26 August 2021

Glenveagh Properties plc

Interim Results 2021

Glenveagh Properties plc ("Glenveagh" or the "Group") a leading Irish homebuilder announces its Interim Results for the period ended 30 June 2021.

Speaking today, Stephen Garvey, CEO, said: "Today's results demonstrate the strength of our business proposition and are a testament to the hard work of the Glenveagh team and our partners. Despite the major headwinds caused by Covid-19, we have returned to profitability and increased our output. We have sold, signed, or reserved the 1,150 homes that we expect to deliver this year with a further 300 homes already reserved for next year. We've seen growth across our three core business segments and have made major strides in building a strong platform for future growth.

Ireland is in an accommodation crisis and needs upwards of 35,000 homes a year to keep pace with requirements. In Glenveagh, our focus is on getting supply into the system as quickly as possible and we have a clear path to our target of building 3,000 homes a year by 2024. By innovating and relentlessly focusing on getting affordable, sustainable homes into the market, we are confident that the business will continue to prosper and play its part in addressing one of the key social challenges of recent decades."

Financial Highlights

	Six Months to 30 June 2021	**Six Months to 30 June 2020**	**Change**
Completions	**322**	123	162%
Revenue €'m	**127.5**	37.0	245%
Core ASP €'k	**298**	300	(1%)
Gross profit/(loss) €'m	**21.4**	(15.2)	N/A
Core gross profit €'m[1]	**17.1**	5.1	235%
Gross margin	**16.8%**	N/A	N/A
Core gross margin[1]	**23.0%**	13.8%	920 bps
Profit/(loss) before tax €'m	**2.6**	(27.3)	N/A
	30 June 2021	**30 June 2020**	
Land €'m	**641.6**	659.2	(3%)
Work in Progress €'m	**239.1**	225.0	6%
Net Debt €'m	**33.5**	49.0	(32%)
Available funds €'m	**212.3**	77.9	173%

[1] Excludes the non-core units in Marina Village and includes the Premier Inn hotel forward fund site sale

Operational Highlights

- 322 units closed in the period despite 13 week lockdown; +162% versus H1 2020
- Completion of the Premier Inn hotel site sale in Castleforbes for approximately €16 million as part of a forward funding transaction of approximately €70 million
- During the period, the Group secured its first Partnership agreement with Fingal County Council for a proposed development of 1,200 new homes at Ballymastone, Donabate in north County Dublin
- Strong progress on the share buyback programme with 20.5 million shares purchased in the period and 26 million shares purchased to date
- The Group acquired nine suburban sites for total consideration of approximately €52 million (excl. fees and tax) capable of delivering over 2,000 units
- €4.2 million reversal of previous impairment charge in Marina Village with sales execution ahead of expectation
- The Group currently has 20 active construction sites capable of delivering 4,700 units having opened five new sites in H1 2021 with further openings expected in H2

Current trading

- All 1,150 units now sold, signed or reserved, with over 1,000 of those units either closed or with a binding contract in place
- 300 units reserved for 2022 following recent launches
- Average weekly private reservation rate per site +58% year to date
- The Group has exchanged contracts on the sale of the residential and second hotel sites in Castleforbes for €78.5 million
- Heads of Terms have been agreed to forward fund 320 urban apartments with completion expected within 6 months
- Glenveagh is investing €16 million in a second timber frame facility and a soil recovery facility, which will allow for the sustainable growth of the business to 3,000 units and beyond while also controlling costs
- The Group is delivering two of the State's first ever cost rental transactions with Clúid Housing, an Approved Housing Body, in Taylor Hill, Balbriggan and Barnhall Meadows, Leixlip

Results Presentation

A conference call for analysts and investors will take place at 8.30am this morning to present the financial and operational results followed by a Q&A session. Please pre-register at the link below to ensure your attendance is confirmed ahead of the commencement of the call:

- Ireland +353 (0) 1 553 0196 / UK +44 (0) 33 0551 0202 / USA +1 646 843 4609;
- Conference PIN 6957426 followed by *0;
- **Click this link to register for the conference**

For further information please contact:

Investors:	Media:
Glenveagh Properties plc Michael Rice (CFO) Chloe McCarthy (Group Company Secretary) investors@glenveagh.ie	**Gordon MRM** Ray Gordon 087 241 7373 David Clerkin 087 830 1779 glenveagh@gordonmrm.ie

Note to Editors

Glenveagh Properties PLC, listed on Euronext Dublin and the London Stock Exchange, is a leading Irish homebuilder.

We are dedicated to expanding access to high-quality new homes, with a focus on first time buyers and young families. We believe that everyone should have access to high quality homes in flourishing communities across Ireland.

We are focused on three core markets - suburban housing, urban apartments and partnerships with local authorities and state agencies. We currently have 20 active construction sites with 1,150 units in the pipeline for 2021 and 3,000 units per annum from 2024. The land portfolio we have assembled can deliver housing that is both in demand and affordable.

www.glenveagh.ie/corporate

GLENVEAGH PROPERTIES PLC: BUSINESS AND FINANCIAL REVIEW

1. BUSINESS REVIEW

i. Group Sales

a. Overview

The Group had total revenue of €127.5 million (H1 2020: €37.0 million), with the majority of revenue relating to the completion of 322 units (H1 2020: 123 units; H1 2019: 158 units). As anticipated, the weighting towards closings in H1 has improved in 2021 with nearly 30% of our full year unit target closing in H1. This compares very favourably to 18% and 19% in 2020 and 2019 respectively.

In addition to the revenue generated from unit closings, the Group completed the €70 million sale of the Premier Inn hotel in Castleforbes to Union Investment through a forward fund arrangement. The revenue recognised in the period from the land element of the transaction amounted to approximately €16 million.

The Group's redeveloped digital strategy facilitated an online and private viewing led customer journey ensuring a high volume of potential home buyers viewed our homes, delivering more qualified prospects for the sales team. The combination of our digital strategy, improved customer experience and pent-up demand helped increase average weekly private reservation rates by 58% in the year to date.

The benefits of Glenveagh's suburban land assembly strategy, which has been exclusively starter-home focused continued to produce positive results from a sales perspective with 1,000 units for 2021 now sold or with a binding contract in place underpinning the target of 1,150 units for 2021.

