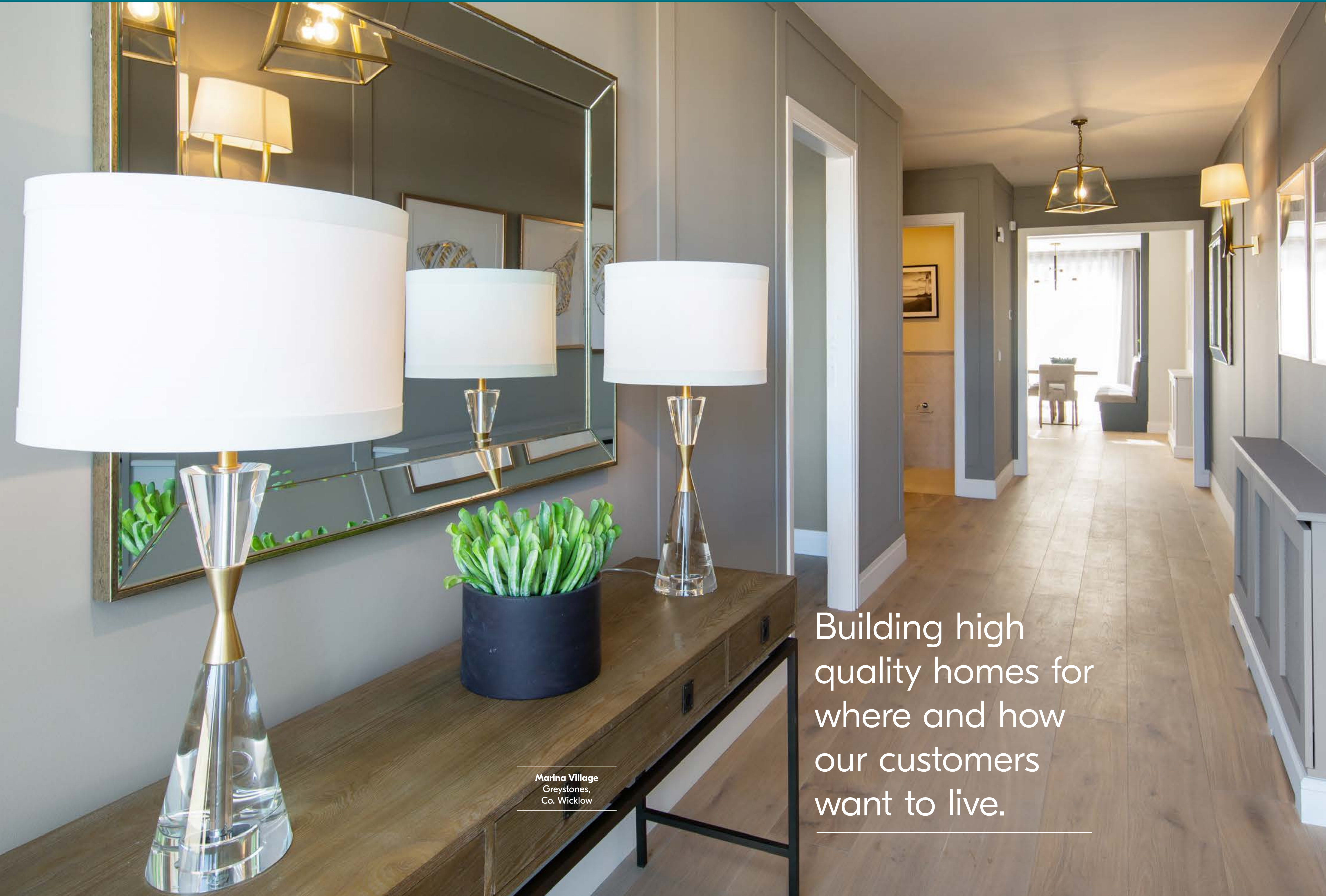
Annual Report & Accounts 2020

Glenveagh

Home of the new.



Marina Village
Greystones,
Co. Wicklow

Building high quality homes for where and how our customers want to live.

Silver Banks
Stamullen, Co. Meath

CONTENTS

Silver Banks
Stamullen, Co. Meath

Cluain Adain
Clonmagadden, Navan

ACCESS

We are giving more people the opportunity of owning their own new home — Building where they want to live and at a price that is more affordable.

QUALITY

We do not compromise on quality. We build homes that last, are energy efficient, and are designed for the way that people live today.

INNOVATION

We achieve quality and greater accessibility to new homes by relentlessly innovating the way we plan, design and build. We bring new ideas home.

GLENVEAGH AT A GLANCE

Financials 2020

€232.3m
Revenue

14.1%
Core gross margin %

€36.0m
Net cash at 31 December

€29.8m
Underlying Gross Profit*

€821.2m
Inventory at 31 December

Sales Activity 2020

16
Selling sites

700
Unit completions

950
Units sold, signed or reserved**

€311K
ASP

96%
Pricing <€450k***

* Pre-asset impairment of €20.3 million in H1 2020
** At Annual Report approval date
*** Suburban portfolio at year end

Our vision is that everyone should have the opportunity to access great value, high-quality homes in flourishing communities across Ireland.

