareholders with high, good quality income;
- Pay a covered dividend and generate an attractive risk-adjusted total return for shareholders;
- Build a portfolio of Irish commercial office and industrial property assets to support a 7c per share dividend while achieving moderate capital growth; and
- Ensure that the investment properties be tenanted principally by Government and corporate tenants with favourable credit profiles

The Company intends to pay its comprehensive income (excluding fair value gains or losses on investment properties) to shareholders by way of dividends. In order to pay dividends the Company was required to reduce its share premium by transferring it to distributable reserves. The Irish Courts approved this on 2 November 2018, and following filing financial statements with the CRO in February 2019 the Company began to pay quarterly dividends to shareholders. The interim dividend paid for the financial period was 0.964c per share for a total of €723,000.

The primary operational metrics used by the Directors to measure the Company's progress in achieving its investment objectives are illustrated below:

The quality of the Company's income is measured with reference to the creditworthiness of its tenants. Over the period from Admission to 31 December 2018 the Company's contracted rent roll by tenant type and ERV for vacancy has changed as shown below:

	Government/quasi Government	FDI	Large Enterprise	SME	Vacancy
Admission	34.0%	52.5%	1.0%	11.5%	1.0%
31 December 2018	37.5%	54.0%	0.4%	5.3%	2.8%
Period change	3.5%	1.5%	-0.6%	-6.2%	1.8%

Additionally, the tenor and trajectory of the Company's rental income is measured;

	WAULT to next break	WAULT to lease end	Life to next rent reversion date	Gross Yield at fair value*	Gross reversionary yield*
Admission	5.2 years	10.4 years	3.2 years	10.0%	9%
31 December 2018	4.9 years	7.4 years	2.9 years	8.1%	8.6%
Period change	-0.3 years	-3.0 years	-0.3 years	-1.9%	-0.4%

* Alternative Performance Measures ("APMs"). The Company uses a number of financial measures to describe its performance which are not defined under International Financial Reporting Standards ("IFRS") and which are therefore considered APMs. In particular, measures developed by the European Public Real Estate Association ("EPRA") are reported in line with other public real estate companies. These are defined in more detail, and reconciled with IFRS where applicable, on page 115.

Key Performance Indicators (continued)

Over the same period the Company has deployed the full proceeds of its IPO and €6.2 million of its debt facility, increasing the value of the Group's revenue generating assets from €25.9 million to €77.9 million while increasing the Company's contracted rent roll from €2.6 million at Admission to €6.3 million as at 31 December 2018. The Company measures contracted rent roll in order to measure the progression of its primary source of income on a monthly basis.

The Company has incurred €3.5 million of purchase costs (including 6% stamp tax and legal/agency and due diligence costs) on properties purchased since Admission. The fair value gain on the Company's properties at 31 December 2018 offset the entirety of these costs to show a net gain of €1.6 million and a gain of €5.1 million from purchase price (excluding costs) being the difference between the €25.9 million distributed in specie from the Yew Tree Investment Fund, the subsequent property purchases of €46.9 million and the period end valuation of €77.9 million.

In order to manage the Company's life and growth, the Directors have set short and medium-term targets for the investment objectives. These are a mix of organisational and property management, investment and capital raising objectives:

	2018 progress	Impact
Short term objectives:		
To have allocated the capital raised at admission within 12 months	All of €75 million raised deployed	Company ahead of capital allocation target
To establish and run the Company's business prudently and in compliance with the REIT rules*	Capital reduction, subsidiary fund liquidation, REIT rule compliance	Company paid dividends and property income distributions in early 2019
Medium term objectives:		
To raise leverage of no greater than 25% on agreeable terms and deploy this in property assets	RCF of €19.9 million agreed, €6.2 million drawn	Revenue increase, asset increase
To raise further equity capital and deploy further equity capital in property assets	Selection of suitable brokers and advisors	Timeline (excluding market conditions) achievable
To increase amount, security and duration of the Company's rental income	Rent reviews initiated	Annual contracted rent roll increase from 2019 from rent review of €0.04 million
To continue to minimise the Company's cost base, such that incremental capital raises can enhance the Company's dividends	Staffing and systems established prudently	Company operationally ready to raise and deploy further capital

* As an Irish Real Estate Investment Trust ("REIT"), the Company is subject to Part 25A of the Taxes Consolidation Act 1997 (as inserted by section 41 of the Finance Act 2013).

Portfolio Report

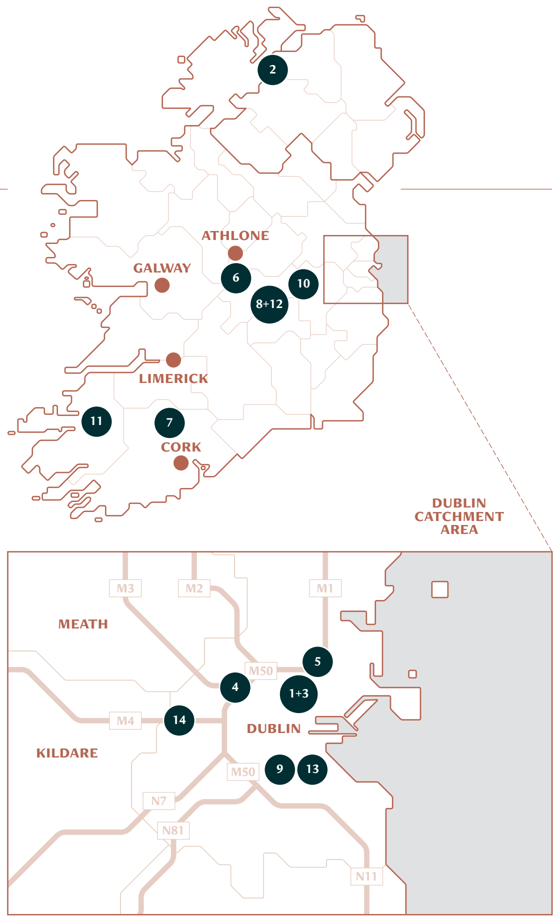
Our Portfolio at a Glance

- Contracted rent roll: €6.3 million.
- Portfolio Value: €77.9 million[1]
- Gross yield at fair value at year end valuation: 8.1%[2]
- Gross reversionary yield at year end valuation: 8.6%.
- Number of Properties: 14
- Income security with WAULT at 4.98 years to break and 7.4 years to expiry.
- Portfolio has increased in value from €25.9 million at Admission to €77.9 million at 31 December 2018.
- 31 December 2018 valuation includes €72.8 million as property purchase price, €5.1 million subsequent property valuation gains.
- Contracted rent roll has increased from €2.6 million at Admission to €6.3 million.
- Portfolio Location: 58% of income generated by properties within the Dublin catchment area[3].
- Portfolio Quality: 92% of annualised rental income secured by Government & Foreign Direct Investment ("FDI") tenants.
- Income by Property Type: 76% of income generated from offices, 19% from industrial buildings and 5% from mixed use or retail buildings.

[1] Lisney 31 December 2018.
[2] Estimated rent divided by current valuation of the property.
[3] Dublin Catchment Area defined as within a thirty minute commute of the M50 motorway.

Ashtown Gate
Office, Dublin

Portfolio Report (continued)



Use by contracted rent roll

Office	76%
Industrial	19%
Retail	5%

Tenant type by contracted rent roll

FDI	54%
Government	38%
SME	5%
Vacancy	3%
Large Enterprise	0%

Portfolio Schedule

	Building	Type	Location	Value* (€'m)	Current Rent (€'000)	Gross Yield at fair value	Reversionary Rent (€'000)	Gross Reversionary Yield	WAULT to lease break (years)	WAULT to lease end (years)	Portfolio Vacancy
1	One Gateway	Office	Dublin	18.0	1,101.2	6.1%	1,398.8	7.8%	3.5	5.0	5.6%
2	Letterkenny	Office	North West	16.0	1,436.7	9.0%	1,458.2	9.1%	9.3	9.3	0.0%
3	Three Gateway	Office	Dublin	14.0	913.4	6.5%	1,071.0	7.6%	2.0	2.0	0.0%
4	Ashtown Gate	Office	Dublin	9.4	766.7	8.2%	781.8	8.3%	3.0	7.1	0.0%
5	Airways Ind Est.	Industrial	Dublin	4.5	300.0	6.6%	461.9	10.2%	6.8	11.8	0.0%
6	IDA Athlone	Industrial	Midlands	3.9	386.7	10.0%	443.5	11.4%	4.7	15.7	0.0%
7	Blackwater House	Office	Cork	2.3	229.0	10.1%	344.3	15.2%	1.6	5.5	29.6%
8	Bridge Centre, Tullamore	Retail	Midlands	1.9	229.2	11.8%	177.6	9.2%	2.4	3.0	0.0%
9	Holly Avenue	Industrial	Dublin	1.8	169.9	9.4%	169.9	9.4%	2.1	9.1	0.0%
10	Naas Enterprise Park	Industrial	Dublin Catchment	1.7	170.0	9.9%	185.5	10.8%	4.1	4.1	0.0%
11	Listowel	Office/Retail	South West	1.6	275.9	16.9%	150.3	9.2%	4.2	10.7	0.0%
12	Canal House	Office/Retail	Midlands	1.0	106.5	10.8%	51.6	5.2%	8.0	8.0	0.0%
13	Heather Road	Industrial	Dublin	1.0	92.5	9.7%	53.0	5.6%	10.6	10.6	0.0%
14	Centre Point	Industrial	Dublin	0.9	110.0	12.9%	51.0	6.0%	7.7	7.7	0.0%
	Total			**77.9**	**6,287.7**	**8.1%**	**6,798.4**	**8.7%**	**4.9**	**7.4**	**3%**

* Lisney 31 December 2018.

Investment Activity since Admission

The third quarter was dominated by the purchase and closing of Gateway One and Three located on the East Wall Road adjacent to Dublin docklands.

These buildings have 8,825 sq. m (95,000 sq. ft) of office space and 71 car parking spaces and are tenanted by the ESB, Colt and Whirlpool. This transaction was the Company's first acquisition following Admission at a price of €29 million and €2 million of transaction costs. The buildings have since been valued at €32 million for a gross yield at fair value of 6.3%.

The buildings were constructed in 2008 and offer high grade office space in the North Dock area adjacent to East Point Business Park. The area is expanding and improving in terms of profile and rental levels.

The buildings are 97% let with one single fully fitted HQ suite unlet. The unit is being marketed at a headline* rent of €350 per sq. metre (€32.50 per sq. ft). The recent letting of the nearby Beckett Building to Facebook and rental growth at the adjacent East Point Business Park gives an indication of the substantial reversionary potential of these buildings, which together have a WAULT of 2.8 years to the next tenant break option.

In the fourth quarter of 2018 the Company completed 2 further acquisitions.

The Company's acquisition of Blackwater House in Mallow Business Park, County Cork was completed in November 2018 for a price of €1.85 million and transaction costs of €0.15 million. The building was valued at 31st December 2018 at €2.3 million giving a gross yield at fair value of 10.1%. The building, which was included as part of the property pipeline in the Company's Admission document, is a multi-tenanted office building with 29,462 sq. ft. of modern office space.

Blackwater House has a strong tenant mix with 85% of rental income from Irish Water and the Health Service Executive (HSE). At the time of acquisition, the building had 29.6% vacancy.

The management team is actively marketing the space both to existing and new tenants and expects to let the vacant space at rents of between €12 and €14 per square foot.

In December the Company acquired a three-office campus on the IDA Technology & Business Park in Letterkenny, Donegal for €16.0 million and transaction costs of €1.1 million. The building was valued at period end at the purchase price of €16 million which is a 9% gross yield at fair value.

The three buildings are tenanted by Optum Operations (Ireland) Ltd under a 10-year lease with 9.25 years of term remaining. The leases are guaranteed by Optum's parent, the United Health Group, the largest healthcare business globally and one of the US's largest corporations by revenue. Following a major refurbishment in 2017 the buildings have 90,548 sq. ft. of net internal space completed to Grade A specification. There are 688 surface car parking spaces on the 2.18 ha (5.45 acre) site and sufficient zoned land for expansion including a new building and additional car parking.

Following Admission in 2018, the Company viewed 17 sites in the Company's Geographic Target Market with a total value of €151 million. Of those, the Company acquired the 6 buildings on 3 sites (2 buildings at Gateway One and Three, East Wall Road, 1 at Blackwater House, Mallow Business Park and 3 at IDA Technology & Business Park, Letterkenny) detailed above at a cost of €50.1 million in 2018, and 2 further buildings in Waterford and Cork Airport with a cost of €11.3 million subsequently in 2019.

* Headline rent is the rent in a lease agreement not including incentives e.g. rent-free periods.

Portfolio Report (continued)

Portfolio Objectives & Policy

Yew Grove's investment strategy is to invest in a portfolio of properties in its geographical target market let to and attractive to FDI and Government tenants.

The strategy is supported by the following limitations;

(i) No single property exceeds 25% of the value of the total assets of the company;
(ii) Income receivable from any one tenant (other than a State Body) does not exceed 35% of the total rental income;
(iii) A minimum of 90% of the company's assets are invested in the office and industrial properties.
(iv) No more than 20% of the total assets of the company are invested in properties outside its geographic target market.
(v) The Company will not engage in speculative development. The Company will consider funding development where the cost of development and the lease on the completion of the development are agreed and in place.

Portfolio Structure

The portfolio has 44,374 sq. m (477,644 sq. ft) of interior building area. Offices represent 55% of the portfolio (260,469 sq. ft), of which approx. 27% (127,932 sq. ft) is located within the Dublin catchment area. Industrial buildings represent 41% of the portfolio (197,037 sq. ft) of which approx. two thirds (116,443 sq. ft) is in the Dublin catchment area. The balance of the industrial buildings is located in the IDA Ireland Business and Technology Park, Athlone.

Retail units represent 4% or 20,137 sq. ft of the Company's floor area.

The vacancy rate of the portfolio by floor area stands at 2.5% or 1,127 sq. m (12,132 sq. ft), and by ERV stands at 3.0%, the majority being at Blackwater House.

Of the vacancy, 363 sq. m (3,909 sq. ft) is currently under offer with agreed heads of terms at Blackwater House and the Bridge Centre in Tullamore. The EPRA vacancy rate is 3.0% (the ERV of vacant space divided by ERV of the Portfolio).

Reversionary and Rental Potential

One of the key challenges for the management team is to source a pipeline of assets that not only meet the building and tenant covenant criteria but is also situated in areas where the local economy is driving a growth in rents. A consequence of the over development of speculative property that led up to the Irish economic crisis was that across the country many tenants were subject to over-rented leases (i.e. leases where the existing rent was higher than the prevailing rents for similar buildings in the area). By and large this has been eliminated in most areas of the country as the economy recovered, vacancy rates fell and rents rose. Today, across most of our portfolio the market rent is higher than that currently charged to our tenants. That growth in rents continues and this reversionary potential will fuel the company's rental income growth in the future.

The reduction in vacancy means that new lease terms being agreed in the market are increasingly beneficial for landlords with less tenant incentives and where rents are stabilising, longer lease terms being achieved.

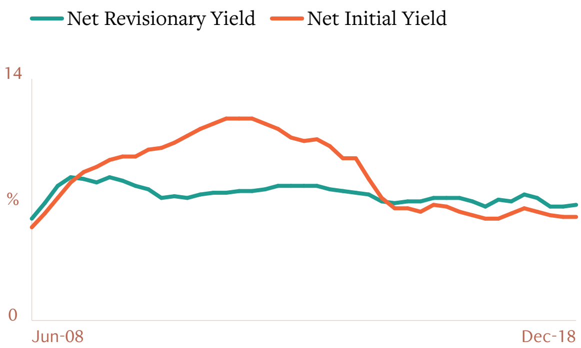
Similarly, rent-free periods are shorter and less frequent for new tenants, allowing landlords to realise a higher net effective rent on buildings.

The Company's portfolio has government bodies (such as Irish Water, ESB and the OPW) accounting for 37% of the total rent roll, while FDI and Corporates (such as KCI, Optum, GE) account for 54%.

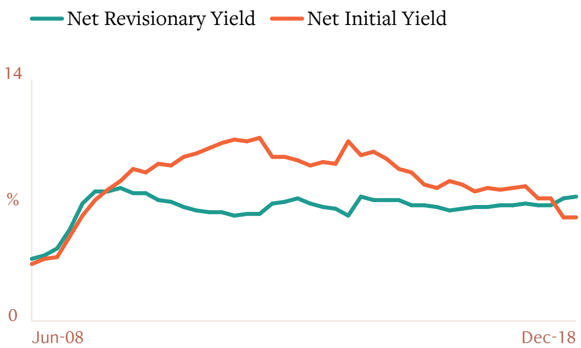
Demand for office space is evident across the Company's geographic target market as businesses expand and require more space but the supply of new development remains scarce. As an example, the Company's Blackwater House property was acquired with 29.6% vacancy in September 2018. Since then a further 10% has been agreed to lease. It is anticipated that the remaining space will be leased by the end of 2019. All new leases are expected to be at levels at or above those underwritten at the time of acquisition.

In the financial period, the company undertook a number of asset management projects including the construction of a new 70 space surface car park at the industrial unit located within the IDA Technology & Business Park, Athlone with an agreement to lease by KCI on a co-terminus lease to their current lease. Additionally, a rent review of a suburban industrial unit at Holly Avenue in Stillorgan, Co Dublin producing a rental uplift of 36% to €107.60 per sq. m (€10 per sq. ft) in February 2019.

Reversionary potential now across the secondary Dublin office market in 2019



Reversionary potential re-emerging too for regional commercial property



Source: Goodbody, MSCI

Project Management for 2019

The portfolio has ongoing projects that will be completed within the first six months of the year. The Company may from time to time, undertake planning, intensification, unit consolidation, unit division, modernisations and redevelopments in respect of properties, where the management team believe it will enhance future income generation and capital values.

The Company however does not acquire land for speculative development of offices or industrial assets except where it forms part of the demise of a property that otherwise satisfies the Company's investment criteria.

Acquisitions & Disposals Policy

The Company's geographic target market is focused on a) Dublin (other than the CBD area); b) the Dublin catchment area and c) major regional cities and towns (especially those identified as hubs for industrial development under Project Ireland 2040) and d) IDA Ireland Business and Technology Parks.

Outside Dublin, the Company acquired properties within the major regional cities and towns and IDA Business and Technology parks nationally, ranging from Letterkenny, Donegal to the Cork and Dublin suburban markets.

The management team seeks to develop and encourage close relationships with the Company's tenants to understand their business growth plans and where suitable to try to facilitate that growth. Several tenants have already confirmed that they would like to expand their current operations and may need additional space in the medium term.

The Company's acquisition policy remains unchanged. The Company is focused on buying industrial and office buildings, with a targeted cost of between €5m and €15m. The Company expects to generate a robust pipeline of assets in 2019 coming from a number of different sources including loan workouts, private equity firms, construction and development firms, asset sales, portfolio reconfiguration, sale and leaseback and market consolidation.

In order to improve the weighting of capital values as well as eliminating the retail exposure within the portfolio, the Company will explore disposal of its smaller assets in 2019.

Portfolio Report (continued)

Top Five Portfolio Assets

One & Three Gateway, *East Wall Road, Dublin 3*

INVESTMENT REGION Non-CBD Dublin	**TENANT** Gov/FDI/Corp
ASSET Building One & Three, Gateway	**WAULT (EXPIRY/BREAK)** 3.64/2.66
TYPE Office	**ACQUISITION PRICE** €29.0m
AREA 94,800 sq. ft	**VALUATION*** €32.0m
BUILDING DESIGN Multi- tenanted	**GROSS YIELD AT FAIR VALUE** 6.3%
GROSS REVERSIONARY YIELD 7.7%	

IDA Letterkenny Office Park, *Letterkenny, Co. Donegal*

INVESTMENT REGION Non-Core Regional	**TENANT** FDI
ASSET Optum 1, 2 & 3	**WAULT (EXPIRY/BREAK)** 9.3/9.3
TYPE Office	**ACQUISITION PRICE** €16.0m
AREA 90,548 sq. ft	**VALUATION*** €16.0m
BUILDING DESIGN Single-tenanted	**GROSS YIELD AT FAIR VALUE** 9.0%
GROSS REVERSIONARY YIELD 9.1%	

Ashtown Gate, *Dublin*

INVESTMENT REGION Core Dublin	**TENANT** Govt/FDI
ASSET Ashtown Gate B & C	**WAULT (EXPIRY/BREAK)** 7.1/3.0
TYPE Office	**ACQUISITION PRICE** €8.80m
AREA 33,100 sq. ft	**VALUATION*** €9.36m
BUILDING DESIGN Multi-tenanted	**GROSS YIELD AT FAIR VALUE** 8.2%
GROSS REVERSIONARY YIELD 8.2%	

7 & 8 Airways Industrial Estate, *Santry, Dublin 9*

INVESTMENT REGION Core Dublin	**TENANT** FDI
ASSET 7 & 8 Airways Ind. Est	**WAULT (EXPIRY/BREAK)** 11.8/6.8
TYPE Industrial	**ACQUISITION PRICE** €3.8m
AREA 88,000 sq. ft	**VALUATION*** €4.53m
BUILDING DESIGN Single-tenanted	**GROSS YIELD AT FAIR VALUE** 6.6%
GROSS REVERSIONARY YIELD 10.2%	

Block 2, IDA Ireland Business & Technology Park, *Athlone, Co Westmeath*

INVESTMENT REGION Core Dublin	**TENANT** FDI
ASSET Block 2 IDA Tech & Bus Park	**WAULT (EXPIRY/BREAK)** 15.7/4.7
TYPE Industrial	**ACQUISITION PRICE** €3.615m
AREA 46,900 sq. ft	**VALUATION*** €3.875m
BUILDING DESIGN Single-tenanted	**GROSS YIELD AT FAIR VALUE** 10.0%
GROSS REVERSIONARY YIELD 11.4%	

* Lisney valuation as at 31st December 2018.

Market Report

The Irish Commercial Real Estate Investment Market achieved a record-breaking volume of €3.6bn of transactions in 2018 versus €2.2bn in 2017. The Dublin CBD (including Docklands) accounted for 33% of the 2018 volume and the Dublin suburbs accounted for an additional 50% of the volume, with the regional markets accounting for the 17% balance. This illustrates that 67% of the transactions in the Irish investment market are within the company's geographic target market. The volume of transactions is anticipated to be maintained at around the €3bn level for 2019 (source TWM).

The Company's focus on its geographic target market allows it to acquire institutional quality investment stock with high quality tenant covenants at a premium to investment property located in the CBD.

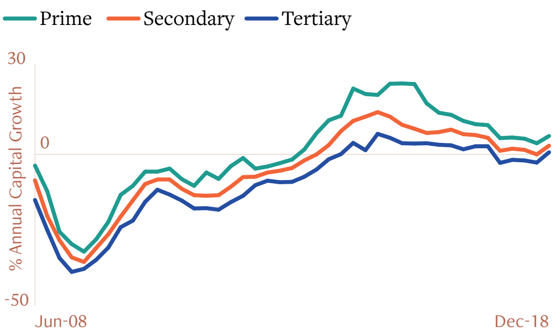
The yield differential between Dublin's CBD and the suburban or regional markets depends on location and property specific issues, but the yields for institutional quality office buildings outside the CBD are now between 250 and 350 bps higher (and in some cases even higher) than in the CBD. There has been relatively limited yield compression in the regional markets despite the tightening seen in central Dublin, largely because the regional markets have not yet had sustained investment demand from institutional investors. This began to change in 2018 and we expect this to continue in future.

Investment Volume and Yield

Placing Ireland's prime rents in a European and UK context (particularly cities competing for UK relocators) both Dublin (particularly Dublin's suburbs) and the regional centres remain competitive. While Dublin rents remained unchanged in Q3, the average growth rate for office rents across Europe was 0.7% according to Cushman & Wakefield's 'DNA of Real Estate Q3 2018'. The outlook across Europe for 2019 is for further rent increases in core cities.

