

14 September 2023

Glenveagh Properties plc

Interim Results 2023

Glenveagh Properties plc ("Glenveagh" or the "Group") a leading Irish homebuilder announces its Interim Results for the period ended 30 June 2023.

Financial Highlights

	Six Months to 30 June 2023	Six Months to 30 June 2022	Change
Revenue €'m	171.6	200.0	-14%
- Suburban	109.7	88.9	+23%
- Urban	61.9	111.1	-44%
Gross profit €'m	27.9	32.9	-15%
- Suburban	20.5	15.4	+33%
- Urban	7.5	17.5	-57%
Gross margin	16.3%	16.5%	-20 bps
- Suburban	18.7%	17.3%	+140 bps
- Urban	12.1%	15.8%	-370 bps
Profit before tax €'m	1.4	13.0	-89%
Earnings Per Share (cent)	0.21	1.32	-84%
	30 June 2023	30 June 2022	
Land €'m	447.0	513.0	-13%
Work in Progress €'m	317.6	291.9	+9%
Operating cash flow €'m	(93.2)	(17.5)	
Net Debt €'m	182.2	97.5	+€85m
Total Equity €'m	637.2	707.2	-10%
Suburban Completions	333	257	+30%
Suburban: Closed & forward order book - units ¹	1,782	1,831	-3%
Suburban: Closed & forward order book - €'m ¹	563.1	588.1	-4%
Group: Closed & forward order book - €'m ¹	1136.7	989.8	+15%

¹ As at 11 September 2023. Prior year data disclosed as at 9 September 2022

Trading Summary

- We reiterate our FY 2023 guidance, anticipating an EPS outturn of 7.5-8.0 cents
- The Group performed to expectation in H1 2023 and increased suburban margin, secured approvals for both of its Partnerships sites, and benefitted from strong planning momentum. Profitability was impacted primarily by lower urban revenues, reflecting a higher H1 2022 comparative that included approximately €63m from the disposal of the East Road site, along with increased financing costs
- The Group has been granted permissions for approximately 4,000 units so far this year, some 700 of which are currently in post-grant appeal periods
- Our strategy of supply chain integration, combined with our scale and long-term supply chain commitments, enabled us to mitigate build cost inflation to a 4-5% level in H1 2023
- In June we launched NUA, the innovative manufacturing and new technology arm of the Group. NUA will lead innovation in modern methods of construction in the Irish market. Significant investment here is now largely completed and the business will have the capacity to deliver over 2,000 units in FY 2024 from our three off-site manufacturing facilities in Carlow, Arklow, and Dundalk
- Our share buyback programme, initiated on 6 January 2023, was completed on 2 August 2023. Approximately €63 million was returned to shareholders, bringing overall returns to over €300 million since May 2021
- Strong progress was also made to further integrate sustainability throughout the business, alongside the launch of our Net Zero transition plan in March 2023
- All suburban units capable of closing in FY 2023 are now sold, signed or reserved. Further improvement in the suburban margin is expected in FY 2023 to approximately 19%
- Approximately €120m of revenue will be recognised in FY 2023 from the Group's Urban business segment
- We anticipate making further efficiencies in our land investment and expect land value to approach €400 million by 31 December 2023, with further efficiencies anticipated in FY 2024. Work in progress (WIP) at year end is expected to increase on FY 2022 levels, to reflect ongoing developments in our urban portfolio. Net debt is expected to reach 10-15% of net assets at year end

Outlook

- We continue to see a very positive long-term demand outlook for the Irish residential housing market. Strong private demand is underpinned by a robust economic environment, a fast-growing population and supportive demand-side initiatives from the Government
- New opportunities are emerging to partner with multiple State agencies as part of the Government's recent supply-side housing initiatives. Significant additional funding has been proposed for the Land Development Agency (LDA). In addition, one of our urban schemes of over 250 units has been approved under the Croí Cónaithe programme and this is expected to commence in Q4. Our scale, operational capability and established expertise in partnership and urban development models, leaves us ideally positioned to participate in such initiatives. These have the potential to generate significant incremental revenue and profits for the Group over the medium term
- The improved planning momentum means that the Group has planning permission for all of its expected deliveries in FY 2024. Based on planning lodgements year to date and anticipated in the rest of this year, over 70% of our current landbank will be fully planned and available for development by the end of FY 2024

- We are currently active on 24 suburban and urban sites, including all of our large suburban sites required for FY 2024 delivery
- In our Partnerships business segment, enabling works have now commenced on both our Ballymastone and Oscar Traynor Road sites and we expect to deliver revenue of over €100 million in FY 2024, with an anticipated gross margin of approximately 15%
- A very healthy land portfolio and forward order book, combined with strong planning momentum and robust operational and manufacturing capability, gives the Group increasing confidence in its capacity to generate strong revenue and profit growth across its Suburban, Urban and Partnerships business segments in FY 2024. We are comfortable with current consensus EPS expectations for FY 2024 of approximately 17 cents
- We continue to remain focused on enhancing capital efficiency and cash generation across the business, with a renewed focus on investment in urban development activity in particular. Once our capital allocation priorities are satisfied, we will continue to return any excess cash identified to shareholders. This will underpin the delivery of long-term operational growth and optimal returns for shareholders, with our Return on Equity target of 15% in 2024 our key capital metric

CEO Stephen Garvey commented:

“We began the year with three clear objectives – to grow our portfolio of planned sites, to advance our Partnerships business, and to transform our manufacturing business.

While planning delays proved challenging at the start to the year, we have seen a strong upturn in permissions granted through 2023 and are on track to have over 70% of our current landbank fully planned and available by the end of FY 2024.

We began 2023 with no planning achieved in our Partnerships segment, to now being commenced on two of the largest such sites in the country. We are proving that public and private entities can work successfully together to deliver sustainable mixed tenure developments.

Partnerships are how substantial housing volume can be delivered effectively across all tenures. I encourage the Government to focus on this area as a vehicle to address the housing crisis.

The continued reform of planning policy and system, as well as the Government’s demand and supply side initiatives, are showing positive results too.

NUA is now at scale to deliver in 2024. This business gives us an excellent platform for delivering greater volumes of sustainable, high-quality, energy-efficient new homes using modern methods of construction.

The outlook across Glenveagh’s businesses is favourable and the opportunities are compelling. We are ideally placed to serve what continues to be strong private demand, in addition to working constructively with State agencies on supply-side initiatives. Accelerating the provision of new housing is critical to help sustain economic strength and to accommodate our young and fast-growing population.”

Results Presentation

A webcast presentation of the results for analysts and institutional investors will take place at 8.30am on 14 September 2023. The presentation slides will be available on the Investor Relations section on www.glenveagh.ie from 7.00am on 14 September 2023.

This presentation can also be accessed live from the Investor Relations section on www.glenveagh.ie or alternatively via conference call.

