08 March 2022

Glenveagh Properties plc

Final Results 2021

STRONG PERFORMANCE IN 2021 DEMONSTRATING OPERATIONAL CAPABILITY & WELL POSITIONED FOR 2022

Glenveagh Properties plc ("Glenveagh" or the "Group") a leading Irish homebuilder announces its Final Results for the year ended 31 December 2021.

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2021	Year ended 31 December 2020	Change
Completions	**1,150**	700	+64%
Revenue €'m	**476.8**	232.3	+105%
Core ASP €'k	**308**	311	(1%)
Gross profit €'m	**83.1**	9.5	+775%
Core gross profit €'m	**78.8**	29.8	+164%
Gross margin	**17.4%**	4.1%	+1,330 bps
Core gross margin	**19.6%**	14.1%	+550 bps
Profit/(loss) before tax €'m	**45.7**	(15.7)	N/A
Earnings Per Share (cent)	**4.5**	(1.6)	N/A
	31 December 2021	**31 December 2020**	
Land €'m	**562.7**	619.3	(9%)
Work in Progress €'m	**204.5**	201.9	+1%
Operating cash flow €'m	**104.3**	(11.5)	N/A
Available funds €'m	**261.1**	162.5	61%
Forward order book[1] - units	**1,921**	950	+102%
Forward order book[2] - €'m	**675**	310	+118%

[1] 1,388 suburban units for 2022 and 2023, 500 urban apartments in two forward fund transactions & 33 units in Marina Village

[2] Includes all 1,921 units as well as revenue from Premier Inn hotel

GROWING A DIVERSIFIED & SUSTAINABLE BUSINESS ACROSS THREE SEGMENTS

- 1,150 units delivered in 2021 despite 13-week lockdown, with core units of 977 (+47% versus 2020)
- Significant growth in 2022 as the Group is forecasted to deliver 1,400 suburban units, along with construction activity on a further 500 apartments and the Premier Inn hotel in our urban business
- Substantial progress made on Dublin Docklands through the forward fund of the Premier Inn Hotel with Union Investments of €70 million (€23.5 million of which recognised in 2021) and the sale of the residential and second hotel sites for €78.5 million
- The Group secured two landmark Partnership agreements for the proposed development of over 2,050 homes with Fingal County Council and Dublin City Council

- The Group acquired 12 new suburban sites for total consideration of approximately €72 million (excl. fees and taxes) and can deliver over 2,700 units
- Heads of terms signed for two forward fund transactions totalling over 500 urban apartments for an aggregate Net Development Value of approximately €185 million, with a forward purchase transaction signed for our remaining 33 apartments in Marina Village for in excess of €16 million

OFFSETTING THE IMPACT OF GLOBAL INFLATION

- CPI was approximately 6% in H2 2021, largely driven by continued global supply chain constraints
- Shifting cost dynamic with the continuation of global supply chain pressures from H2 2021, particularly in light of recent geopolitical uncertainty, and the emergence of a competitive labour market and subsequent rate increases in 2022
- Controlling elements of the supply chain, with the increased fixed cost efficiencies from Glenveagh's scale, provides a competitive advantage over the wider market
- Impact of CPI at 6% is being mitigated by HPI of similar levels, thereby protecting gross margin

INNOVATION AND SUPPLY CHAIN INTEGRATION

- Further supply chain integration with additional timber frame and soil recovery facilities in Carlow and Kildare respectively acquired in 2021
- Our existing timber frame facility delivered over 700 units in 2021 and with the addition of the second facility, which will become operational in 2023, the business will have capacity to self-deliver over 2,000 housing frames in 2024
- Optionality and capacity, in both management teams and facilities, to explore further off-site construction methodologies

GOVERNMENT'S HOUSING FOR ALL PLAN ANNOUNCED IN 2021

- The Government's strategy is to deliver 300,000 units to 2030 across sustainable mixed tenure communities through a range of schemes including Shared Equity, Help-to-Buy, Cost Rental, Affordable Purchase and Social Housing
- Investment of €20 billion over the first 5-year period, the largest housing budget in the history of the state
- The Land Development Agency (LDA) will be a new and important source of social, affordable and cost rental housing on both public and private lands
- Glenveagh will look to participate in all Government supported initiatives

DELIVERING RETURNS TO SHAREHOLDERS

- Capital allocation policy announced in May detailing investment priorities, shareholder returns strategy and return on equity target
- Investment prioritised to land, work-in-progress and supply chain, including additional vertical integration, with all excess cash returned to shareholders
- Continued reduction of net investment in land evident with land value of €562.7 million at year end, and expected to be approximately €500 million by 31 December 2022
- Two separate share buyback programmes announced totalling €175 million, with €156.4 million completed as at 28 February 2022
- Extend the current share buyback programme, in line with our capital allocation policy, by utilising the remaining share repurchase authorisation received at our EGM in December 2021

COMMITMENT TO SUSTAINABILITY

- Strong commitment to climate change demonstrated through highly efficient homes with up to 50% of homes forecasted to be A1 rated in 2022 (82% A2 BER 2021)
- Net Zero commitment with pathway to be published in H2 2022
- Significant emphasis on people agenda recognised by Investors in Diversity Silver Mark and Great Place to Work certification
- Significant overall progress on sustainability agenda including upgrades across CDP (now A-), MSCI (now AA) and Sustainalytics (now 'Low-risk')

CHANGES TO THE BOARD COMMITTEE COMPOSITION

Further to the announcement that Richard Cherry does not intend to seek re-election to the board at the Annual General Meeting to be held on 28 April 2022, Glenveagh confirms that the following changes will take effect from the conclusion of that meeting:

- Pat McCann will as assume the Chair of the Remuneration Committee
- John Mulcahy will as assume the Chair of the Nomination Committee. Pat McCann will remain a member of the Nomination Committee
- Pat McCann will join the Audit & Risk Committee

OUTLOOK

The market backdrop in Ireland remains favourable for the business due to the significant demand for affordable housing, as is evident across our selling sites, the continued undersupply of any form of accommodation in the market and the significant housing delivery commitments announced by the Government as part of Housing for All.

The Group is targeting continued revenue and profit growth in 2022 which is underpinned by having all necessary sites operational to deliver 1,400 suburban units, at least two new forward fund transactions commencing in 2022, a forward purchase agreement for the remaining units in Marina Village, visibility and control over our supply chain and a strong forward order book. This continued growth in profitability will be alongside further balance sheet efficiency initiatives ensuring the business maximises returns for shareholders.

GLENVEAGH'S CHIEF EXECUTIVE STEPHEN GARVEY COMMENTED:

"The horrific events unfolding in Ukraine and the appalling loss of life change the perspective for results such as this and demonstrate again that we live in challenging and uncertain times.

Our results outline the performance of the business last year and the resilience of our business model and the continued strong demand for our high-quality, sustainable homes resulted in an excellent performance in 2021 growing output by 36% versus pre- pandemic levels. We dealt effectively with the challenges of the pandemic and remain well-placed to deliver on our ambition of scaling the business to 3,000 units per annum.

During 2021 we took major steps to insulate the business from longer-term structural shifts in the industry by investing further in our supply chain. We are combining greater scale with a more integrated supply chain, giving us enhanced certainty over more of our key inputs and driving more efficiencies throughout our business.

We have also demonstrated our over-riding commitment to the safety and well-being of our people, our customers and our communities.

For our customers, we have the capital, the people, the skills, the innovation and the processes to deliver the homes they want while building the attractive communities that they will call home.

We have the ambition, the vision and the execution capability to meet the immense demand that exists for our homes and to continue building a strong, smart business that will thrive as the industry seeks to deliver the aspirations contained in Housing For All.

And we will do this while driving ever-greater sustainability in everything we do: reducing our emissions to net zero, recycling or re-using materials, and rigorously and relentlessly managing every aspect of our carbon footprint." **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:

- Click this link to register for the conference

For further information please contact:

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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 up 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. We are targeting to deliver 1,400 suburban homes in 2022 with a longer-term target of over 3,000 homes per annum. The landbank we have assembled can deliver housing that is both in demand and affordable.

www.glenveagh.ie

GLENVEAGH PROPERTIES PLC: BUSINESS AND FINANCIAL REVIEW

1. BUSINESS REVIEW

i. Group Sales

a. Overview

The Group had total revenue of €476.8 million (2020: €232.3 million), relating to the completion of 1,150 units (2020: 700) in the year and the monetisation of the Castleforbes asset through a site sale for the residential and second hotel site and the forward fund transaction for the Premier Inn hotel.

This was a very strong performance by the business, our highest ever completion and revenue numbers, particularly given that construction sites were disrupted for the first 13 weeks of the year due to a Covid-19 government-imposed lockdown.

b. Suburban Starter-Home Sales

Glenveagh completed 902 units (2020: 658) in the suburban segment, a 37% increase in the year. This was driven from a combination of units from existing multi-year sites and, more importantly, new sites opened in the year, some of which were also only acquired in the year, demonstrating the Group's ability to maximise return on capital on newly acquired sites. We were particularly pleased with the performance of our new selling sites where reservations were positive with strong pricing progression. This positive performance can be seen in the average weekly private reservation rate of 0.8 for 2021.

House Price Inflation ("HPI") in the Group's starter-home focused suburban segment accelerated in H2 2021 and ran at 6% in the second half of 2021, with management expecting similar levels of inflation in 2022.

In line with our strategy, the Group delivered much needed social and affordable housing for a number of Government supported initiatives in 2021, including Part V and the newly created Cost Rental scheme. In total, we delivered 302 units (33% of our suburban units) as part of these initiatives.

In particular, the Group delivered 65 Cost Rental units in 2021, which were the only Cost Rental units delivered to the state in the year. The Government plans to deliver approximately 700 Cost Rental units in 2022 through the Approved Housing Bodies and Glenveagh are well positioned to play a part in that delivery across several sites nationally.

In 2021, Glenveagh delivered homes with a median selling price of €347k (incl. VAT), which is 11% below the median price of a new home in our key locations of the Greater Dublin Area and Cork. Delivering much needed housing at this price point is important to Glenveagh's sustainability pillar of putting customers at the heart of what we do and linking our homes to local affordability.

c. Urban Sales

During the year, the Group completed the sale of three individual urban developments:

1. Union Investment acquired the Castleforbes hotel site and subsequent development of the Premier Inn hotel as part of a €70 million forward funding arrangement
2. Eagle Street acquired the Castleforbes residential and second hotel sites for €78.5 million
3. Completion of the sale of 75 units at Dargan Hall, Bray for approximately €25 million

Glenveagh has made significant progress in monetising the key urban development at Castleforbes while allowing the business to redeploy the proceeds elsewhere in the business to maximise return on capital.