House Price Inflation ("HPI") in the Group's starter-home focused Suburban segment has continued to increase from 3% in H2 2020 to 5% in H1 2021. Most of the impact of the increase in HPI is likely to become visible from 2022 with most closings during 2021 completed based on 2020 pricing.

b. Suburban Starter-Home Sales

The Group closed 197 core units in the period with an ASP of €298k across 11 selling sites. Having started the year with 544 core units reserved, the Group reserved approximately a further 750 units in our suburban starter-home developments, which will be delivered across 2021 and 2022. This strong momentum on existing open sites carried forward from last year with strong reservation rates achieved again in H1 2021.

c. Urban Sales

During the period, the Group closed 125 non-core urban units in Marina Village at an ASP of €423k. The group's PRS transaction with Real IS for 134 units contributed 105 units in the period with the additional 20 units being sold to the private market. The remaining 29 units from the Real IS transaction completed in July.

During the period, the Group completed the €70 million sale of the Premier Inn hotel in Castleforbes to Union Investment through a forward fund arrangement. The revenue recognised in the period from the land element of the transaction amounted to approximately €16 million.

On 25 August, the Group exchanged contracts on the sale of the residential and second hotel sites at Castleforbes in Dublin's Docklands for cash consideration of €78.5 million to a subsidiary of Eagle Street Partners Group Limited ("Eagle Street"). Eagle Street is a pan-European real estate investment and asset management firm established by Mr. Justin Bickle (Co-Founder and former CEO of the Group). Eagle Street is owned by its founders and backed by an institutional investor. This transaction is expected to close in Q4 2021.

Alongside the sale of the Premier Inn hotel element of the Docklands site for €16 million, Glenveagh has made significant progress in monetising this key urban development during the financial period reducing the Group's risk in the Docklands while allowing the business to redeploy the proceeds elsewhere in the business to maximise return on capital.

The Group has signed Heads of Terms to forward fund 320 urban apartments with completion expected within six months. A further two developments of a combined 300 units are currently being marketed for forward funds with expected transaction dates in 2022.

These transactions demonstrate the strength of the institutional demand for high-quality residential property and the Group continues to focus on monetising the urban portfolio through a combination of exit options, including forward fund and forward commit transactions.

ii. Partnerships

During the period, the Group was selected by Fingal County Council as its partner for the proposed development of 1,200 new homes at Ballymastone, Donabate in north County Dublin.

This is a significant win for the business and the project will deliver much-needed housing in the area, across a mix of private, social, affordable, and cost-rental homes. The Group will now move forward with the formal planning application and would hope to begin development in 2022.

The Group continues to be very supportive of the Partnerships delivery model and is actively engaged on two separate schemes which, if awarded, could deliver an additional 1,400 units across the three tenure types (Private, Social and Affordable).

Given the Group's construction capabilities, private market experience, reputation, and strong balance sheet, Glenveagh remains strongly placed to be the supplier of choice for much needed housing across a range of tenures.

iii. Development Land Portfolio Management

The Group continues to take a disciplined and strategic approach to land acquisitions concentrating on opportunities which have the potential to enhance the Group's return on capital and position the Group to deliver its medium and long-term output targets.

In H1 2021, the Group added to its development land portfolio via nine new suburban sites, two of which are adjacent to existing sites owned by the Group. Total consideration for these sites was approximately €52 million (excl. fees and taxes) and can deliver over 2,000 units.

Furthermore, while the land market in Ireland continues to mature, we are continuously looking at ways to reduce site duration and improve return on capital. With that approach in mind, the Group exchanged contracts on its first two 'subject to planning' transactions totalling approximately €9 million (227 units).

Looking ahead, three further sites are under negotiation or have exchanged contracts for approximately €12 million which benefit from an existing planning permission for a total of 615 units, allowing the Group to minimise site duration and maximise return on capital.

Inclusive of recent site acquisitions and our first Partnership scheme, the Group's current land portfolio is approximately 16,600 units.

iv. Planning

The Group, guided by our experienced inhouse planning team, has made significant planning progress during the period with over 2,000 units granted permission across 10 sites and when combined with sites acquired with planning in the period, the Group now has over 6,700 available planned units, which is approximately 40% of our overall land portfolio. A further 1,300 units across 13 sites are expected to be granted planning in the second half of the year.

The Group lodged planning applications for over 1,000 units in H1 with an expected 1,900 units to be lodged in the second half of the year as the Group continues to create a more active land portfolio to support the continued growth and the opening of new sites.

It has recently been announced that the SHD planning process will be replaced by the Large-Scale Residential Developments process (LSRDs) and this new system has now been approved by the Government. The SHD system had been frustrated by several legal challenges and lengthy delays, with the Government moving to end the process on 29 October which is earlier than previously planned (February 2022). We understand that LSRD developments will be very similar in scale to that for an SHD application, comprising developments of 100 housing units or more, or student accommodation developments comprising 200 bed spaces or more.

The delays experienced in the existing SHD planning process, along with the changes to a new process, have limited the rate at which the wider market can deliver new homes. The Group has been directly impacted by the delays and have had to include a number of contingencies within our delivery programme to 2024. The Group do not have any immediate planning concerns as all planning required to deliver the Group's 1,400-unit target for 2022 is now in place.

v. Manufacturing

Over the last number of years, the Group has invested in its supply chain to better control costs, ensure quality and to guarantee supply as the business grows to delivering 3,000 units per year. This investment was in the Group's timber frame manufacturing facility in Dundalk and its soil recovery facility in north Dublin, both of which became fully operational in 2021. The benefit of these investments has already been seen and quantified in the business and for that reason, the Group is investing further in the supply chain starting with a €16 million investment in additional timber frame and soil recovery facilities.

The timber frame facility will be strategically located within our Suburban South region to better serve our expanding network of construction sites throughout the country. The purchase of this facility will complete in the coming weeks and will be operational from 2023. When combined with our existing Dundalk facility, the Group will facilitate the manufacture of approximately 2,000 timber frames by 2024.

Our soil recovery capabilities have been augmented with the addition of our new facility in the Suburban South region which will complement our existing facility at Bay Lane in the Suburban North region.