Construction 2020

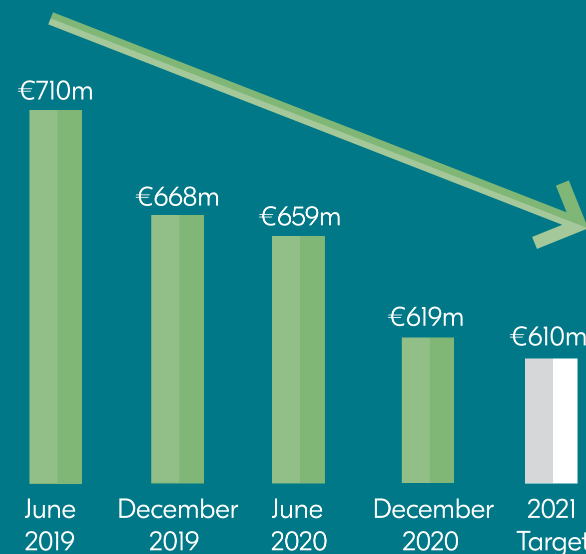
18
Active construction sites

3
Site openings

100%
Next year's deliveries from existing sites

Land Utilisation

On track to deliver greater land utilisation



On track to deliver
>€100m
reduction in landbank[(1)]

Targeting a Maximum of 5-year Landbank at Scale

Notes: (1) vs June 2019

CHAIRMAN'S LETTER

I am pleased to present our Annual Report for the year ended 31 December 2020. The Company's successful performance in 2020, despite a challenging operating environment, demonstrates that we continue to implement the right strategy and provide attractive, affordable and high-quality homes to owner occupiers, local authorities and institutional investors.

John Mulcahy
Chairman

Purpose and Culture

The Group's overarching purpose is to build a business that is synonymous with the provision of access to high quality, energy and thermal efficient homes in flourishing communities across Ireland.

The Group has positioned itself as 'Home of the New' in Irish residential development, not only in how it builds energy and thermal efficient, high quality homes but in how it selects land and partners, how it plans on land, how it fosters and embeds relationships with communities and how it utilises technology to innovate in delivering on land.

The Group has a clear vision which has resulted in the creation of the leading and most sustainable homebuilding platform in Ireland that recognises and reinforces the pivotal role played by its people in achieving its aims. To this end, the Group has developed a culture that is safety-led, customer-centred, collaborative and innovative.

Business Model Resilience Demonstrated by Strong Operational Performance

Our clear strategy to target three business areas - Suburban, Urban and Partnerships — continues to provide the best platform for targeting the deepest, and most resilient segments of the market. The benefit of this approach is demonstrated by the Group's resilient performance during 2020.

3,000

we continue to target 3,000 units per annum by 2024

Our Culture

Innovative | Customer-Centred | Safety Led | Collaborative | Can-Do | Environment

Total revenue for the year was €232.3 million (2019: €284.6 million) as the Group delivered for our customers in a pandemic dominated and demanding operational environment with 700 unit sales completed (2019: 844). Glenveagh finished the year with almost 700 units contracted or reserved for 2021 (2019: 240) providing further evidence of the strong demand and maturing sales profile within the business.

Looking ahead, we expect the market environment to remain favourable with significant owner occupier and institutional demand for housing, particularly starter homes. Government policy is supportive of increased output from individual sites by bringing a larger cohort of buyers into the system via a combination of the expanded help-to-buy scheme, shared equity and direct purchases. Reflecting confidence in our operational progress, the Group is targeting the delivery of 3,000 units per annum by 2024.

Our 3,000 unit output target and our approach to funding our development expenditure reflects the Group's continued commitment to invest in operational scale and efficiencies that maximise return on capital.

Delivering For Our People

The Board recognises the significant role the people within our Company have played in delivering our success to date. We will continue to support and develop our people through refining our culture and communicating what we value as a Company. The implementation of our culture and values extend beyond employees and include our wider subcontractor and supplier base. Glenveagh now employs over 300 staff and has a subcontractor network of more than 2,000.

The health and safety of our people is our number one priority and we work relentlessly to promote a safety-first culture to protect our people and our reputation. While Glenveagh's performance was impacted as construction sites were closed for six weeks as part of a Government enforced industry-wide lockdown as the pandemic initially took hold, we moved quickly to develop extensive health and safety protocols in line with Government and health organisations advice to ensure a safe return to work for our people when sites began to reopen in May.

As we continue to scale our operations we will retain, attract and develop the best talent. We will bring the brightest and best minds to the challenge of innovating how we develop, build and market new homes in Ireland.

Our Broader Sustainability Agenda

Our developments are designed to promote people's health, happiness, and well-being and to create flourishing communities with a sense of place and purpose.

We take our commitments to environmental and social stewardship seriously. We recognise that our developments must be affordable not only in the economic sense, but also in terms of their environmental and social impact. Our long-term 'north star' sustainability objective is to set a new benchmark in our

In the market there continues to be a long-term demand for 34,000 units per annum. We intend to be the volume operator supplying these units to the market.

Bellingsmore
Kilmartin, Dublin

sector by delivering the maximum possible social benefit at the lowest possible environmental cost.

We strive to minimise emissions, waste and resource use during construction. We design energy and thermal efficiency into our homes as standard to enable customers to minimise their own carbon footprint. We seek to make the most efficient use of land possible whilst meeting customer requirements. In line with this approach, we have established a baseline for Scope 1 and Scope 2 emissions and agreed targets for emissions reduction per unit. (See page 96).

Governance and Board Composition

The Board was deeply saddened this year by the untimely death of the Group's Senior Independent Director, Lady Barbara Judge CBE. Lady Barbara played an integral role in the growth of the Group from her appointment at IPO and on behalf of the Board, I would like to extend our deepest sympathies once again to her family and friends.

Following the passing away of Lady Barbara, the Board made a number of changes to its committee composition and announced Robert Dix as successor to the role of Senior Independent Director. Cara Ryan succeeded Robert as Chair of the Audit and Risk Committee and the Board established a Remuneration Committee and, separately, a Nomination Committee, in place of the existing Remuneration and Nomination Committee. Richard Cherry continues to serve as Chair of the Remuneration Committee, while Pat McCann assumed the role of Chair of the Nomination Committee.

