14 September 2022

Glenveagh Properties plc

Interim Results 2022

Glenveagh Properties plc ("Glenveagh" or the "Group") a leading Irish homebuilder announces its Interim Results for the period ended 30 June 2022.

Financial Highlights

	Six Months to 30 June 2022	Six Months to 30 June 2021	Change
Revenue €'m	**200.0**	127.5	+57%
- *Suburban*	***88.9***	*58.7*	+51%
- *Urban*	***111.1***	*68.8*	+61%
Gross profit €'m	**32.9**	21.4	+54%
- *Suburban*	***15.4***	*9.5*	+62%
- *Urban*	***17.5***	*11.9*	+47%
Gross margin	**16.5%**	16.8%	-30 bps
- *Suburban*	***17.3%***	*16.2%*	+110bps
- *Urban*	***15.8%***	*17.3%*	-150bps
Profit before tax €'m	**13.0**	4.3	+202%
Earnings Per Share (cent)	**1.32**	0.30	+340%
	30 June 2022	**30 June 2021**	
Land €'m	**513.0**	641.6	-20%
Work in Progress €'m	**291.9**	239.1	+22%
Net Debt €'m	**97.5**	33.5	+191%
Total Equity €'m	**707.2**	837.0	-16%
Suburban Completions – 30 June	**257**	197	+31%
Suburban: Closed & forward order book – units[1]	**1,831**	1,134	+61%
Suburban: Closed & forward order book - €'m [1]	**588.1**	369.1	+59%
Urban: Revenue recognised & forward order book - €'m [1]	**401.7**	254.7	+58%

[1] As at 9 September

Results Highlights

- Continued strong operational performance with suburban completions +31% in H1 2022
- Strong private reservation rates per site (+25%) combined with seven new sales outlet openings have delivered closed units & a forward order book in Suburban of €588.1 million (+59%)
- All 1,400 Suburban units capable of closing in 2022 now closed or in contract
- Urban business transformed with over €310 million of total revenue across four projects signed to date in 2022 resulting in a reduction of land capital deployed in this segment to 12.8% of the Group's total landbank
- Partnership's business on track to deliver over 2,050 units for local authorities focused on social, affordable and cost rental homes with planning lodgements for both Oscar Traynor Road and Ballymastone expected in H2 2022
- Medium-term pipeline of home delivery across all business segments supported by five construction site openings in H1. 23 construction sites now active (31 Dec 2021: 18 sites) capable of delivering over 4,500 units, with four attractive sites added to the landbank in H1 for a total consideration of €15.7 million
- Conscious decision to support our long-term supply chain partners through a volatile cost environment resulting in CPI of 8%-9% in H1, with a broadly neutral impact on margin
- Execution against the Group's offsite manufacturing strategy has transformed our internal delivery capabilities and innovation potential across timber frame and Light Gauge Steel ("LGS") with the acquisition of Harmony Timber Solution Ltd. ("Harmony") and our LGS manufacturing partnership now complete
- Continued delivery against our sustainability objectives with the publication of our Net Zero pathway on track for Q4 2022
- Continued disciplined capital allocation against clearly articulated priorities has enabled the completion of 75.1 million share repurchases (€87.2 million) in H1 with €50 million yet to be deployed under the current buyback programme

Outlook

The strength of the current market is demonstrated through our strong performance to date in 2022 and forward order book, which total €989.8 million. The closed units and forward order book in the suburban business of €588.1 million and 1,831 units gives good visibility on deliveries in both 2022 and 2023. The urban revenue recognised in 2022 and forward order book of €401.7 million relates to six projects that the business will deliver between 2022 and 2024.

Despite the near-term challenges of CPI and material availability, the Group are confident of delivering EPS for 2022 of between 7.5 cent to 8.5 cent.

Current land portfolio of approximately €490 million gives strong visibility that we will materially surpass our land target of €500 million by year end providing significant efficiency for our Balance Sheet and further enhancing our Return on Equity.

Anticipated strong cash generation in H2 will result in low levels of net debt at year end, and excess cash being invested in line with the Group's capital allocation policy which includes net leverage guideline of 15% of net assets.

Speaking today, Stephen Garvey, CEO, said:

"We're continuing to grow and scale our business successfully, while innovating and investing in sustainable manufacturing technology that will deliver the homes of the future that Ireland needs.

We’re dealing effectively with the challenges of disrupted supply chains, a volatile cost environment, and a planning system that’s contributing to the supply shortage rather than alleviating it.

I’m proud of the highly capable team we have that’s delivering to such a high standard, with a relentless focus on sustainability, supply chain integration, and a rigorous approach to the deployment of capital.

Looking ahead, while the Government’s First Home and Help to Buy schemes will provide much-needed support for homebuyers, they won’t be enough to solve Ireland’s accommodation crisis if planning policy and the planning system do not get the reform they need so urgently.”

Results Presentation

A conference call for analysts and investors will take place at 8.30am (GMT) on the same morning to present the financial and operational results followed by a Q&A session.