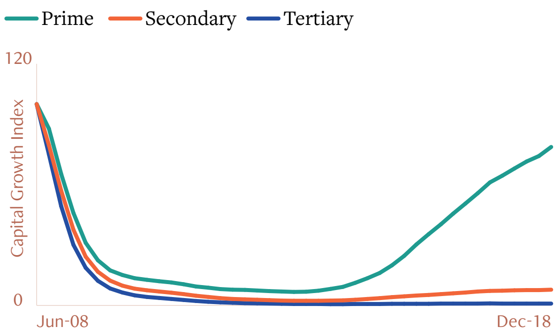
Market expectation is that the Dublin prime CBD office market will continue to perform with yields stabilising between 4.0% and 4.5% for Grade A space. The CBD is benefiting from the 'Tech Mega Lease' trend (Facebook, Amazon, Salesforce) as well as attracting new first-time foreign investors in Irish commercial real estate.

Early capital value growth has been largely constrained to prime Dublin offices...



Source: Goodbody, MSCI

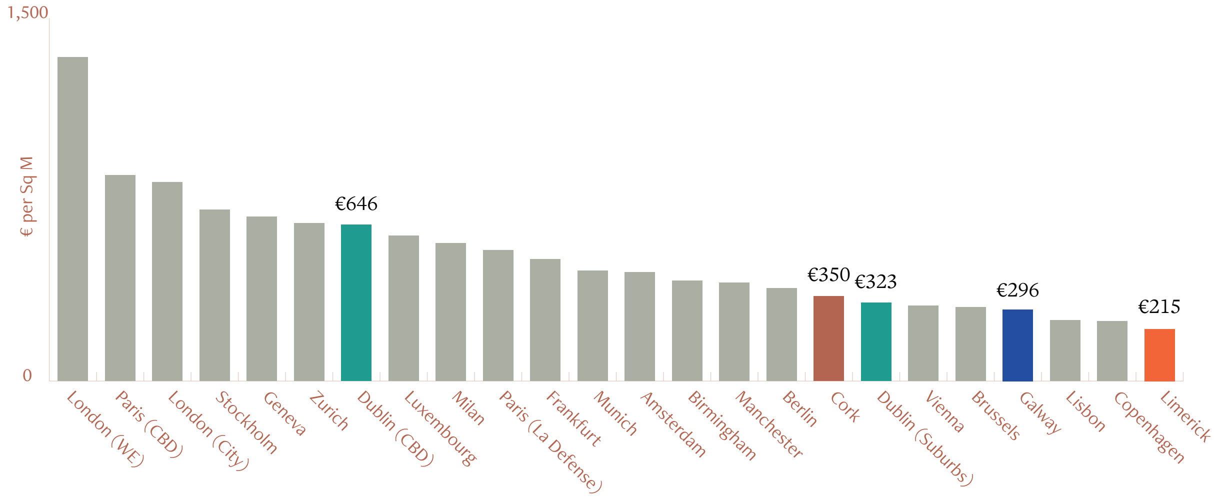
...meaning that non-core submarkets offer significant value and early stage recovery



Source: Goodbody, MSCI

European City Office Rents
Q3 2018 (€ per sq. m)

Source: Cushman & Wakefield Research

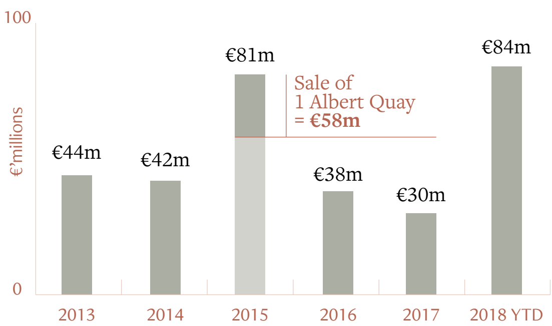


CBD rents have reached previous peaks at €65 per sq. ft. but are expected to plateau at this level in the medium term. As CBD rents are now matching the peak of the 2006/07 market and more importantly expected to remain at this level (especially for grade A, large floorplate buildings) for the medium term, the suburban Dublin market is showing more value both for tenants and investors as rental growth and yield compression have both significantly lagged the CBD.

Outside Dublin, investment volume in regional markets was €630m in 2018 with Cork, Limerick and Galway areas providing most interest.

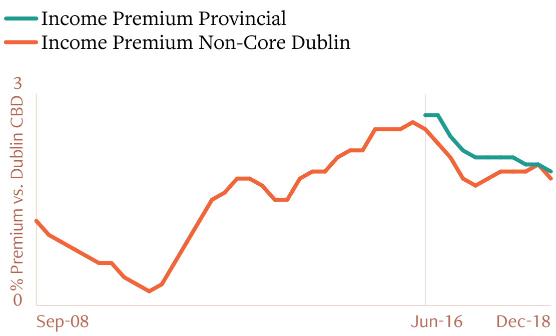
Cork prime city centre yields have reached 5.65% and are expected to hit 5.50% in 2019. Likewise, in Galway and Limerick, prime office yields stood at 6.00% and 6.50% respectively at the end of the year, with further compression anticipated in 2019 (source Cushman & Wakefield). Transaction frequency for office investment in these three regional centres has been increasing year on year.

Regional Office Investment
2013 – YTD Q3 2018



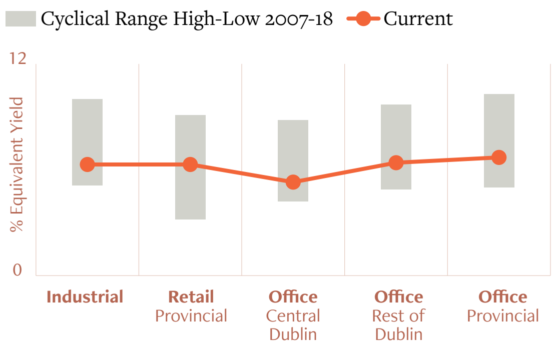
Source: Cushman & Wakefield Research

Income premiums of 200bps are still available from property outside Dublin CBD



Source: Goodbody, MSCI

Non-core office yields are still a long way off previous peak highs



Source: Goodbody, MSCI

Market Report (continued)

Suburban Dublin Office Take-Up and Rents

Like the investment market, occupier activity in the office market is performing strongly, with 2019 set to be another record year for leasing activity in the Dublin market.

Suburban rents have lagged the CBD with more modest growth leaving rents from €20 to €32.5 per sq. ft depending on asset quality and location, however the expectation is for continued growth in 2019.

Occupiers including multi-national, large corporate and government tenants are all increasing their requirements for space in response to a positive local economic outlook. As a result, they are increasingly looking outside the CBD for rental value and availability in order to take up institutional space at rents up to 50% below the CBD.

Limited development and increasing demand are creating upward pressure on rents. The forecast for Dublin suburban offices in 2019 is 8.4%, to €350 per sq. m (€32.50 per sq. ft) (source Cushman & Wakefield).

Table 8: Dublin Suburban Prime Office Rents Outlook

	Measure	Q3 2018	2018f	2019f
Dublin Suburbs	Sq m	€323	€323	↗
	Sq ft	€30	€32.50	

Source: Cushman & Wakefiled Research

The IDA policy of 'second siting' new and expanding FDI investment showcases lower rents and more attractive labour markets to FDI tenants in both suburban and regional market locations versus the CBD. Some companies such as Google are increasingly viewing the Dublin suburbs as sites for expansion, particularly the southern suburbs such as Leopardstown, Cherrywood and Carrickmines. This demand will drive new development here as rents achievable make development viable as seen in Sandyford. Others such as SAP, Metlife and Fidelity have divided their expanded operations between Dublin and Galway.

A total of 3.72 million sq. ft was taken up in 2018 in Dublin. Of this, 2.75 million sq. ft was in the CBD including the Facebook Fibonacci letting of 870,000 sq. ft, and the balance of 976,555 sq. ft in the Dublin suburbs. As occupiers are increasingly reviewing the north, south and west Dublin suburbs for expansion, availability in the suburbs has tightened by 11%, to 2.0 million sq. ft. There is an additional 1.4 million sq. ft of office in planning and under construction in the suburbs.

Prime headline rents in the southern suburbs were €30 per sq. ft (€328.5 per sq. m) at the end of Q4 while rents in the northern suburbs were at €19.50 per sq. ft (€210 per sq. m) and in the western suburbs were at €17.50 per sq. ft (€188.30 per sq. m).

Location	Headline office rents per sq.ft per annum
Dublin City Centre (Grade A)	€62.5
Dublin City Centre (Grade B/C)	€45–€55
South Dublin Suburbs	€25–€30
North Dublin Suburbs	€17.5–€22.5
West Dublin Suburbs	€16.5–€20
Cork City (Grade A)	€25–€35
Cork City (Grade B/C)	€18–€25
Cork Suburbs (Grade A)	€15–€22
Cork Suburbs (Other)	€12–€18
Galway City & Suburbs	€10–€25
Limerick/Shannon	€15–€25
Waterford	€8–€18
Sligo	€10–€15
Athlone	€10–€15
Dundalk	€13–€16

Source: IDA, MSCI, Goodbody, Various Agents

Current Office Rent per sq. ft ex-Dublin (€)

Source: MSCI

Regional Office Markets

Regional office rents are recovering across the country and continue to provide both FDI and Government tenants value for money versus the Dublin CBD.

Performance in Cork, Limerick and Galway showed improvement throughout 2018, with over-rental falling and upward pressure on rents.

Tenant confidence is growing, but supply (especially for modern offices) is limited in most locations. Cork, Galway and Limerick continue to suffer from a shortage of large Grade A space which has hampered tenant plans. These regional cities now have their lowest vacancy levels for a decade. Cork has experienced the greatest rental growth which has driven the initial new development. As Dublin rents return to previous peaks, regional rents remain well below their own previous peaks by 5.7%.

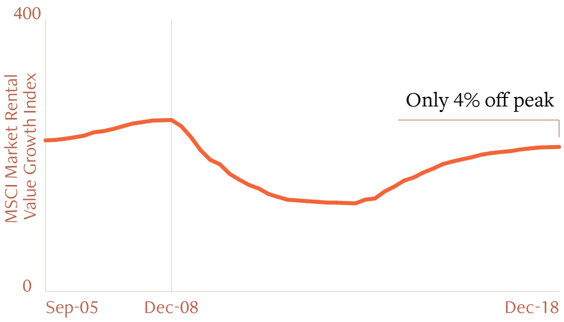
Regional Office Take up and Rents

Cork

Cork was the best performing of the three regional centres in 2018. Cork experienced a 2018 take up of 470,800 sq. ft versus a prior norm of 360,000 sq. ft. per annum and several high-profile technology firms are moving from the suburbs to the city centre as new modern Grade A space is built there. The new Apple campus inflated the 2018 take up and the normalised take up of 360,000 sq. ft is expected in 2019.

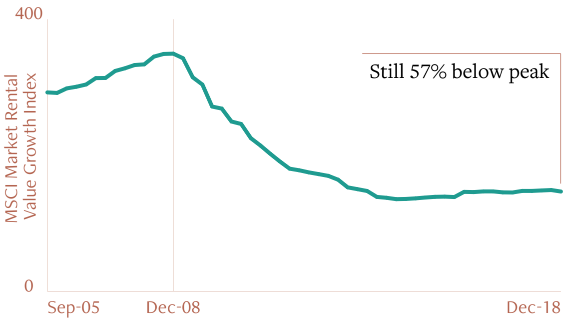
The relative attractiveness of Cork in terms of cost of living for experienced staff relative to Dublin is helping Cork to attract increased FDI investment. A number of professional firms are increasing their representation in the city as they find staff are easier to recruit and costs are lower.

Dublin commercial rents have returned to near peak levels...



Source: MSCI

...while regional commercial rents remain well below peak.



Source: MSCI

Market Report (continued)

Prime rents are expected to exceed €30 psf for Grade A offices in the city, almost half that of Dublin but still below the last peak of €35 psf.

Rents are expected to remain stable into 2019, with a slight increase of 1.4% forecast for the coming year. Stronger rental growth of 5.6% to €375 per sq. m (€34.80 per sq. ft) is predicted for 2020. Suburban office rental levels in Mahon are approximately €255 per sq. m (€23.70 per sq. ft), while other suburban areas of Cork are at €185 per sq. m (€17.20 per sq. ft) (source Cushman & Wakefield).

Cork is the most active of the three regional centres for office development activity. Since 2016, 20,850 sq. m (224,450 sq. ft) has been delivered in two large speculative office blocks. At the end of 2018, approximately 21,800 sq. m (234,750 sq. ft) across three schemes was under construction, all these developments are Grade A, in the city centre commanding €30+ per sq. ft rents.

Limerick

Limerick recorded take up levels of 6,350 sq. m (68,150 sq. ft) in 11 transactions in 2018. Rents in both Limerick city and suburbs remain at €215 per sq. m (€20 per sq. ft) and are forecast to stay close to this level for the next two years, with slight upward pressure of 5% expected thereafter in 2021/22 to €225 per sq. m (€20.90 per sq. ft).

However, new high specification Grade A developments are expected to achieve up to €325 per sq. m (€30.20 per sq. ft). Although viewed as mixed use developments and not market norm, they do create a trend for the city's rental levels. New buildings in suburban locations are achieving circa €265 per sq. m (€24.60 per sq. ft), with good quality suburban space being increasingly sought near University of Limerick and Plassey Technology Park.

The volume of space under construction in Limerick is 17,750 sq. m (191,000 sq. ft) across three schemes.

Galway

Galway had 22,200 sq. m (239,000 sq. ft) of available supply in 2018 which is a vacancy rate of 7.2% of mostly secondary stock. Galway had few investment transactions with office rents in the city steady at €296 per sq. m (€27.50 per sq. ft) and €194 per sq. m (€18 psf) in the suburbs. City centre demand and limited supply suggests upward pressure over the next five years with rents forecast to rise to €349 per sq. m (€32.40 sq. ft) next year, and €365 per sq. m (€33.90 per sq. ft) in 2021. This should push suburban rents in excess of €20 psf.

Office Market	Dublin	Galway	Cork	Limerick
Market Stock	3,625,900 sq m (39,029,200 sq ft)	308,300 sq m (3,318,300 sq ft)	585,700 sq m (6,304,350 sq ft)	346,400 sq m (3,728,400 sq ft)
Take Up YTD 2018	182,750 sq m (1,967,050 sq ft)	2,700 sq m (28,950 sq ft)	43,750 sq m (470,800 sq ft)	6,350 sq m (68,150 sq ft)
Availability	470,900 sq m (5,068,500 sq ft)	22,200 sq m (239,000 sq ft)	42,050 sq m (452,700 sq ft)	58,650 sq m (631,150 sq ft)
Vacancy Rate	13%	7.2%	7.2%	15.3%
Under Construction	406,300 sq m (4,373,250 sq ft)	7,000 sq m (75,150 sq ft)	21,800 sq m (234,750 sq ft)	17,750 sq m (191,000 sq ft)

Source: Cushman & Wakefield Research

Industrial Market

The Company's exposure to industrial property by floor area is currently 41% (16% by income), and the Company is focused on increasing that exposure in anticipation of further growth in 2019.

The national industrial market has performed strongly in 2018 with suburban Dublin outperforming the regions. This is due to a lack of available quality stock. Most agents are forecasting prime rental growth over the next three years as occupier demand increases and supply (particularly of speculative space in the regional markets) slow to respond.

The Dublin industrial market had strong capital growth in 2018, driven by demand for purpose-built units to match occupier demand, in particular along arterial routes that capture the benefits of the T50/ESB Metro Express deep fibre network. Pharmaceutical, data centres, e-retailers, and logistics operators are responsible for demand in the 'large box' segment of the market. This is primarily focused in the M50 belt around Dublin, particularly the North and South West. The market is seeing increased investor demand despite industrial investment accounting for a minor portion of overall investment in the Irish property market.

Yields have tightened over the past few years with strong interest focusing on the logistics and data sector with prime yields at 5.00% at year-end and expected for 2019.

Prime rents rose 12% to €95 per sq. m (€8.80 per sq. ft) in 2018. Several logistics deals happened for example at the Horizon Logistics Park for €102 per sq. m (€9.50 per sq. ft). Forecasts for 2019 see prime industrial rents rising to €108 per sq. m (€10 per sq. ft) in 2019. Q4 take up alone was 1.1 million sq. ft with high quality vacancy at 8.3% at year end with occupier enquiries increasing quarter by quarter.

Regionally, and in tandem with Dublin, Cork yields moved tighter by 1% to 6.5% by Q3 2018. Agent forecasts suggest prime yields in Cork will remain stable in 2019. Limerick and Galway industrial yields improved to 8.00% and are expected to stay at this level for 2019. (source Cushman & Wakefield)

Regionally the combination of low transaction activity, a slow release of second-hand stock to the market, and few new completions has resulted in availability and vacancy rates dropping.

Industrial rents in Cork were at €85 per sq. m (€8 per sq. ft) in 2018, with new builds reaching €9.50 psf. Growing demand and limited supply of new space are expected to increase rents in the future.

Industrial Market	Dublin	Galway	Cork	Limerick
Market Stock	4,135,325 sq m (44,200,050 sq ft)	480,500 sq m (5,712,200 sq ft)	1,037,450 sq m (11,167,400 sq ft)	903,750sq m (9,727,850 sq ft)
Take Up YTD 2018	269,050 sq m (2,895,900 sq ft)	11,950 sq m (128,550 sq ft)	22,950 sq m (247,150 sq ft)	16,300 sq m (175,350 sq ft)
Availability	505,250 sq m (5,438,250 sq m)	39,950 sq m (376,150 sq ft)	104,300 sq m (1,122,550 sq ft)	136,550 sq m (1,469,800 sq ft)
Vacancy Rate	12.2%	7.3%	7.7%	15.1%
Under Construction	95,600 sq m	1,150 sq m	5,550 sq m	0 sq m

Source: Cushman & Wakefield Research

Market Report (continued)

In Galway, industrial rents were €75 per sq. m (€7 per sq. ft) in 2018, with moderate upward pressure anticipated in 2019 as rents rise to €80 per sq. m (€7.50 per sq. ft).

In Limerick, secondary industrial rents are at €58 per sq. m (€5.50 per sq. ft) for 2018, whereas advanced manufacturing units in the Shannon region for example, are achieving rents of €97 per m (€9 per sq. ft).

Development activity has been very limited across all regional industrial markets. In 2018 Cork saw the start of 5,550 sq. m (60,000 sq. ft) of development in Blarney Business Park.

In Limerick, a 3,185 sq. m (34,300 sq. ft) unit was completed in Shannon Industrial Estate in 2018. Further refurbishments and development in this area are anticipated in the coming quarters in line with the Shannon Redevelopment Programme.

In Galway work started at Mervue Business Park on a 1,150 sq. m (12,450 sq. ft) unit to be let in 2019 and the IDA secured planning permission in Parkmore for an advanced technology building of office and light industrial/manufacturing space of 3,250 sq. m (34,950 sq. ft).

Across regional markets the company sees current rental for advanced, technology quality space suitable for FDIs at circa €9.50 per sq. ft and investment yields for industrial investments in the company's targeted market in a range of 6.5% to 8%.

FDI investment in the regional locations is expected to grow and be the main driver of occupier demand. 2018 saw a 9% increase in FDI employment to 230,000 jobs (10% of the economy total). There has been a Brexit boost to FDI investment in 2018 and this is expected to continue into 2019. In the absence of new development, this demand will be the main driver of rental growth. Regional yields are expected to improve as more investors look to these markets.

Airways Industrial Estate
Industrial, Dublin

GOVERNANCE

Directors' Report

The Directors of Yew Grove REIT plc present their report and the audited consolidated financial statements for the financial period from 5 April 2018 (date of incorporation) to 31 December 2018.

Principal activities

The Company (Yew Grove REIT plc) was established in April 2018 and became an Irish real estate investment trust in May 2018. The Company's main activities are the acquisition, management and rental of commercial property in the Republic of Ireland. The Company has a single class of shares that has been listed on the Alternative Investment Market of the London Stock Exchange and the Enterprise Securities Market of Euronext Dublin from admission on 8 June 2018. The Enterprise Securities Market has subsequently been re-named the Euronext Growth market.

Results and activities for the Financial period

The Group's results for the financial period from 5 April 2018 (date of incorporation) to 31 December 2018 are set out in the Consolidated Statement of Comprehensive Income on page 75. The profit for the period was €2.3 million, including unrealised profits on investment properties of €1.6 million. There is more detail attached on page 69 in the Consolidated Statement of Comprehensive Income.

The Chairman's statement on page 2, the CEO's statement on page 4, the Portfolio Report on page 13 and the Key Performance Indicators on page 10 provide detail of the performance and events that influenced the Group's performance in this reporting period, the current standing, recent events and future developments which form a part of this report of the Directors.

Future developments

The Group reviews two year forward projections at its quarterly board meetings and has conducted a strategy review, including presentations from external market participants. Since the financial period end date the Company acquired two further buildings on IDA parks in Cork and Waterford, due diligence on both of which had been initiated in the financial period. While these additional purchases leave the Company with relatively little capital available for further acquisitions the Company continues to explore accretive opportunities that might merit the raising of further capital. The Company will continue to manage its existing portfolio in line with its investment strategy, reviewing each asset to ensure its fit and economic benefit to the Company and fulfilling a programme of works to ensure its properties each remain at a standard that will satisfy tenants of good credit quality and attract similar tenants to any vacancy.

The Company will also conduct a review of the performance, cost and benefit of all its service providers, making changes where these are merited and review the need and cost benefit of additional staff to ensure the Company remains operationally effective.

Events subsequent to the period end

On 7 February 2019 the Company declared the payment of an interim dividend in respect of the period ended 31 December 2018 of €723,000 for 0.964 cents per ordinary share. This was paid to shareholders on 26 February 2019.

On 8 February 2019 the Company exchanged contracts to purchase Office Block A, located in the IDA Waterford Business and Technology Park, Butlerstown, Waterford for €4 million plus costs, representing a gross yield to fair value of 8.56% after accounting for all purchase costs. The property has 36,845 sq. ft. of open plan office space arranged over three storeys and is tenanted by Tech Mahindra Business Services Ltd under a 20 years lease with a break in five years, and SE2 Information Services Ireland Ltd under a five years lease.

On 11 February 2019 the Company delivered a completed car park in Athlone to its adjacent tenant under a co-terminus lease.

On 15 February the Company announced the inaugural grant of options to executive management under the Long Term Incentive Plan that had been established in June 2018 at Admission to the Alternative Investment Market of the London Stock Exchange and the Euronext Growth market of Euronext Dublin.

On 27 February 2019 the Company completed the purchase of Unit 2600, Cork Airport Business Park, Cork Airport for €7.5 million plus costs, representing a gross yield at fair value of 7.85% after accounting for purchase costs. The property, a two storey, 40,953 sq. ft office block which was refurbished in 2015 to a high standard and includes a 163-space car park, is tenanted by Clearstream Global Securities Services Ltd, a subsidiary of Deutsche Borse AG, under a 25 year lease with final expiry in just over five years' time.

On 8 February 2019 the Company exchanged contracts to purchase Office Block A, located in the IDA Waterford Business and Technology Park, Butlerstown, Waterford for €4 million plus costs, representing a gross yield to fair value of 8.56% after accounting for all purchase costs. The property has 36,845 sq. ft. of open plan office space arranged over three storeys and is tenanted by Tech Mahindra Business Services Ltd under a 20 years lease with a break in five years, and SE2 Information Services Ireland Ltd under a five years lease.

On 29th March 2019 the Company declared the payment of an interim dividend in respect of the first quarter of 2019 of €825,000 for 1.10 cents per ordinary share. This is to be paid to shareholders on 13 May 2019.

Dividends

Under the Irish REIT regime, subject to having sufficient distributable reserves, the Company is required to distribute to shareholders at least 85% of the Property Income of its Property Rental Business for each accounting period. It is the Board's intention to propose quarterly dividends from March 2019. Subsequent to the financial period end the Board declared an interim dividend of 0.964 cents per share, being €723,000 on 7 February 2019, which was paid on 26 February 2019 to all ordinary shareholders on the share register at the close of business on 15 February 2019. This dividend was 91% a Property Income Distribution ("PID"), as defined in Irish REIT legislation. On 29th March 2019 the Company declared the payment of an interim dividend in respect of the first quarter of 2019 of €825,000 for 1.10 cents per ordinary share. This is to be paid to shareholders on 13 May 2019.