During the year, the Group closed 173 non-core units at Marina Village, Greystones. The selling prices achieved in the Group's non-core disposals were slightly ahead of management expectations and therefore we had a modest reversal (€4.2 million) of the previously recorded impairment.

ii. Orderbook

The forward order book is currently 1,921 units. The forward order book is made up of 1,388 suburban units for 2022 and 2023, 500 urban apartments through two forward fund transactions and 33 apartments in Marina Village. These units, plus the Premier Inn hotel future revenue, provide a forward order book value of approximately €675 million.

Reservations for 2022 have been strong with 1,028 suburban reservations to date and all sites required to achieve the 1,400 suburban unit target for 2022 have commenced construction. All of the sites required to achieve this target are now also active selling sites and accepting reservations.

The Group has signed Heads of Terms for two forward fund transactions of over 500 urban apartments for an aggregate Net Development Value of approximately €185 million. These transactions will complete and construction on these sites will commence in 2022. The Group expects to monetise further urban developments in 2022.

The Group has also signed a forward purchase transaction on 33 units in Marina Village, Greystones for Net Development Value in excess of €16 million. These are our last remaining units in Marina Village and are likely to complete construction in H1 2024.

iii. Offsetting the Impact of Global Inflation

Cost Price Inflation ("CPI") remained a challenge for the sector in the second half of the year due to continued global supply chain constraints. As a result, the Group experienced 6% CPI in H2 marginally ahead of the 5% reported in H1.

The cost environment within the Irish construction sector remains a challenge. The business is seeing a shift in the cost dynamic with the continuation the global supply chain pressures from H2 2021, particularly in light of recent geopolitical uncertainty, but also the emergence of a competitive labour market and subsequent rate increases in 2022. The evolving cost dynamic will lead to a continued inflationary environment in 2022, which the business will need to monitor and manage carefully throughout the year.

The business has been able to mitigate an element of inflation by leveraging its purchasing power and scale but more importantly via the supply chain initiatives that the business has invested in over recent years. Our timber frame and soil recovery facilities allow the business to shield itself from the full effect of the increases that the wider market is experiencing, generating significant competitive advantage.

iv. Innovation and Supply Chain Integration

The Group continues with its ambitions to control more of our supply chain and off-site manufacturing. Controlling elements of the supply chain allows the business to be more innovative, working with manufacturing partners to design and create more sustainable housing.

The Group's continued roll-out of standardised house types, combined with the newly developed high-density housing scheme, will assist in creating a better use of our land and managing CPI in future periods, as well as allowing the Group to further align itself with its sustainability pillars. It also guarantees high quality supply in an environment, in which supply has been disrupted, and underpins the Group's ability to produce high quality, sustainable homes into the future. In 2022, all housing to be delivered by Glenveagh will be either A1 or A2 rated.

Over the last number of years, the Group has invested in its supply chain with investments 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 the year. In 2021, the Group invested further in its supply chain with a €16 million investment in additional timber frame and soil recovery facilities in Carlow and Kildare respectively.

The Carlow timber frame facility is strategically located in the suburban south region to better serve our expanding network of construction sites throughout the country. The Carlow facility will be fully operational from 2023 and, with the two facilities fully operational, the Group expects to have capacity to self-deliver over 2,000 housing frames by 2024.

Our soil recovery capabilities have been augmented with the addition of our new Kildare facility in the suburban south region which will complement our existing facility at Bay Lane in the suburban north region.

These investments will allow increased delivery capabilities while also controlling the costs in a manner that improves return on capital in the medium term.

v. Government's Housing for All plan announced in 2021

During the year, the Government announced its new Housing for All plan. The aim of the plan is to deliver 300,000 housing units by 2030, with the Government committing to an investment of €20 billion over the first 5 years. The plan aims to secure delivery of large-scale sustainable mixed tenure communities through a range of schemes, mainly focussed on Shared Equity, Help-to-Buy, Cost Rental, Affordable Purchase and Social Housing.

The Shared Equity and Help-to-Buy schemes are designed to increase affordability for qualifying first-time buyers. The Shared Equity scheme allows the Government to take an equity stake of up to 30% of the sales value of the home. The Help-to-Buy scheme, which can be used in conjunction with the Shared Equity scheme, can provide funding of up to €30,000 to a first-time buyer.

The Cost Rental scheme provides rental accommodation to qualifying tenants at a discount of at least 25% to market rates. The Government has committed to delivering 18,000 Cost Rental homes over the life of the plan, which creates a significant opportunity for the business to work with the Approved Housing Bodies in delivering this new tenure. Glenveagh has provided 65 units to Clúid Housing Agency, the largest landlord in Ireland, in 2021 with a further 230 units forecasted in 2022.

As part of the Housing for All plan, the Government has ambitions to deliver 36,000 affordable homes by 2030. A key element of this will be done through a newly created Affordable Purchase scheme which will see the Local Authorities play a central role in the planning and provision of affordable homes on public lands.

The Government will also work with Local Authorities to increase the social housing programme so that a total of 90,000 new-build social homes are provided by 2030 under the Housing for All plan.

The Government will focus its spending across these initiatives while also making state lands available for development predominantly through the LDA. The LDA's main purpose will be to coordinate underutilised state and semi-state lands and deliver social and affordable housing on those lands. In addition to delivering on their own lands, the LDA is also expected to complete forward purchase transactions with housebuilders and / or landowners in order to unlock and accelerate delivery of affordable units on privately owned land.

Given the Group's scale, focus on affordability and specific Partnership segment, Glenveagh remains uniquely positioned to participate in these processes going forward. In line with our sustainability pillars, delivery of social and affordable housing is a key objective of the Group.

In line with this objective, the Group secured two landmark Partnership agreements for the proposed development of over 2,050 homes with Fingal County Council and Dublin City Council.

Ballymastone

The first agreement, with Fingal County Council, is for the proposed development of 1,200 homes, including social, affordable, cost rental and private homes, at Ballymastone, Donabate in north County Dublin. A signed development agreement is now in place and a planning application will be submitted in 2022 with construction commencing immediately following planning being granted.

Oscar Traynor Road

The second agreement, with Dublin City Council, is for the proposed development of 853 social, affordable, and cost rental homes at Oscar Traynor Road, Dublin. A planning application will be submitted in 2022 with construction commencing immediately following planning being granted.

vi. 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 the year, the Group added to its development land portfolio via 12 new suburban sites with total consideration of approximately €72 million (excl. fees and taxes) and can deliver over 2,700 units. Construction has already commenced on five of these sites which will deliver over 1,200 units in the coming years.

To date in 2022, three additional sites have been acquired, with two of these sites benefitting from existing planning permission. In addition, four further sites have either exchanged contracts or are in exclusivity. The total consideration for these seven sites is approximately €47 million (excl. fees and taxes).

The Group, guided by our experienced in-house planning team, has made significant planning progress during the year with over 2,300 units granted permission across 13 sites and when combined with sites acquired with planning in the period, the Group has now over 6,700 available planned units. A further 2,100 units are expected to be granted planning in the first half of 2022. 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.

Following the addition of over 2,050 units to our Partnership business, the Group controlled a land portfolio of approximately 16,800 units at 31 December 2021 with an average plot cost of €34k.

In line with the Group's strategy to reduce net investment in land continues to make strong progress with €562.7 million of land at 31 December 2021 and a target of approximately €500 million at 31 December 2022. The Group's long-term ambition is to have a 4 to 5-year land portfolio at scale.

vii. Sustainability Agenda Progress

The Group continues to make meaningful progress on the areas identified as material in our 2020 Sustainability Report. During 2021, 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 built on our disclosures in the period, measuring Scope 3 emissions for the first time and reporting these via CDP 2021 demonstrating our wider approach to managing climate and environmental issues. This resulted in an upgraded CDP score (now A-). We have further refined our scope 3 methodology and will used this to map our pathway towards Net Zero in 2022.

The Group also received upgraded ESG ratings; MSCI (now AA) and Sustainalytics (now 'Low-risk') which displays strong progress on our sustainability agenda.

The Group placed significance emphasis on its people agenda during 2021 including the areas of Diversity and Inclusion and employee engagement. This effort was recognised by the achievement of Investors in Diversity Silver Mark and Great Place to Work certification.

Recognising the importance of sustainability 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.

2. FINANCIAL REVIEW

i. Group Performance

Glenveagh had another strong year in 2021 delivering our highest ever number of completions, as well as record revenue and profits, all the while dealing with the continued impact of Covid-19 on our sites, including a 13-week Government enforced lockdown in the first half of the year.

Total group revenue was €476.8 million (2020: €232.3 million) from three main income streams:

- €301.0 million relating to unit sales from our 977 core units. The Average Selling Price was €308k (2020: €311k) reflecting the Group's focus on more affordable homes
- €73.7 million relating to the 173 non-core units in Marina Village, Greystones
- €102.1 million mainly from our Docklands assets, which includes the disposal of our residential and second hotel sites in Castleforbes as well as the revenue generated from the forward fund transaction for the Premier Inn hotel

Glenveagh delivered 1,150 units in 2021, which was a significant achievement, our highest ever completions number, given the impact of the government-imposed lockdown in H1. This strong delivery performance continues with the current forward order book of 1,921 units reserved for future periods, with 1,388 suburban units for both 2022 and 2023, 500 urban units through two forward fund transactions and 33 units in Marina Village. These units, plus the Premier Inn hotel future revenue, provide a forward order book value of approximately €675 million.

The Group's gross profit for the year amounted to €83.1 million (2020: €9.5 million) with an overall gross margin of 17.4% (2020: 4.1%).

The underlying core gross margin is 19.6% (2020: 14.1%) and reflects the impact of the Premier Inn forward fund land sale and associated development revenue, in addition to the sale of the residential and second hotels sites at Castleforbes.

Given the one-off margin impact from these significant urban site sales and to allow for greater clarity on the suburban business, we have called out the gross margin on our suburban units as 17.5% and this margin will continue to progress and is expected be in excess of 18.0% in 2022.

Our operating profit was €50.6 million (2020: loss of €12.7 million), giving the Group an operating margin of 10.6%. The Group's central costs for the year were €30.1 million (2020: €20.2 million), which along with €2.4 million (2020: €2.0 million) of depreciation and amortisation gives total administrative expenses of €32.5 million (2020: €22.2 million).

Net finance costs for the year were €4.8 million (2020: €3.0 million), primarily reflect the interest on both our new term element and the drawn portion from the RCF element of the new 5-year debt facility.

Overall, the Group delivered a profit after tax of €37.7 million (2020: Loss of €13.9 million) and an Earnings Per Share of 4.5 cent (2020: Loss per share of 1.6 cent).

ii. Balance Sheet

2021 was a transformative year for the Group's capital efficiency strategy. We have reduced the Group's net assets to €784.1 million at 31 December 2021 (2020: €853.5 million) and this was mainly driven by a reduction in the land portfolio to €562.7 million (2020: €619.3 million). We intend to further reduce our land portfolio over the coming 12 months with our carrying value of land expected to reduce to approximately €500 million by 31 December 2022.