Dial in details as follows:

- Ireland +353 (0) 1 553 0196 / UK +44 (0) 33 0551 0202 / USA +1 646 843 4609;
- Conference PIN 4900284# followed by *0;
- **Click here 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 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 and a number of urban apartment transactions in 2022. 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 €200.0 million (2021: €127.5 million), relating to the completion of 257 suburban units (2021: 197) in the period and the significant monetisation of Urban assets.

b. Suburban

Glenveagh generated €88.9 million (2021: €58.7 million) of suburban revenue, an increase of 51% on the same period last year. Revenue was predominantly generated from the completion of 257 units (2021: 197 units), a 31% increase.

Of the 1,400 unit target for 2022, all units are now closed or in contract. These deliveries will come from 16 suburban sites (2021: 13 suburban sites), which provides an average site delivery of 87 units (2021: 69 units). A number of sites are now delivering over 100 units per annum due to the multiple exit strategies open to the business, such as the private market, the Local Authorities, the Approved Housing Bodies and also the Government's Housing for All initiatives such as Cost Rental and the First Home Scheme. This higher delivery strategy allows the business to improve the cadence of getting sites operational, generating profits quicker and ultimately, improving our Return of Equity.

The First Home Scheme, which provides up to 30% of the price of the home in Government funding, has been operational since July 2022 and is designed to bridge the gap between what a first time buyer can borrow under the Central Bank of Ireland's macroprudential rules and the price of the home. This initiative is an important element of the Government's Housing for All plan and improves the ability of first time buyers to purchase a home and therefore creates a larger pool of customers for the business.

The Group's current number of closed units and forward order book in the suburban business consists of 1,831 units (€588.1 million). This positive performance can be seen in the average weekly private reservation rate of 1.5 units per site for H1, which is a 25% improvement versus H1 2021.

This improved weekly reservation rate is evidence of the underlying strength of the private residential market which is supported by a resilient domestic economy, record low unemployment, wage growth and a number of Government initiatives, including the aforementioned First Home Scheme. The customer demand is further strengthened by the continued undersupply of high-quality, affordable housing in Ireland.

c. Urban

The Group made significant progress in the monetisation of our urban assets with over €310 million of total revenue across four projects signed to date in 2022.

The Group sold its high-rise apartment site at East Road in Dublin's Dockland's for a cash consideration of approximately €63 million. The East Road site was purchased by Glenveagh in 2017 and following extensive master planning, design and place making the site consisted of 554 residential units with ancillary commercial space.

The sale of the East Road site brings the total revenue generated from the Dublin Docklands to over €210 million. Part of this revenue relates to the forward fund of the Premier Inn hotel with Union Investments, completed in 2021 for €70 million, which continues to deliver revenue and profits in line with the construction progress on site. This project delivered approximately €12 million in the period. The remaining asset in the Docklands portfolio is the office development which is being constructed in conjunction with the Premier Inn hotel and will be sold in 2024 at completion.

In May, the Group closed the forward fund transaction for 320 apartments in Barn Oaks, Citywest, Dublin for approximately €100 million. This site is under construction and delivered a land sale and development revenue in H1 of approximately €33 million.

In September, the Group has signed a forward fund transaction for 192 apartments in Castleknock, Dublin for approximately €80 million. The transaction is subject to a number of closing conditions and we expect to close in the coming weeks. In line with other forward fund transactions, the land sale will be recognised in H2 along with the revenue for any construction activity completed in the period.

In September, the Group also signed a transaction to forward sell our development in Cluain Mhuire, Blackrock, Dublin of 140 residential units (incl. Part V) for approximately €70 million. This is somewhat different to the Group's forward fund strategy in the Urban division but given its scale, it is believed that a forward sale is the most effective exit strategy for the business. As this transaction is a forward sale, all revenue and profits will be recognised at completion, which is currently forecasted for 2024.

Construction has begun in the period on the 33 units at Marina Village, Greystones which were forward sold for approximately €17 million. These units will complete in 2024 with revenue and profits recognised at that point.

Following the strong progress in the Urban business to date, the urban assets now consist of 12.8% of our overall land investment and the focus for the Urban business is now on delivering the five executed transactions for our institutional customers. Given the limited capital remaining in our urban land portfolio, the Group has the flexibility to assess the urban market and only invest further capital when a favourable market opportunity arises.

The continued monetisation of the urban land portfolio has contributed significantly to improving the Group's Return on Equity, provided excess capital for our shareholder returns and gives management confidence of reaching our 15% Return on Equity target in 2024.

d. Partnerships

The Group is making strong progress in the Partnerships business and, as expected, planning will be lodged for both Oscar Traynor Road and Ballymastone in H2. We would expect to receive a final planning decision by Q3 2023 and, as previously indicated, we will start construction immediately once planning approval is granted. This timeline supports our guidance that the Partnership business will generate revenue and profits from 2024.

ii. Navigating A Significant Inflationary Environment

The construction sector has seen significant increased material costs over the past 12 months due to a range of issues including continuing supply chain constraints, commodity price increases, the impacts of escalating energy costs and fuel cost inflation in relation to transportation.