A key focus for the newly established Nomination Committee has been the commencement of a process to identify a replacement independent Non-Executive Director following Lady Barbara's death. This process has been informed by the Board's completion of its first externally facilitated performance evaluation at the end of 2020 and the assessment of existing skills, experience, knowledge and diversity on the Board.

Remuneration

As we announced to the market in May 2020, a number of mitigating actions were put in place in response to the outbreak of the pandemic and enforced site closures. This included some temporary lay-offs and furlough arrangements for certain staff. Salaries for all employees were temporarily reduced, and all employer pension contributions temporarily ceased. For the Executive Directors, this resulted in a salary reduction of approximately 20%. Fees for the Non-Executive Directors were reduced by 25%. All salaries and fees were restored to their full levels on 1 September and employer pension contributions resumed. Recognising the underlying strength of the business, we have since repaid to all employees, including the Executive Directors, the salaries and pensions foregone as a result of the temporary reductions.

Executive Directors and other senior executives within the business have waived their entitlement to any 2020 annual bonus. More junior employees remained eligible for a bonus although payment depended on performance against the pre-set targets. As a result of the above factors, the remuneration of the Executive Directors is expected to be materially lower in 2020 than in 2019. We believe this approach is appropriate given the circumstances.

Engagement with Shareholders

The Board recognises the importance of effective engagement with, and active participation from, its shareholders and is committed to building and maintaining successful shareholder relationships through regular and transparent communication.

This commitment is formalised through the Group's comprehensive investor relations programme. In addition to the detailed presentations and roadshows conducted after the announcement of interim and full-year results, the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the Director of IR & Strategy regularly meet with institutional investors and analysts throughout the year and participate in a number of industry conferences.

Both Richard Cherry, Chair of the Remuneration Committee, and I have held a number of meetings with shareholders during the course of 2020 to seek their views on key issues such as executive remuneration and Group strategy. All feedback has been shared with the wider Board and has been factored into our key decision making. This will be an ongoing programme as we progress into the next financial year.

Conclusion and Outlook

In what was a challenging year for many people and businesses here in Ireland and across the world, I am particularly grateful to my fellow Board members and to all our employees across the Group for their hard work, commitment and support this year. Our business continues to grow, and we recognise that our employees are critical to our growth plans while maintaining the high standards expected of Glenveagh.

In the market there continues to be a long-term demand for 34,000 units per annum[1]. We intend to be the volume operator supplying these units to the market. The Board remains very confident about the future for your Company and the further progress 2021 and beyond will bring.

John Mulcahy
Executive Chairman

1. Central Bank of Ireland

CEO'S REVIEW

I am pleased to update you, our shareholders, on our continued strong progress at Glenveagh during 2020, where despite the challenging operating environment the Group continued to deliver for all its stakeholders:

- Developed and rolled-out a safe operating environment for our people and the communities in which we operate;
- 700 happy customers moved into a Glenveagh home;
- Our order book for 2021 of approximately 700[2] units (+192%) reflecting our attractive product offering to private, institutional and state customers;
- Contracted Private Residential Sector ("PRS") transactions in both our Suburban and Urban business units; and
- Capital employed optimised resulting in a net cash position of €36.0 million.

Stephen Garvey
Chief Executive Officer

2020 — A Year Like No Other

As we all know, 2020 was a year like no other, as best laid plans gathered dust, economic activity ground suddenly to a halt and sites across the country fell silent.

Up to that point, our production had tripled in volume. We had grown the number of site openings and we had innovated our production methods through technology. The good news is, despite this unprecedented year, we are well on our way to completing 1,150[3] homes in 2021, and 3,000 per annum by 2024.

In our third full year of trading it has been another strong performance for the Group both operationally and financially. We have navigated Covid-19 safely and prudently, optimised our capital employed by reducing our net investment in land, and grown our operations consistent with the business plan laid out at our Investor Day 2020. Albeit with some delay to deliveries as a result of Covid-19 site closures.

1,150[3]
completed homes in 2021

2. As at 31 December 2020
3. 1,000 core units, 150 non-core units. Assumes restrictions on residential construction end no later than 5 April.

Strong Sales Performance

Our resilient sales performance in a demanding operating environment resulted in revenue for the year of €232.3 million (2019: €284.6 million). At year end, almost 700 units were contracted or reserved for 2021 (2019: 240) highlighting the robust demand that exists for the Group's product offering.

The strong momentum on existing open sites carried forward from last year with net private reservation rates per active site growing again in 2020. New selling sites delivering from H2 2020 included Barnhall Meadows, Bellingsmore, Oldbridge Manor and Silver Banks where private reservations and completions have been strong.

Interest from institutional investors continues to increase across both our Urban and Suburban portfolios. Notwithstanding the strong take-up from private customers, to further drive momentum and return on capital across our active sites, deliveries for Suburban PRS are now contracted for 2021.

Validation of the Group's Strategic Direction

Aligned with our purpose of providing access to high quality, energy and thermal efficient homes in flourishing communities across Ireland, our focus remains on scaling the business to 3,000 units per annum.

Recent experience in the market has reaffirmed our belief that the Group's strategic focus on starter-homes for sale, building quality affordable PRS product in sustainable rental locations and placemaking with local authorities through partnership schemes, continues to represent the best proposition for the Irish residential market:

- Demand for starter-homes has remained strong since the onset of Covid-19 demonstrating the depth of demand and affordability in that segment of the market;
- The PRS sector is critical for alleviating the housing crisis in Ireland and has outperformed relative to other institutional asset classes highlighting the attractive characteristics of the sector, with the Group contracted on a number of transactions due for delivery in 2021;
- A key element of the Government's strategy to address the accommodation crisis is to support social and affordable housing providing further long-term opportunities for our Partnerships business beyond the Group's existing tender pipeline.