Share Capital

At 31 December 2018, the Company's total authorised and issued share capital comprised 75,000,000 ordinary shares of €0.01 each ("Ordinary Shares") all of which were issued in the period and none of which the Company held in treasury. The Company's entire authorised share capital is €10,000,000 comprising 1,000,000,000 ordinary shares. All of these shares are of the same class and carry equal voting rights and rank equally for dividends. The Company has no securities in issue conferring special rights with regard to control of the Company. Details of the share capital of the Company are set out in Note 19 to the Consolidated financial statements and are deemed to form part of this report. On 1 November 2018 the High Court of Ireland made an Order confirming the Company's capital reduction resolution for the reduction of the Company's Share Premium Account in the sum of €70,250,000 such that the balance remaining credited to that account will be €4,000,000 such that the reserve resulting from such cancellation be treated as realised profits as defined by Section 117 of the Companies Act 2014. The Order of Court and Minute on reduction of share premium account was registered on the 2 November 2018.

The Company has only had a single class of shares since incorporation on 5 April 2018. All of these shares are of the same class and carry equal voting rights and rank equally for dividends. The Company has no securities in issue conferring special rights with regard to control of the Company.

Directors' Report (continued)

Details of Directors' and Secretary's interests in share capital at 31 December 2018:

	Date of appointment as Director/ Secretary	Ordinary shares owned		Interest in options on ordinary shares		Ordinary shares owned subject to performance conditions	Ordinary shares owned not subject to performance conditions	Issued Capital
		On becoming a Director	At 31 December 2018	On becoming a Director	At 31 December 2018			
Barry O'Dowd	4 June 2018	0	25,000	0	0	0	25,000	0.03%
Eimear Moloney	4 June 2018	0	25,000	0	0	0	25,000	0.03%
Garry O'Dea	5 June 2018	0	25,000	0	0	0	25,000	0.03%
Brian Owens	4 June 2018	0	25,000	0	0	0	25,000	0.03%
Jonathan Laredo	20 April 2018	24,999,999*	2,529,596	0	0	0	2,529,596	3.37%
Charles Peach	20 April 2018	0	251,440	0	0	0	251,440	0.34%
Michael Gibbons	20 April 2018	0	2,052,544	0	0	0	2,052,544	2.74%
Sanne Group (Company Secretary)	5 June 2018	0	0	0	0	0	0	0%

The Company's non-independent Directors (Jonathan Laredo, Charles Peach and Michael Gibbons) own 4,833,580 shares between them and have signed lock-in deeds that restrict the sale of the shares shown above before 8 June 2020.

Substantial shareholdings

As at 31 December 2018 the Company has been informed of the following substantial interests (being 3% or more of the issued share capital) in the Company's shares.

	Shares held	% held
Royal London AM	12,200,000	16.3%
OVMK	7,500,000	10.0%
AIB	7,312,500	9.8%
Invesco	6,000,000	8.0%
Investec Wealth & Investment	4,817,400	6.4%
Hof Hoorneman Bankiers	4,240,000	5.7%
Alpha 4 S.A. SICAV-SIF Long Term Invest	3,000,000	4.0%
Schroders plc	2,925,000	3.9%
Jonathan Laredo	2,529,596	3.4%

* On 20 April 2018 Jonathan Laredo was issued with 24,999,999 shares of €0.001 each. On the same day, the Company's shares of €0.001 each were consolidated into shares of €0.10 each, and on the 30 April 2018 each share was subdivided into 10 Ordinary Shares of €0.01 each, such that Jonathan Laredo then held 2,500,000 ordinary shares in the Company. On 8th June 72,500,000 further ordinary shares were issued on admission to trading, with these shares being subscribed for at a price of €1.00 each. Jonathan Laredo subscribed €1.00 (being the subscription price on 8 June 2018 and the same price that each other shareholder in the Company subscribed for the shares) for each of the 2,500,000 shares he held from prior to that date, such that the proceeds from subscription were €75,000,000.

Directors

The names of each person, who at any time during the financial period from 5 April 2018 (date of incorporation) to 31 December 2018 was a Director and a short biographical note on each Director appear on pages 38 to 39.

All Directors have agreed letters of appointment with the Company of three years in duration from the date of their appointment. The terms and conditions of appointment of the Non-Executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office. In accordance with the Code, all Directors submit to re-election at each AGM. For the purposes of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, details concerning the appointment and the re-election of Directors and the amendment of the Company's Articles of Association are set out in the Corporate Governance Statement on page 36.

Details of Directors' remuneration are disclosed in the Remuneration Committee report on page 58.

Employees

The Company has grown to having 5 employees and 4 non executive Directors at financial period end. As a smaller company the Directors recognise the benefits of diversity of skills, experience, background, gender and other qualities in the Company's employees. We are committed to reflecting diversity in its broadest sense, while ensuring that we maintain the necessary skills and experience required to oversee the significant financial service activities and related requirements of the Group. In reviewing the Company's employment requirements, candidates are considered on merit against objective criteria and with due regard for the benefits of diversity. The Company has a Diversity Policy, the aim of which is to ensure that the percentage of women or men employed by the Company remains at or exceeds 30%. At the end of the financial period of the Company's employees and officers (including independent non executive directors) 33% were women, of the employees 40% were women.

All employees receive death in service and long-term disability insurance, as well as health insurance for them, their spouses and dependents under the age of 18, similar to the executive directors. The executive directors are responsible for the training and career mentoring of their directly reporting employees.

Environment

Climate change has had a major impact on all business operations. We are focused on corporate responsibility and we are in the process of preparing a materiality assessment to gather insight on the importance of specific environmental, social and governance issues. This will allow us to set sustainability goals and initiatives to create a positive impact on environment and society. We are also developing our Building Improvement Programme which will incorporate our long term environmental and sustainability policy. The Company commissions environmental reports on each of its acquisitions.

We are working with our partners, tenants and contractors to help to protect and preserve the environment by operating efficiently, minimizing waste and saving energy. Within our managed properties we have introduced a Green Cleaning Policy focused on recycling of waste and reducing energy by installing energy efficient lights. The company is endeavouring to improve its overall portfolio energy efficiency by working with its tenants to improve individual property BER (Building Energy Report) scores.

REIT status

The Company elected for REIT status in May 2018 under section 705 E of the Finance Act, 2013. As a result, the Company does not pay Irish corporation tax on the profits and gains from the qualifying rental business in Ireland from that date, provided it meets the conditions.

As an Irish REIT, the Company is required to distribute to its shareholders (by way of dividend), on or before the filing date for its tax return for the accounting period in question, at least 85% of the Property Income of the Property Rental Business arising in each accounting period (provided it has sufficient distributable reserves). Failure to meet this requirement will result in an Irish REIT incurring a tax charge calculated by reference to the extent of the shortfall in the dividends paid. The Company is in compliance with all the above REIT requirements for the period from May 2018 to 31 December 2018.

Directors' Report (continued)

Principal Risks and Uncertainties

The Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business strategy, performance, solvency or liquidity. The principal risks and uncertainties are discussed in the 'Principal Risks and Uncertainties' section on page 46 and form part of this report.

Going Concern and the Viability Statement

In accordance with the relevant provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex, the Board has taken account of the principal risks and uncertainties, as set out below, in considering the statement to be made regarding the going concern basis of accounting and the Viability Statement. These statements are as follows:

Going Concern

The Company has a geographically spread portfolio of commercial properties with close to full occupancy (current levels of vacancy total 2.8% by rent) across the portfolio and a low level of total debt to equity gearing of 8.25% as at 31 December 2018. The Company has good visibility of its future cash inflows from rental income from its tenants, and of its cash outflows on expenses. Having assessed the relevant business risks the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors believe that the Company has adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis in preparing their Report and Consolidated financial statements.

Viability Statement

The period over which the Directors consider it relevant and appropriate to report on the Company's viability is the two years period to 31 December 2020. This period has been selected because it is the period that is used and reviewed quarterly for the Company's medium-term business plans. The assumptions behind these forecast cash flows and covenant compliance forecasts were stressed to review the strength of the Company in the light of the Company's principal risks. The principal risks and uncertainties following from page 46 summarises those matters that the Board believes might in the Board's view inhibit the Company's ability to achieve its investment objectives.

The Directors paid particular attention to the risk of a deterioration in economic outlook and the potential impact of Brexit, which would impact property fundamentals, including occupier demand and profitability, which would have a negative impact on valuations and rental income, and the impact that this would have on financing covenants and compliance with the REIT regime. The remaining principal risks, whilst potentially injurious on the Company's business model, are unlikely to impact the Company's viability over the two year period to 31 December 2020.

Having considered the forecast cash flows and covenant compliance and the impact of the stressed risks, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period ending 31 December 2020.

Corporate Governance

For the period from the date of Admission on 8 June 2018 to 31 December 2018, the Company's corporate governance practices were governed by the relevant requirements and procedures as set out by the Irish Corporate Governance Annex ("Irish Annex") and the UK Corporate Governance Code ("UK Code"), (collectively known as the "Codes") and its Articles of Association. The Board confirms that the Company has complied with all provisions of the Codes during the period from 8 June 2018 to 31 December 2018. Details of the Company's compliance with the Codes are in the Corporate Governance Report from pages 37 to 42.

Directors' Compliance Statement

The Directors have, with the assistance of advisers, identified the relevant obligations, as required by the Companies Act 2014, that they consider apply to the Company. The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations and confirm that they have:

- Drawn up a compliance policy statement setting out the Company's policies in respect of compliance with its relevant obligations;
- Ensured that appropriate arrangements and structures have been put in place that are designed to ensure material compliance with the Company's relevant obligations; and
- Conducted a review, during the period from incorporation to 31 December 2018, of the arrangements and structures that were put in place to secure material compliance with the Company's Relevant Obligations.

Accounting records

The Directors are responsible for ensuring that adequate accounting records, as outlined in sections 281 to 285 of the Companies Act 2014, are kept by the Company. The Directors believe that they have complied with this requirement by providing resources to maintain adequate accounting records, including the provision of services by the Administrator, Baker Tilly. The accounting records of the Company are maintained at the Administrator's registered office, 21-23 Holles Street, Dublin 2, Ireland.

Principal Subsidiaries and Joint Ventures

Details of the Company's principal subsidiaries and joint venture are set out in Note 1.11 to the financial statements.

Political donations

There were no political donations made by the Company.

Branches

The Company does not have any branches outside the Republic of Ireland.

Audit Committee

The Directors have established an Audit Committee in compliance with the Codes and section 167 and section 1551 of the Companies Act 2014 to assist with certain responsibilities relating to internal controls, risk management and reporting.

Independent auditor

The statutory auditor, Deloitte Ireland LLP, Chartered Accountants ("Deloitte"), was appointed on the 9 April 2018 and continues in office in accordance with section 383 (2) of the Companies Act 2014 and have indicated their willingness to continue in office. A resolution to re-appoint Deloitte will be proposed at the first AGM of the Company.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditor is aware of that information. Insofar as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware.

This Directors' statement was approved by the Board of Directors on 23 April 2019 and is signed on their behalf by:

Jonathan Laredo
Chief Executive Officer

Charles Peach
Chief Financial Officer

Directors' Responsibility Statement

The Directors, whose names and details are listed on pages 38 to 39 are responsible for preparing the Report and Consolidated financial statements in accordance with applicable laws and regulations.

Irish Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company as at the financial period end date and of the profit or loss of the Group for the financial period and otherwise comply with the Companies Act 2014.

In preparing the Report and Consolidated financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State that Group and Company financial statements comply with applicable International Financial Reporting Standards as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements, and ensure the financial statements contain the information required by the Companies Act 2014; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also required by the Transparency Directive (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Central Bank of Ireland, the Companies Act 2014, the AIM Rules for Companies issued by the London Stock Exchange and the Euronext Growth market Rules for Companies issued by Euronext Dublin (formerly the Irish Stock Exchange), to prepare a Directors' report and reports relating to Directors' remuneration and corporate governance and the Directors are required to include a management report containing, amongst other things, a fair review of the development and performance of the Group's business and of its position and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for ensuring that the Group and Company keeps or causes to be kept adequate accounting records which:

- Correctly explain and record the transactions of the Group and Company;
- Enable at any time the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy;
- Enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014; and
- Enable the financial statements to be audited.

Directors are also responsible for safeguarding the assets of the Group and the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of certain corporate and financial information included on the Group's website (www.ygreit.com).

The Directors confirm that they have complied with the above requirements in preparing the Report and Consolidated financial statements.

Each of the Directors, whose names and functions are listed on pages 38 and 39, confirms that, to the best of each person's knowledge and belief:

- The Report and Consolidated financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position for the Group and Company as at 31 December 2018 and of the result for the financial period then ended for the Group and Company;
- The Directors' Report includes a fair review of the development and performance of the Group's business and the state of affairs of the Group and Company at 31 December 2018, together with a description of the principal risks and uncertainties facing the Group; and
- The Report and Consolidated financial statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the position and performance, strategy and business model of the Group and Company.

This responsibility statement was approved by the Board of Directors on 23 April 2019 and is signed on their behalf by:

Jonathan Laredo
Chief Executive Officer

Charles Peach
Chief Financial Officer

Corporate Governance Statement

For the period from the date of Admission on 8 June 2018 to 31 December 2018, the Company's corporate governance practices were governed by the relevant requirements and procedures as set out by the Irish Corporate Governance Annex ("Irish Annex") and the UK Corporate Governance Code ("UK Code"), (collectively known as the "Codes") and its Articles of Association.

Statement of Compliance

The Board confirms that the Company has complied with all the provisions of the Codes during the period from 8 June 2018 to 31 December 2018.

The Role of the Board of Directors

The role of the Board is to set the strategic objectives for the Group, to monitor the achievement of these strategic objectives, and to determine the nature and extent of the principal risks it is prudent to take in achieving these strategic objectives. The Board is also responsible for monitoring and reviewing the effectiveness of the Group's risk management and internal control systems and maintaining a high standard of corporate governance. The Board is responsible for ensuring the accuracy of financial and business information provided to shareholders and for ensuring that such information, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

As at the date of this Report, there are seven (7) directors on the Board, all of whom have been Directors from the date of Admission. The Board does not have any planned changes to its structure or size. While not required to by the UK Code as a smaller company, the Company ensures that there is a majority of independent non-executive directors (four) in accordance with the UK Code. The number of non executive directors ensures that each non-executive sits on two of the Board's Committees, all of which have a majority (or only include) independent non-executive directors. The Board has a majority of independent non-executive directors and has sufficient members to provide relevant experience in the areas of particular importance to the Company. These are, property investment, capital markets, Irish foreign direct investment, property development, financial management, property management and asset management experience. The wide range of these experiences has dictated the size of the Board. In reviewing the Board composition and appointments, candidates are considered on merit against objective criteria and with due regard for the benefits of diversity. The Board has a Board Diversity Policy, the aim of which is to ensure that the percentage of women on the Board achieves or exceeds 30%. The percentage is currently 14%. Barry O'Dowd (the Chairman), Eimear Moloney, Garry O'Dea and Brian Owens are independent non-executive directors. The Chief Executive Officer, Jonathan Laredo, the Chief Financial Officer, Charles Peach and the Chief Investment Officer, Michael Gibbons are executive directors.

Corporate Governance Statement (continued)

The biographies of each of the Directors is set out below:

Barry O'Dowd

(Chair, Independent Non-executive Director)

Mr O'Dowd was appointed as Chairman of the Company on 8 June 2018 and is also chairman of the Nomination Committee. Mr O'Dowd was Senior Vice President of IDA Ireland until retiring from that role in 2018. At IDA Ireland he was Global Head of two key operating divisions, Emerging Business (2010 – 2018) and New forms of Investment (2015-2018). From 2005 to 2009 he led the Pharmaceutical & Biotechnology Department. Before joining IDA Ireland he was Director of Strategy and Business Development at Organon International between 2002 and 2005. Mr O'Dowd is a Member of the Institute of Directors of Ireland, holds an MSc (Management) from Trinity College, Dublin and is a qualified Barrister at Law from University College Dublin & Kings Inns.

Garry O'Dea

(Senior Independent Non-executive Director)

Mr O'Dea was appointed as a Director of the Company and Senior Independent Director on 8 June 2018. He is chairman of the Audit Committee. Mr O'Dea is a former Finance Director of Irish Continental Company plc ("ICG"), a position he held from 1988 until his retirement in 2015. Prior to joining ICG, he worked in a number of financial roles at CRH plc. Mr O'Dea is currently an independent trustee of the RTE Superannuation Scheme. Mr O'Dea qualified as a Chartered Accountant with KPMG and is also a member of the Institute of Directors in Ireland.

Eimear Moloney

(Independent Non-executive Director)

Ms Moloney was appointed as a Director of the Company on 8 June 2018. She is chairman of the Remuneration Committee. Ms Moloney was, until December 2017, a Senior Fund Manager at Zurich Life Assurance Ireland plc where she had responsibility for equity and regional asset allocation. She has also held responsibility for sector and stock selection in a number of investment markets including the United Kingdom, Ireland and the United States. She is currently a non-executive director of Hostelworld Group plc, and a member of the Institute of Directors in Ireland. She is a Chartered Accountant and holds an MSc in Investments and Treasury from Dublin City University.

Brian Owens

(Independent Non-executive Director)

Mr Owens was appointed as a Director of the Company on 8 June 2018 and is chairman of the property Valuation Committee. Mr Owens is CEO of Hardwicke Property Company, a position he has held since 2001, and was previously CFO of the same Company for 14 years. He qualified as a Chartered Accountant with Deloitte and is a member of both the Society of Chartered Surveyors and The Royal Institution of Chartered Surveyors.

Jonathan Laredo

(Chief Executive Officer)

Mr Laredo has over 29 years' experience in investment markets, including running the European and Asian structured finance business at JP Morgan, where amongst other business he was responsible for Commercial Mortgage Backed Securities including both securitised debt issuance and direct lending to real estate based private equity. Mr Laredo was one of the founders and was the CEO of Solent Capital Partners, a hedge fund founded in 2003. He was one of the owners and a director of the Pepper Group, an Australian based mortgage lender and servicer which built the largest third-party servicing business in Ireland. He graduated with a BA (Hons) in Philosophy from Sussex University. Mr Laredo was a co-founder of the Yew Tree Investment Fund (which was acquired by Yew Grove REIT plc at IPO) and a member of Parapet Capital Advisors' management team during the time it acted as investment adviser to the Yew Tree Investment Fund's Alternative Investment Fund Manager. He was also responsible, along with the other members of the Executive Management Team, for the construction of the Seed Portfolio. He became a director of the Company on incorporation on 5 April 2018 and was appointed to his current role on 8 June 2018.

Charles Peach

(Chief Financial Officer)

Mr Peach has over 24 years' experience in investment markets, structuring and raising capital for companies and funds. He started his career with Bear Stearns' FAST (Financial Analytics and Structured Transactions) group for seven years, followed by five years with Nomura's Exotic Credit Trading Group. At Nomura he developed and ran managed vehicle issuance and risk management programmes. As well as raising and structuring financing for funds and corporate borrowers, he has advised pension schemes and banks on their funding requirements and strategies. Mr Peach was a co-founder of the Yew Tree Investment Fund and a member of Parapet Capital Advisors' management team during the time it acted as investment adviser to the Yew Tree Investment Fund's Alternative Investment Fund Manager ("AIFM"). He was also responsible, along with the other members of the Executive Management Team, for the construction of the Seed Portfolio. He graduated with an MA (Hons) in History of Art from the University of Aberdeen. He became a director of the Company on 20 April 2018 and was appointed to his current role on 8 June 2018.

Michael Gibbons

(Chief Investment Officer)

Mr Gibbons has over 26 years' experience in investment markets and has run high yield, distressed debt and special opportunities businesses. He started his career in corporate finance at Bankers Trust then spent seven years in Asia where he built Sumitomo Finance's capital markets business spanning new issues to secondary trading activity. He subsequently worked for Commerzbank, BNP Paribas, Aladdin Capital Management LLP and distressed specialist Guy Butler, moving back to Ireland in 2014. From 2008 to 2011 he was a member of the international advisory board of Parker Green International. He graduated with a BComm from University College Dublin and a Diploma in Accounting from Queens University. Mr Gibbons was a co-founder of the Yew Tree Investment Fund and a member of Parapet Capital Advisors' management team during the time it acted as investment adviser to the Fund Yew Tree Investment Fund's Alternative Investment Fund Manager. He was also responsible, along with the other members of the Executive Management Team, for the construction of the Seed Portfolio. He became a director of the Company on 20 April 2018 and was appointed to his current role on 8 June 2018.

As required by the UK Code, specific areas of delegation are set out in the terms of reference for each of the Audit Committee, Nomination Committee, Remuneration Committee, and Valuation Committee. The terms of reference of the Audit, Nomination, Remuneration and Valuation Committees are available on the Company's website at www.ygreit.com/investors/corporate-governance, and reports of each of these Committees are set out below. The Board reviews the Group's performance and management accounts on a quarterly basis. The executive directors have discretionary authority to enter into transactions for and on behalf of the Company, except for certain matters that require the consent of the Board. Unless required to be performed by the Company's AIFM as a matter of law or in order to respond to a bona fide emergency, the Board's prior approval is required by the executive directors for certain reserved matters, which include but are not limited to:

1. any acquisition/disposal of a property investment or the entry into any agreement to acquire /dispose of a property investment in excess of €5 million;
2. any new financing or refinancing agreements or arrangements;
3. any capital expenditure or pre-funding agreements in excess of €5 million;
4. any proposed lease surrender where the rent referable to the relevant lease is greater than 10% of the aggregate rental income of the Company or 25% of the aggregate rental income of the lease's property;
5. any proposed lease commitment where the area being leased exceeds 50,000 square feet;
6. any acquisition or the entry into any agreement to acquire any property investment through a joint venture or co-investment structure;
7. any hedging or use of derivatives;
8. the entry by the Company into any transactions for the purchase of assets from, or provision of services of a material nature by, any connected party.

Under the Company's corporate governance framework any matter which requires the consent or approval of the Board of the Company is considered at a Board meeting at which a quorum must be present or by way of written resolution of the Board.

The Schedule of Matters Reserved for the Board was reviewed prior to 31 December 2018 and will be reviewed annually and updated as appropriate.

General meetings

The Company will hold an AGM in each year from 2019 year in addition to any other meetings in that year. Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. The Company has not held an annual general meeting ("AGM") in the 2018 calendar year and will hold its first AGM on 24 May 2019. Notice of the 2019 AGM, together with details of the resolutions to be considered at the meeting, will be circulated to the shareholders in or around 25 April 2019.

The Directors are responsible for the convening of general meetings. An annual general meeting and an extraordinary general meeting calling for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice (whether in electronic form or otherwise). No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy shall be a quorum.

The Company's AGM affords shareholders the opportunity to question the Chairman and the Board. The chairperson of the Audit, Nomination, Remuneration and Valuation Committees are also available to answer questions at the AGM. The Chief Executive will present at the AGM on the Company's business and its performance during the prior year and answer questions from shareholders.

Voting rights

a. Votes of members: votes may be given either personally or by proxy. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote, so, however, that no individual shall have more than one vote, and on a poll every member shall have one vote for every share carrying voting rights of which he/she is the Holder. The Chairman shall be entitled to a casting vote where there is an equality of votes.

b. Resolutions: resolutions are categorised as either ordinary or special resolutions. The essential difference between an ordinary resolution and a special resolution is that a simple majority of more than 50% of the votes cast by members voting on the relevant resolution is required for the passing of an ordinary resolution, whereas a qualified majority of more than 75% of the votes cast by members voting on the relevant resolution is required in order to pass a special resolution. Matters requiring a special resolution include for example:

- Altering the objects of the company;
- Altering or implementing new pre-emption rights;
- Market purchase of own shares and reissuing;
- Altering the articles of association of the company.