In line with the sector, the Group has had to incur the majority of these increased costs and we continue to work collaboratively with our supply chain partners to secure sustainable, competitive pricing, while maintaining the security of supply. The materials element of our cost base has seen in excess of 10% cost price inflation in H1, and due to recent supply chain and gas price announcements, we expect the second half of the year to remain challenging both from a cost and supply of materials perspective.

Our strategy of supply chain integration has allowed the business to mitigate an element of inflation by utilising our timber frame and soil recovery facilities, which the business has invested in over recent years. As the business continues to increase unit deliveries, the scale and purchasing power of the Group is becoming more significant and our ability to negotiate strong terms with both domestic and international suppliers has allowed us to purchase more competitively than the wider market.

The labour element of our cost base has seen more muted increases in the period as we have seen encouraging labour availability as we open new construction site. This is due to a number of factors including the end of all Covid unemployment schemes and the slowdown in the one-off housing and renovation markets due to the significant cost inflation. The Group has also seen the benefits of a number of recruitment and training initiatives which ensure we continue to attract and retain a high performing workforce.

Overall, our scale advantages, our long-term commitment to local supply chain partners and our manufacturing capabilities, has allowed us to manage our overall cost price inflation to approximately 8%-9%. With current levels of house price inflation in the new homes market, we expect the overall impact on margin to be broadly neutral.

iii. Innovation and Supply Chain Integration

The Group has made significant improvements to its supply chain in 2022, which will benefit the long-term ambitions of the business.

The Group continues to invest in its timber frame manufacturing capabilities and completed the acquisition of Harmony Timber Solutions Limited ("Harmony"), a Wicklow-based timber frame manufacturer. Harmony employs over 50 people and operates from a purpose-built state-of-the art facility capable of producing 450 high-quality timber frames per year. The Harmony management team will remain with the business and will take additional responsibility for accelerating production at Glenveagh's planned facility in Carlow.

In addition to the business's integration of timber frame supply, it also entered into a supply agreement with a Light Gauge Steel ('LGS') manufacturer in the period. This agreement will allow both parties to work together in our new Carlow facility to deliver a steel frame panelised system and to deliver Glenveagh's own NSAI certification to produce enhanced panelised systems in the future.

The Group has now made a considerable investment in its supply chain, including new construction methodologies, but the significant financial and operational benefits from these investments will be seen in future years. The focus for the business is now the integration and value maximisation of these investments and, in particular, focussing on incorporating our high-density and standardised house type into our manufacturing process.

Our manufacturing capabilities also allow the Group to further align itself with our sustainability pillars while also guaranteeing 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.

iv. Development Land Portfolio Management

Given the Group's strong land portfolio, the business continues to take a disciplined and strategic approach to land acquisitions. The Group has added four new sites in the year to date for total consideration of €15.7 million (excl. taxes and fees) and these sites will deliver a total of 475 units over the coming years. The Group continues to prioritise sites with existing planning permission and consistent with that strategy, three of these sites have existing planning permission for 334 units.

In addition to the four new sites acquired, the Group continues to prioritise structured land transactions and has a number of “subject to planning” deals ongoing. These structured transactions are evidence of the more maturing nature of the Irish land market.

A key strategic priority for the business has been to reduce the net investment in land and improve Balance Sheet efficiency and, in line with this priority, the Group’s land portfolio was €513.0 million at 30 June 2022, a reduction of €50 million since 31 December 2021. Subsequently, the Group has monetised further assets, particularly in the urban business, and the current land portfolio is approximately €490 million. The current land portfolio is approximately 15,300 units, giving an average plot cost of €32k.

v. Planning progress and policy

The Group has performed strongly during the period in what is a challenging planning environment. The Group obtained a final grant of planning permission for 305 units across six sites over the first half of the year. In addition, the Group also received initial planning decisions from Local Authorities on 905 units

The current planning system and the delays experienced in getting timely decisions from An Bord Pleanála (“ABP”) has directly impacted on the business. The Group has planning permission for 80% of its expected deliveries in 2023 and is awaiting a decision from ABP on the remaining 20%, which is expected to be received in Q4 2022.

The SHD planning process has now been replaced by the Large-Scale Residential Development (LRD) process and operates similar to the SHD process in dealing with larger applications. Whilst the LRD process is still in its embryonic phase, the Group has already lodged one application and is advancing a number of other projects through the system.

Overall, the Group currently has over 5,000 units with full planning permission in place and has lodged further planning applications for 375 units in H1 with approximately 3,500 units to be lodged in the second half of the year. The Group continues to create a more active land portfolio to support the continued growth and the opening of new sites.

vi. Sustainability Agenda Progress

The Group continues to make progress on its sustainability agenda, embedding it throughout the business. We have established strong governance structures to lead our ambitious plans in this area with an Environmental and Social Responsibility Committee (the "Committee") in place at Board level. Management also reports to the Board on Sustainability on a quarterly basis, recognising the importance of this agenda.

Throughout H1, we have been working on developing our Net Zero pathway which we will publish later this year. We have measured and published our scope 1, 2 and 3 emissions and we are currently prioritising the opportunities to reduce these in line with climate science.

We carried out a comprehensive stakeholder engagement over H1 to understand which sustainability issues are most important. We are using the output of this exercise to inform our strategy and the details of this will be provided at the time of our full-year results.