A key driver of this unit delivery for Glenveagh is a market opportunity which remains highly compelling. Population growth on top of an already high headship rate is driving a housing need and well-capitalised scale homebuilders, such as Glenveagh, are best placed to address this. The landbank we've assembled can deliver housing that is both in demand and affordable and for which we have the operations and capital structure to execute on. Going forward, we're positioned as a partner for landowners including local authorities and Government Agencies to continue to supply the market over the long-term.

Bringing Further Innovation to Our Customer Offering

We are very proud to lead the industry in Ireland in both build quality and customer service. These have been long-term commitments for us, and we strive to meet and exceed our customers' expectations. We believe that high quality homes and excellent customer service are fundamental to our ongoing success. We are building homes the nation needs, creating jobs and supporting economic growth whilst also delivering both operationally and financially for our shareholders.

This year we successfully adopted virtual operations and rolled out interactive house viewings. The Group benefitted from early efforts to make the customer experience more accessible by enhancing our digital

We believe that high quality homes and excellent customer service are fundamental to our ongoing success.

For more information on our Strategy see our Strategic Report on **page 22**

Virtual Viewings Available

offering and facilitating customers to complete their entire home buying journey remotely or in a contactless manner with our agents providing virtual assistance via video calling.

Delivering the Maximum Possible Social Benefit at the Lowest Possible Environmental Cost

Our sustainability programme accelerated in 2020 where our initial focus was on ensuring that we fully adopted and implemented the Governance, Strategy, and Risk Management processes necessary for delivering a comprehensive climate action plan.

We participated in the Climate Disclosure Project 2020 for the first time where we achieved a B-rating. Our homes are A-Rated with electric vehicle charging points and low-energy heating systems, and we run our own energy-efficient fleet vehicles. Our reporting now includes disclosures of the level expected by Task Force on Climate-related Financial Disclosures ("TCFD"), Sustainability Accounting Standards Board ("SASB") and Global Reporting Initiative ("GRI").

However, we know more is required. We are introducing a 25% Scope 1 and 2 emissions intensity reduction target by 2024 using 2019 baseline. We are also committing to implementing a Science Based Target using a 2024 baseline and are targeting Net Zero by 2050. For more details on this and our sustainability strategy please see the Sustainability Report on page 50.

Our People are Our Number One Priority

The Group has a clear vision which has resulted in the creation of the leading and most sustainable homebuilding platform in Ireland that recognises and reinforces the pivotal role played by its people in achieving its aims. To this end, the Group has developed a culture that is safety-led, customer-centred, collaborative and innovative.

Health and safety is at the heart of our operations. We are committed to maintaining the health and safety of every single person who is employed by the Group or who engages with the Group both on and off our sites. Following on from being awarded the Construction House Building Award from National Irish Safety Organisation ('NSIO') and a Grade A Safe T certification in 2019 and 2020, the Group completed the phase I pre-assessment for ISO 45001 Occupational Health and Safety Management in November 2020 with certification expected to be achieved in quarter 2 of 2021.

To ensure a safe return to work after lockdown, we have committed to ongoing investment in and monitoring of our health and safety protocols and practices for our staff, our customers and the wider community. All of this continues to be supported by a large number of our team working remotely.

The closure period on our sites facilitated supplementary online safety training delivered by our Environmental, Health, Safety and Training ("EHS&T") department to counteract our top five risks - crane safety, working at heights, scaffolding and alloy towers, plant safety and excavation safety. The Covid-19 operating procedure training was undertaken online prior to restarting construction on our sites to help all staff and sub-contractors adapt to a new way of working.

Working Closely with Our Supply Chain

We believe that housing delivery in Ireland needs to innovate if we are to meet the challenge of the under supply of new affordable homes that exists. Our own innovation initiatives have included the optimisation of our processes and finished product, in addition to adopting modern building practices, including utilising off site timber-frame and modular manufacturing systems.

To further our innovation journey, the Group continues to develop closer links with our supply chain. In 2020, the Keenan Timber Frame ("KTF") manufacturing facility backed by an open book supply agreement commenced operations in H2 2020 helping to de-risk Glenveagh's medium and long-term housing delivery targets while also allowing the Group to benefit from any savings delivered as a result of the partnership. The factory initially has the capability to deliver approximately 800 timber frame units per annum on a single shift with the option to expand this capacity in the future with limited investment.

In H2 the Group's soil recovery facility for the disposal of inert material also became operational and we expect to make more progress with our supply chain over the course of 2021.

Expedient Growth with a Highly Targeted Use of Capital

Our approach to enhancing return on capital involves growing unit numbers as expediently as possible, while investing prudently across our three distinct business segments.

We have re-shaped our investment in inventory where at the end of 2019 80% related to land, this has now reduced to 75% and is expected to reduce further. Targeting a maximum of five year landbank the Group has reduced its net investment in land by close to €100.0 million over the last 18 months. This capital has been re-deployed into working capital to facilitate the growth in unit deliveries.

> Demand for starter-homes has remained strong since the onset of Covid-19 demonstrating the depth of demand and affordability in that segment of the market.

Marina Village
Greystones,
Co. Wicklow

Given our single delivery platform, one of the welcome challenges the Group faces is where to deploy our construction resource to deliver the best return on capital for shareholders. In the near-term that is across Suburban and Urban where we're balancing the returns on offer against the requirement to both manage risk and build a sustainable business. Over the life of the plan, when Partnerships materialise, we will take the opportunity to reduce our overall land investment further and deliver our output targets in as capital light a manner as possible.

Conclusion

The fundamentals of our sector remain strong. There is a continuing chronic under-supply of housing in Ireland (both private and public) and well-capitalised scale homebuilders are best placed to address this. With a strong landbank primed for operation together with a skilled team and proven track record, Glenveagh has already earned a leading role within the Irish residential landscape.