Committees of the Board

The Board has delegated certain of its responsibilities to Committees of the Board, namely the Audit Committee, Nomination Committee, Remuneration Committee, and Valuation Committee. The duties and responsibilities of each of these Committees are set out clearly in written terms of reference which have been approved by the Board and are available on the Company's website www.ygreit.com. Each Committee has reported separately on its activities on pages 50, 56, 58 and 62. Membership and chairmanship of each committee is reviewed by the Board at intervals of not more than three years.

Audit Committee	Garry O'Dea (Chair) Eimear Moloney Brian Owens
Nomination Committee	Barry O'Dowd (Chair) Eimear Moloney Jonathan Laredo
Remuneration Committee	Eimear Moloney (Chair) Garry O'Dea
Valuation Committee	Brian Owens (Chair) Barry O'Dowd Jonathan Laredo

The Chairs of each of the Committees have reported separately on their Committees' responsibilities and activities during the reporting period. These are on page 50 for the Audit Committee, page 56 for the Nomination Committee, page 58 for the Remuneration Committee and page 62 for the Valuation Committee.

Board Meetings

The Board met four (4) times as below in the period from 5 April 2018 to 31 December 2018 (the Board convened an additional six times for a strategy meeting and to review matters reserved for the Board) and will meet at least four (4) times each following calendar year and, prior to such meetings taking place, an agenda and board papers are circulated to the Directors so that they are adequately prepared for the meetings. The Company Secretary is responsible for the procedural aspects of the Board meetings.

Directors are expected to participate in all scheduled Board meetings as well as the AGM. A schedule of Board meetings is circulated to the Board before period end for the following year. The Board and Committee papers are circulated sufficiently in advance of each meeting to allow the Directors and Committee members to properly prepare for the meetings. From time to time the Board and Committees may be required to convene ad-hoc meetings but appropriate notice is given and relevant papers are circulated in advance. Standing items at quarterly Board meetings include management accounts for the previous quarter, a review of budgeted and actual performance, compliance reporting, portfolio and pipeline reporting and other operational reports.

Corporate Governance Statement (continued)

Attendance at Meetings, 8 June 2018 to 31 December 2018

The table below shows the number of meetings to which each Director was invited, followed by the number of meetings attended by the Director in the period:

	Board Meetings	Audit Committee	Nomination Committee	Remuneration Committee	Valuation Committee
Barry O'Dowd	4/4*		2/2*		2/2
Eimear Moloney	4/4	4/4		1/1*	
Garry O'Dea	4/4	4/4*		1/1	
Brian Owens	4/4	4/3			2/2*
Jonathan Laredo	4/4		2/2	1/1**	2/2
Charles Peach	4/4	4/4**			
Michael Gibbons	4/4				2/2**

* Chair
** Invited, not a Committee member

All committee members were appointed to their respective committees on 8 June 2018, except for the Valuation Committee, which Jonathan Laredo became a member of on 2 August 2018 and the Audit Committee which Eimear Moloney became a member of on 21 August 2018. Directors may request that any relevant concern they have be considered and minuted at any Board or Committee meeting, and minutes are circulated for review in advance of approval and signing at the next meeting, or as appropriate.

Chair

The Chairman, Barry O'Dowd, is an independent non-executive director. The Board believes that the Chairman meets all the criteria in the Codes and is demonstrably independent in character and judgement in his role. The Chairman's primary responsibility is to lead the Board and to ensure it and its members are both effective and provide good governance. The Chairman additionally is responsible for monitoring and measuring performance against strategy. The Chairman will meet shareholders from time to time and intends to do so at the Company's AGM and as part of results presentations, in order to understand their views. He also makes himself aware of shareholder views through feedback and reporting provided by the Company's brokers, Investec and Goodbody.

Before the beginning of each calendar year and following consultation with the Company Secretary and other Directors, the Chairman and the Chairs of the Board Committees set a schedule of Board and Committee meetings, with key agenda items, for the following year. The Chairman also leads the Company's strategy session held in each calendar year, in conjunction with the Chief Executive.

There have been no changes to the other significant commitments of the Chairman since 8 June 2018, and the other non-executive directors have informed the Board that there have been no additional significant commitments undertaken by them since admission which require notification to the Board. The Chairman ensures all directors are furnished with the information necessary to assist them in the performance of their duties.

The Senior Independent Director

The Senior independent director Garry O'Dea is an independent non-executive director. His role includes acting as an advisor to the Chair and as an intermediary for the Directors, providing an alternate point of contact from the Chair and CEO for shareholders, and discussing the Chair's performance with other Directors.

Board Strategy

The Board receives regular updates on the Company's achievements in light of its strategy, as well as reviewing the Company's performance against key metrics and investment objectives. The Board held a dedicated strategy review meeting in October 2018, attended by all Board members, at which the strategy was reviewed for market validity, appropriateness and viability, following which the strategic priorities for the Company were confirmed.

Information and Support

Directors have access to the Company Secretary and, where appropriate, are entitled to have access to independent professional advice at the expense of the Company. The Committees of the Board are provided with sufficient resources to undertake their duties. The Company provides appropriate Directors' and Officers' insurance in respect of legal action against its directors.

As required by the Codes, the Chairman has held meetings during the financial period with the non-executive Directors without the presence of the executive Directors.

Appointments to the Board

The Directors were all selected to bring in a range and depth of knowledge, skills and business experience to the Company. All serving members of the Board have been in place since Admission. The Nomination Committee is responsible for leading the process for Board appointments and is comprised of a majority of independent non-executive directors. The criteria that it applies when selecting potential candidates include experience and knowledge of the Irish commercial real estate sector, strong financial skills, general business experience, professional background and likely availability, and a need for balance and diversity, including gender, on the Board. At least half of the Board are independent non-executive directors (excluding the Chairman). All non-executive directors were appointed for a term of three years and, subject to continued satisfactory performance, all directors will submitted for re election at the Company's AGM in 2019, in accordance with the Company's Articles of Association and the provisions of the Codes. Accordingly, all Directors will seek re-election at the Company's forthcoming AGM on 24 May 2019.The terms and conditions of appointment of all directors are set out in letters of appointment which will be made available at each AGM.

Induction and Development of Directors

All new independent directors receive induction training on joining the Board and are invited to visit part of the Company's portfolio as soon as possible following their appointment to gain first hand understanding of examples of the implementation of the Company's strategy, property management, operations and tenant relations. The independent directors also receive presentations from the executive management and the Company's advisors on matters relevant to the Company's business. The Nomination Committee, on behalf of the Board, assesses the training needs of the directors on at least an annual basis.

The Chairman also considers the training needs of directors, in conjunction with individual directors, and has concluded that those needs are adequately met.

Communications with Shareholders

The Board acknowledges the importance of and welcomes feedback and all effective communications with shareholders. The Board is responsible for ensuring that a satisfactory discourse with shareholders takes place and that the Company maintains open, two way lines of communication with shareholders. It is important to the Board that shareholders understand the Company's strategy and objectives, which the Board works to ensure are clearly explained and articulated.

The Company formally updates the market on its financial performance with half year and full year results. Presentations are made to both existing and prospective institutional shareholders, principally after the release of the interim and annual results but also as part of investor days organised by brokerage firms.

Major acquisitions are also announced to the market and the Company's website (www.ygreit.com) provides the full text of all stock exchange releases. The website also contains the first interim report and will contain future interim reports and Reports when they are published. The Chairman, in line with the Codes, will, as required, ensure that the views, issues and concerns of major shareholders are communicated to the Board so that appropriate action can be taken if required. The Chairman and the other directors also have the opportunity to meet shareholders and analysts at the Company's AGM.

If shareholders would like to communicate directly with the Board, they should contact Jonathan Laredo, contact details for whom are available from the Company's website. The Senior Independent non executive Director, Garry O'Dea, is also available to shareholders who may have concerns which they would like to bring to his particular attention.

Corporate Governance Statement (continued)

Share Dealings

The Market Abuse Regulation (Regulation 596/2014 of the European Parliament and the Council of the European Union) contains rules requiring listed companies to have effective systems and controls regarding persons discharging managerial responsibilities ("PDMRs") securities dealing clearance. The Board has put in place securities dealing rules which apply to the directors and relevant employees of the Company and any of its affiliates (and certain persons connected with such persons). The securities dealing rules set out the pre clearance approval procedures to be adhered to when dealing in the shares of the Company and also set out periods in which share dealings are prohibited.

Details of each director's interests in the Company's shares at 31 December 2018 are set out as below:

	Number of shares	Issued Capital
Barry O'Dowd	25,000	0.03%
Eimear Moloney	25,000	0.03%
Garry O'Dea	25,000	0.03%
Brian Owens	25,000	0.03%
Jonathan Laredo	2,529,596	3.37%
Charles Peach	251,440	0.34%
Michael Gibbons	2,052,544	2.74%

Independence

In accordance with the principles of the Codes, the Company maintains a majority of independent non executive directors on the Board. The independence of each non-executive director is considered each calendar year by the Board. The Board determines whether each director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

The Board is satisfied that each of its designated independent non executive directors, namely Barry O'Dowd, Eimear Moloney, Garry O'Dea and Brian Owens fulfil the independence requirements of the Codes. The Board is also satisfied that the other directorships held by its directors do not interfere with the discharge of their duties to the Company.

The Company has and continues to maintain a robust whistleblowing policy that allows Company staff or advisors to raise concerns about possible improprieties in financial reporting or any other activities of the Company.

Board Evaluation

The effectiveness and performance of the Board and its directors, and of its Committees and their chairmen, will be evaluated annually by the Board. Provision B.6.2 of the Codes provides that the Company (also as a smaller Company for the purposes of the Irish Annex) is not required to be externally evaluated every three years, however the Company intends that an independent review by an independent outside expert should be conducted at least every three years.

The Board will formally conclude on a self-evaluation of its performance in early 2019, on the performance of the Committees and on the performance of the individual directors including the Chairman. The senior independent non-executive director will meet with the non-executive Directors (other than the Chairman) to appraise the Chairman's performance, taking into consideration the views of the executive directors.

Memorandum and Articles of Association

The Company's Memorandum and Articles of Association sets out the objects and powers of the Company and are available at http://www.ygreit.com/investors/company-documents/2018. The Articles of Association detail the rights attaching to shares, the method by which the Company's shares can be purchased or re-issued, the provisions which apply to the holding of and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers. The Directors are responsible for the management of the business of the Company and may exercise all the powers of the Company subject to applicable legislation and regulation and the Company's Articles of Association. The Company's Articles of Association may be amended by a special resolution passed by the shareholders at an AGM or EGM of the Company.

Purchase of own shares

The Company may purchase any of its own shares and any shares the Company purchases may be cancelled or held by the Company as treasury shares. The Company shall not make a purchase of shares in the Company unless the purchase has first been authorised by a special resolution of the Company. On 4th June 2018 the Company made a special resolution to permit the Directors to make market purchases not exceeding the lower of €75,000 nominal value and 10% of the aggregate nominal value of the issued share capital at 8 June 2018. There have been no purchases of own shares made by the Company in the financial period and there were no shares owned in treasury at the end of the financial period.

Accountability report

In accordance with the Codes, the Board aims to present a fair, balanced and understandable assessment of the Company's position, performance, business model and strategy specifically that they consider that the Report and Consolidated financial statements, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. The Board's opinion as to the validity of adopting the going concern basis of accounting in preparing the annual financial statements is included in their Directors' Report on pages 28 to 33, as well as the basis by which the Company seeks to generate or preserve value over the long term.

Risk Management and Internal Control

The Board has overall responsibility for the implementation and success of the Company's system of internal control and risk management. The Board has delegated responsibility for the monitoring of the effectiveness of this system to the Audit Committee. In accordance with the "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" issued by the Financial Reporting Council in September 2014, the Board confirms that there is an ongoing process for identifying, measuring and managing the significant risks faced by the Company in achieving its strategic objectives, that this process has been in place from 6 June 2018 and up to the date of this report, and that this process is regularly reviewed by the Board. The Board and the Audit Committee have developed, documented and maintain a robust risk identification, management and internal control framework and periodically review and consider if the systems are operating effectively. The Chairman of the Audit Committee reports to the Board during the financial period on the Committee's activities regarding risk management and internal control. The Audit Committee reviewed the risk register and risk management policy and recommended it for adoption by the Board. The Company's risk management policy and risk register identify the principal risks facing the Company and assess the controls in place to mitigate those risks and the procedures in place to monitor them. This process is designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives and can only provide reasonable, but not absolute, assurance against material loss or mis-statement. The principal risks facing the Company and the means for their management and mitigants are included in the Principal Risks and Uncertainties on page 46.

Code Compliance

The Directors are committed to maintaining high standards of corporate governance and this Corporate Governance Statement describes how the Company has complied with all provisions of the Codes in the period from Admission on 8 June 2018 to 31 December 2018. The Board have reviewed the UK Corporate Governance Code 2018 and will adopt its principles.

AGM

The AGM of the Company will take place at 12.00p.m. on 24 May 2019 at the offices of William Fry, Grand Canal Square, Grand canal Dock, Dublin. The Report and Consolidated financial statements and Notice of the AGM will be sent to shareholders at least 20 working days prior to the date of the meeting. The Notice of the AGM sets out the business of the meeting and an explanatory note on all resolutions to be considered at the meeting. Separate resolutions will be proposed on each substantive issue. All shareholders will have the opportunity to attend and vote, in person or by proxy, at the AGM. The Chairman, the Chair of each of the Committees and the three Executive Directors will be available at the AGM to answer shareholders' questions.

Results of resolutions proposed at the AGM will be published on the Company's website www.ygreit.com following the AGM.

Barry O'Dowd
Chairman

Jonathan Laredo
Chief Executive Officer

Principal Risks and Uncertainties

The Company's Board has overall responsibility for the establishment and oversight of the Company's risk management framework to ensure that its strategy can be successfully implemented. The Audit Committee is responsible for developing and monitoring the Company's risk management policies, as set out in the governance statement. Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. All of these policies are regularly reviewed in order to reflect changes in the market conditions and the Company's activities.

The Company's risk register, reviewed by the Audit Committee, records key risks across the Company's current and future investment, operations, IT, governance, economic and strategic areas of activity. The register assesses the likelihood and impact of risks as well as their direction in order to monitor progress in managing and mitigating them. A register of errors and breaches is also maintained and no material breaches were noted during the financial period.

The Board

The Board has overall responsibility for maintaining and monitoring the Group's systems for risk management and internal control. The Board reviews and approves the risk appetite of the Company.

The Audit Committee

The Board has charged the Audit Committee with reviewing the adequacy and effectiveness of the Company's internal control (including financial control) and risk management systems. The Audit Committee assesses management's risk measurement and control.

Executive Management

Executive management have day to day responsibility for ensuring the Board's strategy with regards to risk management, measurement and reporting is implemented. In addition, they identify and provide assessment of current and future risks the Company may face for the Board's review.

Internal Audit

The Audit Committee considers the nature, scale, complexity and range of operations of the Company, including its external administrator structure in relation to financial reporting. The Company has appointed Baker Tilly ("BT" or "the Administrator ") to act as an accounting service provider to the Company. There is a comprehensive services agreement between the parties which sets out the role of the Administrator in relation to financial reporting. As part of the services agreement between the Company and the Administrator, the Administrator is required to ensure that appropriate internal controls suitable for the agreement are maintained. BT is also required to ensure that reporting is adequate, accurate and timely.

The Administrator is required to report compliance with its internal control processes, disaster recovery processes, and business continuity programme on a regular basis. The Administrator and the management team are available to assist the Audit Committee and the Board in discharging their responsibilities with regards to assessing the effectiveness of the Company's risk management and internal control systems. Based on the foregoing, and in particular the size of the Company, the Committee has recommended to the Board that it is not necessary to establish an internal audit function within the Company. The Board concurs with the Audit Committee's recommendation not to establish an internal audit function for the Company. The Audit Committee will continue to review this position annually and make appropriate recommendations to the Board.

The Company's assets are primarily office and industrial commercial properties in the Republic of Ireland. The principal risks it therefore faces are related to the Irish commercial property market in general, the Company's operating environment and individual properties and tenants. The Board has carried out a robust assessment of the principal risks and sets out below the principal risks and uncertainties that the Company is exposed to and that may impact performance in the coming financial year. The Company proactively identifies, assesses, monitors and manages these risks. Some risks are not yet known and some that are not currently deemed material may turn out to be material in the future. The material risks and uncertainties identified, along with their strategic impact on the business and mitigating factors, have been outlined.

Identified Risk	Impact on the Company/ Property market	Mitigating activities	Momentum
Key Macro economic risks			
Brexit	Weakening Irish economy puts pressure on rents and tenants, in the event of a hard Brexit there is the possibility that the border between the Republic of Ireland and Northern Ireland became a hard border.	The key risk areas by sector (agriculture, food manufacture) are avoided in the REIT portfolio. Tenants are assessed on the volume of their sales to the UK or supplies from the UK at rental or acquisition. Targeted properties are majority tenanted by stronger tenants.	Increasing
Weakening economy	Weakening global and/ or national economy puts pressure on rents and tenants. Fall in availability of debt financing. Fewer buyers for the REIT's properties	The REIT assets are judged on the quality and local grounding of tenants and prospective tenants. Targeted properties are majority tenanted by stronger tenants with demand and businesses not just dependant on the local economy.	Decreasing
Weak Foreign Direct Investment demand due to macro-economic factors	Risk of falling demand from Foreign Direct Investment tenants	The Company's acquisition policy requires alternative use planning. The Company monitors and aims to understand Foreign Direct Investment trends in advance.	Stable
Interest rate risk – rising rates	Debt facility costs based on Euribor may increase with an adverse effect on dividend payments.	The Company will seek to mitigate the impact of interest rate rises on any future debt facility. The Company's finance manual includes mitigating policies for hedging interest rate risk.	Stable

Principal Risks and Uncertainties (continued)

Identified Risk	Impact on the Company/ Property market	Mitigating activities	Momentum
Key Property related risks			
Valuation of Company Assets	Property assets outside the Dublin Central Business District may lack recent comparable transactions or benchmarks for an external valuer to use in valuation.	The Company has a separate Valuation Committee to ensure the most capable valuers are used. The Valuation Committee can change the valuer and use more than one valuer for the portfolio. The property team keep a record of comparables from acquisition to share with the valuer.	Decreasing
Tenant payment behaviour	Risk that the Company's current or future tenants fail to make payments due in a full or timely manner, which could affect the Company's dividends.	Tenants' covenant strength and prior rental performance is reviewed at purchase, the property management group conduct regular tenant meetings and tenant financial reviews.	Stable
Tightening of rental yields	Risk the Company will not be able to invest capital at its expected rental yields	The Company's owned assets would reflect this tightening to help achieve NAV price targets. The Company has a higher yielding seed portfolio to provide current income in the absence of suitable purchases.	Stable
Refurbishment – contractor failure and cost	Failing contractors may delay or increase the cost of refurbishment	The Company does not expect to undertake substantial refurbishment and then only with Board approval. The Chief Investment Officer's team would require competing bids, pre-set timelines and budgets to identify failings and replace contractors earlier.	Stable

Identified Risk	Impact on the Company/ Property market	Mitigating activities	Momentum
Key Operational Risks			
Inability to raise further equity capital	Risk the Company will not be able to fund unexpected major capital expenditure. Risk the Company will not be able to achieve its IPO growth strategy	The Company will have leverage below the REIT ceiling. The Company will remain in contact with leverage providers to ensure leverage is available at attractive levels. The Investor relations policy has a calendar for capital raising ensuring the Company is regularly appraised of Investor interest and can target investors well in advance of the Company's immediate needs.	Stable
Loss of key staff	Risk of Executive management resignation, illness or death	The Company has Executive management with significant personal investment in the Company with lock-ups, and a specifically judged remuneration scheme and Long Term Incentive Plan to encourage retention. Executive management have non-compete clauses.	Stable
Regulatory, legislative, tax, environmental or planning changes	Risk of changing operating environment hurting returns and amending strategy	The Company has a strong Board with a mix of capital markets, property and audit experience to better be aware of and react to these changes. The Executive management have experience of managing through legislative and tax changes and relationships with suitable professionals for Company advice.	Stable

Audit Committee Report

Dear Shareholder,

On behalf of the Audit Committee, I am pleased to present the Audit Committee's Inaugural Report for the period from the Committee's establishment on 8 June 2018 to 31 December 2018.

GARRY O'DEA
COMMITTEE CHAIRMAN

The following pages provide insight into our work and activities during the Committee's tenure as we discharge our responsibilities in relation to the integrity of the Company's financial reporting, the relationship with and independence of the external auditor and the effectiveness of the Company's internal controls and risk management system.

As part of our activities we met regularly with the Management Team, the Administrator and the external auditors. During this financial period the Company established and subsequently reviewed its risk policies and procedures and published its first interim financial statements.

While the Company is relatively newly established we have reviewed the Committee's make-up and skills and our interactions with external assurance such as the external auditor and Administrator to date. We are satisfied that the Audit Committee has the right balance of skills and resources, has been able to work effectively and has received the support and response it has required from both management and the external service providers. We are also satisfied that the level of scrutiny of the Company's public announcements is sufficient and effective. There were no issues arising from this evaluation.

I will be available at the AGM to answer any questions on the work of the Audit Committee.

Garry O'Dea

23 April 2019

The Audit Committee is chaired by Garry O'Dea, who is the Senior Independent Director and an independent Non-Executive Director. He is considered by the Board to have recent and relevant financial experience and the necessary understanding of financial reporting and accounting principles. All the members of the Audit Committee are independent Non-Executive Directors, appointed by the Board on the recommendation of the Nomination Committee. They are appointed for a period of up to three years, extendable by no more than two additional three-year periods provided the member continues to meet the criteria for membership. A quorum consists of two Independent member Directors and all the members of the Committee are considered to have recent significant and relevant financial experience. The Committee brings experience in, among other areas, commercial property, capital markets and financial accounting, all of which are relevant to the sector the Company operates in. All members are in their first term, which started at Admission, 8 June 2018.

The Audit Committee is constituted in compliance with the Codes, section 167 of the Companies Act 2014, section 1551 of the Companies (Statutory Audits) Act 2018 and the Company's Articles regarding the composition of the Audit Committee. The current Terms of Reference for the Audit Committee are published on the Company's website.

The Audit Committee meets regularly, in alignment with the financial reporting calendar. The Audit Committee was formed on 8 June 2018 and met 4 times in the period to 31 December 2018. The Audit Committee requests the attendance of relevant other parties as required. The parties met were as follows:

Deloitte Ireland LLP as External Auditor	The independent external auditor attended to present its audit plans in respect of the annual audit and interim review, its analysis of the audit risks it sees in the Group, the results of an interim review, and its recommendations for improvements in systems and controls.
Baker Tilly as Administrator ("BT")	The Administrator met the Committee to discuss its work, its interaction with the Company and any significant assumptions or matters in relation to the preparation of the Group's accounts.
Representatives of the Company	Representatives of the Company, principally the CFO, met the Committee in order to present the financial statements, to discuss significant judgements and areas of uncertainty, the Group's risks and measures in place to mitigate risks, and any other matters as requested by the Audit Committee.

The Company Secretary acts as secretary to the Committee.

Audit Committee Report (continued)

Role of the Audit Committee

The roles and responsibilities of the Audit Committee are summarised below. The full schedule of the roles and responsibilities are contained in the Committee's terms of reference, which are available from the Company's website www.ygreit.com.