The Group has continued to invest in work in progress in line with the growth strategy of the business with a year-end balance of €204.5 million (2020: €201.9 million). The Group's core WIP of €189.1 million is spread over 24 active construction and/or selling sites, giving an average WIP balance per active site of less than €8 million.

The business has increased its property, plant and equipment during the year with our continued investment in innovation and supply chain initiatives. The purchase of our additional timber frame and soil recovery facilities, in Carlow and Kildare respectively, will enhance our off-site manufacturing capabilities considerably. The business will now have the capacity to self-deliver over 2,000 housing frames by 2024.

The Balance Sheet reflects the completed €75 million share buyback programme and the progress to 31 December of the second programme for €100 million. At 31 December, a total of 100 million shares have been repurchased and subsequently cancelled for consideration of €107.5 million.

iii. Cash Flow

As a result of our continued focus on capital efficiency, the business generated significant cash, with €104.3 million generated from operating activities (2020: €11.5 million used in operating activities). The main drivers of this cash generation are €51.7 million from the Group's profitability and €59.4 million from the net reduction in inventory.

This cash generation, along with our new and increased debt facilities, allowed the business to invest in line with our capital allocation priorities and initiate two separate share buyback programmes totalling €175 million, where we invested €107.5 million in the year.

Despite this significant investment, the Group ended the year in a net cash position of €20.8 million demonstrating the strength and resilience of our Balance Sheet. This closing cash position, along with the significant future operating cash flows, provide a very strong platform for further capital allocation initiatives in 2022.

iv. Capital Allocation and Returns to Shareholders

As set out in the Group's Capital Allocation Policy, Glenveagh's priorities are to invest in land, work-in-progress and its supply chain. Once the business has invested sufficiently in each of these priorities, excess capital will be returned to shareholders.

As a result of strong operational delivery and continued reduction of net investment in land, Glenveagh generated €104.3 million of operating cash and ended the year with net cash of approximately €21 million. Going forward, the company expects to run a more efficient net debt position, and this will be underpinned by continued cash conversion and provides a strong platform for further capital allocation initiatives.

Taking these capital allocation priorities into consideration, along with our prudent leverage policy and successful execution of our strategy, we identified €175 million as excess capital which we began returning to shareholders in the form of two separate Share Buyback Programmes.

The initial Share Buyback Programme of €75 million commenced immediately following our AGM in May 2021 and was successfully concluded in October 2021. The successful execution of the first Share Buyback Programme led to our second programme of €100 million which was announced in November 2021, which is progressing well with €81.4 million invested to date, and we would expect to conclude by June 2022.

Given the ongoing success of our second share buyback programme and the significant progress made to date, it is our intention to extend the current programme, in line with our capital allocation policy, by utilising the remaining share repurchase authorisation that we received at our EGM in December 2021. The maximum number of available shares remaining to be repurchased, based on the share capital of the company on 4 March 2022, is now approximately 25 million.

v. Group Financing

In February 2021, the Group finalised a new 5-year debt facility of €250 million, consisting of €100 million term component and a committed Revolving Credit Facility of €150 million. This was a direct replacement of our previous €125 million Revolving Credit Facility, with the maturity and growth trajectory of the business now requiring additional funding, more permanent capital and longer-term facilities.

To ensure the optimal structure within the syndicate, the Group increased the number of financial institutions participating in the syndicate from three to four. Even though the facility was finalised during an enforced Covid-19 lockdown for the construction sector, providing a huge amount of uncertainty in the market, we were pleased with the pricing obtained in the market, which was broadly in line with the existing facility while also raising larger committed facilities and an extension in the tenure of those facilities to five years.

The structure and quantum of this facility will support the significant growth of the business over the next five years and will provide the flexibility and funding to allow the business to operate across three segments with varying capital requirements.

vi. Financial Guidance

For 2022, Glenveagh are guiding revenue and gross margin for the suburban segment at approximately €440 million and in excess of 18% respectively. Revenue and gross margin in the Urban segment are expected to be approximately €190m and 15% (after forward fund coupon) respectively. Operating profit is expected to be in the range of €73 million to €78 million, with Earnings Per Share in the range of 7.5 cent to 8.5 cent.

In line with the Group’s strategy, the business will continue to improve the efficiency of the Balance Sheet mainly through the refinement and reduction of our land portfolio. The value of land is expected to be approximately €500 million by 31 December 2022, while work-in progress is expected to increase to approximately €275 million.

As previously stated, the business is comfortable to carry a net debt position of up to 15% of net assets, which will be underpinned by significant operating cash generation with operating cash flow of between €75 million and €100 million expected in 2022. The increased profitability, along with the continued focus on capital efficiency, will provide a Return on Equity range of 7% to 8% in 2022.

Glenveagh Properties PLC

Consolidated statement of profit or loss and other comprehensive income

For the financial year ended 31 December 2021

	Note	2021 €'000	2020 €'000
Revenue	*10*	**476,807**	232,296
Cost of sales		**(397,969)**	(202,530)
Impairment reversal/(charge)	*19*	**4,219**	(20,291)
Gross profit		**83,057**	9,475
Administrative expenses		**(32,490)**	(22,188)
Operating profit/(loss)		**50,567**	(12,713)
Finance expense	*11*	**(4,845)**	(3,033)
Profit/(loss) before tax	*12*	**45,722**	(15,746)
Income tax (charge)/credit	*16*	**(8,020)**	1,844
Profit/(loss) after tax attributable to the owners of the Company		**37,702**	(13,902)
Other comprehensive income		**-**	**-**
Total comprehensive profit/(loss) for the year attributable of the owners of the Company		**37,702**	(13,902)
Basic earnings/(loss) per share (cent)	*15*	**4.48**	(1.60)
Diluted earnings/(loss) per share (cent)	*15*	**4.46**	(1.60)

Glenveagh Properties PLC
Consolidated balance sheet
as at 31 December 2021

	Note	2021 €'000	2020 €'000
Assets			
Non-current assets			
Property, plant and equipment	*17*	**27,230**	21,087
Intangible assets	*18*	**1,214**	712
Deferred tax asset	*16*	**403**	1,415
Restricted cash	*23*	**25,000**	708
		53,847	23,922
Current assets			
Inventory	*19*	**767,194**	821,169
Trade and other receivables	*20*	**32,380**	14,605
Income tax receivable		**-**	21
Restricted cash	*23*	**458**	-
Cash and cash equivalents	*26*	**116,176**	137,276
		916,208	973,071
Total assets		**970,055**	996,993
Equity			
Share capital	*25*	**952**	1,052
Share premium	*25*	**179,310**	179,281
Undenominated capital	*25*	**100**	-
Retained earnings		**558,468**	629,044
Share-based payment reserve		**45,251**	44,129
Total equity		**784,081**	853,506
Liabilities			
Non-current liabilities			
Loans and borrowings	*22*	**80,622**	-
Lease liabilities	*27*	**81**	287
		80,703	287
Current liabilities			
Trade and other payables	*21*	**57,488**	42,237
Income tax payable		**7,692**	-
Loans and borrowings	*22*	**39,625**	99,934
Lease liabilities	*27*	**466**	1,029
		105,271	143,200
Total liabilities		**185,974**	143,487
Total liabilities and equity		**970,055**	996,993

Michael Rice
Director

Stephen Garvey
Director

7 March 2022

Glenveagh Properties PLC

Consolidated statement of changes in equity

for the financial year ended 31 December 2021

	Share Capital						
	Ordinary shares €'000	**Founder shares €'000**	**Undenominated capital €'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 year							
Income for the year	-	-	-	-	-	**37,702**	**37,702**
Other comprehensive income	-	-	-	-	-	-	-
	871	**181**	**-**	**179,281**	**44,129**	**666,746**	**891,208**
Transactions with owners of the Company							
Equity-settled share-based payments	**-**	**-**	**-**	**-**	**1,219**	**-**	**1,219**
Lapsed share options (Note 14)	**-**	**-**	**-**	**-**	**(97)**	**97**	**-**
Exercise of options	**-**	**-**	**-**	**29**	**-**	**-**	**29**
Purchase of own shares (Note 25)	**(100)**	**-**	**100**	**-**	**-**	**(108,375)**	**(108,375)**
	(100)	**-**	**100**	**29**	**1,122**	**(108,278)**	**(107,127)**
Balance as at 31 December 2021	**771**	**181**	**100**	**179,310**	**45,251**	**558,468**	**784,081**

Glenveagh Properties PLC

Consolidated statement of changes in equity

for the financial year ended 31 December 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 financial year						
Loss for the financial year	-	-	-	-	(13,902)	(13,902)
Other comprehensive income	-	-	-	-	-	-
	871	181	879,281	44,035	(71,723)	852,645
Transactions with owners of the Company						
Equity-settled share-based payments	-	-	-	861	-	861
Lapsed share options (Note 14)	-	-	-	(767)	767	-
Share premium reduction and transfer to distributable reserves (Note 25)	-	-	(700,000)	-	700,000	-
	-	-	(700,000)	94	700,767	861
Balance as at 31 December 2020	871	181	179,281	44,129	629,044	853,506

Glenveagh Properties PLC

Consolidated statement of cash flows

For the financial year ended 31 December 2021

	Note	2021 €'000	2020 €'000
Cash flows from operating activities			
Profit/(loss) for the financial year		**37,702**	(13,902)
Adjustments for:			
Depreciation and amortisation		**2,406**	2,031
Impairment of inventories (reversal)/charge	*19*	**(4,219)**	20,291
Finance costs	*11*	**4,845**	3,033
Equity-settled share-based payment expense	*14*	**1,219**	861
Tax expense/(credit)	*16*	**8,020**	(1,844)
Loss/(profit) on disposal of property, plant and equipment	*12*	**1,707**	(33)
		51,680	10,437
Changes in:			
Inventories		**59,418**	124
Trade and other receivables		**(17,796)**	(2,343)
Trade and other payables		**14,306**	(13,916)
Cash used in operating activities		**107,608**	(5,698)
Interest paid		**(4,009)**	(2,638)
Tax refund/(paid)		**705**	(3,201)
Net cash generated from/(used in) operating activities		**104,304**	(11,537)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*17*	**(15,701)**	(3,982)
Acquisition of intangible assets	*18*	**(1,012)**	(174)
Transfer from restricted cash	*23*	**250**	792
Transfer to restricted cash	*23*	**(25,000)**	-
Proceeds from the sale of property, plant and equipment		**5,099**	41
Net cash used in investing activities		**(36,364)**	(3,323)
Cash flows from financing activities			
Proceeds from loans and borrowings	*22*	**130,000**	70,000
Repayment of loans and borrowings	*22*	**(107,500)**	(10,000)
Transaction costs related to loans and borrowings	*22*	**(2,993)**	-
Purchase of own shares	*25*	**(107,466)**	-
Proceeds from exercise of share options	*25*	**29**	-
Payment of lease liabilities	*27*	**(1,110)**	(1,088)
Net cash (used in)/generated from financing activities		**(89,040)**	58,912
Net (decrease)/increase in cash and cash equivalents		**(21,100)**	44,052
Cash and cash equivalents at the beginning of the year		**137,276**	93,224
Cash and cash equivalents at the end of the year		**116,176**	137,276

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. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as “the Group”) and cover the financial year ended 31 December 2021. The Group’s principal activities are the construction and sale of houses and apartments for the private buyer, local authorities and the private rental sector.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS’s) as adopted by the European Union which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), and those parts of the Companies Act 2014, including the Commission Delegated Regulation 2018/815 regarding the single electronic reporting format (ESEF), applicable to companies reporting under IFRS and Article 4 of the IAS regulation.