We have joined a number of industry and cross-sectoral working groups and membership bodies to collaboratively work on addressing sustainability challenges – these include the Irish Green Building Council, Business in the Community Ireland and the Build Digital Project.

During H1, we successfully completed the annual surveillance audits on the two certifications which we received last year - 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 are also on course to achieve ISO 9001 (Quality) during 2022.

Our current ESG ratings are: MSCI (AA), Sustainalytics ('Low-risk') and CDP (A-). These display strong progress on our sustainability agenda, and we continue to engage with ESG ratings agencies.

2. FINANCIAL REVIEW

i. Strong trading

Total revenue for the period was €200.0 million (H1 2021: €127.5 million). The strong performance for the first half of the year is reflected in both the suburban and urban divisions:

- €88.9 million (H1 2021: €58.7) in Suburban, an increase of 51%
- €111.1 million (H1 2021: €68.8) in Urban, an increase of 61%

The Group's suburban revenue came predominantly from the 257 completions (H1 2021: 197 units), which is a 31% increase on the same period last year. The suburban Average Selling Price ("ASP") for the period was €332k (H1 2021: €298k), with the increase driven by both the change in product and site mix and House Price Inflation in the period. The suburban ASP for the full year is expected to decrease to approximately €320k as the product mix for the full year is more reflective of our wider more affordable product.

The remaining revenue relates to a non-core suburban site which was sold by the Group for €2.6 million in the period.

The Urban revenue was predominantly generated from three transactions:

- the disposal of the East Road site for approximately €63 million,
- the forward fund transaction at our Citywest site of approximately €33 million
- the continuation of our Premier Inn construction for approximately €12 million.

The Group achieved a gross profit of €32.9 million (H1 2021: €21.4 million) for the period, giving an overall gross margin of 16.5%.

The suburban gross margin for the business is 17.3% (H1 2021: 16.2%), with an expectation for further margin progression for the full year. Annual suburban margin progression remains a key focus and target for the business despite the obvious headwinds coming from the current cost environment.

The urban gross margin is 15.8% (H1 2021: 17.3%), which is slightly higher than our guidance of 15%. The urban margin will moderate back towards 15% for the full year.

The Group's central costs are €15.9 million (H1 2021: €13.6 million), with an additional €1.0 million of depreciation and amortisation giving total administrative costs of €16.9 million (H1 2021: €14.8 million). The full year expectation for central costs remains at €33 million, with an additional €3 million for depreciation and amortisation.

The increased finance expense of €3.0 million (H1 2021: €2.2 million) in the period is reflective of the increased net debt levels in the period.

The Group's profit before tax is €13.0 million (H1 2021: €4.3 million), a 202% increase period on period. This translated into an EPS of 1.32 cent (H1 2021: 0.30 cent) for the period, an increase of 340%. As well as the improved profitability, EPS is also impacted by the reduced share count due to the Group's continuing share buyback programmes. The Group remain confident of the full year EPS guidance of 7.5 cent to 8.5 cent.

ii. Robust Balance Sheet

The Group continued its focus on capital efficiency and reduced total equity to €707.2 million (31 December 2021: €784.1 million), a reduction of approximately 10% in the six month period.

This was achieved through an ongoing reduction in our net investment in land, a more efficient use of our debt facilities and the continuation of share buyback programmes as the preferred method of returning value to shareholders.

Land on 30 June is €513.0 million (December 2021: €562.7 million), a reduction of €49.7 million (8.8%). The Group was strategic and selective in its land investment in the first half of the year with €15.7 million invested across four development sites. This relatively modest investment in new sites reflects the maturing nature of the landbank and the continued commitment to reducing the net investment in land in the longer term.

Subsequent to period end, the Group monetised further assets, particularly in the urban business, and the current land portfolio is approximately €490 million. Given the level of asset monetisation year to date, the Group has strong visibility that it will materially surpass our land target of €500 million by year end providing significant efficiency for our Balance Sheet and further enhancing our Return on Equity.

Our Work In Progress ("WIP") on 30 June is €291.9 million (December 2021: €204.5 million) which predominantly relates to our 23 active construction sites. In line with expectation and previous years, our WIP investment for the year peaks at 30 June and puts the business in a very strong position to close units in the second half of 2022. Having regard to this investment, our work in progress per site will unwind in H2 2022 as the remaining units complete.

The Group's net debt position on 30 June was €97.5 million (31 December 2021: Net cash of €20.8 million) and this is reflective of the significant investment in work in progress and the Group's commitment to utilise excess cash in a more capital efficient manner.

The Group completed the second share buyback programme with €77.9 million invested in H1 to repurchase 64.9 million shares and also initiated a third share buyback programme with a further €9.6 million invested in H1 to repurchase 10.2 million shares. Under the current programme, the Group has deployed approximately €25 million to date, leaving approximately €50 million to complete.

At the completion of the current share buyback programme, the Group will have returned over €260 million to shareholders since May 2021 will also assess its ongoing capital requirements, in line with its stated capital allocation policy. Given the strong cash generation expected by the business for the remainder of the year, further shareholder returns are likely at that point.