These investments will allow for the sustainable growth of the business to delivering 3,000 units per year and beyond while also controlling the costs in a manner that improves return on capital in the medium term.

vi. Group Construction Progress

Construction sites were disrupted for the first 13 weeks of the period due to a series of Government imposed rolling lockdowns. In January, construction was limited to private housing which could be completed before 31 January and social housing which could be delivered before the end of February. Following the introduction of updated guidance in early February, construction was then solely limited to social housing which could be completed before the end of April. These restrictions were only lifted on 12 April and our existing construction sites became fully operational but were still subject to social distancing requirements.

A feature of the Group's construction operations over the last 12 months was increasing volume from our larger sites to minimize site duration and further increase return on capital. As a result of this approach, the Group expects to deliver 1,150 units in 2021 from a reduced number of sites vs 2020. This forms part of the Group's approach to optimising its investment in land over the coming years and positioning newly opened sites in 2021 to deliver significant volumes from 2022 onwards.

In addition to the 15 existing sites delivering units in 2021, the Group has recently opened five new suburban sites, as well as construction on the commercial element of Castleforbes, all of which will deliver units from early 2022.

vii. Managing CPI

The Group has seen significant one-off cost increases in the period in a variety of commodities and trades, the most significant of which were timber and resin-based product prices. To partially mitigate these price increases, the business was able to leverage its purchasing power and scale but more importantly the supply chain initiatives that the business invested in over the last number of years. Our timber frame factory and our soil recovery facility allowed the business to shield itself from the full effect of the increases that the wider market experienced, generating significant competitive advantage.

As a result of the initial reaction to the full re-opening of residential construction and the global commodity price increases, the business saw Cost Price Inflation ('CPI') of approximately 5% on tenders in the period, which will largely impact deliveries from 2022.

Looking to future periods, the Group's continued investment in its supply chain will be the main driver in managing CPI.

viii. Sustainability Agenda Progress

The Group continues to make incremental and meaningful progress on the material areas of focus identified in our 2020 sustainability report. During H1, Glenveagh achieved two certifications from the National Standards Authority of Ireland (NSAI) - ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety. The ISO 14001 certification will help ensure that our business is focused on reducing our environmental impact, supported by effective management processes. ISO 45001 demonstrates that we are committed to improving employee safety, reducing workplace risks, and creating better, safer working conditions.

We also built on our disclosures in the period, measuring Scope 3 emissions for the first time and reporting these via the Climate Disclosure Project (CDP) 2021 demonstrating our wider approach to managing climate and environmental issues.

Recognising the importance of the Group's six Sustainability Pillars to our strategy, the Board established an Environmental and Social Responsibility Committee (the "Committee") to lead our ambitious plans in this area, ensuring we deliver homes for people alongside the highest standards of environmental stewardship and responsible business. The Committee is chaired by Non-Executive Director Camilla Hughes and includes the Chief Executive Officer, Stephen Garvey, the Senior Independent Director, Robert Dix, and Non-Executive Director Pat McCann.

A further detailed progress report on our sustainability agenda will be provided at the time of our full-year results.

2. FINANCIAL REVIEW

i. Group performance

Total revenue for the period was €127.5 million (H1 2020: €37.0 million). There are three main components of revenue for the first six months of the year:

- €58.7 million from 197 core suburban units
- €52.9 million from 125 non-core units in Marina Village, Greystones
- €15.9 million in our urban segment which predominantly relates to the Premier Inn hotel site sale, part of the forward fund transaction with Union Investment

The Group's revenue and unit completions have increased significantly by 245% and 162% respectively versus the same period last year as the business continues to recover strongly from the impact of Covid-19. The core Average Selling Price ("ASP") for the period was largely consistent with the same period last year at €298k (H1 2020: €300k). The core ASP for the full year is expected to be broadly in line with the first half of the year.

The Group achieved a gross profit of €21.4 million (H1 2020: Gross loss of €15.2 million) for the period, giving an overall gross margin of 16.8%. The gross profit includes a partial reversal of the asset impairment of €4.2 million on our non-core units, that were subject of the impairment in H1 2020, as the business has achieved better than expected prices on these units. The reversal of impairment includes €2.6 million of realised profits from units closed in H1 2021 and €1.6 million relating to units contracted that will close in H2 2021.

The core gross margin for the business is 23.0% (H1 2020: 13.8%) which reflects the margin on our core suburban units as well as the profits from our Premier Inn hotel forward fund site sale. The core gross margin for H1 is impacted by the strong margin on the Premier Inn hotel site sale which will dilute over the full year as the remaining suburban units close. The Group now expects full year core gross margin to be in excess of 19.5% with the inclusion of the Castleforbes residential and second hotel land sale.

The Group's operating profit for the period was €6.6 million (H1 2020: Loss of €25.9 million) which includes central costs of €13.6 million (H1 2020: €9.8 million), and €1.2 million of depreciation and amortisation giving total administrative costs of €14.8 million (H1 2020: €10.7 million). The central costs are in line with management's expectation but are weighted towards H1 due to the disposal of our previous head office in Merrion Square, Dublin 2, at a loss of €1.6 million, implying normalised H1 central costs of €12 million. The decision to dispose of the premises was taken in the context of our new working requirements post pandemic and these offices becoming surplus to requirements.

The increased finance expense of €2.2 million (H1 2020: €1.4 million) in the period is reflective of the new debt facilities entered into during the period with committed facilities of €250 million versus previous committed facilities of €125 million.

ii. Balance Sheet and cash management

Following the impact of Covid-19 restrictions in 2020, the Group's focus for the period was to continue to invest in growth while also driving balance sheet efficiency.

A significant part of driving balance sheet efficiency is the Group's new capital allocation policy, the medium-term Return of Equity ('ROE') target and leverage policy. The Group remains disciplined in its approach to the allocation of capital with the overriding objective of enhancing shareholder value. Our capital allocation framework prioritises:

- Working capital investment across Suburban, Urban and Partnerships;
- Investment in organisational and supply chain capabilities;
- The replacement of land to ensure the Group maintains a five-year land portfolio capable of delivering 3,000 units per annum from 2024 where the Group are targeting an ROE of 15%.