In what has been a turbulent year, we have weathered the storm together as a team, and we emerge at year end, stronger and more determined than ever to deliver on our long-term goals. I would like to thank all who work with Glenveagh, our team and our industry partners, for all of their endeavours in an extraordinary year.

As we welcome in the new year with the promise of brighter days, we look forward to the opportunities that lie ahead and we continue, not just to build 'homes of the future' for the people of Ireland, but to build a brighter, more prosperous future, for everyone involved with Glenveagh.

Stephen Garvey
Chief Executive Officer

CFO'S REVIEW

Glenveagh's performance for the year was significantly impacted by the outbreak of Covid-19. Our construction sites were closed for a 6-week period in April and May due to a Government enforced lockdown in response to Covid-19, normally one of our most productive times of the year. During the shut-down and on re-opening, cash management was hugely important for the business with our main focus on finishing the units closest to completion to ensure quick and recurring cash generation.

Michael Rice
Chief Financial Officer

Having evaluated and quantified the impact of Covid-19 on the business, we amended the business's key financial targets impacted by the pandemic for 2020. The Group's original target of 1,000 units for 2020 was amended to 650 core units and our core gross margin target was reduced to 14% for 2020 due to longer construction programmes, increased health & safety measures and the costs of inefficiency on site due to social distancing.

Once the construction sector is through the current phase of Covid-19 restrictions and having such a strong Balance Sheet in place, the business will be in a position to quickly return to significant and industry-leading growth.

Group Performance

The total unit completions for the year were 700 units (2019: 844), with 665 units delivered by our core sites and 35 units delivered by our non-core sites.

For more information see our Financial Statements from page 147

Once the construction sector is through the current phase of Covid-19 restrictions and having such a strong Balance Sheet in place, the business will be in a position to quickly return to significant and industry-leading growth.

Total group revenue was €232.3 million (2019: €284.6 million) for the year primarily relating to unit sales of €230.9 million (2019: €280.0 million) generated from the 700 unit completions. The Group generated core revenue of €208.7 million from 665 core units, marginally ahead of our amended target of 650 units. The Average Selling Price[4] was €311k (2019: €321k) reflecting the Group's focus on Suburban starter-home schemes.

Glenveagh delivered the 665 core units from 16 selling sites and finished the year with 544[5] core units contracted or reserved for 2021 (2019: 240) providing further evidence of the strong demand and maturing sales profile within the business.

In the first half of the year, we reviewed our non-core assets, which make up less than 2% of our overall landbank, in the context of our overall strategy. We took the decision to accelerate the sale of these units and sites to maximise cash generation. This facilitated a substantial exit from our non-core units and sites within 12 months (versus more than 48 months at historic private reservation rates), delivering a net cash inflow of more than €100.0 million.

The decision to accelerate sales of our non-core, developments and sites resulted in an asset impairment charge of €20.3 million.

Of the Group's net realisation target of more than €100.0 million, €24.1 million was received in 2020 with a further €70.0 million contracted or reserved at year end for 2021.

The Group's gross profit for the year amounted to €9.5 million (2019: €51.5 million) with an overall gross margin of 4.1% (2019: 18.1%), which includes both the one-off impairment of €20.3 million as well as the disposal of non-core units.

The underlying core gross margin is 14.1% and reflects costs associated with our Covid-19 safety measures and operating protocols, in addition to negative mix effects as units at the Group's new higher margin sites were delayed due to Covid-19. A significant portion of the mix effect and the impact of increased Covid-19 costs are expected to abate from 2021.

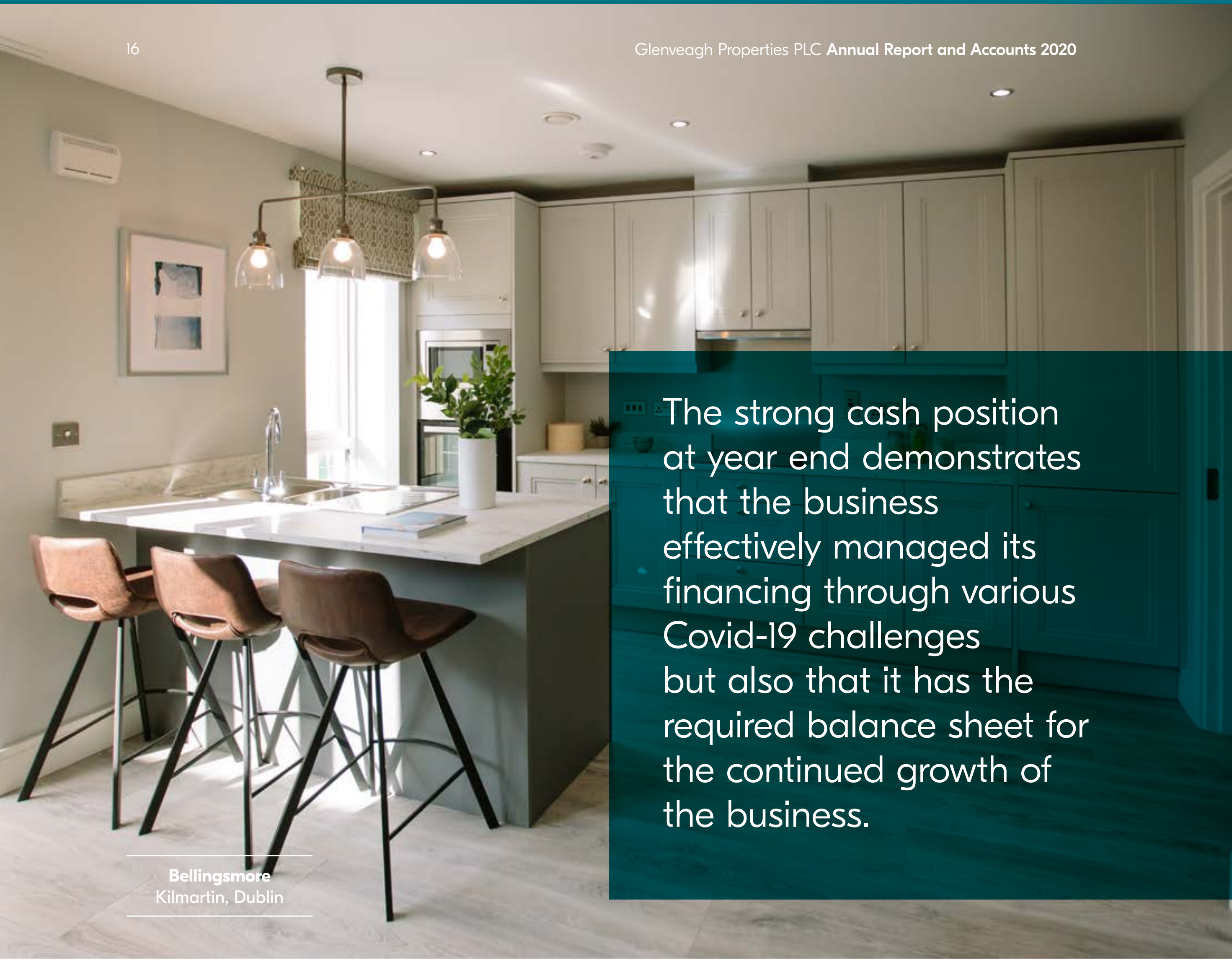
Gross margin for 2021 is expected to increase to in excess of 16.0% with continued margin progression in 2022 towards our current spot portfolio margin of 17.0%.