Conference call: [Click here to register for conference call](#)

Audio webcast: [Click here for webcast](#)

Registration and access details are also available at www.glenveagh.ie/corporate/investor-centre/investors-events

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Note to Editors

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

Supported by innovation and supply chain integration, Glenveagh are committed to opening access to sustainable high-quality homes to as many people as possible in flourishing communities across Ireland. We are focused on three core markets – suburban housing, urban apartments and partnerships with local authorities and state agencies.

www.glenveagh.ie

Forward-looking statements

This announcement does not constitute or form any part of an invitation to underwrite, subscribe for or otherwise acquire or dispose of any shares of Glenveagh Properties plc ("Glenveagh" or "the Group").

This announcement contains statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements include, but are not limited to, information concerning the Group's possible or assumed future results of operations, plans and expectations regarding demand outlook, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, expectations regarding inflation, macroeconomic uncertainty, geopolitical tensions, weather patterns, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "ensure", "arrive", "achieve", "develop" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Forward-

looking statements are prospective in nature and are based on current expectations of the Group about future events, and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Glenveagh believes that current expectations and assumptions with respect to these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Due to various risks and uncertainties, actual events or results or actual performance of the Group may differ materially from those reflected or contemplated in such forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements.

These forward-looking statements are made as of the date of this document. Glenveagh expressly disclaims any obligation to update these forward-looking statements other than as required by law.

The forward-looking statements in this announcement do not constitute reports or statements published in compliance with any of Regulations 6 to 8 of the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended).

GLENVEAGH PROPERTIES PLC: BUSINESS AND FINANCIAL REVIEW

1. BUSINESS REVIEW

i. Group Sales

a. Overview

The Group had total revenue of €171.6 million (H1 2022: €200.0 million), relating to the completion of 333 suburban units (H1 2022: 257) in the period and revenue recognised from the significant monetisation of Urban assets.

b. Suburban

The Group reported suburban revenue of €109.7 million, an increase of 23% reflecting the Group's strong operational performance in a market that continues to benefit from very strong underlying demand.

In H1 2023, 333 suburban units were closed. This represented a 30% increase on the 257 units closed in H1 2022. Multiple sites are now set up to deliver over 100 units per annum which allows the business to generate enhanced operational efficiencies, that in turn underpins faster profit generation and improvements in the Group's Return on Equity.

ASP in H1 2023 was approximately €324k (H1 2022: €332k). A mid-single digit increase in underlying House Price Inflation ("HPI") was more than offset by a change in both the product and site mix in the period, reflecting our commitment to delivering homes that are affordable for our customers.

Underlying market demand for new homes continued to be very strong in H1 2023, driven by a robust economic environment, a fast-growing population and supportive demand-side initiatives from the Government.

In H1 2023, the Group delivered approximately 140 units (approximately 40% of our suburban units) as part of these Government support initiatives to provide social and affordable housing.

On 1 January 2023 the scope of the First Home Scheme was significantly extended to an additional cohort of buyers by increasing the price ceilings that apply in 30 of Ireland's 31 local authority areas. A further upward adjustment was made to the price ceiling in three local authorities on 1 July 2023. These changes will provide more first-time buyers with enhanced access to new housing developments. The scheme is designed to bridge the gap between a first-time buyer's deposit and mortgage and the price of the new home, providing up to 30% of the price of the home and supporting affordability for first-time buyers, a key target market for Glenveagh.

Customer affordability was further supported by the change in the Central Bank of Ireland's macroprudential rules, announced in October 2022 and effective from 1 January 2023. This increased borrowing capacity materially among the first-time buyer cohort, up to 4x income compared to a 3.5x limit previously.

c. Urban

We continue to make strong progress in our Urban business segment, with a particular focus this year on building out the significant projects that are already underway. All projects are on track for delivery in FY 2023 and FY 2024 and are detailed in the following table.

Urban assets	Transaction Type	H1 2023 revenue (€m)	H2 2023 revenue (€m)*	FY 2024 revenue (€m)*
Premier Inn hotel	Forward fund	13	3	-
Citywest	Forward fund	24	13	10
Castleknock	Forward fund	23	19	6
Marina Village	Forward sale	-	17	-
Cluain Mhuire	Forward sale	-	-	70

* approximate revenue that is anticipated to be delivered in H2 2023 and FY 2024

The residual asset in the Docklands portfolio is the office development of approximately 100,000sqft which is being constructed in conjunction with the Premier Inn hotel. Notwithstanding a challenging commercial office environment, the office development is already attracting interest from high calibre clients due to its location, pricing and impressive sustainability credentials. Completion is anticipated in FY 2024.

The Group is also in negotiations with State agencies on a number of its urban developments for prospective delivery from FY 2024 and beyond, including the Croí Cónaithe programme which is being advanced to activate the owner occupier apartment market. One of our urban schemes of over 250 units has been approved under the Croí Cónaithe programme and this is expected to commence in Q4.

d. Partnerships

Significant progress has been made by the Group in its Partnerships business segment this year, leaving the business ideally placed to deliver on its target to deliver revenue and profits from this segment from FY 2024.

Both Ballymastone and Oscar Traynor Road received final planning permissions and enabling works have commenced on both sites.

The Group expects to deliver revenue of over €100 million from these two sites in FY 2024, with an anticipated gross margin of approximately 15%.

In addition, new resources and funding are now being provided by the Government for supply-side housing initiatives, the most significant recent initiative of which is proposed further funding to the LDA.

Our scale, operational capability and established expertise in partnership models leave us ideally positioned to advance such opportunities as they relate to both our Urban and Partnerships segments. These have the potential to generate significant incremental revenue and profits for the Group over the medium term.

ii. Forward Order Book

The continued strength of the Irish market is demonstrated through our strong performance to date in 2023 and forward order book, which total €1.14 billion. The forward order book in the suburban business of €563.1 million, comprising 1,782 units, gives good visibility on deliveries in FY 2023 and early FY 2024. In addition, the forward order book includes revenue in FY 2023 and FY 2024 to be recognised from the five executed transactions within the Urban business segment, as well as the contracted element of the Partnerships business segment.

Strong reservation rates in our Suburban business segment is evidence of the strong underlying market demand that is supported by the resilience of the domestic economy and by the updated

Housing for All initiatives and the change to the Central Bank of Ireland's macroprudential rules that both became effective in January 2023. Customer demand is further strengthened by the continued undersupply across the market of high-quality, affordable housing in Ireland.

We are currently active on 24 suburban and urban sites, including all of our large suburban sites required for FY 2024 delivery.

iii. Planning Progress and Policy

The Group has made significant progress in what has been an improving planning environment in FY 2023, increasing confidence on unit delivery in FY 2024 and beyond. Additional resourcing has been provided to An Bord Pleanála and the efficiency of its applications processing is improving.

So far in 2023, we have lodged planning applications for approximately 2,400 units. The Large-Scale Residential (LRD) process is functioning well to date and the Group has lodged several applications under this process, with several successful grants already received within or ahead of guided timelines.

In our FY 2022 Results Statement we noted that the Group was also exploring the option to re-lodge its four outstanding Strategic Housing Development (SHD) applications, totalling 1,100 suburban units, into the LRD system. Three of these applications subsequently received approval and the remaining application (for approximately 170 units) is expected to be re-lodged into the LRD system.

In FY 2023 to date, the Group has been granted permissions for approximately 4,000 units across over twenty applications, some 700 of which are currently in post-grant appeal periods.