Ends

Statement of Directors' responsibilities in respect of the condensed consolidated interim financial statements for the half year ended 30 June 2022

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

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

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

We confirm that to the best of our knowledge:

(1) The condensed set of consolidated financial statements included within the half-yearly financial report of Glenveagh Properties PLC for the six months ended 30 June 2022 ("the interim financial information") which comprises the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland.
(2) The interim financial information presented, as required by the Transparency Directive, includes:
   a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
   b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year
   c. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
   d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

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

On behalf of the Board

Stephen Garvey
Director

Michael Rice
Director

13 September 2022

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

Conclusion

We have been engaged by the Entity to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as adopted by the EU and the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Central Bank (Investment Market Conduct) Rules 2019 ("Transparency Rules of the Central Bank of Ireland).

Basis for conclusion

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

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

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

Conclusions relating to going concern

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

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

Directors' responsibilities

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

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

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

Directors' responsibilities *(continued)*

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

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

Our responsibility

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

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

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

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

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

13 September 2022

Glenveagh Properties PLC

Condensed consolidated statement of profit or loss and other comprehensive income
for the six months ended 30 June 2022

	Note	**30 June 2022 €'000**	**30 June 2021 €'000**
Revenue	*8*	**200,007**	127,509
Cost of sales		**(167,143)**	(110,371)
Impairment reversal	*11*	**-**	4,219
Gross profit		**32,864**	21,357
Administrative expenses		**(16,871)**	(14,799)
Operating profit		**15,993**	6,558
Finance expense		**(3,037)**	(2,224)
Profit before tax		**12,956**	4,334
Income tax	*10*	**(3,385)**	(1,719)
Profit after tax		**9,571**	2,615
Other comprehensive income		**-**	-
Total comprehensive profit for the period attributable of the owners of the Company		**9,571**	2,615
Basic earnings per share (cents)		**1.32**	0.30
Diluted earnings per share (cents)		**1.31**	0.30

Glenveagh Properties PLC
Condensed consolidated balance sheet
as at 30 June 2022

	Note	**30 June 2022 €'000**	**31 December 2021 €'000**
Assets			
Non-current assets			
Property, plant and equipment	*12*	**38,837**	27,230
Intangible assets		**1,300**	1,214
Deferred tax asset	*10*	**525**	403
Restricted cash		**-**	25,000
		40,662	53,847
Current assets			
Inventory	*11*	**804,974**	767,194
Trade and other receivables		**40,708**	32,380
Restricted cash		**458**	458
Cash and cash equivalents		**107,905**	116,176
		954,045	916,208
Total assets		**994,707**	970,055
Equity			
Share capital	*13*	**879**	952
Share premium	*13*	**179,310**	179,310
Undenominated capital	*13*	**173**	100
Retained earnings		**480,562**	558,468
Share-based payment reserve		**46,226**	45,251
Total equity		**707,150**	784,081
Liabilities			
Non-current liabilities			
Loans and borrowings	*14*	**195,922**	80,622
Lease liabilities		**9**	81
		195,931	80,703
Current liabilities			
Trade and other payables		**74,710**	57,488
Income tax payable		**7,031**	7,692
Loans and borrowings	*14*	**9,727**	39,625
Lease liabilities		**158**	466
		91,626	105,271
Total liabilities		**287,557**	185,974
Total liabilities and equity		**994,707**	970,055

Glenveagh Properties PLC

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2022

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

* Includes €1,310 of share options exercised in the six month period ended 30 June 2022

Glenveagh Properties PLC
Condensed consolidated statement of changes in equity
for the six months ended 30 June 2021

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

Glenveagh Properties PLC

Condensed consolidated statement of cash flows

for the six months ended 30 June 2022

	Note	**30 June 2022 €'000**	**30 June 2021 €'000**
Cash flows from operating activities			
Profit for the period		**9,571**	2,615
Adjustments for:			
Depreciation and amortisation		**1,018**	1,209
Impairment of inventories reversal	*11*	**-**	(4,219)
Finance costs		**3,037**	2,224
(Profit) / loss on sale of property, plant and equipment		**(38)**	1,650
Equity-settled share-based payment expense	*9*	**975**	635
Tax expense	*10*	**3,385**	1,719
		17,948	5,833
Changes in:			
Inventories		**(36,895)**	(54,848)
Trade and other receivables		**(8,328)**	204
Trade and other payables		**16,552**	(1,420)
Cash used in operating activities		**(10,723)**	(50,231)
Interest paid		**(2,625)**	(1,733)
Tax paid		**(4,167)**	-
Net cash used in operating activities		**(17,515)**	(51,964)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*12*	**(12,995)**	(1,094)
Acquisition of intangible assets		**(357)**	(298)
Transfer from / (to) restricted cash	*15*	**25,000**	(25,000)
Proceeds from the sale of property, plant and equipment		**9**	1
Net cash from / (used in) investing activities		**11,657**	(26,391)
Cash flows from financing activities			
Proceeds from borrowings		**90,000**	100,000
Repayment of loans and borrowings		**(5,000)**	(102,500)
Transaction costs related to loans and borrowings		**-**	(2,903)
Purchase of own shares		**(87,029)**	(15,699)
Payment of lease liabilities		**(384)**	(543)
Net cash used in financing activities		**(2,413)**	(21,645)
Net decrease in cash and cash equivalents in the period		**(8,271)**	(100,000)
Cash and cash equivalents at the beginning of the period		**116,176**	137,276
Cash and cash equivalents at the end of the period		**107,905**	37,276