2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS’s) as adopted by the European Union which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), and those parts of the Companies Act 2014 applicable to companies reporting under IFRS and Article 4 of the IAS regulation.

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

The preparation of the Group’s financial statements under International Financial Reporting Standards (“IFRS”), as adopted by the European Union, requires the Directors to make judgments and estimates that affect the application of policies and the reported amounts of assets, liabilities, income, expenses and related disclosures. Actual results may differ from these estimates.

Critical accounting judgements

Management applies the Group’s accounting policies as described in Note 8 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. 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.

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 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 the global pandemic and other macroeconomic factors have been considered in the Group's assessment of the carrying value of its inventories at 31 December 2021, particularly with regard to the potential implications for future selling prices, development expenditure and construction programming. Management has considered 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 year is included in note 19.

Management have performed a sensitivity analysis to assess the impact of a change in estimated costs for developments on which sales were recognised in the year. A 1% increase in estimated costs recognised in the year, which is considered to be reasonably possible, would reduce the Group's gross margin by approximately 65bps.

5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assess the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk committee.

Fair value is defined in IFRS 13, *Fair Value Measurement,* as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

5 Measurement of fair values *(continued)*

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 14 Share-based payments arrangements; and
- Note 26 Financial instruments and financial risk management.

6 Changes in significant accounting policies

Amendments to standard IFRS 16 *Leases* are effective from 1 January 2021 but they do not have a material effect on the Group's financial statements.

(i) New significant accounting policies

a) Interest Rate Benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The Group has initially adopted Interest Rate Benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) effective from 1 January 2021. The reform does not have a material effect on the Group's financial statements.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior year to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2020, there is no impact on opening equity balances as a result of the retrospective application.

Specific policies applicable from 1 January 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

The Group is not impacted by the amendments Phase 2 because the benchmark rate used by the Group is EURIBOR which was not affected by the amendments, therefore there is no material impact on the Group's financial statements as a result.

The details of the accounting policies are disclosed in note 8. See also note 26 for related disclosures about risks, financial assets and financial liabilities.

b) *Development revenue*

Revenue arising on contracts under a development agreement which give the customer control over properties as they are constructed, and for which the Group has a right to payments for work performed, is recognised over time. Revenue and costs are recognised over time with reference to the stage of completion of the contract activity at the balance sheet date where the outcome of a contract can be estimated reliably. This is measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they

6 Changes in significant accounting policies *(continued)*

(i) New significant accounting policies *(continued)*

b) Development revenue (continued)

will result in revenue, and they are capable of being reliably measured. When land is transferred at the start of a contract, revenue is not recognised until control has been transferred to the customer which includes legal title being passed to them.

Where the outcome of a contract cannot be estimated reliably, contract revenue where recoverability is probable is recognised to the extent of contract costs incurred. The costs associated with fulfilling a contract are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

There have been no other changes to significant accounting policies during the financial year ended to 31 December 2021.

(ii) Other standards

The following new and amended standards applicable for accounting periods commencing after 1 January 2023 are not expected to have a significant impact on the Group's consolidated financial statements.

- *IAS 37 Provisions, contingent liabilities and contingent assets:* Onerous contracts – cost of fulfilling a contract (amendment)
- *IAS 16 Property plant and equipment:* Proceeds before intended use (amendment)
- *IFRS 3 Business combinations:* Reference to the Conceptual Framework (amendment)
- *IAS 1 Presentation of financial statements:* Classification of liabilities as current or non-current (amendment)
- *IAS 8 Accounting policies, changes in accounting estimates and errors:* Accounting policies, changes in accounting estimates and errors definition (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 16 Leases* – Covid-19 related rent concessions beyond 30 June 2021 (amendment)
- Annual improvements to IFRS standards 2018-2020
- *IFRS 17 Insurance contracts* – amendments to IFRS 17 insurance contracts (amendment)
- *IAS 12 Income taxes* – Deferred tax related to assets and liabilities arising from a single transaction (amendment)
- *IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures* – Sale or contribution of assets between an investor and its associate or joint venture (amendment)

7 Going concern

The Group has recorded a profit before tax of €45.7 million (2020: Loss of €15.7 million) which included a non-cash impairment reversal of €4.2 million relating to the Group's inventory balance, the comparative year loss included a non-cash impairment charge of €20.3 million. The Group has an unrestricted cash balance of €116.2 million (31 December 2020: €137.3 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 €120.0 million (31 December 2020: €25.0 million).

7 Going concern *(continued)*

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 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. These principal risks and uncertainties and the steps taken by the Group to mitigate them are detailed on pages 70 to 79 of the Risk Management Report. The Group's business activities, together with the factors likely to affect its future development are outlined on pages 30 to 35 of the Strategic Report. Further disclosures regarding the Group's loans and borrowings are provided in note 22.

The Group is forecasting compliance with all covenant requirements throughout the period of assessment 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 programmes as a result of the ongoing impact of Covid-19.

Based on the forecasts modelled, the Directors have assessed the Group's going concern status for the foreseeable future. Having considered the Group's cash flow forecasts, the Directors are satisfied that the Group has the appropriate working capital management strategy, operational flexibility, and resources in place to continue in operational existence for the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

8 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

8.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

8 Significant accounting policies *(continued)*

8.1 Basis of consolidation *(continued)*

(iii) *Joint operations*

Joint operations arise where the Group has joint control of an operation with other parties, in which the parties have direct rights to the assets and obligations of the operation. The Group accounts for its share of the jointly controlled assets and liabilities and income and expenditure on a line by line basis in the consolidated financial statements.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

8.2 Revenue

The Group develops and sells residential properties and non-core land in addition to developing land under development agreements with third parties.

(i) Housing and land sales

Revenue is recognised at the point in time when control over the property has been transferred to the customer, which occurs at legal completion.

(ii) Development revenue

Revenue arising on contracts under a development agreement which give the customer control over properties as they are constructed, and for which the Group has a right to payments for work performed, is recognised over time. Revenue and costs are recognised over time with reference to the stage of completion of the contract activity at the balance sheet date where the outcome of a contract can be estimated reliably. This is measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue, and they are capable of being reliably measured. When land is transferred at the start of a contract, revenue is not recognised until control has been transferred to the customer which includes legal title being passed to them.

Where the outcome of a contract cannot be estimated reliably, contract revenue where recoverability is probable is recognised to the extent of contract costs incurred. The costs associated with fulfilling a contract are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

8.3 Expenditure

Expenditure recorded in inventory is expensed through cost of sales at the time of the related property sale. The amount of cost related to each property includes its share of the overall site costs. Expenditure related to revenue recognised over time is expensed through cost of sales on an inputs basis. Administration expense is recognised in respect of goods and services received when supplied in accordance with contractual terms.

8.4 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right of use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purposes of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary difference when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

8 Significant accounting policies *(continued)*

8.5 Share-based payment arrangements

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions or market conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

8.6 Exceptional items

Exceptional items are those that are separately disclosed by virtue of their nature or amount in order to highlight such items within the consolidated statement of profit or loss for the financial year. Group management exercises judgement in assessing each particular item which, by virtue of its scale or nature, should be highlighted as an exceptional item. Exceptional items are included within the profit or loss caption to which they relate.

During the financial year, there were no costs considered exceptional items.

8.7 Property, plant and equipment

Property, plant and equipment is carried at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided to write off the cost of the assets on a straight-line basis to their residual value over their estimated useful lives at the following annual rates:

- Buildings 2.5%
- Plant and machinery 14-20%
- Fixtures and fittings 20%
- Computer Equipment 33%

The assets' residual values, carrying values and useful lives are reviewed on an annual basis and adjusted if appropriate at each reporting date.

Where an impairment is identified, the recoverable amount of the asset is identified and an impairment loss, where appropriate, is recognised in the statement of profit or loss and other comprehensive income.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administration expenses in the statement of profit or loss and other comprehensive income.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

8 Significant accounting policies *(continued)*

8.8 Intangible assets – computer software

Computer software is capitalised as intangible assets as acquired and amortised on a straight-line basis over its estimated useful life of 3 years, in line with the period over which economic benefit from the software is expected to be derived.

The assets' useful economic lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

8.9 Inventory

Inventory comprises property in the course of development, completed units, land and land development rights.

Inventories are valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads. Land purchased for development, including land in the course of development, is initially recorded at cost.

Where such land is purchased on deferred settlement terms, and the cost differs from the amount that will subsequently be paid in settling the liability, this difference is charged as a finance cost in the statement of profit or loss and other comprehensive income over the period to settlement.

A provision is made, where appropriate, to reduce the value of inventories and work-in-progress to their net realisable value.

8.10 Financial instruments

Financial assets and financial liabilities
Under IFRS 9, financial assets and financial liabilities are initially recognised at fair value and are subsequently measured based on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Group's designation of such instruments. The standards require that all financial assets and financial liabilities be classified as fair value through profit or loss ("FVTPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

Classification of financial instruments
The following summarises the classification and measurement the Group has elected to apply to each of its significant categories of financial instruments:

8 Significant accounting policies *(continued)*

8.10 Financial instruments *(continued)*

Classification of financial instruments *(continued)*

Type	IFRS 9 Classification
Financial assets	
Cash and cash equivalents	Amortised cost
Trade receivables	Amortised cost
Other receivables	Amortised cost
Amounts recoverable on construction contracts	Amortised cost
Deposits for sites	Amortised cost
Restricted cash	Amortised cost
Construction bonds	Amortised cost
Financial liabilities	
Lease liabilities	Amortised cost
Trade payables	Amortised cost
Inventory accruals	Amortised cost
Other accruals	Amortised cost
Loans and borrowings	Amortised cost

Cash and cash equivalents
Cash and cash equivalents include cash and short-term investments with an original maturity of three months or less. Interest earned or accrued on these financial assets is included in finance income.