The growth opportunities beyond 2024 are significant and the Group must ensure it has the resources to deliver the 3,000 units per annum from 2024, as well as the ability to invest in the next phase of growth. In doing so, we will maintain a strong balance sheet with prudent leverage not exceeding but close to 15% of net assets.

Beyond this, we will consider the return of excess capital to shareholders in a manner which retains flexibility to capitalise on future growth opportunities. During the period, we identified €75 million as being excess capital and on 28 May 2021, we commenced a share buyback programme of up to €75 million. On 30 June 2021, the Group had repurchased 20.5 million shares and, currently, the Group has repurchased 26 million shares. The impact of the repurchase and cancellation of the 20.5 million shares has been reflected in the Balance Sheet on 30 June.

During the period, we focused our investment on capital-efficient land acquisitions and work in progress for our core suburban business.

Land on 30 June is €641.6 million (December 2020: €619.2 million) and this position reflects our investment in the land market in the first half of the year. The Group added to its development land portfolio in the period via nine new suburban sites, two of which are adjacent to existing sites owned by the Group. Total consideration for these sites was approximately €52 million (excl. fees and taxes) and can deliver over 2,000 units.

Our WIP on 30 June is €239.1 million (December 2020: €201.9 million) which predominantly relates to our 20 active construction sites. Our WIP investment in the first half of the year puts the business in a very strong position to close units in the second half of 2021 and early 2022. Having regard to this investment, our work in progress per site is expected to unwind in H2 2021 as signed and reserved units complete.

The Group's focus on re-establishing its investment in growth has given rise to a net cash outflow of €75.0 million (excl. restricted cash movements) in the period. The main area of focus was investment in inventory of €54.8 million and the Group's Share Buyback Programme of €15.7 million. This investment was financed through a combination of the cash generated from the disposal of our non-core units in Marina Village, the site sale of the Premier Inn hotel as part of the forward fund transaction and our new €250 million committed debt facility.

The Group's net debt position on 30 June was €33.5 million and this strong position is further enhanced by available committed funds of €212.3 million, significant net assets of €837 million and strong covenant headroom. The Group's short-term objective continues to be maximising liquidity and maintaining a strong balance sheet while executing on our growth ambitions

Principal risks and uncertainties

Our approach to risk management is embedded across all levels and departments of our business with the wellbeing of our people being at its core. Our risk management framework to identify, assess, mitigate, monitor, and report on the areas of principal risk and uncertainty has underpinned the resilience of our business. The Board will continue to monitor and assess the impact of internal and external factors on the Group's risk management outlook throughout the remainder of the financial year. The Group's principal risks and uncertainties which could have a material impact on the Group achieving our strategic objectives together with the key mitigation considerations relevant to each risk are included in the 2020 Annual Report.

ENDS

Statement of Directors' responsibilities in respect of the condensed consolidated interim financial statements for the half year ended 30 June 2021

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

In preparing the condensed set of financial statements included within the half-yearly financial report, the directors are required to:
- prepare and present the condensed set of financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and the Transparency Rules of the Central Bank of Ireland;
- ensure the condensed set of financial statements has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

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

We confirm that to the best of our knowledge:

(1) The condensed set of consolidated financial statements included within the half-yearly financial report of Glenveagh Properties PLC for the six months ended 30 June 2021 ("the interim financial information") which comprises the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland.

(2) The interim financial information presented, as required by the Transparency Directive, includes:

   a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
   b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year
   c. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
   d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year. The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

On behalf of the Board

Stephen Garvey
Director

Michael Rice
Director

26 August 2021

Independent auditor's review report on the condensed consolidated interim financial statements to the members of Glenveagh Properties PLC

Introduction

We have been engaged by the Entity to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for ensuring that the condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

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

Scope of review

We conducted our review having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's review report on the condensed consolidated interim financial statements to the members of Glenveagh Properties PLC *(continued)*

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

This report is made solely to the Entity in accordance with the terms of our engagement to assist the Entity in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Entity those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entity for our review work, for this report, or for the conclusions we have reached.

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

26 August 2021

Glenveagh Properties PLC

Condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 June 2021

	Note	**30 June 2021 €'000**	**30 June 2020 €'000**
Revenue	*8*	**127,509**	37,014
Cost of sales		**(110,371)**	(31,915)
Impairment reversal / (charge)	*11*	**4,219**	(20,291)
Gross profit / (loss)		**21,357**	(15,192)
Administrative expenses		**(14,799)**	(10,748)
Operating profit / (loss)		**6,558**	(25,940)
Finance expense		**(2,224)**	(1,363)
Profit / (loss) before tax		**4,334**	(27,303)
Income tax (charge) / credit	*10*	**(1,719)**	3,267
Profit / (loss) after tax		**2,615**	(24,036)
Other comprehensive income		**-**	-
Total comprehensive profit / (loss) for the period attributable of the owners of the Company		**2,615**	(24,036)
Basic earnings / (loss) per share (cents)		**0.30**	(2.76)
Diluted earnings / (loss) per share (cents)		**0.30**	(2.76)

Glenveagh Properties PLC

Condensed consolidated balance sheet

as at 30 June 2021

	Note	30 June 2021 €'000	31 December 2020 €'000
Assets			
Non-current assets			
Property, plant and equipment	*12*	**14,085**	21,087
Intangible assets		**768**	712
Deferred tax asset	*10*	**514**	1,415
Restricted cash	*15*	**25,448**	708
		40,815	23,922
Current assets			
Inventory	*11*	**880,785**	821,169
Trade and other receivables		**14,401**	14,605
Income tax receivable		**-**	21
Assets held for sale	*12*	**5,100**	-
Restricted cash	*15*	**260**	-
Cash and cash equivalents		**37,276**	137,276
		937,822	973,071
Total assets		**978,637**	996,993
Equity			
Share capital	*13*	**1,040**	1,052
Share premium	*13*	**179,281**	179,281
Undenominated capital	*13*	**12**	-
Treasury shares	*13*	**(8,194)**	-
Retained earnings		**620,215**	629,044
Share-based payment reserve		**44,667**	44,129
Total equity		**837,021**	853,506
Liabilities			
Non-current liabilities			
Loans and borrowings	*14*	**85,323**	-
Lease liabilities		**41**	287
		85,364	287
Current liabilities			
Trade and other payables		**45,055**	42,237
Income tax payable		**797**	-
Loans and borrowings	*14*	**9,587**	99,934
Lease liabilities		**813**	1,029
		56,252	143,200
Total liabilities		**141,616**	143,487
Total liabilities and equity		**978,637**	996,993