Our operating loss was €12.7 million (2019: profit of €29.4 million), which includes the one-off impairment of €20.3 million. The Group generated an underlying operating profit[6] of €7.6 million and an operating margin of 3.3%. The Group's central costs for the year were €20.2 million (2019: €20.7 million), which along with €2.0 million (2019: €1.4 million) of depreciation and amortisation gives total administrative expenses of €22.2 million (2019: pre-exceptional items €22.1 million).

Net finance costs for the year were €3.0 million (2019: €2.7 million), primarily reflecting interest on the drawn portion of our Revolving Credit Facility ("RCF"), commitment fees on the undrawn element of the facility and arrangement fees, which are being amortised over the life of the facility.

€232.3m	14.1%	€853.5m
Revenue	Core gross margin	Nest Assets

4. Based on core sales
5. As at 31 December 2020
6. Operating Profit excluding impairment



Bellingsmore
Kilmartin, Dublin

The strong cash position at year end demonstrates that the business effectively managed its financing through various Covid-19 challenges but also that it has the required balance sheet for the continued growth of the business.

Overall, the Group delivered a loss after tax of €13.9 million (2019: Profit of €22.8 million) and a loss per share of 1.60 cent (2019: Earnings per share of 2.62 cent).

Statement of Financial Position

The Group's net asset value has decreased to €853.5 million at 31 December 2020 (2019: €866.5 million) due to the losses incurred in the year.

The Group has decreased its land portfolio to €619.3 million (2019: €667.8 million) at 31 December with the Group showing significant progress in decreasing its net investment in land as part of its overall commitment to improve Balance Sheet efficiency.

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 €201.9 million (2019: €172.7 million).

Our non-core developments contribute €58.2 million to work in progress at 31 December and this significant balance highlights the importance of the strategy to accelerate the exit from these completed non-core sites and generate in excess of €100.0 million in cash. The Group's core work in progress is €143.7 million and spread across 18 active construction sites, which equates to an average work in progress of less than €8.0 million per site, which is in line with management's expectations for an efficient starter home development.

The Balance Sheet now reflects, the approval by the Irish High Court of the Group's application to redesignate €700.0 million of Share Premium to Retained Earnings to allow for future distributions under section 117 of the Companies Act 2014.

Cash flow

The Group had a net cash inflow in the year of €44.1 million (2019: outflow of €37.5 million).

The business generated cash inflows before changes in working capital of €10.7 million (2019: €69.6 million), which is a strong performance given the Covid-19 restrictions in place during the year. Our net inventory spend for the year was only €0.1 million (2019: €118.6 million) with a net spend of €38.8 million on work in progress and a net cash inflow of €38.9 million from land, which is in line with the Group's strategy of continued investment in work in progress and the reduction in our net investment in land.

The net cash position of €36.0 million (2019: €53.1 million) at year-end is reflective of €137.3 million of cash, €99.9 million of debt from our Revolving Credit Facility and €1.3 million of lease liabilities. This strong cash position at year end demonstrates that the business effectively managed its financing through the various Covid-19 challenges but also that it has the required balance sheet for the continued growth of the business.

Group Financing

Subsequent to the year end, the Group finalised a new 5-year debt facility. The facility is €250.0 million in total, consisting of €100.0 million term loan and a committed RCF of €150.0 million. To ensure the optimal balance and structure within the syndicate, the Group increased the number of financial institutions participating in the syndicate from three to four. Notwithstanding the difficult current climate, the Group are pleased with the pricing obtained in the market, which was broadly in line with the existing facility while also achieving an extension in the tenure of the facilities to five years.

The structure and quantum of this facility will support the significant growth of the business over the next 5 years and will provide the flexibility and funding to allow the business to reach its target of 3,000 units per annum.

The quantum available to the Group and the significant interest from financial institutions during the refinancing process continues to demonstrate that Glenveagh is a very strong counterparty and a partner of choice within the industry.