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, W23 W5X7. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and cover the six month period ended 30 June 2022 ("the period"). The Group's principal activities are the construction and sale of residential houses and apartments for the private buyer, local authorities and institutional investors. The financial information for the six months ended 30 June 2022 does not constitute statutory financial statements as defined in the Companies Act 2014. A copy of the financial statements for the financial year ended 31 December 2021 are available on the Company's website (https://glenveagh.ie/) and will be filed with the Companies Registration Office. The auditor's report accompanying those financial statements was unqualified.

2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the financial year ended 31 December 2021 ("last annual financial statements") which have been prepared in accordance with IFRS as adopted by the EU. The interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies adopted are consistent with those of the previous accounting period.

3 Functional and presentation currency

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

4 Use of judgements and estimates

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

Critical accounting judgements

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

Key sources of estimation uncertainty

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

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

The Group holds inventories stated at the lower of cost and net realisable value. Such inventories include land and development rights, work-in-progress and completed units. 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

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)

development costs between units being built and/or completed in the current year and those for future years. It also has to forecast the costs to complete on such developments. These estimates impact management's assessment of the net realisable value of the Group's inventory balance and also determine the extent of profit or loss that should be recognised in respect of each development in each reporting period.

In making such assessments and allocations, there is a degree of inherent estimation uncertainty. The Group has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made. These assessments and allocations evolve over the life of the development in line with the risk profile, and accordingly the margin recognised reflects these evolving assessments, particularly in relation to the Group's long-term developments. The impact of sustainability and other macroeconomic factors have been considered in the Group's assessment of the carrying value of its inventories at 30 June 2022, particularly with regard to the potential implications for future selling prices, development expenditure and construction programming. Management has considered a number of scenarios on each of its active developments and the consequential impact on future profitability based on current facts and circumstances together with any implications for future projects in undertaking its net realisable value calculations.

5 New significant accounting policies

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

There have been no changes to significant accounting policies during the period to 30 June 2022.

6 Going concern

The Group has recorded a profit before tax of €12.9 million *(2021: €4.3 million which included a non-cash impairment reversal of €4.2 million relating to the Group's inventory balance)*. The Group has an unrestricted cash balance of €82.9 million *(31 December 2021: €116.2 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 €30.0 million *(31 December 2021: €120.0 million)*.

Management has prepared a detailed cash flow forecast in order to assess the Group's ability to continue as a going concern for at least a period of twelve months from the signing of these financial statements. The preparation of this forecast considered the principal risks facing the Group, including those risks that could threaten the Group's business model, future performance, solvency or liquidity over the forecast period.

The Group is forecasting compliance with all covenant requirements under the current facilities including the interest cover covenant which is based on earnings before interest, tax, depreciation and amortisation (EBITDA) excluding any non-cash impairment charges or reversals. 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.

6 Going concern *(continued)*

The Directors confirm that they believe the Group has the appropriate working capital management strategy, operational flexibility and resources in place to continue in operational existence for the foreseeable future and has accordingly prepared the condensed consolidated interim financial statements on a going concern basis.

7 Segmental information

Segmental financial results

	30 June 2022 €'000	**30 June 2021 €'000**
Revenue		
Suburban	**88,946**	58,747
Urban	**111,061**	68,762
Partnerships	**-**	-
Revenue for reportable segments	**200,007**	127,509

	30 June 2022 €'000	**30 June 2021 €'000**
Operating profit / (loss)		
Suburban	**9,327**	4,177
Urban	**16,776**	10,920
Partnerships	**(581)**	(457)
Operating profit for reportable segments	**25,522**	14,640
Reconciliation to results for the period		
Segment results – operating profit	**25,522**	14,640
Finance expense	**(3,037)**	(2,224)
Directors' remuneration	**(1,208)**	(1,082)
Corporate function payroll costs	**(2,523)**	(1,768)
Depreciation and amortisation	**(1,018)**	(1,209)
Professional fees	**(2,129)**	(721)
Share-based payment expense	**(975)**	(635)
Profit / (loss) on sale of property, plant and equipment	**38**	(1,650)
Other corporate costs	**(1,714)**	(1,017)
Profit before tax	**12,956**	4,334