Overall, the Group is strongly positioned for longer term growth. The Group has planning permission for all of its expected deliveries in FY 2024. The improved planning momentum, combined with our planning applications lodged so far this year and anticipated for the remainder of 2023, mean that over 70% of our current landbank will be fully planned and available for development by the end of FY 2024.

We were encouraged by the Government's Draft Sustainable and Compact Guidelines for Planning Authorities released in August 2023. Its effective implementation can help ensure medium density residential schemes are more viable for developers and more affordable for purchasers. We are also assessing how changes in density requirements may impact the provision of apartments in specific locations.

The Draft Planning & Development Bill 2022 was published in January 2023 and following extensive review and consultation, new legislation is expected before Government imminently.

The review of the National Planning Framework is underway and we would urge that this review accurately reflects present and future population requirements, supports viability and be designed for the types of homes that the country wants and needs.

Solving the housing crisis effectively will also require appropriate resourcing across all aspects of the design, planning and development lifecycle. Providing ample resourcing to planning bodies, local authorities and utility companies in the near term is critical for the sustainable delivery of increased housing supply.

iv. Development Land Portfolio Management

Given the Group's strong land portfolio, the business continues to take a disciplined and strategic approach to land acquisitions and remains focused on managing to a 4-5 year land portfolio at scale.

A key strategic priority for the business has been to reduce the net investment in land and improve capital efficiency and, in line with this priority, the Group's land portfolio was €447.0 million at 30 June 2023 (31 December 2022: €458.5 million). This reduction was primarily driven by the movements in the suburban portfolio, and we anticipate driving more efficiencies from the landbank in the second half of the year.

The Group's land portfolio comprises approximately 14,800 units with an average plot cost of approximately €30k. By number of units, the Suburban segment accounts for 71% of the portfolio, with the remainder comprising Urban segment (15)% and Partnerships segment (14%). Approximately 70% of the overall portfolio is located in the Greater Dublin Area.

The Group spent or has contracted to spend a total of approximately €14.4 million on three land sites in H1 2023. These three sites have the capacity to deliver up to 600 new homes in sustainable communities.

The Group is focused on prioritising structured land transactions which will enable more efficient standardisation of the suburban portfolio as well as maintaining an efficient balance sheet. The Group is sale agreed on three subject-to-planning deal structures capable of delivering 450 homes. In addition, the Group is sale agreed on two sites adjacent to an active construction site, which will allow the Group to maximise construction and operational efficiencies in this location by adding a further 160 homes. These five sites were sourced through the Group's Land Campaign and are expected to complete in the second half of the year.

A Residential Zoned Land Tax is being introduced in FY 2024, replacing the current Vacant Site Levy, aimed at incentivising landowners to use inactive zoned land for housing. This will be a positive development in that it will provide additional land investment opportunities for the Group. The Group is also actively managing and reviewing its existing portfolio to determine the extent of any relevant tax liability that it may incur.

v. Input Cost Inflation

The construction sector continues to face ongoing supply chain constraints and volatile commodity prices that continue to impact input cost price inflation. The Group has several strategies to mitigate the impact of this inflationary environment. It collaborates with supply chain partners to secure sustainable, competitive pricing while maintaining supply security. It uses its scale and purchasing power to negotiate competitive terms and pricing, while the Group's supply chain integration strategy also provides greater control over input costs. In April 2023 the Government announced that development levies will be removed for a limited time, a measure that is expected to mitigate against cost pressures across the industry.

These mitigation strategies enabled us to manage build cost inflation to a 4-5% level in H1 2023. As levels of house price inflation in the new homes market were at similar levels, the overall impact on margin was broadly neutral.

vi. Supply Chain Integration - NUA

In June we launched NUA, the innovative manufacturing and new technology arm of the business that operates from our three off-site manufacturing facilities in Carlow town, Arklow, Co.Wicklow and Dundalk, Co.Louth. The sites are strategically located to service all our sites effectively as a nationwide home builder. At scale, NUA will have capacity to deliver over 2,000 units per year.

Significant investment is now largely completed so the focus is on maximising the value from NUA and building the capability to deliver our own housing requirements.

This innovation in offsite manufacturing will become increasingly important as standardised house types become a much larger component of our output in coming years, as the proportion of

Glenveagh designed planning units increases in the overall portfolio. Standardising process and product across the business will support an improved margin and return profile for the Group overall. It will also enable the Group to meet its ambition to incorporate high-density and standardised house types into the manufacturing and delivery process.

vii. Sustainability Agenda Progress

The Group has placed environmental and social issues at the heart of its *Building Better* strategy and has integrated sustainability and business priorities into one overarching strategy. Our progress and performance is underpinned by strong governance structures with the Environmental and Social Responsibility Committee in place at Board level.

The key milestone in H1 2023 was the launch of the Group's Net Zero Transition Plan in March 2023, outlining its near-term and long-term GHG emissions reduction targets for scopes 1, 2 and 3. These targets call for a 46% absolute reduction in Scopes 1 & 2 by 2031 and a 55% reduction in Scope 3 emissions intensity (tCO₂e/100sqm) by 2031, using 2021 as the baseline year. Longer term net zero targets have been set for scopes 1,2&3 by 2050. All targets have been submitted to the Science Based Targets initiative (SBTi) for validation.

One of the first actions to be considered in the Net Zero Transition Plan focuses on transitioning sites to renewable fuel. We have begun to switch our onsite power generators and plant machinery to renewable fuel, namely Hydrotreated Vegetable Oil (HVO).

The Group has also started to implement its Equity, Diversity & Inclusion (ED&I) strategy, Building a Better Workplace, that was launched in December 2022. In H1 2023 we once again attained the Investors in Diversity Silver mark and have achieved an overall result of 'Building Momentum'.

Our supply chain is critical to the actions that we take so we were proud to become a founding partner of the Supply Chain Sustainability School in Ireland in H1 2023. This will support the development and enhancement of sustainability skills and knowledge in the supply chain.

In February 2023 the Group agreed a new sustainability linked finance facility that incorporates four specific sustainability Key Performance Indicators ("KPIs") in line with those already set out above.

For the remainder of FY 2023 the Group's main sustainability focus will be on implementing actions to support our Net Zero Transition Plan, developing our biodiversity and circular economy strategies, and continuing our preparation to disclose under the Corporate Sustainability Reporting Directive.

We have also continued to maintain and improve our ESG ratings. Our Sustainalytics rating improved from 19.3 to 16.4 and is denoted as 'Low-risk'. Our CDP rating is B and our MSCI rating is AA.

2. FINANCIAL REVIEW

i. Group Performance

Total group revenue was €172 million (H1 2022: €200 million) from two main income streams:

- €110 million in our suburban business, which predominantly relates to our 333 suburban units closed in the period
- €62 million from our urban business, comprising development revenue from our forward funds of the Premier Inn hotel in Castleforbes and our apartment developments in Citywest and Castleknock

Glenveagh's suburban revenue of €110 million represents significant growth for the primary segment of the business and equates to a 23% increase in revenue versus H1 2022. The Group delivered 333 units in the period at an Average Selling Price ("ASP") of approximately €324k (H1 2022: €332k). The reduction in ASP reflects a combination of solid HPI, which is offset by changes in the product and site mix in the period.