Trade and other receivables
Such receivables are included in current assets, except for those with maturities more than 12 months after the reporting date, which are classified as non-current assets. Loans and other receivables are included in trade and other receivables on the statement of financial position and are accounted for at amortised cost. These assets are subsequently measured at amortised cost. The amortised cost is reduced by impairment losses. The Group recognises impairment losses on an 'expected credit loss' model (ECL model) basis in line with the requirements of IFRS 9. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Amounts recoverable on construction contracts
Amounts recoverable on construction contracts includes recoverable revenue recognised over time with reference to the stage of completion arising on contracts under a development agreement which are receivable within 12 months of the reporting date.

Deposits for sites
Deposits for sites includes a percentage amount paid of the total purchase price for the acquisition of land intended for development.

Restricted cash
Restricted cash includes cash amounts which are classified as current assets and held in escrow until the completion of certain criteria. Non-current restricted cash are minimum cash balances required under the terms of the debt facilities.

Construction bonds
Construction bonds includes amounts receivable in relation to the completion of construction activities on sites. These assets are included in trade and other receivables on the consolidated balance sheets and are accounted for at amortised cost.

8 Significant accounting policies *(continued)*

8.10 Financial instruments *(continued)*

Classification of financial instruments *(continued)*

Financial liabilities
Such financial liabilities are recorded at amortised cost and include all liabilities.

Loans and borrowings
Loans and borrowings include debt facilities, interest accrued and borrowing costs classified as current and non-current liabilities.

8.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle that obligation, and the amount has been reliably estimated.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, where the effect of discounting is considered significant. The unwinding of the discount is recognised as a finance cost.

8.12 Pensions

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in a separate fund. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

8.13 Leases

At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of am identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component and non-lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and motor vehicles. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

8 Significant accounting policies *(continued)*

8.13 Leases *(continued)*

i. As a lessee *(continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate with reference to its current financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liability' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term lease. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) As a lessor

In certain instances the Group acts as a lessor in relation to certain property assets. These arrangements are not material to the Group's consolidated financial statements.

8.14 Government Grants

Grants that compensate the group for expenses incurred are recognised in the consolidated statement of profit or loss and other comprehensive income by offsetting against expenses on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

8 Significant accounting policies *(continued)*

8.15 Share capital

(i)Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity (retained earnings).

(ii) Founder Shares

Founder Shares were initially issued as ordinary shares and subsequently re-designated as Founder Shares. Following re-designation, the instruments are accounted for as equity-settled share-based payments as set out at Note 8.5 above.

8.16 Finance income and costs

The Group's finance income and finance costs include:

- Interest income
- Interest expense

Interest income and expense is recognised using the effective interest method.

9 Segmental information

The Group has considered the requirements of IFRS 8 *Operating Segments* in the context of how the business is managed and resources are allocated.

The Group is organised into three key reportable segments, being Suburban, Urban and Partnerships. Internal reporting to the Chief Operating Decision Maker ("CODM") is provided on this basis. The CODM has been identified as the Executive Committee.

The Group currently operates solely in the Republic of Ireland and therefore no geographically segmented financial information is provided.

Suburban
The Suburban segment is focussed primarily on high quality housing (with some low rise apartments) with demand coming from private buyers and institutions. Our core Suburban product is affordable and located in well serviced communities predominantly in the Greater Dublin Area and Cork.

Urban
Urban's strategic focus is developing apartments to deliver to institutional investors. The apartments are located primarily in Dublin and Cork, but also on sites adjacent to significant rail transportation hubs. Urban's strategy is to deliver the product to institutional investors through a forward sale, or forward fund transaction providing longer term earnings visibility.

Partnerships
A Partnership will typically involve the Government, local authorities, or state agencies contributing their land on a reduced cost, or phased basis into a development agreement with Glenveagh. Approx. 50% of the product is delivered back to the government or local authority via social and affordable homes. This provides longer term access to both land and deliveries for the business and provides financial incentive by reducing risk from a sales perspective.

9 Segmental information *(continued)*

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

	2021 €'000	**2020 €'000**
Revenue		
Suburban	**276,848**	201,973
Urban	**199,959**	30,323
Partnerships	**-**	-
Revenue for reportable segments	**476,807**	232,296

	2021 €'000	**2020 €'000**
Operating profit/(loss)		
Suburban	**36,153**	15,399
Urban	**33,426**	(15,662)
Partnerships	**(1,050)**	(1,166)
Operating profit/(loss) for reportable segments	**68,529**	(1,429)
Reconciliation to results for the financial year		
Segment results – operating profit/(loss)	**68,529**	(1,429)
Finance expense	**(4,845)**	(3,033)
Directors' remuneration	**(2,576)**	(1,574)
Corporate function payroll costs	**(4,350)**	(2,741)
Depreciation and amortisation	**(2,406)**	(2,031)
Professional fees	**(3,451)**	(1,736)
Share-based payment expense	**(1,219)**	(861)
(Loss)/gain on sale of property, plant and equipment	**(1,707)**	33
Other corporate costs	**(2,253)**	(2,374)
Profit/(loss) before tax	**45,722**	(15,746)

There are no individual costs included within other corporate costs that is greater than the amounts listed in the above table.

9 Segmental information *(continued)*

Segment assets and liabilities	**31 December 2021**				**31 December 2020**			
	Suburban €'000	**Urban €'000**	**Partnerships €'000**	**Total €'000**	**As restated Suburban €'000**	**As restated Urban €'000**	**Partnerships €'000**	**As restated Total €'000**
Segment assets	**613,168**	**183,848**	**2,519**	**799,535**	527,461	300,422	467	828,350
Reconciliation to Consolidated Balance Sheet								
Deferred tax asset				**403**				1,415
Trade and other receivables				**497**				8,132
Income tax receivable				**-**				21
Cash and cash equivalents				**116,176**				137,276
Restricted cash				**25,000**				-
Property, plant and equipment				**27,230**				21,087
Intangible assets				**1,214**				712
				970,055				996,993
Segment liabilities	**-**	**-**	**-**	**-**	-	-	46	46
Reconciliation to Consolidated Balance Sheet								
Trade and other payables				**57,488**				42,191
Loans and Borrowings				**120,247**				99,934
Lease liabilities				**547**				1,316
Income tax payable				**7,692**				-
				185,974				143,487

10 Revenue

	2021 €'000	**2020 €'000**
Suburban		
Core	**276,848**	201,300
Non-core	**-**	673
	276,848	201,973
Urban		
Core	**126,217**	7,390
Non-core	**73,742**	22,933
	199,959	30,323
Total Revenue	**476,807**	232,296

The Group has represented the previously reported revenue information for the comparative year 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.

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 financial year related to the development of the Castleforbes site and amounted to €8.2 million *(2020: €Nil)* with €3.8 million *(2020: €Nil)* outstanding in contract receivables at the year end. The payment terms for this contract are 90 days.

All revenue is earned in the Republic of Ireland.

11 Finance Expense

	2021 €'000	2020 €'000
Interest on secured bank loans	**4,820**	3,006
Finance cost on lease liabilities	**25**	27
	4,845	3,033

12 Statutory and other information

	2021 €'000	2020 €'000
Amortisation of intangible assets (Note 18)	**487**	406
Depreciation of property, plant and equipment (Note 17)*	**3,144**	2,722
Employment costs (Note 13)	**33,481**	24,400
Loss/(profit) on disposal of property, plant and equipment	**1,707**	(33)

Audit of Group, Company and subsidiary financial statements**	**235**	200
Other assurance services	**15**	15
Tax advisory services	**23**	78
Tax compliance services	**33**	31
Other non-audit services	**6**	-
	312	324

Directors' remuneration		
Salaries, fees and other emoluments	**2,461**	1,459
Pension contributions	**115**	115
	2,576	1,574

*Includes €1.2 million (2020: €1.1 million) capitalised in inventory during the year ended 31 December 2021

**Included in the auditor's remuneration for the Group is an amount of €0.015 million *(2020: €0.015 million)* that relates to the Company's financial statements.

13 Employment costs

The average number of persons employed by the Group (including executive directors) during the financial year was 336 *(Executive Committee: 3; Non-executive Directors: 5; Construction: 176; and Other: 152)*. (*2020:315 (Executive Committee: 3; Non-executive Directors: 5; Construction: 188; and Other: 119))*

The aggregate payroll costs of these employees for the financial year were:

	2021 Total €'000	**2020 Total €'000**
Wages and salaries	**28,262**	20,535
Social welfare costs	**2,744**	2,064
Pension costs - defined contribution	**1,256**	940
Share-based payment expense (Note 14)	**1,219**	861
	33,481	24,400

€12.3 million (*2020: €11.2 million*) of employment costs were capitalised in inventory during the financial year.

14 Share-based payment arrangements

The Group operates three equity-settled share-based payment arrangements being the Founder Share scheme, the Long-Term Incentive Plan ("LTIP") and the Savings Related Share Option Scheme (known as the Save As You Earn or "SAYE" scheme). As described below, options were granted under the terms of the LTIP and SAYE schemes during the financial year.

(a) Founder Share Scheme

The founders of the Company (John Mulcahy, Justin Bickle (beneficially held by Durrow Ventures), and Stephen Garvey) subscribed for a total of 200,000,000 ordinary shares of €0.001 each for cash at par value during 2017, which were subsequently converted to Founder Shares in advance of the Company's initial public offering. These shares entitle the Founders to share 20% of the Company's Total Shareholder Return ("TSR") (being the increase in market capitalisation of the Company, plus dividends or distributions in the relevant period) in each of five individual testing periods up to 30 June 2022, subject to achievement of a performance condition related to the Company's share price. Further details in respect of the Founder Shares are outlined in Note 25.

Following the completion of the fourth test period (which ran from 1 March 2021 until 30 June 2021), it was confirmed that, the performance condition related to the Company's share price was not satisfied and therefore the Founder Share Value in respect of the test period was €Nil and accordingly no Founder Shares were converted to ordinary shares during the financial year.

14 Share-based payment arrangements *(continued)*

(b) LTIP

On 1 April 2021, the Remuneration Committee approved the grant of 3,998,475 options to certain members of the management team (which do not include the Founders) in accordance with the terms of the Company's LTIP. These options will vest on completion of a three-year service period from grant date subject to the achievement of certain performance condition hurdles based on the Company's Total Shareholder Return (TSR) and Earnings per Share (EPS) across the vesting period. 50% of the awards will vest based on the Company's TSR with 50% based on EPS targets. The EPS based options will vest based on the Group's EPS* for the financial year ended 31 December 2023. 25% of TSR options vest once the 3-year annualised TSR reaches 6.25% per annum with the remaining options vesting on a pro rata basis up to 100% if TSR of 12.5% is achieved. 25% of EPS based options will vest should the Group achieve EPS* of 9.5 cents per share with the remaining options vesting on a pro rata basis up to 100% if EPS* of 12.5 cents per share is achieved. In line with the Group's remuneration policy, LTIP awards granted to Executive Directors from 2020 onwards include a holding period of at least two years post exercise.