Investor Relations

Glenveagh is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and targets and its performance against these plans and targets. During the year, the executive management and investor team presented at six capital market conferences and conducted two hundred and thirteen institutional one-on-one and group meetings.

On 29 January 2020, the Group also hosted a Capital Markets Day in the London Stock Exchange with a strong attendance amongst shareholders, analysts and financial institutions. The Group's updated 5-year plan was unveiled at this event, with increased delivery targets and new forward funding mechanisms outlined.

Although the outbreak of Covid-19 has delayed this strategy and corresponding targets, management still believe that this strategy is right for the business and current market dynamics.

Share Price and Market Capitalisation

The Group's shares traded between €0.43 and €0.92 during the year (2019: €0.62 to €0.91). The share price at 31 December 2020 was €0.86 (31 December 2019: €0.87) giving a market capitalisation of €749.0 million (2019: €758.0 million).

Financial Risk Management

The Group's financial risk management is governed by policies and procedures which have been approved by the Board of Directors and are reviewed on an annual basis. These policies primarily cover credit risk, liquidity risk and interest rate risk. The principal objective of these policies is the minimisation of financial risk at reasonable cost.

Credit Risk

The Group transacts with a variety of high credit-rated financial institutions for both placing deposits and managing our day-to-day cash flow requirements. The Group actively monitors its credit exposure to each counterparty to ensure compliance with internal limits approved by the Board.

Liquidity and Interest Rate Risk

The Group has a strong balance sheet with its cash balance and debt facility allowing the business to finance its current growth strategy. The Group's debt facility is drawn on a floating interest rate, with no related derivatives or financial instruments in place. The Group will continue to review this approach based on the level of drawn funds and the wider interest rate environment.

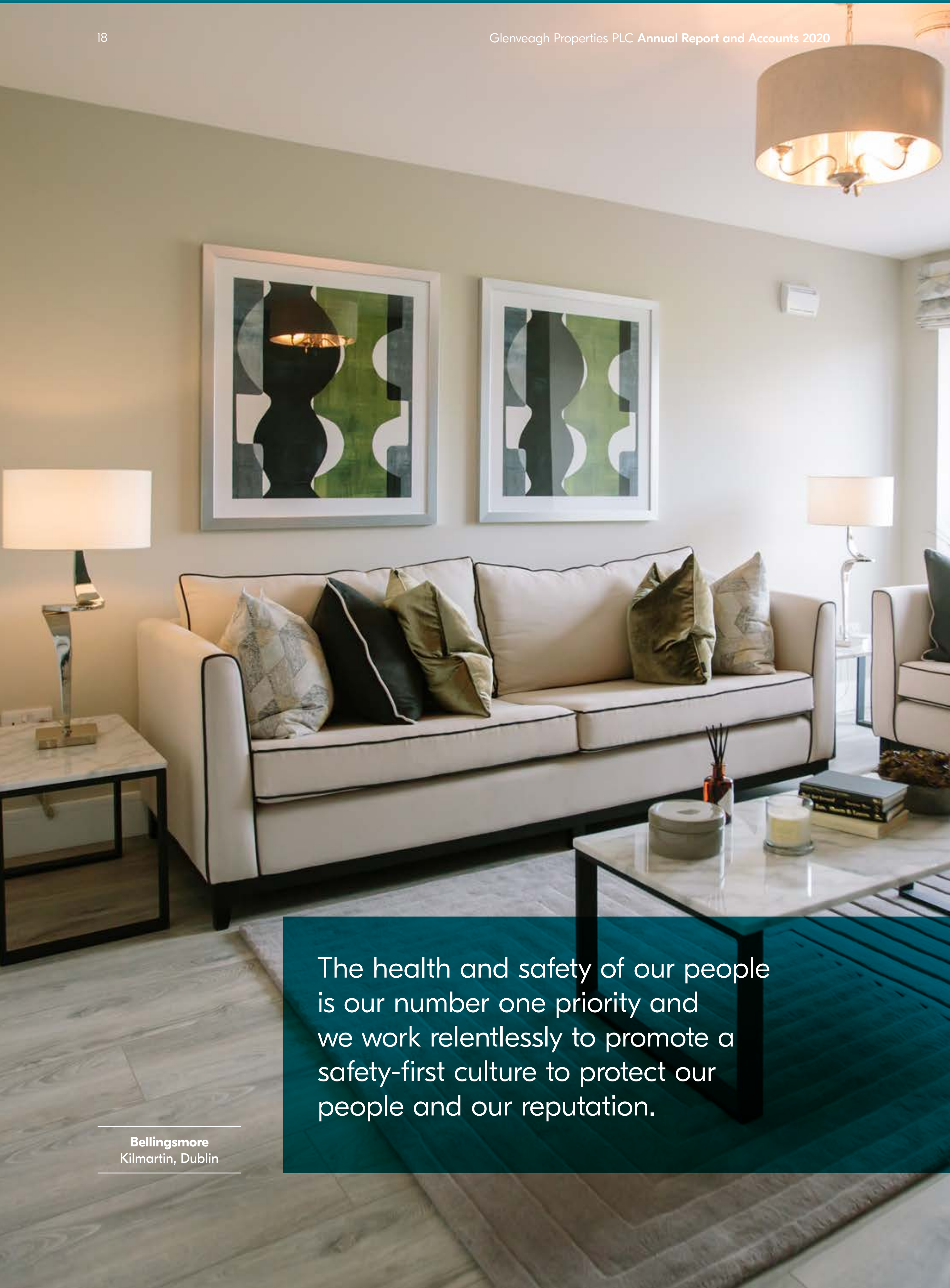
Outlook

The Group has forward sales of almost 700 units (2019: 240 units) at 31 December 2020 which gives strong visibility for our 1,150 unit completion target for 2021 with all sites required to deliver these units now active.