Glenveagh Properties PLC

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2021

	Share Capital							
	Ordinary shares €'000	**Founder shares €'000**	**Undenominated capital €'000**	**Treasury shares €'000**	**Share premium €'000**	**Share-based payment reserve €'000**	**Retained earnings €'000**	**Total equity €'000**
Balance as at 1 January 2021	**871**	**181**	**-**	**-**	**179,281**	**44,129**	**629,044**	**853,506**
Total comprehensive profit for the period								
Profit for the period	-	-	-	-	-	-	**2,615**	**2,615**
Other comprehensive income	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**2,615**	**2,615**
Transactions with owners of the Company								
Equity-settled share-based payments	**-**	**-**	**-**	**-**	**-**	**635**	**-**	**635**
Lapsed share options (Note 9)	**-**	**-**	**-**	**-**	**-**	**(97)**	**97**	**-**
Purchase of own shares (Note 13)	**(12)**	**-**	**12**	**(8,194)**	**-**	**-**	**(11,541)**	**(19,735)**
	(12)	**-**	**12**	**(8,194)**	**-**	**538**	**(11,444)**	**(19,100)**
Balance as at 30 June 2021	**859**	**181**	**12**	**(8,194)**	**179,281**	**44,667**	**620,215**	**837,021**

Glenveagh Properties PLC
Condensed consolidated statement of changes in equity
for the six months ended 30 June 2020

	Share capital			Share-based		
	Ordinary shares €'000	**Founder shares €'000**	**Share premium €'000**	**payment reserve €'000**	**Retained earnings €'000**	**Total equity €'000**
Balance as at 1 January 2020	871	181	879,281	44,035	(57,821)	866,547
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(24,036)	(24,036)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(24,036)	(24,036)
Transactions with owners of the Company						
Equity-settled share-based payments	-	-	-	539	-	539
Share premium reduction and transfer to distributable reserves	-	-	(700,000)	-	700,000	-
	-	-	(700,000)	539	700,000	539
Balance as at 30 June 2020	871	181	179,281	44,574	618,143	843,050

Glenveagh Properties PLC

Condensed consolidated statement of cash flows

for the six months ended 30 June 2021

	Note	30 June 2021 €'000	30 June 2020 €'000
Cash flows from operating activities			
Profit / (loss) for the period		**2,615**	(24,036)
Adjustments for:			
Depreciation and amortisation		**1,209**	898
Impairment of inventories (reversal) / charge	*11*	**(4,219)**	20,291
Finance costs		**2,224**	1,363
Loss on sale of property, plant and equipment		**1,650**	3
Equity-settled share-based payment expense	*9*	**635**	539
Tax expense / (credit)	*10*	**1,719**	(3,267)
		5,833	(4,209)
Changes in:			
Inventories		**(54,848)**	(63,532)
Trade and other receivables		**204**	(4,245)
Trade and other payables		**(1,420)**	(23,243)
Cash used in operating activities		**(50,231)**	(95,229)
Interest paid		**(1,733)**	(1,141)
Tax paid		**-**	(600)
Net cash used in operating activities		**(51,964)**	(96,970)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*12*	**(1,094)**	(2,750)
Acquisition of intangible assets		**(298)**	(92)
Transfer to restricted cash	*15*	**(25,000)**	-
Proceeds from the sale of property, plant and equipment		**1**	12
Net cash used in investing activities		**(26,391)**	(2,830)
Cash flows from financing activities			
Proceeds from borrowings		**100,000**	70,000
Repayment of loans and borrowings		**(102,500)**	-
Transaction costs related to loans and borrowings		**(2,903)**	-
Purchase of own shares		**(15,699)**	-
Payment of lease liabilities		**(543)**	(545)
Net cash (used in) / from financing activities		**(21,645)**	69,455
Net decrease in cash and cash equivalents in the period		**(100,000)**	(30,345)
Cash and cash equivalents at the beginning of the period		**137,276**	93,224
Cash and cash equivalents at the end of the period		**37,276**	62,879

1 Reporting entity

Glenveagh Properties PLC ("the Company") is domiciled in the Republic of Ireland. The Company's registered office is Block B, Maynooth Business Campus, Maynooth, Co. Kildare, W23 W5X7. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and cover the six month period ended 30 June 2021 ("the period"). The Group's principal activities are the construction and sale of residential houses and apartments for the private buyer, local authorities and institutional investors. The financial information for the six months ended 30 June 2021 does not constitute statutory financial statements as defined in the Companies Act 2014. A copy of the financial statements for the financial year ended 31 December 2020 are available on the Company's website (https://glenveagh.ie/) and will be filed with the Companies Registration Office. The auditor's report accompanying those financial statements was unqualified.

2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the financial year ended 31 December 2020 ("last annual financial statements") which have been prepared in accordance with IFRS as adopted by the EU. The interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies adopted are consistent with those of the previous accounting period.

3 Functional and presentation currency

These consolidated financial statements are presented in Euro which is the Company's functional currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

4 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. No individual judgment or estimate is deemed to have a significant impact upon the financial statements apart from those supporting the assessment of the carrying value of the Group's inventories as described below.

(a) Carrying value of work-in-progress, estimation of costs to complete and impact on profit recognition

The Group holds inventories stated at the lower of cost and net realisable value. Such inventories include land and development rights, work-in-progress and completed units. As residential development is largely speculative by nature, not all inventories are covered by forward sales contracts. Furthermore, due to the nature of the Group's activity and, in particular the scale of its developments and the length of the development cycle, the Group has to allocate site-wide development costs between units being built and/or completed in the current year and those for future years. It also has to forecast the costs to complete on such developments. These estimates impact management's assessment of the net realisable value of the Group's inventory balance and also determine the extent of profit or loss that should be recognised in respect of each development in each reporting period. In making such assessments and allocations, there is a degree of inherent estimation uncertainty. The Group has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made.