7 Segmental information *(continued)*

Segment assets and liabilities

	30 June 2022				31 December 2021			
	Suburban €'000	**Urban €'000**	**Partnerships €'000**	**Total €'000**	**Suburban €'000**	**Urban €'000**	**Partnerships €'000**	**Total €'000**
Segment assets	**698,474**	**142,476**	**4,576**	**845,526**	613,168	183,848	2,519	799,535
Reconciliation to Consolidated Balance Sheet								
Deferred tax asset				**525**				403
Trade and other receivables				**614**				497
Restricted cash				**25,000**				25,000
Cash and cash equivalents				**82,905**				116,176
Property, plant and equipment				**38,837**				27,230
Intangible assets				**1,300**				1,214
				994,707				970,055
Segment liabilities	**46,590**	**13,263**	**-**	**59,853**	-	-	-	-
Reconciliation to Consolidated Balance Sheet								
Trade and other payables				**14,857**				57,488
Loans and Borrowings				**205,649**				120,247
Lease liabilities				**167**				547
Income tax payable				**7,031**				7,692
				287,557				185,974

8 Revenue

	30 June 2022 €'000	30 June 2021 €'000
Suburban		
Core	**86,336**	58,747
Non-core	**2,610**	-
	88,946	54,747
Urban		
Core	**109,960**	15,846
Non-core	**1,101**	52,916
	111,061	68,762
Total Revenue	**200,007**	127,509

As in the prior year, the Group expects significantly more closing activity (and consequently increased revenue) in the second half of the financial year as a result of the seasonality that currently exists within the Group's development cycle.

Core suburban product relates to affordable starter homes for first time buyers. Core urban product relates primarily to apartments suitable for institutional investors. Non-core suburban and urban product relates to high-end, private developments and sites.

Urban core revenue includes income from the sale of land and development revenue from construction contracts that are recognised over time by reference to the stage of completion of the contract with the customer. Development revenue recognised in the period related to the development of the sites at Barn Oaks PRS and Castleforbes and amounted to €30.5 million *(30 June 2021: €Nil)* with €15.4 million *(2021: €Nil)* outstanding in contract receivables at the year end. The payment terms for these contracts are 30 and 90 days.

9 Share-based payment arrangements

(a) Description and reconciliation of options outstanding

	Number of Options 2022	Number of Options 2021
LTIP options in issue at 1 January	**10,583,334**	7,675,456
Granted during the period	**4,568,698**	3,998,475
Forfeited during the period	**(163)**	(449,262)
Lapsed during the period	**-**	(201,508)
Exercised during the period	**(1,309,820)**	-
LTIP options in issue at 30 June	**13,842,049**	11,023,161

SAYE – reconciliation of options outstanding

	Number of Options 2022	Number of Options 2021
SAYE in issue at 1 January	**964,740**	1,214,040
Cancelled during the period	**-**	(81,000)
SAYE options in issue at 30 June	**964,740**	1,133,040

(b) Measurement of fair values

The EPS and ROE related performance conditions are non-market conditions and do not impact the fair value of the EPS or ROE based awards at grant date which is equivalent to the share price at grant date.

The fair value of the TSR-based LTIP options granted in prior periods was measured using a Monte Carlo simulation. There is no TSR linked performance condition for options granted in the period and therefore no fair value exercise was performed. Service and non-market conditions attached to the arrangements were not taken into account when measuring fair value of options granted in prior periods.

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

	2022	2021
Fair value at grant date	**€1.16**	€0.49
Share price at grant date	**N/A**	€0.91
Valuation methodology	**N/A**	Monte Carlo
Exercise price	**N/A**	€0.001
Expected volatility	**N/A**	36.1%
Expected life	**N/A**	3 years
Expected dividend yield	**N/A**	0%
Risk free rate	**N/A**	-0.7%

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

9 Share-based payment arrangements *(continued)*

(b) Measurement of fair values *(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.

(c) Expense recognised in profit or loss

The Group recognised an expense of €1.0 million (*2021: €0.6* million) in the consolidated statement of profit or loss in respect of options granted under the LTIP and SAYE arrangements.

10 Income tax

	30 June 2022 €'000	**30 June 2021 €'000**
Current tax charge for the period	**3,507**	818
Deferred tax (credit) / charge for the period	**(122)**	901
Total income tax charge / (credit)	**3,385**	1,719

Movement in deferred tax balances	**Balance at 1 January 2022 €'000**	**Recognised in the period €'000**	**Balance at 30 June 2022 €'000**
Expenses deductible in future periods	**403**	**122**	**525**

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

Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at a global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development ("OCED") released a draft legislative framework that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax.

11 Inventory

	30 June 2022 €'000	31 December 2021 €'000
Land	**499,796**	548,728
Development expenditure work in progress	**291,947**	204,458
Development rights	**13,231**	14,008
	804,974	767,194

(i) Impairment of inventories

The Group carried out a net realisable value assessment of its inventories at the reporting date. This assessment determined that the net impairment charge or reversal required for the period was €Nil.

In the prior financial period, the Group's net realisable value assessment resulted in an impairment reversal of €4.2 million for the year at our previously impaired non-core active sites. The impairment reversal was 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.

(ii) Employment cost capitalised

€6.7 million of employment costs incurred in the period have been capitalised in inventory *(June 2021: €5.8 million).*

12 Property, plant and equipment

During the period, the Group recognised total additions to property, plant and equipment of €13.3 million *(six months ended 30 June 2021: €1.3 million)* which included expenditure on land and buildings of €9.0 million *(six months ended 30 June 2021: €0.1 million)*, with €4.3 million *(six months ended 30 June 2021: €1.2 million)* invested in plant and machinery, fixtures and fittings and computer equipment. Depreciation recognised in the period was €1.9 million *(six months ended 30 June 2021: €1.5 million)*.