All suburban units capable of closing in FY 2023 are now sold, signed or reserved. The progress made to date in 2023 demonstrates the strong underlying demand for suburban housing, supported by the updated initiatives from the Government and the Central Bank of Ireland.

The Group's gross profit for the first half amounted to €27.9 million (H1 2022: €32.9 million) with an overall gross margin of 16.3% (H1 2022: 16.5%).

Suburban gross margins improved to 18.7% (H1 2022: 17.3%) as the business continues to benefit from enhanced operational efficiencies and we remain confident of a full year suburban margin of approximately 19%.

Urban gross margin was 12.1% in H1 2023 (H1 2022: 15.8%). This margin is consistent with our expectations and has reduced from the prior period due to the profit from the sale of our East Road site for €63m in H1 2022.

Our operating profit for the six month period was €8.8 million (H1 2022: €16.0 million). The Group's central costs for the period were €17.9 million (H1 2022: €15.9 million), which along with €1.2 million (H1 2022: €1.0 million) of depreciation and amortisation gives total administrative expenses of €19.1 million (H1 2022: €16.9 million).

Net finance costs for the first half increased significantly to €7.5 million (H1 2022: €3.0 million), primarily impacted by a one-off release of €1.8m associated with our previous financing facility, increased interest rates, and higher average debt levels.

Overall, the Group delivered an earnings per share of 0.21 cent (H1 2022: 1.32 cent).

ii. Balance Sheet and Cash Flow

Consistent with prior periods, the business has invested capital in the first half of 2023 which will unwind and deliver revenue in H2 2023 and into FY 2024. On that basis, our inventory at period end was €764.6 million (31 December 2022: €685.7 million).

Our land efficiency strategy continues to reduce our net investment in land with €447.0 million of land inventory at 30 June 2023 (31 December 2022: €458.5 million). We believe that further reductions can be made in this regard, while still supporting the significant growth the business has projected in the coming years and we expect to reduce land inventory further towards €400 million by year end.

The Group has continued to invest in work in progress in line with the growth strategy of the business with a period end balance of €317.6 million (31 December 2022: €227.2 million). The

increase year on year relates to our investment in the urban business, namely our forward sold developments in Cluain Mhuire, Dublin and Marina Village, Greystones and the ongoing construction of the office development in the Dublin Docklands.

The total work in progress in the urban business at 30 June 2023 is €78 million with all ongoing developments due to close in H2 2023 or 2024. The remaining work in progress across the business of approximately €240 million is lower year on year, reflecting continued efficiencies and enhanced capital management on our key suburban sites.

The business has increased its investment in Property, Plant & Equipment during the first half of the year, resulting from our continued focus on innovation and our supply chain initiatives, with specific investment in our manufacturing facility in Carlow. This investment is now largely complete with the focus turning to maximising the value and efficiencies from these facilities.

At 30 June 2023 the reduced equity figure reflected the fourth share buyback programme which was conducted through the period and which totalled approximately €59 million. In H1 2023, a total of 60.6 million shares were repurchased and subsequently cancelled. This buyback programme is now complete, having returned approximately €63 million to shareholders and bringing total shareholder returns to over €300m since May 2021.

Net debt at period end increased to €182 million (31 December 2022: €14 million) reflecting the WIP investment in the suburban units due to close in H2 and the ongoing urban developments, which are due to close later in the year and in FY 2024. We continue to anticipate that net debt will reach 10-15% of net assets by the end of FY 2023.

Though from a relatively low base, the Group made progress in increasing Return on Equity to 6.6% from 5.8% in H1 2022.

iii. Group Financing

In February 2023, the Group finalised a new five-year sustainability linked finance facility of €350 million, consisting of a €100 million term component and a revolving credit facility of €250 million, which is a direct replacement of our previous €250 million debt facility. This new facility is with our existing banking syndicate, at interest rates consistent with those of the previous facility and includes financial and sustainability covenants that better reflect the current strategy and growth ambitions of the business.

This facility will ensure that the business has the appropriate financial structure to support the operational growth of the business over the next five years, while also ensuring the business can maximise its Return on Equity for shareholders.

Ends

Statement of Directors' responsibilities in respect of the condensed consolidated interim financial statements for the half year ended 30 June 2023

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

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

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

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

We confirm that to the best of our knowledge:

- (1) the condensed set of consolidated financial statements included within the half-yearly financial report of Glenveagh Properties plc for the six months ended 30 June 2023 ("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 the maintenance and integrity of the corporate and financial information included on the Entity's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Stephen Garvey
Director

Michael Rice
Director

13 September 2023

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

Conclusion

We have been engaged by the Entity to review the Entity’s condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 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 a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as adopted by the EU and the Transparency (Directive 2004/109/EC) Regulations 2007 (“Transparency Directive”), and the Central Bank (Investment Market Conduct) Rules 2019 (“Transparency Rules of the Central Bank of Ireland”).

Basis for conclusion

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

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

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.

Conclusions relating to going concern

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

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

Directors’ responsibilities

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

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

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

Directors’ responsibilities *(continued)*

As disclosed in note 1, the annual financial statements of the Entity for the year ended 31 December 2022 are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

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

Our responsibility

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

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

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

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

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

13 September 2023

Glenveagh Properties PLC

Condensed consolidated statement of profit or loss and other comprehensive income
for the six months ended 30 June 2023

	Note	30 June 2023 €'000	30 June 2022 €'000
Revenue	8	171,581	200,007
Cost of sales		(143,647)	(167,143)
Gross profit		27,934	32,864
Administrative expenses		(19,088)	(16,871)
Operating profit		8,846	15,993
Finance expense		(7,462)	(3,037)
Profit before tax		1,384	12,956
Income tax	10	(129)	(3,385)
Profit after tax		1,255	9,571
Items that are or may be reclassified subsequently to profit or loss:			
Fair value movement on cashflow hedges		870	-
Cashflow hedges reclassified to profit or loss		5	-
Total other comprehensive income		875	-
Total comprehensive profit for the period attributable of the owners of the Company		2,130	9,571
Basic earnings per share (cents)		0.21	1.32
Diluted earnings per share (cents)		0.21	1.31