Financial reporting	Monitoring the integrity of Group financial statements and any other formal announcements relating to the Group's financial performance, business model and strategy. Assessing whether the Report and Consolidated financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Evaluating the Group's accounting policies, any changes to them and their appropriateness. Reviewing and challenging judgements, estimates and assumptions made by the Group in its reports or announcements.
External Audit	Overseeing the relationship with the external auditor, including selection, appointment, removal, terms of engagement, approval of remuneration, assessing independence and objectivity, assessing effectiveness of the audit process, and setting policy on the use of non-audit services.
Valuation	Monitoring and reviewing the property valuation process, taking into account the actions of the Valuations Committee. Reviewing the valuation methodology for non-property judgements.
Internal Audit	Reviewing the Group's requirement for an internal audit function. Assessing the need for additional internal audit review and reporting.
Risk Management and Internal Controls	Reviewing the principal risks facing the Group and recommending to the Board the Group's risk register and risk management systems. Reviewing the adequacy and effectiveness of the Group's system of internal financial controls and internal controls including implementation, relevance and any breaches of controls. Reviewing the Group's procedures for detecting fraud, and the systems and controls for the prevention of bribery. Performing an assessment of the Group's compliance with the Codes and other obligations.
Committee	Reviewing the Committee's Terms of Reference, composition and performance. Monitoring compliance with legal, listing, REIT rules and accounting standards. Reporting to the Board on fulfilment of its responsibilities.

Reporting

The Chairperson of the Audit Committee reports to the Board on the activities of the Committee. The Audit Committee's activities in the period from 8 June 2018 to 31 December 2018 are set out under each of the relevant headings below:

Compliance with Code

The Codes require that the Board should present a fair, balanced and understandable assessment of the Company's position and prospects and specifically that they consider that the Report and Consolidated financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

At the request of the Board, the Committee considered whether the 2018 Report and Consolidated financial statements met these requirements.

The Committee considered and discussed with management the established and documented process put in place by management for the preparation of the 2018 Report and Consolidated financial statements, and in particular the timetable, co-ordination and review activities. The Committee also noted the formal audit plan and process undertaken by Deloitte Ireland LLP. The Committee and then the Board concluded that the Report and Consolidated financial statements, taken as a whole, are fair, balanced and understandable and that they provide the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

Significant Issues

The Committee considered the Company and Group's proposed accounting treatments for material and complex transactions and key assumptions made in the preparation of the financial statements. The Committee also reviewed the suitability of the Company and Group's accounting policies, their adoption and their consistent application across financial periods. The key judgements considered by the Audit Committee during the financial period ended 31 December 2018 and the action taken by the Committee are set out below:

Valuation of owned property

All of the properties owned by the Company were valued by Lisney Limited (the "Valuer") as at 31 December 2018. The Valuation Committee met with the Valuer, and reviewed its objectivity, experience and cost competitiveness before engaging with it. The Valuation Committee tested the Valuer's assumptions and valuations and is satisfied that the valuations were conducted in accordance with the Royal Institution of Chartered Surveyors Valuation Standards. The valuation report prepared by the Valuer was also provided to the external auditor. The Audit Committee reviewed the valuations and their underlying comparable evidence and assumptions. All properties are valued in accordance with their current use, which is also the highest and best use except for property under development. The Audit Committee paid specific attention to the valuation of the car park under development at the Company's property in Athlone, in particular the assumptions made by the Valuer on timing of completion and investment return.

Treatment of subsidiary holdings

The Group owned, or following reorganisation of the management companies expects to own, interests in three property management companies and Yew Grove Investment Fund (in Member's Voluntary Liquidation), a qualifying investor alternative investment fund ("QIAIF"). The Committee received a report addressed to the Group from Holmes O'Malley Sexton (the solicitors acting on behalf of the Group with respect to the management companies) describing the ownership and influence the Group has or could have on each management company. Additionally, the Committee discussed the recognition and valuation of each of these with the Company, the Administrator and the external auditor.

Treatment of share-based payments

Under the Company's Long-Term Incentive Plan ("LTIP") and Bonus scheme the Company may be obliged to make payments or settle options on the Company's shares contingent on individual and Company performance. While the Company has not made any grants for the reporting period, the Audit Committee reviewed the treatment of the LTIP with the Company in the presence of the Administrator in order that the Committee and

Audit Committee Report (continued)

the Remuneration Committee be aware of the cost and recognition of awards made under these schemes in the future.

Treatment of debt facility

The Company raised a debt finance facility during the reporting period. The Committee reviewed the terms and use of the facility and the costs of the facility in determining how these would be treated and recognised in the Company and Group's accounts. The Group paid particular attention to the valuation and treatment of the liabilities the Company has incurred under the facility.

The External Auditors

The Audit Committee oversees the relationship with the External Auditor.

Deloitte Ireland LLP was appointed as first statutory auditor to the Company in 2018. The Audit Committee keeps the tenure of Deloitte Ireland LLP under review in accordance with best practice, recent applicable legislation and its terms of reference.

The Audit Committee has recommended to the Board that Deloitte Ireland LLP should be re-appointed for the coming financial year. As required under the Articles of the Company, the reappointment will be tabled at the Annual General Meeting for consideration by shareholders. In the course of arriving at this recommendation the Audit Committee completed a detailed assessment of the external auditor including the key points below:

- Confirmation from the auditor that there are no issues concerning its status as a statutory auditor or the designation of the audit engagement partner as a responsible individual.
- The independence and objectivity of the audit partner and senior audit staff, particularly as regards to their interaction with Company management.
- The quality of the audit partner and audit staff from a technical accounting and auditing perspective, including their industry knowledge and their specialist technical expertise.
- Whether issues were raised at the right time by the appropriate level of audit staff with the appropriate Company staff and in particular, the timeliness and quality of communication with the Committee.

The outcome of this assessment confirmed that the auditor was performing well, adding value to the control process, had a good relationship with both Audit Committee, Administrator and Company management and was sufficiently independent and technically qualified to justify the Committee's recommendation to re-appoint.

Services carried out by the external auditor during the financial period

Services provided by Deloitte Ireland LLP to the Company and the Company's subsidiaries for the financial period ending 31 December 2018 are:

Audit of Company accounts at 6 April 2018	€12,500
Financial Position and Prospects Procedures review and reporting accountant at Admission	€170,000
Review of interim accounts	€12,500
Audit of Initial Financial Statements	€12,500
Audit of the Company for the financial period ended 31 December 2018	€30,000
Audit of the Group for the financial period ended 31 December 2018	€10,000

Internal Audit

In accordance with the Codes, the Audit Committee has considered the Company's scale, complexity and range of operations, including the role of the Administrator in relation to financial reporting. There is a comprehensive services agreement between the Company and the Administrator, BT, which sets out the role of the Administrator in relation to financial reporting.

As part of the services agreement, the Administrator is required to report to the Company that it has appropriate internal controls in place. BT is also required to ensure that reporting to the Audit Committee and the Board is adequate, accurate, and timely.

The Administrator is required to report to the Company on compliance with its internal control processes, disaster recover processes and business continuity programme on a regular basis. Based on the Committee's assessment of the foregoing controls within the Administrator, and also the current size of the Company, the Audit Committee has recommended to the Board that it does not believe it is necessary to establish an internal audit function at this time. The Board concurs with the Audit Committee's recommendation not to establish an internal audit function for the Company at this time. The Audit Committee will continue to review this position annually and make appropriate recommendations to the Board.

REIT status

As an Irish REIT, the Company is subject to Part 25A of the Taxes Consolidation Act 1997 (as inserted by section 41 of the Finance Act 2013). The Committee reviewed the Company's compliance with these requirements at 30 October and 31 December 2018, based on the Company's internal calculations. The Committee has confirmed to the Board that the Company is in compliance with the REIT rules at the date of this report. The Committee noted that in order to maintain compliance the Company would need to be listed on the Main market of the London or Euronext Dublin stock exchanges by May 2021.

Internal controls and Risk Management

The Board acknowledges that it is responsible for monitoring the effectiveness of the Company's system of internal control (including financial control) and risk management to safeguard the Company's assets. The Company's internal control environment is designed to identify, manage and mitigate financial, operational and compliance risks inherent to the Company. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Company's internal control system is built on certain fundamental principles and is subject to review by the Board. The following are the principles under which the internal control system operates:

- A defined schedule of matters reserved to the Board
- Documented, approved policies and procedures
- A clear, effective authorisation process
- Risk metrics and risk reporting at meetings
- Approval and recording of all significant transactions
- Maintenance of a breaches register with details of corrective actions
- Business and financial planning (including two year forward cashflows and viability modelling)
- Formal multi step appraisal of property investment decisions
- Performance assessment versus budget.

The Committee carried out an annual assessment of the Group's risk management and internal control systems, using the Group's risk management framework and risk register. The Committee identified the Group's principal risks and reviewed the controls and procedures in place to mitigate these risks. The Committee reviewed each of the entries on the risk register to ascertain whether they were relevant and complete, whether the risks identified were expected to become more prevalent, what the potential impact of the risks might be, mitigants to the risks that had been or could be brought into action, and actions to be taken by the Group. The Committee recommended the updated risk register to the Board for adoption.

Whistleblowing

The Committee reviewed the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns in confidence about possible wrongdoing in financial reporting or other matters, and the subsequent proportional and independent investigation of such matters. There were no items reported or identified to the Audit Committee during the period ended 31 December 2018 which required investigation or follow up and the Committee reported this to the Board.

Reporting

The Chairman of the Committee reports to the Board at each meeting on the activities of the Committee and intends to attend the Company's AGM to answer any questions on the Committee's responsibilities and this report.

Approval of reports

The Report and Consolidated financial statements were considered in draft on 9 April 2019. The Report and Consolidated financial statements were approved by the Board on 23 April 2019.

Nomination Committee Report

I am pleased to present the first report of the Nomination Committee from the Committee's establishment on 8 June 2018 to 31 December 2018, which provides a summary of the Nomination Committee's role and responsibilities, and how the Committee discharged these during 2018.

BARRY O'DOWD
COMMITTEE CHAIRMAN

Role of the Nomination Committee

The duties, reporting responsibilities and authority on the Nomination Committee is clearly set out in our written Terms and Reference which are available on the Company's website www.ygreit.com. These include, but are not limited to, the following:

- Regularly reviewing the structure, size and composition of the Board and make recommendations to the Board with regard to any changes;
- Assessing the effectiveness and performance of the Board and each of its committees including consideration of the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity, including gender, how the board works together as a unit, and other factors relevant to its effectiveness;
- Giving full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future, in particular with respect to the chairman of the Company;
- Being responsible for identifying and nominating candidates for approval by the Board to fill Board vacancies as and when they arise;
- Before any appointment is made by the Board, evaluating the balance of skills, knowledge, experience, independence and diversity on the Board, and, in the light of this evaluation preparing a description of the role and capabilities required for a particular appointment;
- Reviewing annually the time required from non-executive Directors and assessing whether the non-executive Directors are spending sufficient time on fulfilling their duties.

Board Membership

The Board recognises and embraces the benefits of diversity among its own members, including diversity of skills, experience, background, gender and other qualities. We are committed to reflecting diversity in its broadest sense, while ensuring that we maintain the necessary skills and experience required to oversee the significant financial service activities and related requirements of the Group. In reviewing the Board composition and appointments, candidates are considered on merit against objective criteria and with due regard for the benefits of diversity. The Board has a Board Diversity Policy, the aim of which is to ensure that the percentage of women on the Board achieves at or exceeds 30%. The percentage is currently 14%. All Directors are subject to re-election by shareholders at this year's Annual General Meeting and will be subject to annual re-election thereafter. The Board's composition will remain under continuous review.

Committee Membership

Under the Terms of Reference, the Nomination Committee must comprise at least two Directors, of whom a majority shall be independent non-executive Directors. Members are appointed to the Committee by the Board for a period of up to three years which may be extended for further periods of up to three years, provided the relevant member still meets the criteria for membership of the Committee.

The Committee is comprised of two non-executive Directors and one executive Director:

- Barry O'Dowd (Chairman)
- Eimear Moloney (Non-executive Director)
- Jonathan Laredo (CEO)

See pages 38 and 39 for their individual biographies.

Other executives may be invited to attend when deemed appropriate. The Company Secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

Activities of the Nomination Committee

The Nomination Committee meets at least once in each calendar year and otherwise as required. The Nomination Committee met on two occasions during the period from 8 June 2018 to 31 December 2018. The principal activities of the Nomination Committee throughout this period are detailed below:

- The Committee reviewed the Terms of Reference for the Nomination Committee to ensure the contents remained relevant and appropriate and best reflect the role and responsibilities of the Committee.
- The Committee reviewed the results of the annual performance evaluation of the Board, its committees and individual Directors, including a review of the time required from non-executive Directors to fulfil their duties.
- A review of the Corporate Governance Code that will apply from 1 January 2019.
- In line with the UK Code, ensuring that all Directors, subject to and seeking re-election, be put forward for re-appointment at the Company's 2019 AGM.
- The Committee appointed Jonathan Laredo to the Valuation Committee with effect from 2 August 2018 and proposed to the Board that Eimear Moloney be a member of the Audit Committee from 21 August 2018.

I will be available at the AGM to answer any questions that shareholders may have on the work of the Committee.

On behalf of the Committee.

Barry O'Dowd

23 April 2019

Remuneration Committee Report

EIMEAR MOLONEY
COMMITTEE CHAIRMAN

Dear Shareholder,

I am pleased to present the inaugural report of the Remuneration Committee covering the remuneration policy and practice from the Committee's establishment on 8 June 2018 to 31 December 2018 which has been prepared by the Remuneration Committee and approved by the Board.

The objective of the report is to provide shareholders with information to enable them to understand the remuneration structures and how they relate to the Group's financial performance.

We have been mindful to ensure disclosures in relation to the remuneration structures are in line with best practice and we recognise the importance of having remuneration policies, practices and reporting that reflect best corporate governance practices, having regard to the Company's size and the markets on which its shares are traded.

The Committee is dedicated to structuring a remuneration policy for the business which promotes a continued alignment of shareholders' and executives' interests. The significant shareholdings of both the Chief Executive Officer and the Chief Investment Officer also demonstrate their ongoing commitment to the long-term success of the Company.

Membership and Responsibilities

The Remuneration Committee is chaired by Eimear Moloney and its other member is Garry O'Dea, each of whom is considered by the Board to be independent. The Remuneration Committee was set up at the date of admission to trading in June 2018 and meets formally at least once a year and otherwise as required.

Only members of the committee have the right to attend committee meetings. However, other individuals such as officers and staff of the Company and other directors and representatives from service providers to the Company may be invited to attend all or part of any meeting as and when appropriate and necessary.

The Company Secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

The responsibilities of the Remuneration Committee are summarised below and are set out in full in the Terms of Reference for the Remuneration Committee which are available on the Company's website www.ygreit.com. In the admission document published in connection with the listing of the Company we set out the core principles for our remuneration policy. The roles and responsibilities include but are not limited to, the following:

- within the terms of the agreed remuneration policy and in consultation with the chairman and/or chief executive, as appropriate, determine the total individual remuneration package of the chairman, each executive director, company secretary and other designated senior executives including bonuses, incentive payments, share options or other share awards and pension benefits. No director or manager shall be involved in any decisions as to their own remuneration.
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission

or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the board.
- review the ongoing appropriateness and relevance of the remuneration policy and the terms of reference and make recommendations to the Board as regards changes or otherwise.

Key activities of the Remuneration Committee

There has been one Committee meeting during the period and the key activities during the financial period were focused on:

- Agreement of the Remuneration Committee's terms of reference;
- Formulation of the Company Remuneration Policy as fit for a listed company;
- Benchmarking base salary and total remuneration of executive directors prior to listing;
- Setting the policy for Chairman, and with the Board, the policy for non-executive directors' fees;
- Implementing the Company's new Long-Term Incentive Plan ("LTIP");
- Drafting the Committee's first Report;
- Started to consider the implications of the updated 2018 UK Corporate Governance Code for the Company's remuneration practices and reporting following the financial period.

Summary of current executive remuneration framework

The Group's policy on Executive Directors' remuneration is designed to ensure that employment and remuneration conditions reward, retain and motivate them to perform in the best interests of shareholders. The Group aims to provide a remuneration package for all employees that is market competitive and operates the same reward and performance philosophy throughout the business.

The elements of the remuneration package which may apply to Executive Directors are base salary, pension and benefits, annual bonus and the long term incentive plan. The following paragraphs summarise the framework which was applied at IPO and will apply during 2019. The initial levels of salary, pension, and benefits were agreed following the review of a recommendation for remuneration prepared by Mercer Consulting Group ("Mercer"), acting as independent remuneration consultants to the Company.

Executive remuneration framework

Base Salary: An appropriate level of fixed remuneration to reflect the skills and experience of the individual. Salaries are reviewed bi-annually by the committee taking into account all relevant factors. Prior to admission Mercer were engaged by the board to consider the appropriate level of both Executive and Non-Executive remuneration by benchmarking the company against other similar sized listed companies.

The salaries of each of the Executive Directors was set at admission at €250,000 p.a. Each of the Executive Directors has agreed to waive half of their annual salary until such time as the share capital issued by the Company equals or exceeds €175 million.

Benefits: To provide a market competitive benefits package. Benefits currently provide the Executives with critical illness and death in service cover and reimbursement of the cost of a family health insurance plan for spouse and children under 18 years old.

Pension: Contribution to a company pension scheme at 15% of salary. These pension contributions are in line with the contribution level provided to the other members of the workforce.

Bonus: To reward executives for the delivery of annually agreed objectives and performance targets. The maximum bonus for a year for each of the Executive Directors is 100% of salary. Targets are set each year for the CFO and CIO by the CEO, and for the CEO by the Chairman and each is assessed and approved by the Committee.

In respect of 2018 no bonuses were payable to the Executive Directors. While the board recognises the value generated by the executive for the Company in successfully effecting the flotation of Yew Grove REIT plc, in light of the limited resources and profitability in this initial period it was considered prudent not to pay a bonus.

For 2019, 70% of the bonus will be based on the achievement of challenging actual dividend per share targets with the balance being paid based on

Remuneration Committee Report (continued)

individually agreed non-financial objectives. The non-financial objectives are set individually for each executive director depending on their role and how they might further influence the Company's objectives. The actual performance targets set are not disclosed at the start of the financial year, as they are considered to be commercially sensitive. These will be reported and disclosed retrospectively at the end of the year in order for shareholders to assess the basis for any bonus outcomes.

LTIP: Prior to admission in June 2018 an LTIP was established. Awards are designed to reward Executive Directors for the delivery of long term performance and align their interests with those of shareholders and other stakeholders. Under the LTIP scheme the maximum annual award is 150% of salary. In addition, no more than 5% of the issued ordinary share capital of the Company may be issued or reserved under the Scheme. The options are granted with a fixed exercise price which is determined by the market value per share of the Company at the grant date of the options. Options will vest no earlier than the third anniversary of the award grant date. The options expire seven years after the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Malus will apply for the three year period from grant to vesting with claw back applying for the two year period post vesting. Malus and claw back provisions within the annual bonus scheme and LTIP apply in the following circumstances:

- Material restatement of the Company's audited financial statements;
- Where an award that has been granted based on any materially incorrect information relevant to the basis for setting the performance conditions;
- Material breach by the executive of this contract of employment including, a material breach of a restrictive covenant and/or confidentiality obligations of the Company; or
- Serious business or reputational damage to the Company arising from a criminal offence, serious misconduct or willful misconduct by the individual executive.

There were no awards in 2018. The first awards under the LTIP plan will be made during 2019. The Remuneration Committee has determined that an exceptional award of 150% of base salary will be made to each executive director as the Company builds out its strategy and moves towards achieving its investment objectives.

Commencing in 2019, awards may be granted annually to executive directors in the form of share options. These will vest at the end of a three year period subject to:

1. the executive director's continued employment at the date of vesting;
2. satisfaction of the performance conditions.

The options are exercisable based on a series of performance metrics agreed by the Remuneration Committee and approved by the board. The vesting criteria for the 2019 LTIP Scheme awards are split evenly across three metrics;

1. NAV growth but excluding dividends, 30% vests at ≥ 10% growth, 60% at 15% growth and 100% at ≥ 20% growth.
2. Aggregate dividend payment per share over the final twelve months of the performance period, 30% vests at €0.06 per share, 60% at €0.07 per share and 100% at €0.075 per share.
3. Annualised Total Shareholder Return (TSR), 30% vests ≥10%, 60% at ≥12% and 100% at ≥15%.

The Remuneration Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate. No material change will be made to the type of performance conditions without prior shareholder consultation.

Non executive Directors fees:

The company provides a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Company's strategic objectives. The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman whose remuneration is considered by the Remuneration Committee and recommended to the Board. The Chairman is paid additional fees above other Non-Executive Directors to reflect the additional responsibilities and/or additional/unforeseen time commitments. Non-Executive Directors do not participate in any of the Company's incentive arrangements.

Outcomes for 2018 (to be read as part of the Consolidated financial statements)

The following table summarises the remuneration received by the Directors for the period from 8 June 2018 to 31 December 2018:

	Salary / Fees	Bonus	Other Benefits	Pension	2018 Total
	€'000	€'000	€'000	€'000	€'000
Executive Directors					
Jonathan Laredo	70	-	2	21	93
Charles Peach	70	-	1	21	92
Michael Gibbons	70	-	10	21	101
Non-Executive Directors					
Barry O'Dowd	44	-	-	-	44
Garry O'Dea	28	-	-	-	28
Eimear Moloney	28	-	-	-	28
Brian Owens	28	-	-	-	28
Total	**338**	-	**13**	**63**	**414**

Service contracts/letters of appointment

The Remuneration Committee reviews the contractual terms for any new Directors to ensure these reflect best market practice.

Executive Directors

All Executive Directors have service contracts with the Group with a notice period of six months. The service contracts for all three executive directors are dated 5 June 2018. The service contracts allow for termination by way of payment for the entire notice period or part thereof in lieu of notice. Standard 'cause' provisions are included in the service agreement to allow the Company to terminate without notice.

Non-Executive Directors

The Non-Executive Directors were appointed under letters of appointment dated 4 June 2018. Each independent non-executive director's term of office is for an initial period of 3 years unless terminated earlier upon written notice or upon their resignations.

The initial terms of the non-executive directors' positions are subject to their election by the Company's shareholders at the AGM scheduled for 24 May 2019 and to re-election at any subsequent AGM at which the non-executive directors stand for re-election.

I am always happy to hear from the Company's shareholders and you can contact me via the Company Secretary if you have any questions on this report or more generally in relation to the Company's remuneration.

I will be available at the AGM to answer any questions on the work of the Committee.

On behalf of the Remuneration Committee

Eimear Moloney

23 April 2019

Valuation Committee Report

I am pleased to present the first report from the Valuation Committee for the financial period ended 31 December 2018, which provides a summary of the Committee's role and responsibilities and how the Committee discharged these since its establishment on 8 August 2018.

BRIAN OWENS
COMMITTEE CHAIRMAN

Role of the Valuation Committee

The Valuation Committee plays an important role in providing the Board with assurance that the valuation process in valuing the Company's investment properties is robust, objective, independent and in accordance with the RICS Valuation – Global Standards 2017, incorporating the International Valuation Standards and RICS Professional Standards (the "Red Book").

The duties, reporting responsibilities and authority of the Valuation Committee are set out in the written terms of reference which are available on the company's website www.ygreit.com and include the following;

Valuation reporting

The Committee shall monitor the integrity of the valuation of the property assets of the Company, reviewing and reporting to the Board on significant valuation reporting issues and judgements which they contain. The Committee shall also review and report to the Board on summary valuation statements, valuation methodologies used, and any valuation assumptions contained in valuation documents.

In particular, the Committee shall review and challenge where necessary;

i. the consistency of, and any changes to, valuation methodologies both on a year on year basis and across the Company and, if applicable, its subsidiaries to ensure the valuations are in accordance with the Red Book;
ii. the methods used to account for significant or unusual properties where different approaches are possible;
iii. whether the valuer has followed appropriate valuation standards and made appropriate estimates and judgements;
iv. the clarity of disclosure in the valuer's reports and the context in which statements are made; and the annual and semi-annual valuations, and where the Committee is not satisfied with any aspect of the valuations provided by the external valuer, it shall report its views to the Board.

Narrative reporting

Where requested by the Board, the Committee should review the content of the valuation reports and advise the Board on whether, taken as a whole, they are fair, balanced and understandable and provide a third party valuation for shareholders to assess the value of the Company's properties.