	Number of Options 2021	**Number of Options 2020**
LTIP options in issue at 1 January	**7,675,456**	4,685,800
Granted during the financial year	**3,998,475**	5,185,560
Forfeited during the financial year	**(590,329)**	(991,726)
Lapsed during the financial year	**(381,595)**	(1,204,178)
Exercised during the financial year	**(118,510)**	-
LTIP options in issue at 31 December	**10,583,497**	7,675,456
Exercisable at 31 December	**58,057**	-

LTIP options were exercised during the financial year with the average share price being €0.99. The options outstanding at 31 December 2021 had an exercise price €0.001 *(2020: €0.001)* and a weighted-average contractual life of 7 years *(2020: 7 years)*.

The fair value of 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 at grant date were as follows:

	2021 Tranche 1	**2020 Tranche 1**
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.

14 Share-based payment arrangements *(continued)*

(b) LTIP (continued)

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.

The Group recognised an expense of €1.2 million (*2020: €0.9* million) in the consolidated statement of profit or loss in respect of options granted under the LTIP.

*(*Group EPS is defined as Basic Earnings Per Share as calculated in accordance with IAS 33 Earnings Per Share subject to adjustment by the Remuneration Committee at its discretion, for items deemed not reflective of the Group's underlying performance for the financial year.)*

(c) SAYE Scheme

Under the terms of the scheme, employees may save up to €500 per month from their net salaries for a fixed term of three or five years and at the end of the savings period they have the option to buy shares in the Company at a fixed exercise price. No options were granted in the current year.

Details of options outstanding and grant date fair value assumptions

	2021		**2020**	
	Number of Options 3 Year	**Number of Options 5 Year**	**Number of Options 3 Year**	**Number of Options 5 Year**
SAYE options in issue at 1 January	**959,040**	**255,000**	806,340	202,000
Granted during the financial year	**-**	**-**	355,500	90,000
Cancelled during the financial year	**(130,500)**	**(90,000)**	(202,800)	(37,000)
Exercised during the financial year	**(28,800)**	**-**	-	-
SAYE options in issue at 31 December	**799,740**	**165,000**	959,040	255,000

	2021		**2020**	
	3 Year	**5 Year**	**3 Year**	**5 Year**
Fair value at grant date	**N/A**	**N/A**	€0.25	€0.25
Share price at grant date	**N/A**	**N/A**	€0.76	€0.76
Valuation Methodology	**N/A**	**N/A**	Monte Carlo	Monte Carlo
Exercise price	**N/A**	**N/A**	€0.60	€0.60
Expected volatility	**N/A**	**N/A**	34.3%	35.5%
Expected life	**N/A**	**N/A**	3 years	5 years
Expected dividend yield	**N/A**	**N/A**	0%	1.37%
Risk free rate	**N/A**	**N/A**	-0.83%	-0.81%

The weighted average exercise price of all options granted under the SAYE to date is €0.71.

The expected share price and TSR volatility was based on the historical volatility of a comparator group of peer companies over the expected life of the equity instruments granted together with consideration of the Group's actual trading volatility to date.

The Group recognised an expense of €0.06 million *(2020: €0.05 million)* in the consolidated statement of profit or loss in respect of options granted under the SAYE scheme.

15 Earnings/(loss) per share

a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share has been based on the profit attributable to ordinary shareholders and the weighted average numbers of shares outstanding for the financial year. There were 771,770,694 ordinary shares in issue at 31 December 2021 (*2020: 871,333,550*).

	2021	2020
Profit/(loss) for the financial year attributable to ordinary shareholders (€'000)	**37,702**	(13,902)
Weighted average number of shares for the financial year	**840,694,786**	871,333,550
Basic earnings/(loss) per share (cents)	**4.48**	(1.60)

	2021* No. of shares	2020 No. of shares
Reconciliation of weighted average number of shares		
Number of ordinary shares at beginning of financial year	**871,333,550**	871,333,550
Effect of share buyback	**(30,664,903)**	-
Effect of SAYE maturity	**4,359**	-
Effect of LTIP maturity	**21,780**	-
	840,694,786	871,333,550

b) Dilutive earnings/(loss) per share

Diluted earnings/(loss) per share

	2021	2020
Profit/(loss) for the financial year attributable to ordinary shareholders (€'000)	**37,702**	(13,902)
Weighted average number of shares for the financial year	**845,809,433**	871,333,550
Diluted earnings/(loss) per share (cents)	**4.46**	(1.60)

	2021* No. of shares	2020 No. of shares
Reconciliation of weighted average number of shares (diluted)		
Weighted average number of ordinary shares (basic)	**840,694,786**	871,333,550
Effect of potentially dilutive shares	**5,114,647**	-
	845,809,433	871,333,550

15 Earnings/(loss) per share *(continued)*

b) Dilutive earnings/(loss) per share (continued)

*The number of potentially issuable shares in the Group held under option or Founder Share arrangements at 31 December 2021 is 191,590,335 (*2020:* 188,682,294).

**Under IAS 33, Founders Shares and LTIP arrangements have an assumed test period ending on 31 December 2021. Based on this assumed test period no ordinary shares would be issued through the conversion of Founder Shares. Based on the assumed test period only the TSR performance condition was met related to LTIP options and therefore only ordinary shares related to this condition would be issued through the conversion of LTIP options.

At 31 December 2021 Nil options (*2020: 1,202,040)* were excluded from the diluted weighted average number of ordinary shares because their effect would have been anti-dilutive.

On 16 November 2021, the Company announced a share buyback programme that is in progress at the financial year end. This programme has resulted in ordinary share transactions occurring after the balance sheet date. Please see Note 30 for more details on the progress made in this programme subsequent to year end.

16 Income tax

	2021 €'000	2020 €'000
Current tax charge/(credit) for the financial year	**7,008**	(557)
Deferred tax charge/(credit) for the financial year	**1,012**	(1,287)
Total income tax charge/(credit)	**8,020**	(1,844)

The tax assessed for the financial year differs from the standard rate of tax in Ireland for the financial year. The differences are explained below.

	2021 €'000	2020 €'000
Profit/(loss) before tax for the financial year	**45,722**	(15,746)
Tax charge/(credit) at standard Irish income tax rate of 12.5%	**5,715**	(1,968)
Tax effect of:		
Income taxed at the higher rate of corporation tax	**2,141**	40
Non-deductible expenses – other	**298**	359
Adjustment in respect of prior year (over)/under accrual	**44**	(5)
Losses forward previously not recognised as deferred tax	**(178)**	-
Other adjustments	**-**	(270)
Total income tax charge/(credit)	**8,020**	(1,844)

Movement in deferred tax balances

	Balance at 1 January 2021 €'000	Recognised in profit or loss €'000	Balance at 31 December 2021 €'000
Tax losses carried forward	1,415	(1,012)	403
	1,415	**(1,012)**	**403**

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 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.

17 Property, plant and equipment

	Land & buildings €'000	Fixtures & fittings €'000	Plant & machinery €'000	Computer equipment €'000	Total €'000
Cost					
At 1 January 2021	15,263	1,162	9,045	694	26,164
Additions	10,000	62	5,958	32	16,052
Disposals	(7,024)	(279)	(304)	(9)	(7,616)
At 31 December 2021	**18,239**	**945**	**14,699**	**717**	**34,600**
Accumulated depreciation					
At 1 January 2021	(1,693)	(389)	(2,551)	(444)	(5,077)
Charge for the financial year	(922)	(197)	(1,866)	(159)	(3,144)
Disposals	399	148	296	8	851
At 31 December 2021	**(2,216)**	**(438)**	**(4,121)**	**(595)**	**(7,370)**
Net book value					
At 31 December 2021	**16,023**	**507**	**10,578**	**122**	**27,230**

	Land & buildings €'000	Fixtures & fittings €'000	Plant & machinery €'000	Computer equipment €'000	Total €'000
Cost					
At 1 January 2020	13,166	762	6,308	553	20,789
Additions	2,097	420	3,137	143	5,797
Disposals	-	(20)	(400)	(2)	(422)
At 31 December 2020	**15,263**	**1,162**	**9,045**	**694**	**26,164**
Accumulated depreciation					
At 1 January 2020	(779)	(228)	(1,396)	(244)	(2,647)
Charge for the financial year	(914)	(171)	(1,436)	(201)	(2,722)
Disposals	-	10	281	1	292
At 31 December 2020	**(1,693)**	**(389)**	**(2,551)**	**(444)**	**(5,077)**
Net book value					
At 31 December 2020	**13,570**	**773**	**6,494**	**250**	**21,087**

The depreciation charge for the year includes €1.2 million (2020: €1.1 million) which was capitalised in inventory at 31 December 2021.

Property plant and equipment includes right of use assets of €0.5 million (2020: €1.3 million) related to leased properties and motor vehicles.

17 Property plant and equipment *(continued)*

During the year, the Group entered into new lease agreements for the use of motor vehicles amounting to €0.3 million (2020: €0.3 million). In the prior financial year, the Group entered into new lease agreements for the use of land and buildings for its office facility in Maynooth, Co. Kildare. The land and buildings lease commenced in June 2020 for a duration of two years. On lease commencement, the Group recognised €1.8 million of right-of-use assets and lease liabilities.

18 Intangible assets

	Licence €'000	Computer Software €'000	Total €'000
Cost			
At 1 January 2021	149	1,359	1,508
Additions	-	1,038	1,038
Disposals	(149)	(7)	(156)
At 31 December 2021	**-**	**2,390**	**2,390**
Accumulated amortisation			
At 1 January 2021	(100)	(696)	(796)
Charge for the year	-	(487)	(487)
Disposals	100	7	107
At 31 December 2021	**-**	**(1,176)**	**(1,176)**
Net book value			
At 31 December 2021	**-**	**1,214**	**1,214**

	Licence €'000	Computer Software €'000	Total €'000
Cost			
At 1 January 2020	149	1,225	1,374
Additions	-	194	194
Disposals	-	(60)	(60)
At 31 December 2020	**149**	**1,359**	**1,508**
Accumulated amortisation			
At 1 January 2020	(100)	(330)	(430)
Charge for the year	-	(406)	(406)
Disposals	-	40	40
At 31 December 2020	**(100)**	**(696)**	**(796)**
Net book value			
At 31 December 2020	**49**	**663**	**712**

19 Inventory

	2021 €'000	2020 €'000
Land	**548,728**	605,244
Development expenditure work in progress	**204,458**	201,917
Development rights	**14,008**	14,008
	767,194	821,169

€387.5 million (*2020: €198.9 million*) of inventory was recognised in 'cost of sales' during the year ended 31 December 2021. Sustainable materials such as heat pumps, timber frames and building expenditure necessary to deliver A1/A2 Building Energy Rating ("BER") homes are included within development expenditure work in progress.