Glenveagh Properties PLC
Condensed consolidated balance sheet
as at 30 June 2023

	Note	30 June 2023 €'000	31 December 2022 €'000
Assets			
Non-current assets			
Goodwill		5,697	5,697
Property, plant and equipment	12	60,858	51,750
Intangible assets		1,730	1,770
Derivative contracts		875	-
Deferred tax asset	10	1,360	619
		<hr/>	<hr/>
		70,520	59,836
Current assets			
Inventory	11	764,661	685,751
Trade and other receivables		69,410	58,671
Income tax receivable		2,913	-
Restricted cash		458	458
Cash and cash equivalents		61,747	71,085
		<hr/>	<hr/>
		899,189	815,965
Total assets			
		<hr/> <hr/>	<hr/> <hr/>
		969,709	875,801
Equity			
Share capital	13	663	719
Share premium	13	179,578	179,416
Undenominated capital		396	335
Retained earnings		407,649	465,680
Cashflow hedge reserve		875	-
Share-based payment reserve		48,010	46,968
		<hr/>	<hr/>
Total equity		637,171	693,118
Liabilities			
Non-current liabilities			
Loans and borrowings	14	237,410	71,221
Lease liabilities		3,967	4,216
Trade and other payables		3,500	3,500
		<hr/>	<hr/>
		244,877	78,937
Current liabilities			
Trade and other payables		84,670	93,234
Income tax payable		-	565
Derivative contracts interest		5	-
Loans and borrowings	14	2,175	9,419
Lease liabilities		811	528
		<hr/>	<hr/>
		87,661	103,746
Total liabilities			
		<hr/>	<hr/>
		332,538	182,683
Total liabilities and equity			
		<hr/> <hr/>	<hr/> <hr/>
		969,709	875,801

Glenveagh Properties PLC

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2023

	Share Capital			Share premium €'000	Share-based payment reserve €'000	Cashflow hedge reserve €'000	Retained earnings €'000	Total equity €'000
	Ordinary shares €'000	Deferred Shares €'000	Undenominated capital €'000					
Balance as at 1 January 2023	638	81	335	179,416	46,968	-	465,680	693,118
Total comprehensive profit for the year								
Income for the year	-	-	-	-	-	-	1,255	1,255
Fair value movement on cashflow hedges	-	-	-	-	-	870	-	870
Cashflow hedges reclassified to profit and loss	-	-	-	-	-	5	-	5
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	875	1,255	2,130
Transactions with owners of the Company								
Equity-settled share-based payments	-	-	-	-	1,042	-	-	1,042
Exercise of options	5	-	-	162	-	-	-	167
Purchase of own shares (Note 13)	(61)	-	61	-	-	-	(59,286)	(59,286)
	(56)	-	61	162	1,042	-	(59,286)	(58,077)
Balance as at 30 June 2023	582	81	396	179,578	48,010	875	407,649	637,171

Glenveagh Properties PLC

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2022

	Share Capital			Treasury shares €'000	Share premium €'000	Share-based payment reserve €'000	Retained earnings €'000	Total equity €'000
	Ordinary shares €'000	Founder shares €'000	Undenominated capital €'000					
Balance as at 1 January 2022	771	181	100	-	179,310	45,251	558,468	784,081
Total comprehensive profit for the period								
Profit for the period	-	-	-	-	-	-	9,571	9,571
Other comprehensive income	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,571</u>	<u>9,571</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,571</u>	<u>9,571</u>
Transactions with owners of the Company								
Equity-settled share-based payments	-	-	-	-	-	975	-	975
Purchase of own shares (Note 13)	(73)	-	73	-	-	-	(87,477)	(87,477)
	<u>(73)</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>(87,477)</u>	<u>(86,502)</u>
	<u>(73)</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>(87,477)</u>	<u>(86,502)</u>
Balance as at 30 June 2022	<u>698</u>	<u>181</u>	<u>173</u>	<u>-</u>	<u>179,310</u>	<u>46,226</u>	<u>480,562</u>	<u>707,150</u>

Glenveagh Properties PLC

Condensed consolidated statement of cash flows

for the six months ended 30 June 2023

		30 June 2023 €'000	30 June 2022 €'000
	<i>Note</i>		
Cash flows from operating activities			
Profit for the period		1,255	9,571
<i>Adjustments for:</i>			
Depreciation and amortisation		1,324	1,018
Finance costs		7,462	3,037
Profit on sale of property, plant and equipment		(216)	(38)
Equity-settled share-based payment expense	9	1,042	975
Tax expense	10	129	3,385
		<u>10,996</u>	<u>17,948</u>
<i>Changes in:</i>			
Inventories		(71,076)	(36,895)
Trade and other receivables		(17,600)	(8,328)
Trade and other payables		(8,294)	16,552
Cash used in operating activities		<u>(85,974)</u>	<u>(10,723)</u>
Interest paid		(2,790)	(2,625)
Tax paid		(4,479)	(4,167)
		<u>(93,243)</u>	<u>(17,515)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(11,825)	(12,995)
Acquisition of intangible assets		(115)	(357)
Transfer from restricted cash	15	-	25,000
Proceeds from the sale of property, plant and equipment		954	9
		<u>(10,986)</u>	<u>11,657</u>
Net cash (used in) / from investing activities			
Cash flows from financing activities			
Proceeds from borrowings		250,001	90,000
Repayment of loans and borrowings		(92,500)	(5,000)
Transaction costs related to loans and borrowings		(3,535)	-
Purchase of own shares		(59,061)	(87,029)
Proceeds from exercise of share options		167	-
Payment of lease liabilities		(181)	(384)
		<u>94,891</u>	<u>(2,413)</u>
Net cash from / (used in) financing activities			
Net decrease in cash and cash equivalents in the period			
		<u>(9,338)</u>	<u>(8,271)</u>
Cash and cash equivalents at the beginning of the period		<u>71,085</u>	<u>116,176</u>
Cash and cash equivalents at the end of the period		<u><u>61,747</u></u>	<u><u>107,905</u></u>

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

1 Reporting entity

Glenveagh Properties PLC (“the Company”) is domiciled in the Republic of Ireland. The Company’s registered office is Block C, Maynooth Business Campus, Maynooth, Co. Kildare, W23 F854. 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 2023 (“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 condensed consolidated interim financial statements for the six months ended 30 June 2023 are unaudited and 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 2022 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 2022 (“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. As disclosed in note 5, during the period the Group has transacted derivative contracts relating to an interest rate swap to manage the interest rate risk arising from floating rate borrowings.

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.

Critical accounting judgements

Management applies the Group’s accounting policies when making critical accounting judgements, of which no individual judgement is deemed to have a significant impact upon the financial statements.

Key sources of estimation uncertainty

The key source of significant estimation uncertainty impacting these financial statements involves assessing the carrying value of inventories as detailed 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.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

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)

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. 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. The impact of sustainability and other macroeconomic factors have been considered in the Group's assessment of the carrying value of its inventories at 30 June 2023, 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.

5 New significant accounting policies

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted.