External Valuation

The Committee shall consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the Company's external valuer and oversee the relationship with the external valuer including (but not limited to):

a. approval of their remuneration and that the level of fees is appropriate;
b. approval of their terms of engagement, including any engagement letter issued at the start of each valuation;
c. assess annually their performance, independence and objectivity and the effectiveness of the valuation process;
d. ensuring no conflict of interest impacts the independence of the external valuer;

e. assessing annually the qualifications, expertise and resources of the valuer or valuers and the effectiveness of the valuation process which shall include a report from the external valuer on their own internal quality procedures;
f. meet the external valuer or valuers at least once a year, without any member of the Company's management being present, to discuss their remit and any issues arising from the valuation;
g. review and approve the annual valuation plan and ensure that it is consistent with the scope of the valuation engagement;
h. review the findings of the valuation with the external valuer or valuers, including but not be limited to, the following;
   - a discussion of any major issues which arose during the valuation;
   - any valuation judgements; and
   - the effectiveness of the valuation process.

Reporting responsibilities

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report on how it has discharged its responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.

Membership

Membership of the Committee comprises Brian Owens (Chairman of the Committee), Barry O'Dowd and Jonathan Laredo. The membership fulfills the quorum of 3 members of which 2 are non-executive directors of the Company.

Each member of the Committee has one vote with the Committee Chairman having the casting vote. The Company Secretary also acts as Secretary to the Committee.

Activities of the Valuation Committee

The Committee meets at least twice a year and has met twice in the financial period.

To begin, the Committee selected a panel of external independent third party valuation firms suitably qualified to value the Company property assets. The Committee then chose one firm from the panel and recommended its appointment to the Board, which recommendation was endorsed. It was further agreed that this appointment be rotated at intervals of not more than three years.

Accordingly, Lisney was appointed the Company's independent external valuer for the first three year rotation period. The Committee satisfied itself as to the qualification and resources available to the valuer to conduct their valuations whilst ensuring that there is no conflict of interest.

The Committee has met with the independent valuer to agree the scope and terms of engagement. It has been agreed that in conducting their valuations, the valuer will physically inspect all properties and review the relevant legal title of the properties to assist in determining their value. The Committee also met with the valuer to review the valuation process, to discuss matters which might be relevant to the valuation process, and to identify any relevant material judgements.

The Committee also met with the valuer to discuss and consider the interim and financial period end valuations before formally adopting them and recommending their acceptance to the Board of Directors. As part of this exercise the Committee worked closely with the Audit Committee to ensure the valuations, and their principal assumptions, are properly recorded in the financial statements.

The Committee is satisfied that it was provided with adequate management, legal, secretarial and other resources to effectively carry out its duties in addition to having unrestricted access to the Company's records and the valuer.

On behalf of the Valuation Committee

Brian Owens

23 April 2019

"Target properties should be attractive to tenants of good credit standing and generate a rent roll and a reversionary rent which will support a sustainable and growing dividend, paid quarterly."

FINANCIAL STATEMENTS

Independent Auditor's Report

To The Members Of Yew Grove Reit Plc

Report on the audit of the financial statements

Opinion on the financial statements of Yew Grove REIT PLC (the 'company')

In our opinion the group and company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and company as at 31 December 2018 and of the profit of the group for the financial period then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The group financial statements:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flow; and
- the related notes 1 to 28, including a summary of significant accounting policies as set out in note 1.

The company financial statements:

- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity;
- the Company Statement of Cash Flow; and
- the related notes 1 to 28, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of investment property • Completeness and accuracy of rental income
Materiality	The materiality that we used in the current year was €0.75 million which was determined on the basis of 1% of group net assets.
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.
Significant changes in our approach	There is no significant changes to our approach as this is the group's first year of audit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report
To The Members Of Yew Grove Reit Plc (continued)

Valuation of investment properties

Key audit matter description	Refer to page 82 (Note 1.5 – Significant accounting judgements, estimates and assumptions), page 84 (Accounting Policy – Fair value of investment property), and page 98 (Note 13 - Investment properties). For the financial year ended 31 December 2018, the investment properties of the group is €77.9 million. The valuation of the group's investment properties requires significant judgement to be made by the Directors taking into consideration advice from the external valuer and Management. Any inaccurate inputs or calculations used in the estimation of fair value could result in a material misstatement of the financial statements.
How the scope of our audit responded to the key audit matter	We evaluated the design and implementation of the controls the Board has implemented over the valuation of investment properties. We considered the basis used by the group for the valuation of investment properties in light of the group's valuation policy and the requirements of IFRS. We enquired with the external valuer to discuss and challenge the significant assumptions used in the valuation process, including estimated rental value and market based yields, and considered these assumptions in accordance with available market data. We assessed the competence, independence and integrity of the external valuer. We compared the recorded value of each investment property held to the valuation report prepared by the external valuer and considered any adjustments made in light of the Group's accounting policies and the requirements of IFRS. We performed audit procedures to assess the accuracy and completeness of information provided to the external valuers including agreements back to underlying lease agreements.
Key observations	We have not identified any issues to bring to the attention of the Audit Committee.

Completeness and accuracy of rental income

Key audit matter description	Refer to page 85 (Note 1.6 – Revenue recognition – Rental income). Rental income is recognised over the term of the lease. Lease incentives granted are recognised as an integral part of the rental income over the term of the lease. Where a rent-free period is included as an incentive in a lease the rental income foregone is allocated evenly over the period from the first day of the lease to the earliest termination date of the lease. During the period ended 31 December 2018, the group has recognised net rental income of €2.8 million. We focused on this area due to the significance of the balances and as the group has a manual process for the calculation of rental income.
How the scope of our audit responded to the key audit matter	We considered the group's accounting policy in respect of revenue recognition and were satisfied that it is in accordance with applicable accounting standards and that it has been consistently applied throughout the year. We obtained an understanding of the controls in place over the accounting for rental income. We recalculated our expectation of rental income recognised in the group consolidated financial statements based on the lease agreements taking into consideration rent-free periods, if any. We compared our expectation to what is included in the financial statements and obtained explanations for any differences above threshold. We ensured that the group is entitled to the rental income recognised in the group consolidated financial statements.
Key observations	We have not identified any issues to bring to the attention of the Audit Committee.

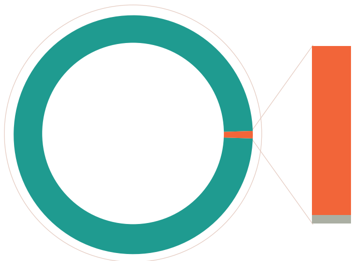
Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Independent Auditor's Report
To The Members Of Yew Grove Reit Plc (continued)

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Net assets	€75
Materiality	€0.75
Audit Committee reporting threshold	€0.038



We determined materiality for the group to be €750,000 which is approximately 1% of the group net assets. We have considered the net assets to be the critical component for determining materiality because it is one of the principal benchmarks within the Financial Statements relevant to members of the Company in assessing financial performance. We have considered quantitative and qualitative factors such as understanding the company and its environment, complexity of the company and the reliability of control environment.

We agreed with the Audit Committee that we would report to them any audit differences in excess of €37,500, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

In establishing the overall approach to our group audit, we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

Independent Auditor's Report
To The Members Of Yew Grove Reit Plc (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may be reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The company balance sheet are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on pages 37 to 45 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) of section 1373 of the Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.
- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Matthew Foley
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

23 April 2019

Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	As at 31 December 2018 €
Non-current assets		
Investment properties	13	77,915,000
Interest in joint venture	14	3,473
		77,918,473
Current assets		
Trade and other receivables	16	565,100
Cash and cash equivalents	15	4,823,734
Total current assets		**5,388,834**
Total assets		**83,307,307**
Current liabilities		
Trade and other payables	17	(2,333,729)
Non-current liabilities		
Borrowings	18	(5,840,398)
Total liabilities		**(8,174,127)**
Net assets		**75,133,180**
Equity		
Share capital	19	750,000
Share premium	20	4,000,000
Retained earnings	20	70,383,180
Total equity		**75,133,180**
IFRS Net asset value per ordinary share (cents)	12	**100.18**
EPRA Net asset value per ordinary share (cents)	12	**100.18**
Diluted IFRS asset value per ordinary share (cents)	12	**100.18**

The Consolidated financial statements on pages 74 to 113 were approved by the Board of Directors on 23 April 2019 and were signed on its behalf by:

Charles Peach
Chief Financial Officer

Jonathan Laredo
Chief Executive Officer

23 April 2019

Consolidated Statement of Comprehensive Income

For the financial period from 5 April 2018 (date of incorporation) to 31 December 2018

	Notes	Period ended 31 December 2018 €
Total Revenue		
Revenue	2	2,764,695
Property expenses	3	(204,351)
Net Revenue		**2,560,344**
Fair value gains on investment properties	4	1,609,126
Total income after revaluation gains and losses		**4,169,470**
Expenditure		
AIFM fees	5	(70,378)
Goodwill	6	(180,011)
Finance costs	7	(15,412)
Administration expenses	8	(1,568,725)
Total expenditure		**(1,834,526)**
Share of result from joint venture	14	3,473
Profit before taxation		**2,338,417**
Income tax	10	(4,538)
Profit for the financial period	20	**2,333,879**
Total comprehensive income for the financial period attributable to the owners of the Group		**2,333,879**
Basic and diluted earnings per share (cent)	11	**4.08**

Consolidated Statement of Changes in Equity

For the financial period from 5 April 2018 (date of incorporation) to 31 December 2018

	Notes	Share capital account €	Share premium €	Retained earnings €	Total equity €
Total comprehensive income					
for the period:		-	-	2,333,879	2,333,879
Transactions with owners					
recognised in equity:					
Issue of ordinary share capital		750,000	74,250,000	-	75,000,000
Transfer to retained earnings	20	-	(70,250,000)	70,250,000	-
Issue costs		-	-	(2,200,699)	(2,200,699)
As at 31 December 2018		**750,000**	**4,000,000**	**70,383,180**	**75,133,180**

Consolidated Statement of Cash Flow

For the financial period from 5 April 2018 (date of incorporation) to 31 December 2018

	Notes	Period ended 31 December 2018 €
Cash flows from operating activities		
Profit before taxation		2,338,417
Adjustments for:		
Fair value gains on investment properties	4	(1,609,126)
Share of profit in joint venture	14	(3,473)
Finance costs	7	15,412
Goodwill	6	180,011
Increase in trade and other receivables		(147,502)
Decrease in trade and other payables		974,402
Corporation Tax paid		(6,606)
Net cash inflow from operating activities		**1,741,535**
Cash flows from investing activities		
Purchase of investment properties and development expenses	13	(50,395,874)
Net cash outflow from investing activities		**(50,395,874)**
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital	19	75,000,000
Redemption of Class A shares in Yew Tree Investment Fund(1)		(23,064,484)
Issue costs		(2,200,699)
Proceeds from loans and borrowings	18	6,199,540
Loan repayment (2)	23	(8,329,422)
Net cash acquired from subsidiary undertaking	23	5,873,138
Net cash inflow from financing activities		**53,478,073**
Net increase in cash and cash equivalents	15	**4,823,734**
Cash and cash equivalents at the end of the period	15	**4,823,734**

(1) On 8 June 2018 all of the Yew Tree Investment Fund (in Members Voluntary Liquidation) Class A shares were redeemed.
(2) On 8 June 2018 the Company subscribed to 8,329,422 €1 B ordinary shares for €8,329,422, the €8,329,422 proceeds were used to fully repay the Yew Tree Investment Fund's (in Members Voluntary Liquidation) outstanding loan subsequent to acquisition.

Company Statement of Financial Position

As at 31 December 2018

	Notes	As at 31 December 2018 €
Non-current assets		
Investment properties	13	77,915,000
		77,915,000
Current assets		
Trade and other receivables	16	562,976
Cash and cash equivalents	15	4,364,045
Total current assets		4,927,021
Total assets		**82,842,021**
Current liabilities		
Trade and other payables	17	(2,099,951)
Non-current liabilities		
Borrowings	18	(5,840,398)
Total liabilities		**(7,940,349)**
Net assets		**74,901,672**
Equity		
Share capital	19	750,000
Share premium	20	4,000,000
Retained earnings	20	70,151,672
Total equity		**74,901,672**

The Company reported a profit of €2,102,371 for the financial period from 5 April 2018 (date of incorporation) to 31 December 2018.

The Consolidated financial statements on pages 74 to 113 were approved by the Board of Directors on 23 April 2019 and were signed on its behalf by:

Charles Peach
Chief Financial Officer

Jonathan Laredo
Chief Executive Officer

23 April 2019

Company Statement of Changes in Equity

For the financial period from 5 April 2018 (date of incorporation) to 31 December 2018

	Notes	Share capital account €	Share premium €	Retained earnings €	Total equity €
Total comprehensive income for the period:		-	-	2,102,371	2,102,371
Transactions with owners recognised in equity:					
Issue of ordinary share capital		750,000	74,250,000	-	75,000,000
Transfer to retained earnings	20	-	(70,250,000)	70,250,000	-
Issue costs		-	-	(2,200,699)	(2,200,699)
As at 31 December 2018		**750,000**	**4,000,000**	**70,151,672**	**74,901,672**

Company Statement of Cash Flow

For the financial period from 5 April 2018 (date of incorporation) to 31 December 2018

	Notes	Period ended 31 December 2018 €
Cash flows from operating activities		
Profit before taxation		2,102,371
Adjustments for:		
Fair value gains on investment properties	4	(1,609,126)
Finance costs	7	15,412
Increase in trade and other receivables		(403,622)
Increase in trade and other payables		1,725,397
Net cash inflow from operating activities		**1,830,432**
Cash flows from investing activities		
Purchase of investment properties and development expenses	13	(50,395,874)
Purchase of shares in subsidiary[1]		(26,069,354)
Net cash outflow from investing activities		**(76,465,228)**
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital		75,000,000
Issue costs[2]		(2,200,699)
Proceeds from loans and borrowings	18	6,199,540
Net cash inflow from financing activities		**78,998,841**
Net increase in cash and cash equivalents	15	**4,364,045**
Cash and cash equivalents at the end of the period	15	**4,364,045**

(1) In relation to the purchase of shares in subsidiary, on 8 June 2018 all of the Yew Tree Investment Fund (in Members Voluntary Liquidation) Class A shares were redeemed following the issue of Class B shares.
(2) Issue costs represent the Company's contribution to costs of issuing ordinary share capital for the financial period.

Notes to the Consolidated Financial Statements

1. Accounting policies

1.1 General information

Yew Grove REIT plc (the "Company", registered number 623896), together with entities controlled by the Company (its subsidiaries) (together the "Group"), is engaged in investing in a diversified portfolio of Irish commercial property with a view to maximising its shareholder returns.

The Company is a public limited company, incorporated and domiciled in Ireland. The registered address of the Company is 4th Floor, 76 Lower Baggot Street, Dublin 2.

The ordinary shares of the Company were admitted to trading on the Euronext Growth market (formerly the Enterprise Securities Market) of Euronext Dublin and the Alternative Investment Market of the London Stock Exchange on 8 June 2018.

1.2 Trading period

The Consolidated financial statements for the Group shown herein are for the financial period from 5 April 2018 (date of incorporation) to 31 December 2018.

The results are inclusive of the parent company (Yew Grove REIT plc) and its subsidiary companies controlled by the Company as disclosed in note 1.11 during the financial period from 5 April 2018 (date of incorporation) to 31 December 2018.

1.3 Going concern

The Group raised €75m, excluding issue costs, from an equity placement on 8 June 2018 and deployed the majority of these funds through: (i) subscription for the entire share capital of the Yew Tree Investment Fund (in Members Voluntary Liquidation) on 8 June 2018 and (ii) direct purchase of Irish commercial property. The Group's funds were employed to generate stable income streams from majority tenanted Irish commercial properties (primarily office and industrial property) that have the potential for income and capital appreciation. As at 31 December 2018 the Group held €4.8m in cash that had not been invested in or committed to acquire property.

Based on financial projections which extend beyond twelve months from the date of the approval of this report, the Directors consider that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have concluded that they should prepare the consolidated and company financial statements on a going concern basis.

1.4 Basis of preparation

The Consolidated financial statements of the Group for the financial period 5 April 2018 (date of incorporation) to 31 December 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("EU") and the Companies Act 2014.

The Consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair value.

The Consolidated financial statements are presented in Euro, which is the Group's functional currency and the Group's presentational currency.

1. Accounting policies (continued)

Standards not affecting the reported results and financial position

IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these Consolidated financial statements:

International Accounting Standards (IAS / IFRSs)	Effective date
IFRS 16 - Leases	1 January 2019
IFRS 17- Insurance Contracts	1 January 2021
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 9 - Prepayment Features with Negative Compensation	1 January 2019
Amendments to IFRS 3 – Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020

Management are of the view that the initial adoption of any of the above will not materially change financial performance or the reported position of the Group.

1.5 Significant accounting judgements, estimates and assumptions

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

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

(a) Significant judgements

The following are the significant judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Consolidated financial statements.

Operating lease contracts - the Group as lessor

The Group has acquired investment properties which are subject to commercial property leases and licence with tenants. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for these leases as operating leases.

1. Accounting policies (continued)

Fair value

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

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

(i) Fair value hierarchy applied
  (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  (b) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(ii) Property is treated as acquired or disposed of when the significant risks and rewards of ownership have been assumed or relinquished by the Group. This occurs when:
  (a) it is probable that the future economic benefits that are associated with the property will flow to the Group;
  (b) there are no material conditions which could affect completion of the acquisition; and
  (c) the cost of the investment property can be measured reliably.

(iii) Additions to property consist of construction, re-development, refurbishment and other directly attributable costs such as professional fees and expenses and capitalised interest where applicable.

(iv) Property is initially measured at cost including related acquisition costs, and subsequently valued by the Group's Valuers at its respective fair value at each reporting date (30 June and 31 December). The difference between the fair value of a property at the reporting date and its carrying value prior to the external valuation is recognised in the Consolidated Statement of Comprehensive Income as a fair value gain or loss.

Control

The IFRS 10 control model focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee, and ability to use its power to affect those returns. In particular, IFRS 10 requires the Group to consolidate investees that it controls on the basis of de facto control. In accordance with IFRS 10, the Group's assessment of control is performed on a continuous basis and the Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of the control model.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

(b) Analysis of sources of estimation uncertainty

The key future assumptions, and other key sources of estimation uncertainty for the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of investment property

The market value of investment property ("property") would normally be determined by a real estate valuation expert to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties are valued on an individual basis.

The valuation of the Group's properties as at 31 December 2018 was completed by Lisney Limited ("Lisney") as external independent Valuer. Lisney prepared the valuation on the basis of market value in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards (June 2017). Their valuation was subsequently reviewed by the Valuation Committee.

The Group's investment properties will next be valued by the Group's Valuers as at 30 June 2019. The valuers will continue to use recognised valuation techniques and the principles of IFRS 13 for the valuation as at 30 June 2019 and 31 December 2019. Refer to note 13 for further disclosure on the recognised valuation techniques.

The Board's Valuation Committee conducts a detailed review of each property valuation, the underlying valuation assumptions and the valuation process used by the valuer to ensure that valuation assumptions are valid and have been applied as set out below. Property valuations are complex and involve data which is not publicity available and a degree of judgement. Each valuation is based upon key assumptions, particularly estimated rental values and market-based yields. The valuation approach to on-going developments and material refurbishments is on a residual basis and factors such as the assumed timescale, the assumed future development costs and an appropriate finance and/or discount rate are used to determine the property value together with market evidence and recent comparable properties where appropriate.

The Directors are satisfied that the valuations of the Group's properties are appropriate for inclusion in the Consolidated financial statements. The fair value of the Group's properties accurately reflects the valuation provided by Lisney. The valuation is based on the future cashflows from rental income both for the current lease period and future estimated rental values, adjusted for expected void periods and appropriate discount rates.

Calculation of loss allowance

When measuring expecting credit loss ("ECL") the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

1. Accounting policies (continued)

1.6 Revenue recognition

The Group's main source of revenue is the leasing and licensing of properties. Lease and licence revenue is recognised over the period of the lease or licence contracts. Rental income is recognised as revenue at the time and amount governed by the lease or licence in place with the customer.

The Group recognised revenue from the following major activities:

- Rental income from the Group's investment properties;
- License income from licencing of the Group's car park spaces.
- Service charge income from contributions received from tenants relating to property expenses.

Revenue is measured based on the consideration to which the Group's expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Rental income

The Group receives rental income from tenants under leases associated with the Group's properties. Rental income is recognised over the term of the lease. Lease incentives granted are recognised as an integral part of the rental income over the term of the lease.

Where a rent-free period is included as an incentive in a lease the rental income foregone is allocated evenly over the period from the first day of the lease to the earliest termination date of the lease. Where a lease incentive takes the form of an incentive payment to a tenant the resultant cost is amortised evenly over the remaining life of the lease to its earliest termination date. The sum of unamortised incentives is included in trade and other receivables and is released over the term of the relevant leases. Lease adjustments such as rent reviews are included when the rent review or adjustment has been completed and agreed with the tenant.

License income

License income represents amounts under licences receivable from tenants associated with the licensing of the Group's car park spaces. License income is recognised over the term of the license. License adjustments such as reviews or extensions are included when the licence review, extension or adjustment has been completed and agreed with the tenant.

Service charge income

Service charge income from tenants are recognised as revenue in the period in which the related expenditure is incurred.

1. Accounting policies (continued)

1.7 Direct lease costs

Direct lease costs incurred in the negotiation and arrangement of new leases to tenants are initially capitalised and are then recognised as an expense over the period from the date of the lease to the earliest termination date of the lease.

There were no direct lease costs capitalised during the financial period.

1.8 Finance income and finance costs

The Group's finance income and finance costs include interest income, interest expense, commitment fees and related charges. Interest income or expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and costs paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

1.9 Taxation

Current tax

The Company elected for Real Estate Investment Trust ("REIT") status on 21 May 2018 and following the acquisition of the entire share capital of the Yew Tree Investment Fund (in Members Voluntary Liquidation) gave notice to Revenue that it was the principal company of a group REIT. An Irish REIT or group REIT will not pay Irish corporation tax on profits and gains from its Property Rental Business. Corporation tax will still apply in the normal way in respect of its Residual Business which may include certain trading activities incidental to letting, letting of administrative property which is temporarily surplus to requirements, and certain income such as dividends from other Irish REITs. Corporation tax may also be payable in respect of profits arising in joint venture or co-investment arrangements where no REIT election has been made (or on the non-REIT proportion of the profits of joint ventures where an Irish REIT election has been made) and also where a member of a group or an interest in an investment vehicle (as opposed to property involved in the Property Rental Business) is sold. Other taxes such as VAT, stamp duty, local property tax and payroll taxes will also still apply in the normal way.

1.10 Financial instruments

Financial assets and liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Comprehensive Income.

1. Accounting policies (continued)

(i) Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

(ii) Trade and other receivables and trade and other payables

Trade receivables include amounts due from tenants. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other payables include amounts due to third party suppliers and prepaid rent amounts received from tenants in advance.

Trade and other receivables and trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. The Group applies the simplified approach to trade receivables for which expected credit loss uses the lifetime expected credit allowance. The Group has no material exposure to bad debts as the majority of the Group's rental income is from State bodies or FDI entities as they have good credit standing. The payment and credit performance of these tenants is closely monitored; therefore, the expected credit loss is not material and has not been presented. Where there is evidence of credit loss appropriate allowances are recognised as bad debts in the Statement of Comprehensive income.

(iii) Loans and borrowings

Loans are initially recorded at fair value plus transaction costs. They are subsequently accounted for at amortised cost.

1.11 Investment

Investments held as fixed assets are stated at fair value. Income from other investments together with any related taxation is recognised in the Consolidated Statement of Comprehensive Income in the year in which it is receivable.