4 Use of judgements and estimates (*continued*)

(a) Carrying value of work-in-progress, estimation of costs to complete and impact on profit recognition *(continued)*

These assessments and allocations evolve over the life of the development in line with the risk profile, and accordingly the margin recognised reflects these evolving assessments, particularly in relation to the Group's long-term developments. Covid-19 was declared a global pandemic by the World Health Organisation and the impact of the pandemic has been considered in the Group's assessment of the carrying value of its inventories at 30 June 2021, particularly with regard to the potential implications for future selling prices, development expenditure and construction programming. Management has considered a number of scenarios on each of its active developments and the consequential impact on future profitability based on current facts and circumstances together with any implications for future projects in undertaking its net realisable value calculations.

As part of the assessment, the Group has re-evaluated its most likely exit strategies on all developments in the context of the current market environment and reflected these in revenue assumptions within the forecast models. The results of this exercise required an impairment reversal of €4.2 million in respect of its previously impaired non-core active sites. Further detail in respect of the reversal of impairment for the period is included in note 11.

5 New significant accounting policies

There have been no changes to significant accounting policies during the period to 30 June 2021.

6 Going concern

The Group has recorded a profit before tax of €4.3 million *(2020: loss of €27.3 million)* which included a non-cash impairment reversal of €4.2 million relating to the Group's inventory balance, the comparative period loss included a non-cash impairment charge of €20.3 million. The Group has an unrestricted cash balance of €37.3 million *(31 December 2020: €137.3 million)* and under the terms of its debt facilities, the Group is required to maintain a minimum cash balance of €25.0 million. It has committed undrawn funds available of €150.0 million *(31 December 2020: €25.0 million).*

Management has prepared a detailed cash flow forecast in order to assess the Group's ability to continue as a going concern for at least a period of twelve months from the signing of these interim financial statements. The preparation of this forecast considered the potential and likely implications of the Covid-19 pandemic on the Group's financial performance and position over the forecast period including but not limited to the impact on selling prices and strategies, development costs and construction programmes.

The Group is forecasting compliance with all covenant requirements under the current facilities including the interest cover covenant which is based on earnings before interest, tax, depreciation and amortisation (EBITDA) excluding the non-cash impairment charge or reversal. Other assumptions within the forecast include the Group's expected selling prices and sales strategies as well as its investment in work in progress which reflect updated development programs as a result of the ongoing impact of Covid-19.

While acknowledging the uncertainty that remains with regard to the continued impact of Covid-19 including the potential risk of further Government restrictions on construction activity on the Group's cash flow forecast, the Directors confirm that they believe the Group has the appropriate working capital management strategy, operational flexibility and resources in place to continue in operational existence for the foreseeable future and has accordingly prepared the condensed consolidated interim financial statements on a going concern basis.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

7 Segmental information

The Group has restated the previously reported segment information for the year ended 31 December 2020 with certain assets being allocated to reportable segments for comparability purposes at the reporting date.

Segmental financial results

	30 June 2021 €'000	**30 June 2020 €'000**
Revenue		
Suburban	**58,747**	36,510
Urban	**68,762**	504
Partnerships	**-**	-
Revenue for reportable segments	**127,509**	37,014

	30 June 2021 €'000	**30 June 2020 €'000**
Operating profit / (loss)		
Suburban	**4,177**	(7,871)
Urban	**10,920**	(12,233)
Partnerships	**(457)**	(268)
Operating profit / (loss) for reportable segments	**14,640**	(20,372)
Reconciliation to results for the period		
Segment results – operating profit / (loss)	**14,640**	(20,372)
Finance expense	**(2,224)**	(1,363)
Directors' remuneration	**(1,082)**	(1,035)
Corporate function payroll costs	**(1,768)**	(1,328)
Depreciation and amortisation	**(1,209)**	(898)
Professional fees	**(721)**	(273)
Share-based payment expense	**(635)**	(539)
Loss on sale of property, plant and equipment	**(1,650)**	(3)
Other corporate costs	**(1,017)**	(1,492)
Profit / (loss) before tax	**4,334**	(27,303)

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

7 Segmental information *(continued)*

Segment assets and liabilities

	30 June 2021				31 December 2020			
					As restated	**As restated**	**As restated**	**As restated**
	Suburban	**Urban**	**Partnerships**	**Total**	**Suburban**	**Urban**	**Partnerships**	**Total**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Segment assets	**639,585**	**254,643**	**865**	**895,093**	527,461	300,422	467	828,350
Reconciliation to Consolidated Balance Sheet								
Deferred tax asset				**514**				1,415
Trade and other receivables				**801**				8,132
Income tax receivable				**-**				21
Restricted cash				**25,000**				-
Cash and cash equivalents				**37,276**				137,276
Property, plant and equipment				**14,085**				21,087
Intangible assets				**768**				712
Assets held for sale				**5,100**				-
				978,637				996,993
Segment liabilities	**-**	**-**	**-**	**-**	-	-	46	46
Reconciliation to Consolidated Balance Sheet								
Trade and other payables				**45,055**				42,191
Loans and Borrowings				**94,910**				99,934
Lease liabilities				**854**				1,316
Income tax payable				**797**				-
				141,616				143,487

8 Revenue

	30 June 2021 €'000	As restated 30 June 2020 €'000
Suburban		
Core	**58,747**	34,466
Non-core	**-**	-
	58,747	34,466
Urban		
Core	**15,846**	2,143
Non-core	**52,916**	405
	68,762	2,548
Total Revenue	**127,509**	37,014

As in the prior year, the Group expects significantly more closing activity (and consequently increased revenue) in the second half of the financial year as a result of both the Covid-19 restrictions being lifted that were in place during the first half of the year and the seasonality that currently exists within the Group's development cycle.

The Group has restated the previously reported revenue information for the comparative period and has presented revenue as split between core and non-core by business segment. This split is in line with how internal reporting to the Chief Operating Decision Maker ("CODM") is provided which has been in effect since H1 2020. Core suburban product relates to affordable starter homes for first time buyers. Core urban product relates primarily to apartments suitable for institutional investors. Non-core suburban and urban product relates to high-end, private developments and sites.