- *IAS 8 Accounting policies, changes in accounting estimates and errors*: Definition of accounting estimates and errors (amendment)
- *IAS 1 Presentation of financial statements*: Amendments to IAS 1 presentation of financial statements and IFRS practice statement 2 making materiality judgements (amendment)
- *IFRS 17 Insurance contracts* – amendments to IFRS 17 insurance contracts (amendment)
- *IFRS 17 Insurance contracts* – initial application of IFRS 17 and IFRS 9 – Comparative information (amendment)
- *IAS 12 Income taxes* – Deferred tax related to assets and liabilities arising from a single transaction (amendment)
- *IAS 7 Statement of Cash Flows* and *IFRS 7 Financial Instruments*: Disclosures: Supplier Finance Arrangements (amendment) (not yet effective)
- *IAS 12 Income taxes*: International Tax Reform – Pillar Two Model Rules (amendment)
- *IAS 1 Presentation of Financial Statements*:
 - o Classification of Liabilities as Current or Non-current Date (amendment) (not yet effective)
 - o Classification of Liabilities as Current or Non-current - Deferral of Effective Date (amendment) (not yet effective)
 - o Non-current Liabilities with Covenants (amendment) (not yet effective)
- *IFRS 16 Leases*: Lease Liability in a Sale and Leaseback (amendment) (not yet effective)

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

5 New significant accounting policies *(continued)*

Derivatives and hedging

The Group has transacted derivatives relating to an interest rate swap to manage the interest rate risk arising from floating rate borrowings. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

Changes in the fair value of derivative hedging instruments designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedge is effective. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in other comprehensive income are reclassified to profit or loss in the same periods that the hedged items affect profit or loss. The reclassified gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance income or costs respectively.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs, unless the hedged transaction is no longer expected to occur, in which case the cumulative gain or loss that was previously recognised in other comprehensive income is transferred to profit and loss.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

There have been no other changes to significant accounting policies during the period to 30 June 2023.

6 Going concern

The Group has recorded a profit before tax of €1.4 million *(2022: €12.9 million)*. The Group has an unrestricted cash balance of €36.7 million *(31 December 2022: €82.9 million)* exclusive of the minimum cash balance of €25.0 million which the Group is required to maintain under the terms of its debt facilities. The Group has committed undrawn funds available of €60.0 million *(31 December 2022: €30.0 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 principal risks facing the Group, including those risks that could threaten the Group's business model, future performance, solvency or liquidity over the forecast period.

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 any non-cash impairment charges or reversals. Total debt must not

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

6 Going concern *(continued)*

exceed adjusted EBITDA by a minimum of 4 times, this is calculated on both a forward and trailing twelve-month basis. 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 programmes.

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.

7 Segmental information

Segmental financial results

	30 June 2023 €'000	30 June 2022 €'000
<i>Revenue</i>		
Suburban	109,651	88,946
Urban	61,930	111,061
Partnerships	-	-
	<hr/>	<hr/>
Revenue for reportable segments	171,581	200,007
	<hr/> <hr/>	<hr/> <hr/>
	30 June 2023 €'000	30 June 2022 €'000
<i>Operating profit / (loss)</i>		
Suburban	13,477	9,327
Urban	6,076	16,776
Partnerships	(739)	(581)
	<hr/>	<hr/>
Operating profit for reportable segments	18,814	25,522
	<hr/> <hr/>	<hr/> <hr/>
<i>Reconciliation to results for the period</i>		
Segment results – operating profit	18,814	25,522
Finance expense	(7,462)	(3,037)
Directors' remuneration	(1,064)	(1,208)
Corporate function payroll costs	(2,874)	(2,523)
Depreciation and amortisation	(1,170)	(1,018)
Professional fees	(1,057)	(2,129)
Share-based payment expense	(1,042)	(975)
Profit on sale of property, plant and equipment	216	38
Other corporate costs	(2,977)	(1,714)
	<hr/>	<hr/>
Profit before tax	1,384	12,956
	<hr/> <hr/>	<hr/> <hr/>

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

7 Segmental information (continued)

Segment assets and liabilities

	30 June 2023				31 December 2022			
	Suburban €'000	Urban €'000	Partnerships €'000	Total €'000	Suburban €'000	Urban €'000	Partnerships €'000	Total €'000
<i>Segment assets</i>	651,199	178,277	9,266	838,742	590,321	153,018	6,452	749,791
<i>Reconciliation to Consolidated Balance Sheet</i>								
Deferred tax asset				1,360				620
Derivative contracts				875				-
Trade and other receivables				1,484				785
Cash and cash equivalents				61,747				71,085
Income tax receivable				2,913				-
Property, plant and equipment				60,858				51,750
Intangible assets				1,730				1,770
				969,709				875,801
<i>Segment liabilities</i>	61,829	16,894	269	78,992	69,138	9,876	159	79,173
<i>Reconciliation to Consolidated Balance Sheet</i>								
Trade and other payables				9,179				17,561
Loans and Borrowings				239,585				80,640
Derivative contracts				5				-
Lease liabilities				4,777				4,744
Income tax payable				-				565
				332,538				182,683

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

8 Revenue

	30 June 2022 €'000	30 June 2021 €'000
<i>Suburban</i>		
Core	109,651	86,336
Non-core	-	2,610
	<hr/> 109,651 <hr/>	<hr/> 88,946 <hr/>
<i>Urban</i>		
Core	58,870	109,960
Non-core	3,060	1,101
	<hr/> 61,930 <hr/>	<hr/> 111,061 <hr/>
Total Revenue	<hr/> 171,581 <hr/>	<hr/> 200,007 <hr/>

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 the seasonality that currently exists within the Group's development cycle.

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. Non-core suburban and urban cost of sales is mostly attributable to land and development expenditure costs for high end, private developments and sites.

Urban core revenue includes income from the sale of land and development revenue from construction contracts that are recognised over time by reference to the stage of completion of the contract with the customer. Development revenue recognised in the period related to the development of the sites at Barn Oaks Apartments, Castleforbes and Carpenterstown and amounted to €58.9 million (*30 June 2022: €30.5 million*) with €34.9 million (*31 December 2022: €32.1 million*) outstanding in contract receivables at the period end. The payment terms for these contracts are between 30 and 90 days.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

9 Share-based payment arrangements

(a) Description and reconciliation of options outstanding

	Number of Options 2023	Number of Options 2022
LTIP options in issue at 1 January	13,022,830	10,583,334
Granted during the period	5,515,311	4,568,698
Forfeited during the period	(381,427)	(163)
Lapsed during the period	(1,067,076)	-
Exercised during the period	(3,226,235)	(1,309,820)
	<hr/>	<hr/>
LTIP options in issue at 30 June	13,863,403	13,842,049
	<hr/>	<hr/>
Exercisable at 30 June	388,859	1,015,962

SAYE – reconciliation of options outstanding

	Number of Options 2023	Number of Options 2022
SAYE in issue at 1 January	755,220	964,740
Forfeited during the period	(1,167)	-
Lapsed during the period	(720)	-
Exercised during the period	(270,333)	-
	<hr/>	<hr/>
SAYE options in issue at 30 June	483,000	964,740
	<hr/>	<hr/>
Exercisable at 30 June	48,000	2,520

The options outstanding at 30 June 2023 had an exercise price €0.001 (2022: €0.001) and a weighted-average contractual life of 7 years (2022: 7 years).

(b) Measurement of fair values

The EPS and ROE related performance conditions are non-market conditions and do not impact the fair value of the EPS or ROE based awards at grant date which is equivalent to the share price at grant date. The inputs used in measuring fair value at grant date were as follows:

	2023	2022
Fair value at grant date	€1.12	€1.16
Share price at grant date	€1.12	€1.16

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

(c) Expense recognised in profit or loss

The Group recognised an expense of €1.0 million (2022: €1.0 million) in the consolidated statement of profit or loss in respect of options granted under the LTIP and SAYE arrangements.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

10 Income tax

	30 June 2023 €'000	30 June 2022 €'000
Current tax charge for the period	750	3,507
Deferred tax credit for the period	(621)	(122)
Total income tax charge	129	3,385

Movement in deferred tax balances	Balance at 1 January 2023 €'000	Prior period remeasurement €'000	Recognised in the period €'000	Balance at 30 June 2023 €'000
Expenses deductible in future periods	619	120	621	1,360

The expenses deductible in future periods arise in Ireland and have no expiry date. Based on profitability achieved in the period, the continued forecast profitability in the Group's strategic 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.

Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at a global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2022, the Organisation for Economic Co-operation and Development ("OECD") released a draft legislative framework that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax. Currently, the Group operates solely in the Republic of Ireland, based on current criteria there is no current tax impact in the period ended 30 June 2023 (*six months ended 30 June 2022: €Nil*).

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

11 Inventory	30 June 2023 €'000	31 December 2022 €'000
Land	443,806	455,280
Development expenditure work in progress	317,624	227,240
Development rights	3,231	3,231
	<hr/>	<hr/>
	764,661	685,751
	<hr/> <hr/>	<hr/> <hr/>

(i) *Employment cost capitalised*

€7.0 million of employment costs incurred in the period have been capitalised in inventory (*June 2022: €6.7million*).

12 Property, plant and equipment

During the period, the Group recognised total additions to property, plant and equipment of €11.8 million (*six months ended 30 June 2022: €13.3 million*) which included expenditure on land and buildings of €8.5 million (*six months ended 30 June 2022: €9.0 million*), with €3.3 million (*six months ended 30 June 2022: €4.3 million*) invested in plant and machinery, fixtures and fittings and computer equipment. Depreciation recognised in the period was €2.3 million (*six months ended 30 June 2022: €1.9 million*). Net disposals of plant and machinery in the period of €0.6m (*six months ended 30 June 2022: €0.1 million*).

During the period, the Group entered into new lease agreements for the use of motor vehicles €0.2 million (*six months ended 30 June 2022: €Nil*).

13 Share capital and share premium

(a) Authorised share capital

As at 30 June 2023 and 31 December 2022	Number of shares	€'000
Ordinary shares of €0.001 each	1,000,000,000	1,000
Deferred shares of €0.001 each	200,000,000	200
	<hr/>	<hr/>
	1,200,000,000	1,200
	<hr/> <hr/>	<hr/> <hr/>

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

13 Share capital and share premium *(continued)*

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

As at 30 June 2023	Number of shares	Share capital €'000	Share premium €'000
Ordinary shares of €0.001 each	581,075,456	582	179,578
Deferred shares of €0.001 each	81,453,077	81	-
	662,528,533	663	179,578
As at 31 December 2022	Number of shares	Share capital €'000	Share premium €'000
Ordinary shares of €0.001 each	638,131,722	638	179,416
Deferred shares of €0.001 each	81,453,077	81	-
	719,584,799	719	179,416

On 6 January 2023, a fourth share buyback programme commenced to repurchase up to 10% of the Group's issued share capital such that the maximum number of shares which can be repurchased under this buyback is 63,813,172. As at 30 June 2023 the total number of shares purchased under the fourth buyback programme was 60,552,834 at a total cost of €59.3 million. On 2 August 2023, the Group completed the fourth share buyback programme repurchasing 63,813,172 shares for a cost of €62.7 million. All repurchased shares were cancelled.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

14 Loans and Borrowings

(a) Loans and borrowings

In February 2023, the Group entered into a new five-year sustainability linked finance facility of €350.0 million, with a syndicate of domestic and international banks, at an interest rate of one-month EURIBOR (subject to a floor of 0 per cent) plus a margin of 2.7-2.8%. The debt facility interest rates are linked to the Group meeting certain sustainability performance targets aligned to its sustainability strategy. The sustainability performance targets are in respect of decarbonisation and the Group's Equity, Diversity and Inclusion strategy. The prior period debt facilities were fully repaid by the Group during the period to 30 June 2023. €240.0 million has been drawn on the new debt facility (31 December 2022: €82.5 million). Pursuant to the debt facility agreement, there is fixed and floating charges and assignments in place over all the assets of the Group as continuing security for the discharge of any amounts drawn down. The assets carrying value at the end of the period is €969.7 million (31 December 2022: €875.8 million).

	30 June 2023 €'000	31 December 2022 €'000
Debt facilities	240,001	82,500
Unamortised transaction costs	(3,298)	(1,877)
Interest accrued	2,882	17
	<hr/>	<hr/>
Total loans and borrowings	239,585	80,640
	<hr/> <hr/>	<hr/> <hr/>
Loans and borrowings are payable as follows:	30 June 2023 €'000	31 December 2022 €'000
Less than one year	2,175	9,419
Between one and two years	(707)	9,401
More than two years	238,117	61,820
	<hr/>	<hr/>
Total loans and borrowings	239,585	80,640
	<hr/> <hr/>	<hr/> <hr/>

The Group's new debt facilities are subject to the following primary financial covenants:

- A maximum total debt to gross asset value ratio of 40%;
- Loans to eligible assets value does not equal or exceed 65%;
- The Group is required to maintain a minimum cash balance of €25.0 million throughout the term of the debt facility;
- EBITDA must exceed net interest costs by a minimum of 3 times and is calculated on a trailing twelve-month basis.
- Total debt must not exceed adjusted EBITDA by a minimum of 4 times, this is calculated on a trailing twelve-month basis, and;
- Total debt must not exceed projected adjusted EBITDA by a minimum of 4 times, this is calculated on a forward twelve-month basis.

All covenants have been complied with in the 6 month period for the new debt facilities and in financial year 2022 for the previous debt facilities.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

14 Loans and Borrowings *(continued)*

(a) Loans and borrowings *(continued)*

Debt facilities are secured by a debenture incorporating fixed and floating charges and assignments over all the assets of the Group. The carrying value of the total assets of the Group as at 30 June 2023 is €969.7 million (31 December 2022: €875.8 million).

(b) Net funds reconciliation

	30 June 2023 €'000	31 December 2022 €'000
Restricted cash	458	458
Cash and cash equivalents	61,747	71,085
Loans and borrowings	(239,585)	(80,640)
Lease liabilities	(4,777)	(4,744)
	<hr/>	<hr/>
Total net debt	(182,157)	(13,841)
	<hr/> <hr/>	<hr/> <hr/>

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

15 Financial instruments and financial risk management

(a) Accounting classification and fair value

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

- Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs based on factors other than quoted prices included in Level 1 and may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals; and
- Level 3 - Inputs which are unobservable for the asset or liability and are typically based on the Group's own assumptions as there is little, if any, related market activity. The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the asset or liability.

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

The following table presents the Group's estimates of fair value on a recurring basis based on information available at 30 June 2023, aggregated by the level in the fair value hierarchy within which those measurements fall.