Basis for consolidation

The Consolidated financial statements include the financial statements of the holding company (Yew Grove REIT plc) and all subsidiary companies as at 31 December 2018. Control is achieved when the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The results of subsidiaries acquired or disposed of during the financial period are included in the Consolidated Statement of Comprehensive Income from the effective date of control or to the effective date of loss of control as appropriate. All intragroup transactions, assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Upon acquisition of a business, fair values are attributed to the identifiable net assets acquired. The Group's accounting policy in relation to goodwill is set out in note 1.18.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Details of the subsidiaries acquired during the financial period are as follows;

Name of subsidiary	Registered Address/Country of Incorporation	Nature of the business	Investment	Votes controlled by the Company
Yew Tree Investment Fund (in Members Voluntary Liquidation) (**Consolidated up to the date of loss of control – 27 July 2018**)	Ashley House, Morehampton Road, Donnybrook, Dublin 4, Ireland	Qualifying Investor Alternative Investment Fund. Property investment	100% Class B ordinary shares	100%
Gateway Estate Management Company Limited by Guarantee (**Consolidated Subsidiary at the financial reporting date**)	2nd Floor, River House, East Wall Road, Dublin 3, Ireland	Company Limited by Guarantee. Management of common areas	0% Membership	99% of voting rights

Yew Tree Investment Fund plc (in Members Voluntary Liquidation)

The Consolidated financial statements include the results of Yew Tree Investment Fund (in Members Voluntary Liquidation) from the date of acquisition of 8 June 2018 to the date of loss of control 27 July 2019 following the appointment of a liquidator.

At the Statement of Financial Position date, the liquidation of Yew Tree Investment Fund (in Members Voluntary Liquidation) had yet to be fully completed.

1.12 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

1.13 Investments in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exits only when decisions about the relevant activities require unanimous consent of the parties sharing control.

1. Accounting policies (continued)

The results and assets and liabilities of joint ventures are incorporated in these Consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

1.14 Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The resulting exchange differences are dealt with in the Consolidated Statement of Comprehensive Income.

1.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (a qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. All other borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

1.16 Pension

Annual contributions payable to the Group's pension scheme are charged to the Consolidated Statement of Comprehensive Income in the period to which they relate.

1.17 Share issue cost

Costs directly attributable to issuing new shares are deducted from retained earnings net of any related tax deduction. All other costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

1.18 Goodwill

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously-held equity interest (if any) in the entity over the net fair value of the identifiable net assets recognised.

Goodwill is not amortised but is reviewed for impairment at least annually. Any impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income and is not subsequently reversed. Any gain on a bargain purchase is recognised in the statement of comprehensive income immediately.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

1.19 Segmental information

The directors have considered the requirements of IFRS 8 'Operating Segments'. The Group's investments are commercial properties in the Republic of Ireland. The financial information on a property by property basis is provided to senior management of the Group, who collectively comprise the chief operating decision makers.

Properties are not aggregated by type or location for reporting purposes, the properties are managed and reported on for the Group to the Board of Directors collectively as a single portfolio. Collectively the properties have similar characteristics and therefore, the Directors are of the opinion that the Group is currently engaged in a single segment business, being investment in commercial property in the Republic of Ireland.

Revenue as stated in the Consolidated Statement of Comprehensive Income relates to rental income from its investment in commercial properties held by the Group, license income from the licensing of the Group's car park spaces and service charges received by its subsidiary management companies. The profit or loss and total assets and liabilities of the Group are from its single segment business.

Major Customers

Included in gross rental income are rents of €1.3m which arise from the Group's three largest tenants, each of which contributed more than 10% of the Group's revenue. No other single tenant contributed more than 10% of the Group's revenue in 2018.

1.20 Impairment of financial assets

The Group applies a three-stage expected credit loss model ("ECL") in relation to the impairment of its financial assets carried at amortised cost except for trade receivables for which the simplified approach is applied in accordance with IFRS 9. The ECL is used to account for expected credit losses and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

The expected credit loss is charged against the respective financial asset and recognised in the Consolidated Statement of Comprehensive income.

The three stages that determine the amount of impairment to be recognised as expected credit losses at each reporting date are as follows:

(i) Stage 1: Credit risk has not increased significantly since initial recognition – recognised 12 months ECL;
(ii) Stage 2: Credit risk has increased significantly since initial recognition – recognise lifetime ECL;
(iii) Stage 3: Financial asset is credit impaired – recognise lifetime ECL.

The 12 months ECL is calculated by multiplying the probability of a default occurring in the next 12 months by the total (lifetime) ECLs that would result from that default. Lifetime expected credit losses are the present value of expected credit losses that arise if a borrower defaults on its obligation at any point throughout the terms of the financial asset.

1. Accounting policies (continued)

Definition of default

The Group considers the following as constituting events of default for internal credit risk management purposes as experience indicates that financial assets that meet the following criteria are generally not recoverable:

(i) When there is a breach of financial covenants by the debtor; and
(ii) Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Write off

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

2. Revenue

	Period ended 31 December 2018 €
Gross rental income	2,556,944
License income	56,789
Service charge income	150,962
Net rental income	**2,764,695**

Gross rental income represents amounts receivable from tenants under leases associated with the Group's property business. License income represents amounts under licences receivable from tenants associated with the licensing of the Group's car park spaces. Service charge income relates to contributions from tenants of the Group's buildings for property expenses of the occupied buildings. Service charge income receivable from tenants is recognised as revenue in the period in which the related expenditure is recognised.

3. Property expenses

	Period ended 31 December 2018 €
Service charge expenses	157,581
Direct property costs	32,100
Car park costs	14,670
Total	**204,351**

Property expenses include service charges and other costs directly recoverable from tenants, and non-recoverable costs directly attributable to the Group's properties. Service charge expenses typically include security, insurance, maintenance and other costs of managing the buildings due from and recharged to tenants.

Notes to the Consolidated Financial Statements (continued)

4. Fair value gains on investment properties

	Period ended 31 December 2018 €
Fair value gains on investment properties	1,609,126
Total	**1,609,126**

5. AIFM Fees

	Period ended 31 December 2018 €
AIFM Fees	70,378
Total	**70,378**

The Company is required, as a REIT, to have an alternative investment fund manager ("AIFM"). The Company has agreed with Ballybunion Capital, an AIFM authorised by the Central Bank of Ireland, for it to act as the external AIFM of the Group, subject to overall supervision of the AIFM by the Board. The fees above are fees paid to the AIFM in accordance with the service level agreement between the AIFM and the Company.

6. Goodwill

	Period ended 31 December 2018 €
Impairment of goodwill	238,750
Negative goodwill	(58,739)
Total	**180,011**

As referred to in note 23, goodwill arose on the acquisition of 100% of the class B ordinary share capital of Yew Tree Investment Fund (in Members Voluntary Liquidation). The fair value of unamortised loan facility costs with a book value of €238,750 included in trade receivables was estimated to have a recoverable amount of €nil at the acquisition date. This gave rise to goodwill of €238,750 at the date of acquisition. The goodwill was subsequently reviewed for impairment and an impairment charge was taken to the Statement of Comprehensive Income.

The recoverable amount of the trade receivable and prepayments was determined based on a level 3 fair value hierarchy. The fair value was determined based on company only information available at the date of acquisition.

Goodwill also arose on the acquisition of Gateway Estate Management Company Limited by Guarantee (refer to note 23) as the company was acquired on 2 July 2018 for nil consideration following the acquisition of One and Three Gateway, East Wall Road, Dublin 3. As nil consideration was paid this resulted in negative goodwill of €58,739 at the date of acquisition. In line with the Groups accounting policy, negative goodwill of €58,739 was taken directly to the Statement of Comprehensive Income during the period.

None of the goodwill is expected to be deductible for income tax purposes.

The carrying value of the Goodwill at the Statement of Financial Position date was nil.

7. Finance costs

	Period ended 31 December 2018 €
Effective interest expense on borrowings	15,412
Total	**15,412**

The effective interest expense on borrowings arises as a result of the recognition of interest expense, commitment fees and arrangement fees.

8. Administration expenses

Profit before tax for the financial period has been stated after charging:

	Period ended 31 December 2018 €
Capital reduction costs	108,667
Staff costs	529,900
Listing expenses	160,329
Property valuation fees	53,639
Property management fees	60,936
Legal and consultancy fees	87,637
Independent accountant fees	73,888
Audit fees	65,000
Liquidation costs	119,589
Other costs	309,140
Total	**1,568,725**

Staff costs represents total remuneration and other benefits paid to all employees and officers for the financial period. Further information on Directors' remuneration can be found in note 22 to the Consolidated financial statements.

Capital reduction costs relate to the Company's application to the Court to reduce the amount standing to the credit of the Company's share premium account by the sum of €70,250,000. The Company's application to the Court was approved on 1 November 2018. Refer to note 20 for further details

Notes to the Consolidated Financial Statements (continued)

8. Administration expenses (continued)

Auditor's remuneration

	Period ended 31 December 2018 €
Company	
Audit of entity financial statements	42,500
Other assurance services	195,000
Tax advisory services	-
Other non-audit services	-
Company total	**237,500**
Group	
Audit of the Group financial statements	10,000
Other assurance services	-
Tax advisory services	-
Other non-audit services	-
Group total	**10,000**

Other assurance services include fees paid in respect to the role of reporting accountant at Admission to trading on AIM and the Euronext Growth market, review of the Interim Report, and Report on the Initial Financial Statements.

9. Employment

The Company had no employees prior to Admission (8 June 2018). The average monthly number of employees (including Directors) directly employed during the period from incorporation to period end (5 April 2018 to 31 December 2018) in the Group was 7.

Total employees and officers at financial period end:

	31 December 2018 Number
At financial period end:	
Executive Directors	3
Office staff	2
Non-Executive Directors	4
Total employees and officers	**9**

9. Employment (continued)

The staff costs for the above employees and officers were:

	Period ended 31 December 2018 €
Wages and salaries	421,158
Social insurance cost	23,031
Other benefits – Health insurance	14,445
Pension costs – defined contribution plan	71,266
Total – all charged to income statement; nil capitalised	**529,900**

Staff costs are allocated to administration expenses during the financial period.

10. Income tax

Current tax: current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Yew Grove REIT plc has elected for Real Estate Investment Trust ("REIT") status under section 705E Tax Consolidation Act 1997. As a result, the Group does not pay Irish corporation tax on the profits and gains from its qualifying rental business in Ireland provided it meets certain conditions. With certain exceptions, corporation tax is still payable in the normal way in respect of income and gains from a Group's Residual Business, that is its non-property rental business.

	Period ended 31 December 2018 €
Income tax on residual income	-
Current period charge	4,538
Income tax expense for the financial period	**4,538**

Reconciliation of the income tax expense for the financial period

	Period ended 31 December 2018 €
Profit before tax	2,338,417
Tax charge on profit at standard rate of 12.5%	292,302
Non-taxable revaluation surplus	(201,140)
REIT tax-exempt profits	(91,162)
Other (charge on subsidiary undertakings)	4,538
Income tax expense for the financial period	**4,538**

The directors confirm that in their opinion having conducted due enquiries the Group and the Company have remained in full compliance with the Irish REIT rules and regulations up to and including the date of the approval of this report.

Notes to the Consolidated Financial Statements (continued)

11. Earnings per share

Weighted average number of shares

	Period ended 31 December 2018 €
Shares issued during the financial period	75,000,000
Share in issue at financial period end	**75,000,000**
Weighted average number of shares	**57,231,482**
Diluted number of shares	**57,231,482**

Basic and diluted earnings per share

	Period ended 31 December 2018 €
Profit for the financial period attributable to the owners of the Group	**2,333,879**

	€
Weighted average number of ordinary shares (basic)	57,231,482
Weighted average number of ordinary shares (diluted)	57,231,482
Basic earnings per share (cent)	**4.08**
Diluted earnings per share (cent)	**4.08**

Adjusted earnings per share

The adjusted basic and diluted earnings per ordinary share of 3.11 cents per share is based on the profit for the financial period of €2,333,879 and on 75,000,000 ordinary shares, being the number of shares in issue since admission and at the period end.

12. IFRS and EPRA NAV per share

The IFRS NAV is calculated as the value of the Group's assets less the value of its liabilities based on IFRS measures. EPRA NAV is calculated with accordance with the European Real Estate Association ("EPRA") Best Practice Recommendations: November 2016.

EPRA net asset value ("EPRA NAV") is defined as the IFRS assets including properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business.

	Period ended 31 December 2018 €
IFRS net assets at end of financial period	75,133,180
Ordinary shares in issue	75,000,000
IFRS NAV per share (cent)	**100.18**
Ordinary shares in issue	75,000,000
Diluted number of shares	**75,000,000**
Diluted IFRS NAV per share (cent)	**100.18**

	Period ended 31 December 2018 €
IFRS net assets at end of financial period	75,133,180
Net market to market on financial assets	-
EPRA NAV	**75,133,180**
EPRA NAV per share (cent)	**100.18**

Notes to the Consolidated Financial Statements (continued)

13. Investment properties

(a) Group and Company

	As at 31 December 2018 €
Acquired by distribution in specie	25,910,000
Property purchases	50,147,611
Development expenditure	248,263
Fair value gain on investment properties	1,609,126
Closing fair value	**77,915,000**

During the financial period the Company acquired 100% of the B ordinary shares in the Yew Tree Investment Fund (in Members Voluntary Liquidation). By this acquisition the Company secured 10 properties with a fair value as at 30 June 2018 of €25,910,000. The Company has since received all the properties and the majority of the cash from the Yew Tree Investment Fund (in Members Voluntary Liquidation) through distribution in specie following the Members Voluntary Liquidation of the Fund.

The Group also acquired the One and Three Gateway, East Wall Road, Dublin 3 buildings during the financial period for €31,001,082 (vendor price of €29,000,000 and transaction costs of €2,001,082), Blackwater House, Mallow Business Park, Mallow, Co. Cork building for €2,010,008 (vendor price of €1,850,000 and transaction costs of €160,008) and Buildings 1, 2 and 3, Letterkenny Business Park, Co. Donegal for €17,136,521(vendor price of €16,000,000 and transaction costs of €1,136,521).

A valuation is conducted on the Group's owned properties on 30 June and 31 December each year based upon the key assumptions of estimated rental values and market-based yields. In determining fair value, the valuers refer to market evidence and recent transaction prices for similar properties.

The Directors are satisfied that the valuation of the Group's properties is appropriate for inclusion in the accounts. The fair value of the Group's properties owned at 31 December 2018 is based on the valuation provided by the external independent Valuers, Lisney. This valuation is prepared on the basis of market value in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards (June 2017) and the principles of IFRS 13. This valuation has not been adjusted by the directors in making their determination of the fair value of investment properties at 31 December 2018.

13. Investment properties (continued)

Fair value

The valuation technique used in determining the fair value of the property assets is market value as defined by the Royal Institution of Chartered Surveyors Valuation, being the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. This is in accordance with IFRS 13.

The main inputs for property valuation using a market-based capitalisation approach are the ERV ("Estimated Rental Value") and equivalent yield. ERV is a valuer's opinion as to the open market rental value of a property on a valuation date which could reasonably be expected to be the achievable rent for a new letting of that property on the valuation date. ERVs are not generally directly observable and therefore classified as Level 3 inputs. Equivalent yields depend on the valuer's assessment of market capitalisation rates and are therefore Level 3 inputs. There were no transfers between fair value levels during the financial period.

Details of the Group's investment properties and information about the fair value hierarchy using unobservable inputs (level 3) at the end of the reporting period are as follows:

			Range		
Asset Class	Market value	Input	Low	Median	High
Commercial Property Assets	€77.9m	ERV per sq ft	€4.00	€11.98	€33.33
		Equivalent yield %	6.44%	8.23%	10.23%

Sensitivity of measurement to variance of significant unobservable inputs

A decrease in the ERV will decrease the fair value. An increase in equivalent yield will decrease the fair value. There are interrelationships between these rates as they are partially determined by market rate conditions.

The table below shows the sensitivity of the Group's properties to changes in equivalent yield and ERV, which have been identified as key sensitivities by the directors. A change in long term vacancy rate was not considered significant and was not therefore tested, as the Group's long-term vacancy rates are low and lease contracts are long in duration.

Across the entire portfolio of investment properties, a 0.25% increase in equivalent yield would have the impact of a €3.00m reduction in fair value whilst a 0.25% decrease in yield would result in a fair value increase of €3.19m, and a 5% increase in ERV would have the impact of a €3.28m increase in fair value whilst a 5% decrease in ERV would result in a fair value decrease of €3.29m.

	Market Value	Value +5% in ERV	Value -5% in ERV	Value +0.25% Equivalent Yield	Value -0.25% Equivalent Yield
		€	€	€	€
Commercial property assets	€77.9m	3.28m	(3.29m)	(3.00m)	3.19m
Total		**3.28m**	**(3.29m)**	**(3.00m)**	**3.19m**

Notes to the Consolidated Financial Statements (continued)

14. Interest in joint venture

Details of the Group's only joint venture at the end of the reporting period was as follows:

Name of joint venture	Country of Incorporation	Nature of the business	Investment	Votes controlled by the Company	Carrying amount 31 December 2018
Ashtown Management Company Limited (**Joint venture**)	Friends First House, Cherrywood Science & Technology Park, Loughlinstown, Co. Dublin, ireland	Private Limited Company. Management of common areas	Ashtown Management Company Limited (**Joint venture**)	50%	€3,473

This joint venture is accounted for using the equity method in these Consolidated financial statements as set out in the Group's accounting policies in note 1.

The Group acquired its interest in the joint venture when it acquired the entire class B ordinary share capital of the Yew Tree Investment Fund (in Members Voluntary Liquidation) on 8 June 2018. The share of profits attributable to the Group from 8 June 2018 to 31 December 2018 are as follows;

	Period ended 31 December 2018 €
Distribution in specie on 8 June 2018	nil
Share of joint venture profits for the period	3,473
Period ended 31 December 2018	**3,473**

Summarised financial information in respect to the results of the joint venture for the financial period 8 June 2018 to 31 December 2018 is set out below:

	Period ended 31 December 2018 €
Revenue	178,198
Profit post tax from continuing operations	6,946
Profit for the period	6,946
Total comprehensive income	**6,946**

The balance sheet of the Company's interest in a joint venture as at 31 December 2018 is as follows:

	As at 31 December 2018 €
Cash and cash equivalents	122,349
Trade and other payables	(115,403)
As at 31 December 2018	**6,946**

15. Cash and cash equivalents

(a) Group

	As at 31 December 2018 €
Cash and cash equivalents	4,823,734

(b) Company

	As at 31 December 2018 €
Cash and cash equivalents	4,364,045

The management of cash and cash equivalents is discussed in detail in note 25.

16. Trade and other receivables

(a) Group

	As at 31 December 2018 €
Trade receivables and prepayments	201,214
Taxation debtors – VAT recoverable	160,081
Other receivables	203,805
Total	**565,100**

Trade receivables include amounts due from tenants for rental and service charges. The balance of trade and other receivables has no concentration of credit risk as it covers mainly prepayments. The directors therefore consider the carrying value of trade and other receivables approximates to their fair value.

(b) Company

	As at 31 31 December 2018 €
Trade receivables and prepayments	199,090
Taxation debtors – VAT recoverable	160,081
Other receivables	203,805
Total	**562,976**

Notes to the Consolidated Financial Statements (continued)

16. Trade and other receivables (continued)

Trade receivables include amounts due from tenants. Other receivables are inclusive of €159,354 due from the liquidator of Yew Tree Investment Fund (in Members Voluntary Liquidation).

On 27 July 2018, the Yew Tree Investment Fund was placed into Members Voluntary Liquidation ("MVL") with the expectation that the Fund's properties and cash be distributed in specie to the Company as the 100% owner of the B ordinary shares. In the financial period to 31 December 2018 €31,234,552 (€25,910,000 in investment properties and €5,324,552 in cash) of the Fund's assets were distributed in specie to the Company. The directors expect to receive a distribution of the remaining assets of the Fund in 2019.

Other than the amounts due from the liquidator of Yew Tree Investment Fund (in Members Voluntary Liquidation) the balance of trade and other receivables has no concentration of credit risk as it covers mainly prepayments and amounts due from tenants. The directors therefore consider the carrying value of trade and other receivables approximates to their fair value.

17. Trade and other payables

(a) Group

	As at 31 December 2018 €
Trade payables and accruals	2,302,163
Taxation creditors – PAYE/PRSI	19,729
Borrowings	11,837
Total	**2,333,729**

Trade payables includes amounts due to third party suppliers and prepaid rent amounts received from tenants in advance. Accrued expenses include operational expenses incurred but not yet invoiced to the Group as at 31 December 2018. Trade and other payables are interest free and have settlement dates within one year. The Directors consider that the carrying value of the trade and other payables approximates to their fair value.

(b) Company

	As at 31 December 2018 €
Trade payables and accruals	2,068,385
Taxation creditors – PAYE/PRSI	19,729
Borrowings	11,837
Total	**2,099,951**

Trade payables includes amounts due to third party suppliers and prepaid rent amounts received from tenants in advance. Accrued expenses include operational expenses incurred but not yet invoiced to the Company as at 31 December 2018. Trade and other payables are interest free and have settlement dates within one year. The Directors consider that the carrying value of the trade and other payables approximates to their fair value.

18. Borrowings

The Group has a revolving credit facility with Allied Irish Bank plc ("AIB"), secured by fixed and floating charges over certain property assets. The facility is €19,954,000 and can be repaid and re-drawn without penalty throughout its 3 years expected life. The facility was partially drawn once, the amount of drawing remained the same to period end. This facility was measured initially at fair value, after transaction costs, and carried at amortised cost, with all attributable costs charged to Consolidated Statement of Comprehensive Income over the life of the facility.

a) Group and Company

Reconciliation of borrowings is shown below

	Period ended 31 December 2018 €
Bank finance drawn during the financial period	6,199,540
Less: Borrowing costs	(362,717)
Plus: effective interest rate	15,412
Balance at end of the financial period	**5,852,235**
Maturity of borrowings is as follows	
Less than one year	11,837
Between two and five years	5,840,398
Total	**5,852,235**
Undrawn at end of the financial period	**13,754,460**

The loan facility was drawn down in December 2018 and there were no loan repayments during the period to 31 December 2018. No interest was paid during the financial period.

The Company stated in its Admission document its intention to target borrowings, following full investment of the net proceeds raised at Admission, of 25% loan-to-value ("LTV"). LTV is the ratio of drawn debt to the value of property investments, which at 31 December 2018 was 7.96%. Under the Irish REIT rules the REIT's borrowings must not exceed 50% of the value of its assets.

Where debt is drawn to finance material refurbishments and developments on qualifying assets, the borrowing cost associated with this debt is capitalised. No amounts were capitalised during the financial period for this purpose. All costs related to finance arrangements are amortised using the effective interest rate.

All borrowings are denominated in Euro. All borrowings are subject to six months or less interest rate changes and contractual re-pricing rates.

Notes to the Consolidated Financial Statements (continued)

19. Share Capital

	Number of shares	Period ended 31 December 2018 €
Issued and fully paid *		
Issued during the financial period	75,000,000	750,000
Closing total issued ordinary Shares	**75,000,000**	**750,000**

The Group has authorised and issued share capital of 75m Ordinary Shares.

* share capital as at 31 December 2018 was fully paid. There is one class of ordinary shares of one cent each.

On 7 June 2018, the day before Admission, the Company had 2,500,000 shares in issue, all of which had been issued to Jonathan Laredo. On 8 June 2018 an additional 72,500,000 shares were issued at a price of €1.00 each, of which 29,596 were issued to Jonathan Laredo. On 8 June 2018 Jonathan Laredo subscribed €1.00 for each of the 2,500,000 shares he already held, and an additional €29,596 for the shares issued to him on that date, such that all the Company's shares were subscribed for at a price of €1.00 and the proceeds of share issuance were €75,000,000.

20. Reserves

(a) Group

	Share Premium €	Retained Earnings €
Shares issued in the period	74,250,000	-
Issue costs	-	(2,200,699)
Transfer to retained earnings	(70,250,000)	70,250,000
Profit for the financial period	-	2,333,879
As at 31 December 2018	**4,000,000**	**70,383,180**

(b) Company

	Share Premium €	Retained Earnings €
Shares issued in the period	74,250,000	-
Issue costs	-	(2,200,699)
Transfer to retained earnings	(70,250,000)	70,250,000
Profit for the financial period	-	2,102,371
As at 31 December 2018	**4,000,000**	**70,151,672**

20. Reserves (continued)

The equity of the Company consists of Ordinary Shares issued. The par value of the share is recorded in the share capital account. The excess of proceeds received over the par value is recorded in the share premium account. Direct issue costs in respect of the issue of shares are accounted for in the retained earnings reserve, net of any related tax deduction.