(i) Impairment of inventories

During the financial year the Group carried out a net realisable value assessment of its inventories. This assessment has resulted in an impairment reversal of €4.2 million for the year (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 year. 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.

(ii) Employment cost capitalised

€12.3 million of employment costs incurred in the financial year have been capitalised in inventory (*2020: €11.2 million*).

(iii) Development rights

Tallaght, Dublin 24 / Gateway Retail Park, Co. Galway

In March 2018, the Group entered into an Acquisition and Profit Share Agreement ("APSA") with Targeted Investment Opportunities ICAV ("TIO"), a wholly owned subsidiary of OCM Luxembourg EPF III S.a.r.l. Under the terms of the APSA, the Group acquired certain development rights in respect of sites at The Square Shopping Centre, Tallaght, Dublin 24 and Gateway Retail Park, Knocknacarra, Co. Galway for aggregate consideration of approximately €13.9 million (including stamp duty and acquisition costs). The development rights will (subject to planning) entitle the Group to develop at least 750 residential units under two joint business plans to be undertaken with Sigma Retail Partners (on behalf of TIO) which will also entitle TIO to control and benefit from any retail development at both sites. The Directors have determined that joint control over both sites exists and the arrangements have been accounted for as joint operations in accordance with IFRS 11 Joint Arrangements. For further information regarding the APSA, see Note 28 of these financial statements.

20 Trade and other receivables

	2021 €'000	2020 €'000
Trade receivables	**6,549**	1,948
Contract receivables	**3,825**	-
Other receivables	**2,172**	1,985
Prepayments	**698**	462
Construction bonds	**10,012**	7,670
Deposits for sites	**9,124**	2,540
	32,380	14,605

The carrying value of all financial assets and trade and other receivables is approximate to their fair value and are short term in nature with the exception of construction bonds.

21 Trade and other payables

	2021 €'000	2020 €'000
Trade payables	**6,202**	3,457
Payroll and other taxes	**3,524**	1,671
Inventory accruals	**20,069**	17,416
Other accruals	**13,238**	5,874
VAT payable	**14,455**	13,819
	57,488	42,237
Non-current	**-**	-
Current	**57,488**	42,237
	57,488	42,237

The carrying value of all financial liabilities and trade and other payables is approximate to their fair value and are repayable under the normal credit cycle.

22 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 year debt facilities were fully repaid by the Group during the year and at 31 December 2021, €122.5 million had been drawn on the new debt facilities (31 December 2020: €100.0 million). 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.

	31 December 2021 €'000	**31 December 2020 €'000**
Debt facilities	**122,500**	100,000
Unamortised borrowing costs	**(2,476)**	(104)
Interest accrued	**223**	38
Total loans and borrowings	**120,247**	99,934

Loans and borrowings are payable as follows:	**31 December 2021 €'000**	**31 December 2020 €'000**
Less than one year	**39,625**	99,934
Between one and two years	**9,401**	-
More than two years	**71,221**	-
Total loans and borrowings	**120,247**	99,934

The Group's debt facilities was entered into with AIB, Barclays and HSBC and 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.

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22 Loans and Borrowings *(continued)*

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

2021		Cash flows							Non-cash changes				
	Opening 2021	**Credit facility drawdown**	**Credit facility repayment**	**Transaction costs related to loans and borrowings**	**Share buyback payments**	**Proceeds from share option exercise**	**Payment of lease liability**	**Interest Paid**	**Amortisation of transaction costs**	**Interest on debt facilities**	**Interest on lease liability**	**New leases**	**Closing 2021**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Liabilities:													
Loans and borrowings	**100,000**	130,000	(107,500)	-	-	-	-	-	-	-	-	-	122,500
Unamortised transaction costs	**(104)**	-	-	(2,993)	-	-	-	-	621	-	-	-	(2,476)
Lease liability	**1,316**	-	-	-	-	-	(1,110)	-	-	-	22	319	547
Interest accrual	**38**	-	-	-	-	-	-	(4,009)	-	4,194	-	-	223
Equity:													
Share Buyback	**-**	-	-	-	(107,466)	-	-	-	-	-	-	-	(107,466)
Share option exercise	**-**	-	-	-	-	29	-	-	-	-	-	-	29
	101,250	**130,000**	**(107,500)**	**(2,993)**	**(107,466)**	**29**	**(1,110)**	**(4,009)**	**621**	**4,194**	**22**	**319**	**13,357**

22 Loans and Borrowings *(continued)*

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities *(continued)*

2020		Cash flows				Non cash changes				
	Opening 2020	**Credit facility drawdown**	**Credit facility repayment**	**Payment of lease liability**	**Interest Paid**	**Amortisation of transaction costs**	**Interest on RCF**	**Interest on lease liability**	**New leases**	**Closing 2020**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Liabilities										
Loans and borrowings	**40,000**	70,000	(10,000)	-	-	-	-	-	-	**100,000**
Unamortised transaction costs	**(446)**	-	-	-	-	342	-	-	-	**(104)**
Lease liability	**595**	-	-	(1,088)	-	-	-	27	1,782	**1,316**
Interest accrual	**15**	-	-	-	(2,638)	-	2,660	-	-	**38**
	40,164	**70,000**	**(10,000)**	**(1,088)**	**(2,638)**	**342**	**2,660**	**27**	**1,782**	**101,250**

22 Loans and Borrowings *(continued)*

(c) Net funds reconciliation

	2021 €'000	2020 €'000
Restricted Cash	**25,458**	708
Cash and cash equivalents	**116,176**	137,276
Loans and borrowings	**(120,247)**	(99,934)
Lease liabilities	**(547)**	(1,316)
Total net funds	**20,840**	36,734

(d) Lease Liabilities

Lease liabilities are payable as follows:

	31 December 2021		
	Present value of minimum lease payments €'000	Interest €'000	Future value of minimum lease payments €'000
Less than one year	**466**	**21**	**487**
Between one and two years	**80**	**-**	**80**
More than two years	**1**	**-**	**1**
	547	**21**	**568**

23 Restricted cash

	2021 €'000	2020 €'000
Current	**458**	-
Non-current	**25,000**	708
	25,458	708

The restricted cash balance relates to:

- €0.4 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.

24 Subsidiaries

The principal subsidiary companies and the percentage shareholdings held by Glenveagh Properties PLC, either directly or indirectly, pursuant to Section 314 of the Companies Act 2014 at 31 December 2021 are as follows:

Company	**Principal activity**	**%**	**Reg. office**
Glenveagh Properties (Holdings) Limited	Holding company	100%	1
Glenveagh Treasury DAC	Financing activities	100%	1
Glenveagh Contracting Limited	Property development	100%	1
Glenveagh Homes Limited	Property development	100%	1
Greystones Devco Limited	Property development	100%	1
Marina Quarter Limited	Property development	100%	1
GLV Bay Lane Limited	Property development	100%	1
Glenveagh Living Limited	Property development	100%	1
GL Partnership Opportunities DAC	Property development	100%	1
Castleforbes Development Company DAC	Property development	100%	1
Hollystown Golf & Leisure Limited	Golf Club operations	100%	1

1 Block B, Maynooth Business Campus, Maynooth, Co. Kildare, W23W5X7

Pursuant to section 316 of the Companies Act 2014, a full list of subsidiaries will be annexed to the Company’s Annual Return to be filed in the Companies Registration Office in Ireland.

25 Capital and reserves

(a) Authorised share capital

	2021 Number of shares	2021 €'000	2020 Number of shares	2020 €'000
Ordinary Shares of €0.001 each	1,000,000,000	1,000	1,000,000,000	1,000
Founder Shares of €0.001 each	200,000,000	200	200,000,000	200
Deferred Shares of €0.001 each	200,000,000	200	200,000,000	200
	1,400,000,000	**1,400**	**1,400,000,000**	**1,400**

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

At 31 December 2021	Number of shares	Share capital €'000	Share premium €'000
Ordinary Shares of €0.001 each	771,770,694	771	179,310
Founder Shares of €0.001 each	181,006,838	181	-
	952,777,532	**952**	**179,310**

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**

(c) Reconciliation of shares in issue

In respect of current year	Ordinary shares '000	Founder shares '000	Undenominated capital €000	Share capital €'000	Share premium €'000
In issue at 1 January 2021	871,333	181,007	-	1,052	179,281
Purchase of own shares	(99,710)	-	100	(100)	-
Exercise of options	148	-	-	-	29
	771,771	**181,007**	**100**	**952**	**179,310**

25 Capital and reserves *(continued)*

(c) Reconciliation of shares in issue *(continued)*

In respect of prior year	**Ordinary shares '000**	**Founder shares '000**	**Share capital €'000**	**Share premium €'000**
In issue at 1 January 2020	871,333	181,007	1,052	879,281
Share premium transfer to distributable reserves	-	-	-	(700,000)
	871,333	**181,007**	**1,052**	**179,281**

(d) Rights of shares in issue

Ordinary Shares

The holders of Ordinary Shares are entitled to one vote per Ordinary Share at general meetings of the Company and are entitled to receive dividends as declared by the Company.

Founder Shares

Founder Shares do not confer on any holder thereof the right to receive notice of, attend, speak or vote at general meetings of the Company except in relation to resolutions regarding the voluntary winding up of the Company or the granting of further Founder Shares. Founder Shares do not entitle their holder to receive dividends.

Founder Shares entitle the Founders of the Company namely, Justin Bickle (through Durrow Ventures), Stephen Garvey and John Mulcahy to share 20% of the Company's TSR (calculated by reference to the change of control price plus dividends and distributions made) between admission and the change of control (less the value of any ordinary shares (at their original conversion or redemption price)) which have previously been converted or redeemed in the five years following the IPO of the Company.

This entitlement is subject to the achievement of a performance condition related to the Company's share price, specifically that a compound rate of return of 12.5% (adjusted for any dividends or other distributions and returns of capital made but excluding the value of any Founder Shares which have been redeemed) is achieved across five testing periods.

Following completion of the fourth test period (which ran from 1 March 2021 until 30 June 2021), it was confirmed that, the performance hurdle condition was not satisfied and therefore the Founder Shares Value for the test period was zero, and accordingly no Founder Shares were converted to ordinary shares in respect of this test period.