30 June 2023*	Level 1 Quoted prices in active markets for identical assets & liabilities €'000	Level 2 Significant other observable inputs €'000	Level 3 Significant unobservable inputs €'000	Total €'000
Recurring Measurement Assets				
Derivative contracts	-	875	-	875
	-	875	-	875
Recurring Measurement Liabilities				
Contingent consideration	-	-	(5,000)	(5,000)
Total	-	875	(5,000)	(4,125)

*The period ended 30 June 2023 is the first period the Group has transacted in derivative contracts, see note 5.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

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

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

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	31 December
	2023	2022
	€'000	€'000
Financial assets not measured at fair value		
Trade receivables	6,524	9,224
Amounts recoverable on construction contracts	34,852	32,113
Other receivables	2,992	2,282
Construction bonds	14,108	12,140
Deposits for sites	9,461	2,049
Cash and cash equivalents	61,747	71,085
Restricted cash (current)	458	458
	<hr/>	<hr/>
Total financial assets	130,142	129,351
	<hr/> <hr/>	<hr/> <hr/>

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

	Carrying amount	
	Other financial liabilities	
	30 June	31 December
	2023	2022
	€'000	€'000
Financial liabilities not measured at fair value		
Trade payables	14,855	7,132
Lease liabilities	4,777	4,744
Inventory accruals	45,702	33,600
Other accruals	13,432	16,372
Loans and borrowings	239,585	80,640
	<hr/>	<hr/>
Total financial liabilities	318,351	142,488
	<hr/> <hr/>	<hr/> <hr/>

Trade payables and other current liabilities are non-interest bearing.

Financial risk management objectives and policies

As all of the operations carried out by the Group are in Euro there is no direct currency risk, and therefore the Group's main financial risks are primarily:

- liquidity risk – the risk that suitable funding for the Group's activities may not be available;
- market risk – the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

15 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

This note presents information and quantitative disclosures about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash reserves to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. 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's liquidity forecasts consider all planned development expenditure.

In February 2023, the Group entered into a new five-year sustainability linked finance facility of €350.0 million, with a syndicate of domestic and international banks, at an interest rate of one-month EURIBOR (subject to a floor of 0 per cent) plus a margin of 2.7-2.8%. The debt facility interest rates are linked to the Group meeting certain sustainability performance targets aligned to its sustainability strategy. The sustainability performance targets are in respect of decarbonisation and the Group's Equity, Diversity and Inclusion strategy. The prior period debt facilities were fully repaid by the Group during the period to 30 June 2023. €240.0 million has been drawn on the new debt facility (31 December 2022: €82.5 million). The Group has an exposure to cash flow interest rate risk where there are changes in the EURIBOR rates.

Management monitors the adequacy of the Group's liquidity reserves against rolling cash flow forecasts. In addition, the Group's liquidity risk management policy involves monitoring short-term and long-term cash flow forecasts. Set out below are details of the Group's contractual cash flows arising from its financial liabilities and funds available to meet these liabilities.

Funds available	30 June 2023 €'000	31 December 2022 €'000
Debt facilities* (undrawn committed)	60,000	150,000
Cash and cash equivalents	61,747	71,543
	121,747	221,543

**In addition to this, the Group's debt facilities contains a mechanism through which the committed amount can be increased by a further €50.0 million.*

The Group's new debt facilities are subject to the following primary financial covenants:

- A maximum total debt to gross asset value ratio of 40%;
- Loans to eligible assets value does not equal or exceed 65%;
- The Group is required to maintain a minimum cash balance of €25.0 million throughout the term of the debt facility;
- EBITDA must exceed net interest costs by a minimum of 3 times and is calculated on a trailing twelve-month basis.
- Total debt must not exceed adjusted EBITDA by a minimum of 4 times, this is calculated on a trailing twelve-month basis, and;
- Total debt must not exceed projected adjusted EBITDA by a minimum of 4 times, this is calculated on a forward twelve-month basis.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

15 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	30 June 2023				
	Carrying amount €'000	Contractual cash flows €'000	Less than 1 year €'000	1 year to 2 years €'000	More than 2 years €'000
Lease liabilities	4,777	5,529	941	926	3,662
Trade payables	14,855	14,855	14,855	-	-
Inventory accruals	45,702	45,702	45,702	-	-
Other accruals	13,432	13,432	13,432	-	-
Loans and borrowings	239,858	312,222	15,479	15,479	281,264
	<u>318,351</u>	<u>391,740</u>	<u>90,409</u>	<u>16,405</u>	<u>284,926</u>
	31 December 2022				
	Carrying amount €'000	Contractual cash flows €'000	Less than 1 year €'000	1 year to 2 years €'000	More than 2 years €'000
Lease liabilities	4,744	5,057	84	16	4,957
Trade payables	7,132	7,132	7,132	-	-
Inventory accruals	33,600	33,600	33,600	-	-
Other accruals	16,372	16,372	16,372	-	-
Loans and borrowings	80,640	89,488	11,563	11,546	66,379
	<u>142,488</u>	<u>151,649</u>	<u>68,751</u>	<u>11,562</u>	<u>71,336</u>

Market risk

Interest rate risk reflects the Group's exposure to fluctuations in interest rates in the market. This risk arises from bank loans that are drawn under the Group's debt facilities with variable interest rates based upon EURIBOR. At the period ended 30 June 2023 it is estimated that an increase of 100 basis points to EURIBOR would have decreased the Group's profit before tax by €1.1 million (2022: €0.9 million) assuming all other variables remain constant, and the rate change is only applied to the loans that are exposed to movements in EURIBOR.

As part of the Group's strategy to manage our interest rate risk, the Group entered into an interest rate swap on 28 February 2023 to hedge the interest rate risk associated with the €100.0 million term loan element of our new debt facilities. The interest rate swap is in place for the 5-year period of the facility agreement. The nominal amount hedged for years one and two is €100.0 million with this stepping down to €50.0 million for the remaining three years of the facility agreement.

The Group is also exposed to interest rate risk on its cash and cash equivalents. 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 Group's profit.

A fundamental review and reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has no exposure to these changes as it only has exposure to EURIBOR interest rates which is outside the scope of the current reform.

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

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

Financial risk management objectives and policies *(continued)*

Interest rate risk *(continued)*

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

	<u>As at 30 June 2023</u>			<u>For the six months ended 30 June 2023</u>				
	Carrying amount			Changes in the value of hedging instruments recognised in OCI (€'000)	Hedge ineffectiveness recognised in profit or loss (€'000)	Line items in profit or loss that includes hedge ineffectiveness (€'000)	Amount reclassified from hedging reserve to profit or loss (€'000)	(€'000)
Nominal amount (€'000)	Assets (€'000)	Liability (€'000)						
Interest rate swap	100,000	875	-	870	-	Loss on derivative financial instruments	5	Financing costs

16 Commitments and contingent liabilities

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 2023, the Group had contracted to acquire two development sites; one in County Kildare, and one in County Galway for an aggregate consideration of approximately €12.4 million (excluding stamp duty and legal fees). Deposits totalling €7.4 million were paid pre-period end and are included within trade and other receivables at 30 June 2023.

17 Subsequent events

On 2 August 2023, the Group completed its fourth share buyback programme repurchasing 63,813,172 shares for a cost of €62.7 million. All repurchased shares were cancelled.

18 Approved financial statements

The Directors approved the condensed consolidated interim financial statements on 13 September 2023.