No new lease agreements commenced during the period *(six months ended 30 June 2021: €0.1 million)*.

13 Share capital and share premium

(a) Authorised share capital

As at 30 June 2022 and 31 December 2021	**Number of shares**	**€'000**
Ordinary shares of €0.001 each	1,000,000,000	1,000
Founder shares of €0.001 each	200,000,000	200
Deferred shares of €0.001 each	200,000,000	200
	1,400,000,000	**1,400**

13 Share capital and share premium *(continued)*

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

As at 30 June 2022	**Number of shares**	**Share capital €'000**	**Share premium €'000**
Ordinary shares of €0.001 each	698,001,965	698	179,310
Founder shares of €0.001 each	181,006,838	181	-
	879,008,803	**879**	**179,310**

As 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**

On 16 November 2021, the Group announced a second share buyback programme, which completed on 28 April 2022. The total number of shares purchased was 92,950,510 at a total cost of €111.0 million. The total number of shares purchased in the period 1 January to 28 April 2022 was 64,929,549 at a total cost of €77.9m. All repurchased shares were cancelled in accordance with the share buyback programme.

On 1 June 2022, a third share buyback programme commenced up to a further €75.0 million. As at 30 June 2022 the total number of shares purchased under the third buyback programme was 10,149,000 at a total cost of €9.6 million. All repurchased shares were cancelled in the period to 30 June 2022. The programme may continue until 31 May 2023.

In the prior period, 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, which 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.

14 Loans and Borrowings

(a) Loans and borrowings

The Group is party to a 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%. €207.5 million had been drawn on the debt facility *(31 December 2021: €122.5 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. The assets carrying value at the end of the period is €703.4 million *(31 December 2021: €783.2 million)*.

	30 June 2022 €'000	**31 December 2021 €'000**
Debt facilities	**207,500**	122,500
Unamortised transaction costs	**(2,177)**	(2,476)
Interest accrued	**326**	223
Total loans and borrowings	**205,649**	120,247

Loans and borrowings are payable as follows:	**30 June 2022 €'000**	**31 December 2021 €'000**
Less than one year	**9,727**	39,625
Between one and two years	**9,401**	9,401
More than two years	**186,521**	71,221
Total loans and borrowings	**205,649**	120,247

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

- A maximum net debt to net assets ratio of 25%;
- Loans to eligible assets value does not exceed 65%;
- The Group is required to maintain a minimum cash balance of €25.0 million throughout the term of the debt facility, from 31 March 2024 this will increase to €50.0 million; and
- EBITDA must exceed net interest costs by a minimum of 3 times and is calculated on a trailing twelve-month basis.

(b) Net funds reconciliation

	30 June 2022 €'000	**31 December 2021 €'000**
Restricted cash	**458**	25,458
Cash and cash equivalents	**107,905**	116,176
Loans and borrowings	**(205,649)**	(120,247)
Lease liabilities	**(167)**	(547)
Total net (debt) / funds	**(97,453)**	20,840

15 Financial instruments and financial risk management

(a) Accounting classification and fair value

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

	Carrying Amount Financial assets at amortised cost	
	30 June 2022 €'000	**31 December 2021 €'000**
Financial assets not measured at fair value		
Trade receivables	**8,130**	6,549
Amounts recoverable on construction contracts	**15,415**	3,825
Other receivables	**1,624**	2,172
Construction bonds	**11,251**	10,012
Deposits for sites	**3,219**	9,124
Cash and cash equivalents	**107,905**	116,176
Restricted cash (current)	**458**	458
Restricted cash (non-current)	**-**	25,000
Total financial assets	**148,002**	173,316

Cash and cash equivalents are short-term deposits.

	Carrying amount Other financial liabilities	
	30 June 2022 €'000	**31 December 2021 €'000**
Financial liabilities not measured at fair value		
Trade payables	**12,507**	6,202
Lease liabilities	**167**	547
Inventory accruals	**35,501**	20,069
Other accruals	**11,796**	13,238
Loans and borrowings	**205,649**	120,247
Total financial liabilities	**265,620**	160,303

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

16 Commitments and contingent liabilities

Hollystown Golf and Leisure Limited (“HGL”)

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

Contracted acquisitions

At 30 June 2022, the Group had contracted to acquire three development sites; one in County Meath, one in County Kildare and one in County Louth for an aggregate consideration of approximately €25.8 million (excluding stamp duty and legal fees). Deposits totalling €2.6 million were paid pre-period end and are included within trade and other receivables at 30 June 2022.

17 Subsequent events

On 12 September 2022, the number of shares repurchased in the third share buyback programme had reached 24,331,789 shares for a cost of €24.5 million. All repurchased shares were cancelled.

On 31 August 2022, the Group acquired Harmony Timber Solutions Limited.

18 Approved financial statements

The Directors approved the condensed consolidated interim financial statements on 13 September 2022.