Capital re-organisation

In the prior financial year, further to resolutions passed by shareholders of the Company on 17 December 2019, the Irish High Court approved the Group's application on 16 March 2020 to redesignate €700.0 million of Share Premium to Retained Earnings to allow for future distributions under section 117 of the Companies Act 2014.

25 Capital and reserves *(continued)*

(e) Nature and purpose of reserves

Share based payment reserve

The share-based payment reserve comprises amounts equivalent to the cumulative cost of awards by the Group under equity settled share-based payment arrangements being the Group's Long Term Incentive Plan and the SAYE scheme. On vesting, the cost of awards previously recognised in the share-based payments reserve is transferred to retained earnings. Details of the share awards, in addition to awards which lapsed in the year, are disclosed in Note 14.

(f) Share buyback programme

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, the programme completed on 13 October 2021. The total number of shares purchased was 71,689,205 at a total cost of €75.0 million. All repurchased shares were cancelled in accordance with the share buyback programme.

On 16 November 2021, the Group announced a second share buyback programme up to a further €100.0 million. As at 31 December 2021, the total number of shares purchased under the second buyback programme was 28,020,961 at a total cost of €33.1 million. 28,020,961 repurchased shares were cancelled in the year ended 31 December 2021. The programme may continue until 31 December 2022.

26 Financial instruments and financial risk management

The consolidated financial assets and financial liabilities are set out below. While all financial assets and liabilities are measured at amortised cost, the carrying amounts of the consolidated financial assets and financial liabilities approximate to fair value. Trade and other receivables and trade and other payables approximate to their fair value as the transactions which give rise to these balances arise in the normal course of trade and, where relevant, with industry standard payment terms and have a short period to maturity (less than one year).

Financial instruments: financial assets

The consolidated financial assets can be summarised as follows:	**2021 €'000**	**2020 €'000**
Trade receivables	**6,549**	1,948
Amounts recoverable on construction contracts	**3,825**	-
Other receivables	**2,172**	1,985
Construction bonds	**10,012**	7,670
Deposits for sites	**9,124**	2,540
Cash and cash equivalents	**116,176**	137,276
Restricted cash (current)	**458**	-
Restricted cash (non-current)	**25,000**	708
Total financial assets	**173,316**	152,127

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

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

Financial instruments: financial liabilities

	2021 €'000	2020 €'000
Trade payables	**6,202**	3,457
Lease liabilities	**547**	1,316
Inventory accruals	**20,069**	17,416
Other accruals	**13,238**	5,874
Loans & borrowings	**120,247**	99,934
Total financial liabilities	**160,303**	127,997

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;
- credit risk – the risk that a counter-party will default on their contractual obligations resulting in a financial loss to the Group; and
- market risk – the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

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.

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.

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

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

	31 December 2021				
	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	**547**	**568**	**487**	**80**	**1**
Trade payables	**6,202**	**6,202**	**6,202**	**-**	**-**
Inventory accruals	**20,069**	**20,069**	**20,069**	**-**	**-**
Other accruals	**13,238**	**13,238**	**13,238**	**-**	**-**
Loans and borrowings	**120,247**	**130,596**	**43,954**	**11,253**	**75,389**
	160,303	**170,673**	**83,950**	**11,333**	**75,390**

	31 December 2020				
	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	1,316	1,377	1,078	295	4
Trade payables	3,457	3,457	3,457	-	-
Inventory accruals	17,416	17,416	17,416	-	-
Other accruals	5,874	5,874	5,874	-	-
Loans and borrowings	99,934	100,010	100,010	-	-
	127,997	128,134	127,835	295	4

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

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

Funds available

	2021 €'000	2020 €'000
Debt facilities* (undrawn committed)	**120,000**	25,000
Cash and cash equivalents	**141,634**	137,526
	261,134	162,526

*The Group's RCF contains a mechanism through which the committed amount can be increased by a further €50.0 million.

The Group's debt facilities is 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.

Credit risk

The Group's exposure to credit risk encompasses the financial assets being: trade and receivables and cash and cash equivalents. Credit risk is managed by regularly monitoring the Group's credit exposure to each counter-party to ensure credit quality of customers and financial institutions in line with internal limits approved by the Board.

There has been no impairment of trade receivables in the year presented. The impairment loss allowance allocated against trade receivables, cash and cash equivalents and restricted cash is not material. The credit risk on cash and cash equivalents is limited because counter-parties are leading international banks with minimum long-term BBB- credit-ratings assigned by international credit agencies. The maximum amount of credit exposure is the financial assets in this note.

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

Financial risk management objectives and policies *(continued)*

Market risk

The Group's exposure to market risk relates to changes to interest rates and stems predominately from its debt obligations. On 12 February 2021, the Group entered into a new debt facility agreement for a total of €250.0 million, the agreement has a term component of €100.0 million and a committed Revolving Credit Facility of €150.0 million. The facility is with a syndicate of domestic and international banks for a term of 5 years at an interest rate of EURIBOR (subject to a floor of 0 per cent.) plus 2.6%. €122.5 million *(2020: €100.0 million)* had been drawn on the facility at 31 December 2021. The Group has an exposure to cash flow interest rate risk where there are changes in the EURIBOR rates.

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 year ended 31 December 2021 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 assuming all other variables remain constant and the rate change is only applied to the loans that are exposed to movements in EURIBOR.

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.

Capital management

The Group finances its operations through a combination of shareholders' funds and working capital. The Group's objective when managing capital is to maintain an appropriate capital structure in the business to allow management to focus on creating sustainable long-term value for its shareholders, with flexibility to take advantage of opportunities as they arise in the short and medium term. The Group's capital allocation policy is to invest in supply chain, land, and work-in-progress. Once the business has invested sufficiently in each of these priorities, excess capital is returned to shareholders.

27 Leases

A. Leases as lessee (IFRS 16)

The Group leases a property and motor vehicles. The leases typically run for a period of 1-3 years, with an option to renew the lease after that date. Lease payments are renegotiated every 1-3 years to reflect market rentals.

The Group leases certain motor vehicles with contract terms of one year. These leases are short term and leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

i. *Right-of-use assets*

Right-of-use assets related to leased properties (that do not meet the definition of investment property) and motor vehicles are presented as property, plant and equipment (see Note 17).

	Property €'000	Motor Vehicles €'000	Total €'000
2021			
Balance at 1 January	**1,024**	**292**	**1,316**
Additions to right-of-use assets	**-**	**319**	**319**
Depreciation charge for the year	**(738)**	**(350)**	**(1,088)**
Balance at 31 December	**286**	**261**	**547**

	Property €'000	Motor Vehicles €'000	Total €'000
2020			
Balance at 1 January	280	293	573
Additions to right-of-use assets	1,455	303	1,758
Depreciation charge for the year	(711)	(304)	(1,015)
Balance at 31 December	1,024	292	1,316

27 Leases *(continued)*

A. Leases as lessee (IFRS 16) *(continued)*

ii. Amounts recognised in profit or loss

	2021 €'000	2020 €'000
2021 – Leases under IFRS 16		
Interest on lease liabilities	**25**	27
Expenses relating to short-term leases	**46**	12

iii. Amounts recognised in statement of cash flows

	2021 €'000	2020 €'000
Total cash outflow on leases	**1,110**	1,088

B. Leases as lessor

In certain instances, the Group acts as a lessor in relation to certain property assets. These arrangements are not material to the Group's consolidated financial statements.

28 Related party transactions

(i) Key Management Personnel remuneration

Key management personnel comprise the Non-Executive Directors and the Executive Committee. The aggregate compensation paid or payable to key management personnel in respect of the financial year was the following:

	2021 €'000	2020 €'000
Short-term employee benefits	**2,461**	1,460
Post-employment benefits	**115**	115
LTIP and SAYE share-based payment expense	**116**	99
	2,692	1,674

Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined contribution plan.

(ii) Other related party transactions

Acquisition of development rights

The Group entered into the Acquisition and Profit Share Agreement (APSA) with Targeted Investment Opportunities ICAV (TIO), a wholly owned subsidiary of OCM Luxembourg EPF III S.a.r.l. (OCM) (and an entity in which John Mulcahy is a director) on 12 March 2018.

Under the terms of the APSA, the Group acquired certain development rights in respect of sites at The Square Shopping Centre, Tallaght, Dublin 24 and Gateway Retail Park, Knocknacarra, Co. Galway for aggregate consideration of approximately €13.9 million (including stamp duty and transaction costs). The development rights will (subject to planning) entitle the Group to develop at least 750 residential units under two joint business plans to be undertaken with Sigma Retail Partners (on behalf of TIO) which will also entitle TIO to control and benefit from any retail development at both sites.

The Directors have determined that joint control over both sites exists and the arrangements have been accounted for as joint operations in accordance with IFRS 11 Joint Arrangements. This accounting treatment was re-assessed at the end of the reporting period and the Directors concluded that it remains appropriate.

The APSA also stipulates that TIO would be entitled to share, on a 50/50 basis, any residual profit remaining after the Group's purchase consideration plus interest and residential development cost plus 20% has been deducted from sales revenue in relation to the residential development opportunity at The Square Shopping Centre, Tallaght, Dublin 24, Gateway Retail Park, Knocknacarra, Co. Galway and a third site, Bray Retail Park, Bray, Co. Wicklow.

The agreement defines certain default events including TIO not possessing good and marketable title over the development sites and TIO not transferring good and marketable title over the development sites. On the occurrence of a default event, the Group shall be entitled to recover the aggregate purchase consideration in respect of the development rights. OCM has agreed to guarantee this obligation of TIO.

29 Commitments and contingent liabilities

(a) Commitments arising from development land acquisitions

In addition to the contingent liabilities outlined in Note 28 above, the Group had the following commitments at 31 December 2021 relating to development land acquisitions:

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 31 December 2021, the Group had contracted to acquire six development sites; one in County Wicklow, two in County Meath, two in County Kildare and one in North Dublin for aggregate consideration of approximately €29.8 million (excluding stamp duty and legal fees). Deposits totalling €8.3 million were paid pre-year end and are included within trade and other receivables at 31 December 2021.

30 Subsequent events

On 28 February 2022, the number of shares repurchased in the second share buyback programme had reached 67,415,760 shares for a cost of €81.4 million, bringing the total number of shares repurchased under the buyback programme to 139,104,965 at a total cost of €156.4m. All repurchased shares were cancelled.

31 Profit / (Loss) of the Parent Company

The parent company of the Group is Glenveagh Properties PLC. In accordance with section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual statement of profit or loss and other comprehensive income to the Annual General Meeting and from filing it at the Companies Registration Office. The Company's profit after tax for the financial year was €0.031 million (for the year ended 31 December 2020: profit of €0.034m).

32 Approved financial statements

The Board of Directors approved the financial statements on 7 March 2022.