On 1 November 2018 the High Court of Ireland made an Order confirming the Company's capital reduction resolution for the reduction of the Company's Share Premium Account in the sum of €70,250,000 such that the balance remaining credited to that account will be €4,000,000 such that the reserve resulting from such cancellation be treated as realised profits as defined by Section 117 of the Companies Act 2014. The Order of Court and Minute on reduction of share premium account was registered on the 2 November 2018.

21. Related party transactions and fees paid to directors

The Directors are considered to be related parties.

On Admission to the AIM and the Euronext Growth market the Executive Directors subscribed for shares in the Company at the issued price. They subscribed their post-tax proceeds from redemption of shares in the Yew Tree Investment Fund (in Members Voluntary Liquidation) and their shares of all incentive fees due from Parapet Capital Advisors' role as Investment Adviser to the AIFM of the Yew Tree Investment Fund (in Members Voluntary Liquidation). Concurrently the Non-executive Directors subscribed for shares in the Company at the issued price.

The interest of the Directors in the share capital of the Group as at 31 December 2018 is as follows:

Director	No. of Ordinary Shares	% of issued share capital
Michael Gibbons	2,052,544	2.74%
Charles Peach	251,440	0.34%
Jonathan Laredo	2.529,596	3.37%
Barry O'Dowd	25,000	0.03%
Garry O'Dea	25,000	0.03%
Eimear Moloney	25,000	0.03%
Brian Owens	25,000	0.03%

The Directors of the Group received remuneration, fees and other benefits from the Group for their services. Total amounts for the financial period were €414,807. No remuneration, fees or other benefits were paid to the Directors by any subsidiary or joint venture.

Full disclosure of the Directors' remuneration can be seen under the Remuneration Committee report on page 58 and in note 22.

All transactions between the Company and its subsidiaries are eliminated on consolidation.

Key management personnel

The remuneration of the key management personnel during the financial period is disclosed in note 22 below.

Notes to the Consolidated Financial Statements (continued)

22. Directors' remuneration

	Period ended 31 December 2018 €
Remuneration – Executive Directors	210,426
Other benefits – Health insurance	12,086
Pension contributions – defined contribution plan (3 Directors)	63,126
Remuneration - Independent Non-executive Directors	129,169
Total	**414,807**

The remuneration of Directors and key management is determined by the Remuneration Committee to reflect the performance of individuals and market trends. Other benefits paid to the three Executive Directors during the period includes health insurance. Defined contribution pension payments represent contributions on behalf of the three Executive Directors. All fees paid to Non-Executive Directors are for services as Directors to the Group, they receive no other benefits. There were no payments of compensation made to Directors for termination or loss of office.

The Company established a Long Term Investment Plan (LTIP) on Admission. The plan did not make any awards in the financial period and had no awards outstanding at 31 December 2018.

23. Acquisition of subsidiaries

Yew Tree Investment Fund plc (in Member's Voluntary Liquidation)

On 8 June 2018 the Company acquired 100% of the class B ordinary share capital of the Yew Tree Investment Fund (in Members Voluntary Liquidation) for cash consideration of €23,064,484. The AIFM of the Yew Tree Investment Fund (in Members Voluntary Liquidation) had previously been advised by the Executive Directors, and details of the Fund and its assets were included in the Company's Admission document. Goodwill arising on the acquisition of the Yew Tree Investment Fund (in Members Voluntary Liquidation) has been capitalised and assessed for impairment at the period end date.

Analysis of acquisition of the Yew Tree Investment Fund (In Member's Voluntary Liquidation)

Upon acquisition of a subsidiary, fair values are attributed to the identifiable net assets acquired. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

23. Acquisition of subsidiaries (continued)

Net assets at the date of acquisition

	Book value at the date of acquisition	Fair value adjustment	Fair value at the date of acquisition
	€	€	€
Investment properties	25,910,000	-	25,910,000
Trade receivables and prepayments	513,727	(238,750)	274,977
Cash and cash equivalents	5,781,977	-	5,781,977
	32,205,704	(238,750)	31,966,954
Trade payables and accruals	(811,798)	-	(811,798)
Loan	(8,329,422)	-	(8,329,422)
	23,064,484	(238,750)	22,825,734
Share of net asset acquired (100%)			22,825,734
Cash consideration			23,064,484
Goodwill arising on acquisition			238,750

On 8 June 2018 the Company subscribed for 23,064,484 of the €1 B ordinary share capital in Yew Tree Investment Fund (in Members Voluntary Liquidation) for €23,064,484 as consideration for the Fund's net assets.

The fair value of unamortised loan facility costs with a book value of €238,750 included in trade receivables was estimated to have a fair value of €nil at the acquisition date.

No deferred tax arose from this acquisition.

On 27 July 2018, the Yew Tree Investment Fund was placed into Members Voluntary Liquidation, from which date the Yew Tree Investment Fund is no longer consolidated in the Group's financial statements.

Subsequent to the appointment of the liquidator on 27 July 2018 and prior to 31 December 2018, Yew Tree Investment Fund's properties of €25.9m and cash of €5.3m had been distributed in specie to Yew Grove REIT plc as the 100% owner of the B ordinary shares. A further distribution is expected to be made on finalisation of the liquidation in 2019.

At the Statement of Financial Position date the Yew Tree Investment Fund (in Members Voluntary Liquidation) was still under the Member's Voluntary Liquidation process.

Notes to the Consolidated Financial Statements (continued)

23. Acquisition of subsidiaries (continued)

Gateway Estate Management Company Limited by Guarantee

On 2 July the Group acquired 99% of the voting rights of Gateway Estate Management Company Limited by Guarantee for nil consideration following the acquisition of One and Three Gateway, East Wall Road, Dublin 3. Negative goodwill arising on the acquisition of Gateway Estate Management Company Limited by Guarantee has been taken directly to the Statement of Comprehensive Income during the period. The investment in Gateway Estate Management Company Limited by Guarantee has been included in the Group's balance sheet at its fair value.

Analysis of acquisition of Gateway Estate Management Company Limited by Guarantee

Upon acquisition of a subsidiary, fair values are attributed to the identifiable net assets acquired. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

Net assets at the date of acquisition

	Book value at the date of acquisition	Fair value at the date of acquisition
	€	€
Trade receivables and prepayments	142,621	142,621
Cash and cash equivalents	91,161	91,161
	233,782	233,782
Trade payables and accruals	(175,043)	(175,043)
	58,739	58,739
Share of net asset acquired (100%)		58,739
Consideration		-
Negative goodwill arising on acquisition		(58,739)

Negative goodwill arising on the acquisition of Gateway Estate Management Company Limited by Guarantee has been taken directly to the Statement of Comprehensive Income during the period.

24. Operating lease receivables

Future aggregate minimum rental receivables (to the next break date) under non-cancellable operating leases and licences are:

	Period ended 31 December 2018 €
Operating lease and licence receivables due in:	
Less than one year	6,283,984
Between two and five years	16,679,791
Greater that five years	7,918,572
Total	**30,882,347**

The Group has both operating leases and operating licences. The operating licences are predominantly for car parking spaces and are less than one year in duration.

The Group leases its investment properties under operating leases. The weighted average unexpired lease term of these leases ("WAULT") at 31 December 2018 is 7.4 years.

These calculations are based on all lease and licences outstanding at 31 December 2018.

25. Financial instruments – risk management and fair value

Financial assets and financial liabilities

The following table shows the Group's financial assets and liabilities and the methods used to calculate fair value.

Asset/ Liability	Carrying Value	Carrying Value	Level	Valuation Technique
Trade and other receivables	Amortised cost	360,568	3	All trade and other receivables that could be classified as financial instruments are short-term, the majority being less than three months in duration, and therefore face value approximates fair value on an amortised costs basis using the effective interest rate method.
Loans and borrowings	Amortised cost	5,840,398	3	The carrying amount of loans and borrowings held at amortised cost have been calculated by discounting the expected cashflows at prevailing interest rates.
Trade and other payables	Amortised cost	1,930,902	3	All trade and other payables that could be classified as financial instruments are short-term, the majority being less than one months in duration, and therefore face value approximates fair value on an amortised costs basis using the effective interest rate method.

Notes to the Consolidated Financial Statements (continued)

25. Financial instruments – risk management and fair value (continued)

Fair value hierarchy

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

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
(ii) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is responsible for developing and monitoring the Group's risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. All of these policies are regularly reviewed in order to reflect changes in the market conditions and the Group's activities.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The policies for managing each of these and the principal effects of these policies on the results for the financial period are summarised below:

(i) Market risk

Market risk is the risk that the fair value or cashflows 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 mainly comprise of investment properties, and trade and other receivables and cash which are classified as financial assets. The Group has no financial assets or liabilities denominated in foreign currencies. Financial liabilities comprise short-term payables and bank borrowings. All of these items are denominated in Euro. The Group's primary market risk for financial instruments is interest rate risk.

(a) Interest rate risk

Bank borrowing interest rates are based on short-term variable interest rates which the Group has chosen not to hedge. Exposure to interest rates is limited to the exposure of its earnings from uninvested funds and borrowings. The Group has a revolving credit facility with AIB of €19.9m, of which €13.7m was undrawn as at 31 December 2018. Interest due on the drawn amount of the facility will vary with changes in the underlying interest rate which may result in an increase in financing costs. The Group's drawings under its bank facility float on the higher of 3 months Euribor or 0% at drawing and quarterly reset dates and therefore the impact of a rise in 3 months Euribor to 1% for a full year on drawings as at 31 December 2018 would be approximately €0.06m, and if the facility were fully drawn would be €0.2m.

25. Financial instruments – risk management and fair value (continued)

The Group is also exposed to interest rate risk on its cash and cash equivalents. There were €4.36m uninvested Group funds held within Bank of Ireland and Societe Generale accounts at 31 December 2018. These balances attract low interest rates and therefore a relative increase or decrease in their interest rates would not have a material effect on the Consolidated Statement of Comprehensive Income.

(b) Currency risk

The Company has a sterling bank account with Societe Generale. As at 31 December 2018 the amount outstanding was £18,168. This amount is judged sufficient to settle all expected sterling payments due to service providers for 2019. As such, the Company had minimal foreign exchange exposure.

(ii) Liquidity risk

Liquidity risk is the risk the Group may encounter difficulties in meeting the obligations associated with its financial liabilities settled by cash or other financial assets. 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.

Detailed below are the contractual maturities of the Group's financial liabilities;

	Carrying Value	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total contractual amount
Borrowings	5,840,398	159,101	159,100	319,703	6,508,152	-	7,146,056
Trade and other payables	1,930,902	1,930,902	-	-	-	-	1,930,902
Total carrying amount	**7,771,300**	**2,090,003**	**159,100**	**319,703**	**6,508,152**	**-**	**9,076,958**

(iii) Credit risk

Cash and cash equivalents: cash and cash equivalents are held with major Irish and European banking institutions. These banking institutions and their short term ratings are listed below (ratings for each are from Standard and Poors/Moody's/Fitch):

- Societe Generale S.A. has short term unsecured debt ratings of A-1/P-1/F1
- Allied Irish Bank plc has short term unsecured debt ratings of A-2/P-2/F3
- The Governor and Company of the Bank of Ireland has short term ratings of A-2/P-1/F2

Trade and other receivables: rents and licences are generally received monthly in advance or quarterly in advance from tenants. There are no significant concentrations of credit risk at the financial period end. The balance of trade and other receivables has no concentration of credit risk as it comprises mainly prepayments.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of its customers. Trade and other receivables relate mainly to the Group's property tenants. The day-to-day management of the Group's customers is managed by appointed property agents under the oversight of the Group's internal property management group.

Refer to accounting policy 1.20 for details of the Group's policy in relation to ECL.

25. Financial instruments – risk management and fair value (continued)

The Group applies the simplified approach to trade receivables for which expected credit losses uses the lifetime expected credit allowance. The Group has no exposure to bad debts as the majority of the Group's rental income is from State bodies or FDI entities as they have good credit standing. The payment and credit performance of these tenants is closely monitored; therefore, the expected credit loss is not material and has not been presented.

There was no credit loss in the period as a result of the Directors' assessment.

Detailed below are the carrying amount of the Group's financial assets as the maximum amount of exposure to credit risk;

	As at 31 December 2018 €
Trade and other receivables	565,100
Cash and cash equivalents	4,823,734
Balance at end of period	**5,388,834**

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The key performance indicators used in evaluating the achievement of strategic objectives are return on capital, growth in NAV and dividends to ordinary shareholders (dividend per share) as well as the total return of the Group's property portfolio.

Capital consists of share capital, reserves and retained earnings. At 31 December 2018 the equity of the Group was €75.13m.

The Group seeks to leverage capital in order to enhance returns. Refer to note 18 for more details.

The Group's share capital is publicly traded on the Euronext Growth market of Euronext Dublin and the Alternative Investment Market of the London Stock Exchange.

26. Contingent Liabilities

The Group has not identified any contingent liabilities which are required to be disclosed in the Consolidated financial statements.

27. Events after the reporting period

On 7 February 2019 the Company declared the payment of an interim dividend in respect of the period ended 31 December 2018 of €723,000 for 0.964 cents per ordinary share. This was paid to shareholders on 26 February 2019.

On 8 February 2019 the Company exchanged contracts to purchase Office Block A, located in the IDA Waterford Business and Technology Park, Butlerstown, Waterford for €4 million plus costs, representing a gross yield to fair value of 8.56% after accounting for all purchase costs. The property,845 sq. ft. of open plan office space arranged over three storeys and is tenanted by Tech Mahindra Business Services Ltd under a 20 years lease with a break in five years, and SE2 Information Services Ireland Ltd under a five years lease.

On 11 February 2019 the Company delivered a completed car park in Athlone to its adjacent tenant under a co-terminus lease.

On 15 February the Company announced the inaugural grant of options to executive management under the Long Term Incentive Plan that had been established in June 2018 at Admission to the Alternative Investment Market of the London Stock Exchange and the Euronext Growth market of Euronext Dublin.

On 27 February 2019 the Company completed the purchase of Unit 2600, Cork Airport Business Park, Cork Airport for €7.5 million plus costs, representing a gross yield at fair value of 7.85% after accounting for purchase costs. The property, a two storey, 40,953 sq. ft office block which was refurbished in 2015 to a high standard and includes a 163-space car park, is tenanted by Clearstream Global Securities Services Ltd, a subsidiary of Deutsche Borse AG, under a 25 year lease with final expiry in just over five years' time.

On 29th March 2019 the Company declared the payment of an interim dividend in respect of the first quarter of 2019 of €825,000 for 1.10 cents per ordinary share. This is to be paid to shareholders on 13 May 2019.

28. Capital commitments

At the Statement of Financial Position, the Group has entered contracts for future capital expenditure of amounting to €236,671 in respect of the development of a car park at one of its investment properties. The capital commitments were fully satisfied on delivery of the car park post year end.

There are no other capital commitments at the Statement of Financial Position date.

Disclosures under AIFMD (unaudited)

Disclosure required under the Alternative Investment Fund Managers Directive ("AIFMD") for Reports of alternative investment funds ("AIFs") (unaudited)

Financial information disclosures

The Company did not realise any gains or losses on sale of any of its investment properties in the financial period from 5 April 2018 (date of incorporation) to 31 December 2018. Within the total unrealised gains for the same period of €1.6 million disclosed under IFRSs, there is a total of €1.2 million in unrealised losses and €2.8 million in unrealised gains.

Material changes and periodic risk management disclosures

All disclosure requirements to be made to investors prior to investing in the Company are set out on the Company's website, www.ygreit.com.

Remuneration disclosures

The information provided below relates to Ballybunion Capital Limited, the alternative investment fund manager ("AIFM"), and not to Yew Grove REIT plc. The disclosure is required under AIFMD for reports of alternative investment funds ("AIFs").

The AIFM operates under the terms of its remuneration policy which has been developed with due regard to all relevant legislation and regulatory guidance. This remuneration policy is designed to:

- Promote sound and effective risk management
- Not encourage risk taking that is inconsistent with the risk profile, rules or investment policies of the REIT and
- Prevent conflicts of interest.

The AIFM charges a fixed annual fee of €120,000 for its services to the REIT. There is no variable element to this fee. Total remuneration paid by the AIFM to its staff for the year ended 30 June 2018 (most recent audited figures) was €697,000 which related to an average staff number of 9 during that period. All AIFM staff receive only contracted fixed remuneration where the payment and benefits thereof are not subject to the performance of the REIT. The average number of AIFM staff engaged in providing part-time services to the REIT during the reporting period was 5.

Alternative performance measures

The Group has applied the European Securities and Markets Authority (ESMA) 'Guidelines on Alternative Performance Measures' in this Report and Consolidated financial statements. An alternative performance measure ("APM") is a measure of financial or future performance, position or cashflows of the Group which is not a measure defined by International Financial Reporting Standards ("IFRS").

The following are the APMs used in this report together with information on their calculation and relevance.

APM	IFRS measure for reconciliation	Description
Contracted rent roll	n/a	Annualised cash rental income (including car park licence income) being received as at the stated date.
EPRA NAV	IFRS NAV (note 12)	The objective of the EPRA NAV measure is to illustrate the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances (e.g. the fair value of financial derivatives, deferred taxes on property valuation surpluses) are excluded.
EPRA NAV per share	IFRS NAV per share (note 12)	EPRA NAV calculated on a diluted basis taking into account the impact of any options, convertibles, etc. that are dilutive.
EPRA Net Initial Yield ("EPRA NIY")	n/a	Inherent yield of the portfolio using cash passing rent at the reporting date.
Loan to Value	n/a	Outstanding drawings under loan facilities as a percentage of the fair value of the investment properties.
Total Shareholder Return	n/a	A measurement of the growth in share value for shareholders (assuming gross dividends are reinvested and share appreciation) over a defined period.

Glossary

CBD: The central business district of a city.

Contracted rent roll: The annualised cash rental income (including car park licence income) being received as at the stated date.

Dublin Catchment Area: The geographic area within an approximately thirty-minute commute of the M50 motorway.

EPRA: The European Public Real Estate Association.

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 measures the level of income arising from operational activities. It is intended to provide an indicator of the underlying income generated from leasing and management of the property portfolio and so excludes components not relevant to the underlying net income performance of the portfolio such as unrealised changes in valuation and any gains or losses on disposals of properties.

EPRA NAV: A measures of the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by the EPRA while taking into account the dilutive effects of any outstanding options, convertibles, or other financial instruments. The EPRA NAV excludes the net mark-to market value of financial instruments used for hedging purposes where a company has the intention to keep the hedge position until the end of the contractual duration, and deferred tax in respect of any difference between the fair value and the book value of the investment properties.

ERV/Estimated Rental Value: A valuer's opinion as to the open market rental value of a property on a valuation date which could reasonably be expected to be the achievable rent for a new letting of that property on the valuation date. Colloquially referred to as market rent.

Gross reversionary yield: The reversionary rent roll of a property or group of properties as a percentage of their fair value.

Gross yield at fair value: A calculation of the current expected cash rental return, being the contracted rent roll divided by the fair value of the investment property or properties.

Loan to Value/LTV: The LTV is calculated by dividing the amount of drawn loans by the fair value of the Company's investment properties.

Net Initial Yield ("NIY"): Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

Net valuation gain: The fair value gain over the period (from the shorter of the time to the last valuation or purchase). Purchases made since the last valuation are initially measured at cost including transaction costs.

Next rent reversion date: The earliest following date at which the Company could be expected to choose to re-let a property at the property's ERV or conduct a market level rent review.

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 Net Losses: As defined in section 705A of the Taxes Consolidation Act, 1997. It means in relation to a company or group, the amount by which the sum of the losses recognised in arriving at the aggregate profits of the company or group, as the case may be, being losses which arise on the revaluation or disposal of investment property or other non-current assets which are assets of the property rental business, exceeds the sum of the gains so recognised, being gains which arise on such revaluation or disposal.

Glossary (continued)

Property Net Gains: As defined in section 705A of the Taxes Consolidation Act, 1997. It means the amount by which the sum of the gains recognised in arriving at the aggregate profits of the company or group, as the case may be, being gains which arise on the revaluation or disposal of investment property or other non-current assets which are assets of the property rental business, exceeds the sum of the losses so recognised, being losses which arise on such revaluation or disposal.

Property Profits: As defined in section 705A of the Taxes Consolidation Act, 1997. It means, in relation to a company or group, means an amount which is the lesser of (a) the amount which would be the aggregate profits of the company or group, as the case may be, if the residual business, if any, of the company or group, as the case may be, were disregarded, and (b) the aggregate profits of that company or group, as the case may be.

Property Rental Business: As defined in section 705A of the Taxes Consolidation Act, 1997. A business which is carried on by a REIT or a group REIT, as the case may be, for the sole purpose of generating rental income in the State or outside the State, and, for the purpose of this definition, such businesses of a group are to be treated as a single business.

QIAIF: A Qualifying Investor Alternative Investment Fund.

Rent review: A clause often included in property leases that provides for a periodic adjustment of the rent of a property to the market level of rent.

Reversion: A term used to describe the difference in rent from that which is currently due on outstanding leases and the ERV. Under-rented properties have contracted rents lower than ERV, over-rented properties have contracted rents higher than ERV.

Reversionary rent roll: The annualised cash rental income (including car park licence income) that would be received if the property or properties were leased at ERV.

Seed portfolio: The portfolio of investment properties owned by the Yew Tree Investment Fund (in Members Voluntary Liquidation) when it was purchased on 8 June 2018.

SME: As defined by Enterprise Ireland, an enterprise that has between 50 employees and 249 employees and has either an annual turnover not exceeding €50m or an annual balance sheet total not exceeding €43m.

State Body: a body established by legislation in the Republic of Ireland which is either entirely or majority owned by the Irish Government.

Total debt to equity gearing: The ratio of drawn debt to NAV of the Company.

Total shareholder return: The growth in share value over a period assuming all dividends are reinvested in shares of the Company when paid.

Vacancy: Lettable space owned by the Company which is not let or licenced to a tenant.

Corporate Information

Directors	Barry O'Dowd (Chair, Independent Non-executive Director) Eimear Moloney (Independent Non-executive Director) Garry O'Dea (Senior Independent Non-executive Director) Brian Owens (Independent Non-executive Director) Jonathan Laredo (Chief Executive Officer) Charles Peach (Chief Financial Officer) Michael Gibbons (Chief Investment Officer)
Registered office	4th Floor 76 Lower Baggot Street Dublin 2, Ireland
Company Secretary	Sanne Corporate Administration Services Ireland Limited 4th Floor 76 Lower Baggot Street Dublin 2, Ireland
AIFM	Ballybunion Capital Limited Ashley House Morehampton Road Dublin 4, Ireland
ESM Adviser and Broker	Investec Bank plc (Irish Branch) The Harcourt Building Harcourt Street Dublin 2, Ireland
Nominated Adviser	Investec Bank plc 30 Gresham Street London EC2V 7QP
Joint Broker	Goodbody Stockbrokers Ballsbridge Park Ballsbridge Dublin 4, Ireland

Corporate Information (continued)

Legal adviser to the Company as to English law	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
Legal Adviser to the Company as to Irish law	William Fry Grand Canal Square Grand Canal Dock Dublin 2, Ireland
Registrar	Link Asset Services Link Registrars Limited 2 Grand Canal Square Dublin 2, Ireland
Depositary and Custodian	Société Générale S.A., Dublin Branch 3rd Floor, IFSC House IFSC Dublin 1, Ireland
Valuer	Lisney Limited St. Stephen's Green House Dublin 2, Ireland
Administrator	Baker Tilly Joyce House 22/23 Holles Street Dublin 2, Ireland
Auditor	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House 29 Earlsfort Terrace Dublin 2, Ireland

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REIT PLC