9 Share-based payment arrangements

(a) Description and reconciliation of options outstanding

	Number of Options 2021	Number of Options 2020
LTIP options in issue at 1 January	**7,675,456**	4,685,800
Granted during the period	**3,998,475**	5,185,560
Forfeited during the period	**(449,262)**	-
Lapsed during the period	**(201,508)**	-
LTIP options in issue at 30 June	**11,023,161**	9,871,360

9 Share-based payment arrangements *(continued)*

(a) Description and reconciliation of options outstanding *(continued)*

SAYE – reconciliation of options outstanding

	Number of Options 2021	Number of Options 2020
SAYE in issue at 1 January	**1,214,040**	1,008,340
Cancelled during the period	**(81,000)**	(148,600)
SAYE options in issue at 30 June	**1,133,040**	859,740

(b) Measurement of fair values

The EPS related performance condition is a non-market condition and does not impact the fair value of the EPS based awards at grant date which is equivalent to the share price at grant date.

The fair value of the TSR-based LTIP options granted in the period was measured using a Monte Carlo simulation. Service and non-market conditions attached to the arrangements were not taken into account when measuring fair value.

The inputs used in measuring fair value of the TSR based awards at grant date were as follows:

	2021	**2020**
Fair value at grant date	**€0.49**	€0.23
Share price at grant date	€0.91	€0.75
Valuation methodology	Monte Carlo	Monte Carlo
Exercise price	€0.001	€0.001
Expected volatility	36.1%	26.6%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Risk free rate	-0.7%	-0.8%

The exercise price of all options granted under the LTIP to date is €0.001 and all options have a 7-year contractual life.

The expected share price and TSR volatility was based on the historical volatility of the Group over the expected life of the equity instruments granted.

(c) Expense recognised in profit or loss

The Group recognised an expense of €0.6 million (*2020: €0.5* million) in the consolidated statement of profit or loss in respect of options granted under the LTIP and SAYE arrangements.

10 Income tax

	30 June 2021 €'000	30 June 2020 €'000
Current tax charge / (credit) for the period	**818**	(2,262)
Deferred tax charge / (credit) for the period	**901**	(1,005)
Total income tax charge / (credit)	**1,719**	(3,267)

Movement in deferred tax balances	Balance at 1 January 2021 €'000	Recognised in the period €'000	Balance at 30 June 2021 €'000
Tax losses carried forward	**1,415**	**(901)**	**514**

The tax losses arise in Ireland and have no expiry date. Based on the return to profitability in 2021, the continued forecast profitability in the Group's strategy plan and the sensitivities that have been applied therein, management has considered it probable that future profits will be available against which the above losses can be recovered and, therefore, the related deferred tax asset can be realised.

11 Inventory

	30 June 2021 €'000	31 December 2020 €'000
Land	**627,629**	605,244
Development expenditure work in progress	**239,148**	201,917
Development rights	**14,008**	14,008
	880,785	821,169

(i) Impairment of inventories

The Group have carried out a net realisable value assessment of its inventories at the reporting date. This assessment has resulted in an impairment reversal of €4.2 million for the period *(2020: impairment of €20.3 million)* at our previously impaired non-core active sites. The impairment reversal is reflective of management's reassessment of sales prices on remaining units at higher ASP sites due to better pricing being achieved on unit closings in the period. This was recognised in cost of sales with €1.4 million allocated to land and the remainder (€2.8 million) allocated to work in progress.

In the prior financial year, the Group amended its sales strategy on its remaining high end, private customer units which was reflected in its net realisable value calculations at the balance sheet date. The revised sales strategy on these developments is to exit within 12 months versus in excess of 48 months at previously forecasted sales rates. The Group also identified three non-core assets which are also suited to higher ASP product on which construction has not commenced and has amended its exit strategy on these sites from development to site sale. This resulted in an impairment charge of €20.3 million being recorded in the prior year financial statements. This was recognised in cost of sales with €10.3 million allocated to land and the remainder €10.0 million allocated to work in progress.

11 Inventory *(continued)*

(ii) Employment cost capitalised

€5.8 million of employment costs incurred in the period have been capitalised in inventory *(June 2020: €5.8 million.*

12 Property, plant and equipment

During the period, the Group recognised total additions to property, plant and equipment of €1.3 million *(six months ended 30 June 2020: €2.8 million)* which included expenditure on land and buildings of €0.1 million *(six months ended 30 June 2020: €0.6 million)*, with €1.2 million *(six months ended 30 June 2020: €2.2 million)* invested in plant and machinery, fixtures and fittings and computer equipment. Depreciation recognised in the period was €1.5 million *(six months ended 30 June 2020: €1.2 million)*.

During the period, the Group entered into new lease agreements for the use of motor vehicles €0.1million *(six months ended 30 June 2020: €0.3 million)*.

During the period, the Group contracted to sell land and buildings and fixtures and fittings at 15 Merrion Square, Dublin 2 with the sale closing subsequent to the period end. Accordingly, the associated assets are presented as assets held for sale. As at 30 June the disposal asset are valued at €5.1 million.

13 Share capital and share premium

(a) Authorised share capital

As at 30 June 2021 and 31 December 2020	**Number of shares**	**€'000**
Ordinary shares of €0.001 each	1,000,000,000	1,000
Founder shares of €0.001 each	200,000,000	200
Deferred shares of €0.001 each	200,000,000	200
	1,400,000,000	**1,400**

(b) Issued and fully paid share capital and share premium

As at 30 June 2021	**Number of shares**	**Share capital €'000**	**Share premium €'000**
Ordinary shares of €0.001 each	859,396,040	859	179,281
Founder shares of €0.001 each	181,006,838	181	-
	1,040,402,878	**1,040**	**179,281**

13 Share capital and share premium *(continued)*

(b) Issued and fully paid share capital and share premium *(continued)*

As at 31 December 2020	Number of shares	Share capital €'000	Share premium €'000
Ordinary shares of €0.001 each	871,333,550	871	179,281
Founder shares of €0.001 each	181,006,838	181	-
	1,052,340,388	**1,052**	**179,281**

Further to the authority granted at the Annual General Meeting on 27 May 2021, the Group commenced a €75.0 million share buyback programme on 28 May 2021 and may continue until 1 February 2022. The total number of shares purchased in the period from 1 January 2021 to 30 June 2021 was 20,537,510 at a total cost of €19.8 million. In accordance with the share buyback programme, all repurchased shares will subsequently be cancelled.

Further to resolutions passed by shareholders of the Company on 17 December 2019, the High Court approved the Group's application on 16 March 2020 to reduce its share premium account such that €700.0 million of this amount shall be treated as profits available for distribution. The amount was reclassified to retained earnings in the previous financial year.

14 Loans and Borrowings

(a) Loans and borrowings

In February 2021, the Group entered into a new long term debt facility for a total of €250.0 million with a syndicate of domestic and international banks for a term of 5 years at an interest rate of one-month EURIBOR (subject to a floor of 0 per cent) plus a margin of 2.6%. The prior period debt facilities were fully repaid by the Group during the period and at 30 June 2021, €97.5 million had been drawn on the new debt facilities. Pursuant to the debt facility agreement, there is a fixed and floating charge in place over certain land assets of the Group as continuing security for the discharge of any amounts drawn down.

	30 June 2021 €'000	31 December 2020 €'000
Debt facilities	**97,500**	100,000
Unamortised transaction costs	**(2,776)**	(104)
Interest accrued	**186**	38
Total loans and borrowings	**94,910**	99,934

14 Loans and Borrowings *(continued)*

(a) Loans and borrowings *(continued)*

Loans and borrowings are payable as follows:	**30 June 2021 €'000**	**31 December 2020 €'000**
Less than one year	**9,587**	99,934
Between one and two years	**9,401**	-
More than two years	**75,922**	-
Total loans and borrowings	**94,910**	99,934

The Group's debt facilities are subject to primary financial covenants calculated on a quarterly basis:

- A maximum net debt to net assets ratio;
- Loans to eligible assets value;
- The Group is required to maintain a minimum cash balance of €25.0 million throughout the term of the debt facility; and
- A minimum EBITDA to net interest coverage ratio calculated on a trailing twelve-month basis.

(b) Net (debt) / funds reconciliation

	30 June 2021 €'000	**31 December 2020 €'000**
Unrestricted cash	**25,000**	-
Cash and cash equivalents	**37,276**	137,276
Loans and borrowings	**(94,910)**	(99,934)
Lease liabilities	**(854)**	(1,316)
Total net (debt) / funds	**(33,488)**	36,026

15 Restricted cash

	30 June 2021 €'000	31 December 2020 €'000
Current	**260**	-
Non-current	**25,448**	708
	25,708	708

The restricted cash balance relates to:

- €0.7 million held in escrow until the completion of certain infrastructural works relating to the Group's residential development at Balbriggan, Co. Dublin; and
- €25.0 million minimum cash balance which is required to be maintained throughout the term of the debt facility.

16 Financial instruments and financial risk management

(a) Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	Carrying Amount Financial assets at amortised cost	
	30 June 2021 €'000	31 December 2020 €'000
Financial assets not measured at fair value		
Trade receivables	**1,131**	1,948
Other receivables	**2,153**	1,985
Construction bonds	**9,078**	7,670
Deposits for sites	**1,239**	2,540
Cash and cash equivalents	**37,276**	137,276
Restricted cash (current)	**260**	-
Restricted cash (non-current)	**25,448**	708
Total financial assets	**76,585**	152,127

Cash and cash equivalents are short-term deposits held at fixed rates.

16 Financial instruments and financial risk management *(continued)*

(a) Accounting classification and fair value *(continued)*

	Carrying amount Other financial liabilities	
	30 June 2021 €'000	**31 December 2020 €'000**
Financial liabilities not measured at fair value		
Trade payables	**6,590**	3,457
Inventory accruals	**21,712**	17,416
Other accruals	**11,690**	5,874
Loans and borrowings	**94,910**	99,934
Total financial liabilities	**134,902**	126,681

Trade payables and other current liabilities are non-interest bearing. Loans and borrowings and lease liabilities detailed above are categorised as level 2 in the fair value hierarchy.

17 Related Party Transactions

There were no related party transactions other than Directors' remuneration incurred in the six-month period ended 30 June 2021.

18 Commitments and contingent liabilities

Land acquisition subject to re-zoning

During 2018, the Group contracted to acquire 66 acres of currently unzoned land in the Greater Dublin Area subject to appropriate residential zoning being awarded in the next local authority development plan on at least 30 acres of the site. Once this minimum threshold is achieved, the Group has committed to acquiring the entire site at a fixed price per acre on land zoned for residential development with the remaining land to be acquired at market value.

Hollystown Golf and Leisure Limited ("HGL")

During 2018, the Group acquired 100 per cent of the share capital of HGL. Under the terms of an overage covenant signed in connection with the acquisition, the Group has committed to paying the vendor an amount equal to an agreed percentage of the uplift in market value of the property should any lands owned by HGL, that are not currently zoned for residential development be awarded a residential zoning. This commitment has been treated as contingent consideration and the fair value of the contingent consideration at the acquisition date was initially recognised at €nil. At the reporting date, the fair value of this contingent consideration was considered insignificant.

Contracted acquisitions

At 30 June 2021, the Group had contracted to acquire two development sites; one in North County Dublin and one in Co. Kildare for an aggregate consideration of approximately €9.4 million (excluding stamp duty and legal fees). Deposits totalling €0.9 million were paid pre-period end and are included within trade and other receivables at 30 June 2021.

19 Subsequent events

On 16 July 2021, the Group completed the third phase of the contracted sales at the Marina Village development comprising of 29 units for a consideration of €12.4 million.

On 25 August, the Group exchanged contracts on the sale of the residential and second hotel sites at Castleforbes in Dublin's Docklands for cash consideration of €78.5 million to a subsidiary of Eagle Street Partners Group Limited ("Eagle Street"). Eagle Street is a pan-European real estate investment and asset management firm established by Mr. Justin Bickle (Co-Founder and former CEO of the Group). Eagle Street is owned by its founders and backed by an institutional investor. This transaction is expected to close in Q4 2021.

20 Approved financial statements

The Directors approved the condensed consolidated interim financial statements on 26 August 2021.