The Group has maintained a strong Balance Sheet throughout the year with €36.0 million (2019: €53.1 million) of net cash at year end and funds available of €162.5 million (2019: €178.2 million). This strong Balance Sheet position is further enhanced by the Group's new debt facility which provides the necessary funding for the Group's significant growth trajectory.

The Group looks forward to further underlying financial and operational growth in the year ahead.

Michael Rice
Chief Financial Officer



The health and safety of our people is our number one priority and we work relentlessly to promote a safety-first culture to protect our people and our reputation.

Bellingsmore
Kilmartin, Dublin

OUR KPIS

For more information on how our KPIs impact Executive Director's remuneration
See page 130

Financial KPIs

Revenue

Revenue predominantly includes housing revenue, which reflects the number of units sold by the Average Selling Price of those units, and non-core land disposals. As the business continues to grow, Revenue is seen as a key measure of top-line business improvement.

€232.3m

2020	€232.3m
2019	€284.6m

Adjusted EBITDA

Group management consider Adjusted EBITDA pre exceptional items and the related margin percentage of revenue, to be an important measure for assessing profitability of the Group. It demonstrates profitable and sustainable growth during our initial ramp-up phase and shows improvements in the operating efficiencies of the business.

(€10.7m)

2020	(€10.7m)
2019	€31.9m

Adjusted EBITDA Margin

(4.6%)

2020	(4.6%)
2019	11.2%

Non-financial KPIs

Health & Safety

The Group considers Health & Safety audit scoring an important indicator of performance for the Group. The metric is the average Site Safety Audit score percentage from both internally and externally completed audits.

2020 Performance achieved **88%**

2019: 75%

Customer Satisfaction

Exceeding customer expectations is central to the Group's strategy and a key indicator of performance linked to variable remuneration. Glenveagh engages an independent external firm to survey our customers on topics linked to their experience with Glenveagh.

2020 Performance achieved **83%**

2019: 84%

BUSINESS MODEL & STRATEGY

To achieve access and quality for our customers we will continue to relentlessly innovate how we plan, design and build - bringing new ideas home.

Bellingsmore
Kilmartin, Dublin

STRATEGIC REPORT

Glenveagh
Home of the new.

Business Model and Organisational Structure

Glenveagh is focused on strategically located developments in the Greater Dublin Area and Cork. The Group delivers across three distinct business segments — Suburban, Urban and Partnerships - as a single business, capitalising on scale advantages and investing to optimise return on capital. Each business segment benefits from the Group's attractive landbank, proven delivery platform and industry leading central resources. We have facilitated each business segment to deliver its potential with the assistance of best in class pooled group resources covering the entire process outside of construction delivery. Our single underwriting team is complimented by centralised, planning and design, manufacturing, procurement, construction management and PLC functions.

The four strategic priorities of the Group which are underpinned by our sustainability agenda are as follows:

A. Disciplined investment across our three target segments;

B. Putting our private and institutional customers at the heart of what we do;

C. Scaling our construction capability across Suburban and Urban; and

D. Optimisation of capital employed to drive returns for shareholders

We have assembled a starter-home and affordable Private Residential Sector focused landbank with affordability and value-for-money at its core.

Cluain Adain
Clonmagadden, Navan

Marina Village
Greystones, Co. Wicklow

Semple Woods
Donabate, Co. Dublin

For more information on our three business segments
See pages 32 to 37

Our Implementation Strategy

Disciplined Investment Across Target Segments	Customer-Centric Focus	Scale Construction Capability	Drive Shareholder Returns
Suburban	Customer service	Low and high-rise	Minimise upfront land cost
Urban	Retail offering	Standardisation	Control WIP investment
Partnerships	Institutional offering	Offsite contruction	Innovation to control the cost of delivery
		Use of technology	

Operating Responsibly

People | Health & Safety | Community | Customers | Environment | Supply Chain

Delivering strong performance outcome for all

Disciplined Investment Across Three Business Segments

We have assembled a starter-home and PRS focused landbank with affordability and value-for-money at its core. Our landbank was acquired at attractive rates in the context of both cost per site and site cost as a percentage of Net Development Value ("NDV").

Glenveagh is positioned to deliver housing to the deepest segments of the market with 96% of Suburban units on forthcoming developments priced at €450k or less. With an average site size of 244 units coupled with a focus on starter-homes, the portfolio is monetisable in the current regulatory and market environment within a short time-frame. Our current low-density Suburban portfolio also has the optionality to deliver over 2,000 units to the Suburban PRS sector.

Our valuable Urban sites also allow the Group to capitalise on the large quantum of capital currently seeking to access the Urban PRS opportunity in Ireland. The Group's Urban sites include high density apartments focused on sustainable rental locations primarily in Dublin City and Cork City.

Further opportunities continue to exist to make accretive land acquisitions which target the deepest starter-home market in the strongest locations. Once acquired these acquisitions will contribute to the achievement of delivery targets in the near-term and achieve returns above Group targets in future years.

Customer Centric Focus

Our approach to innovation, planning and design is geared towards bringing home ownership within reach of a broader range of people and addressing the undersupply of affordable quality housing in urban and suburban areas.

Quality homes in flourishing communities should be within reach of everyone. This is a founding principle of Glenveagh Properties and it governs everything we do. In order to deliver on our promise, we are focused on ensuring that our homes are affordable for first time buyers and young families, that the customer journey is as seamless as possible, and that our build quality and customer service are second to none.

Oldbridge Manor
Drogheda, Co. Louth

Retail Customer Focus

Our retail customer service offering is built around three core customer promises, Access, Quality and Innovation:

- Access – We are giving more people the opportunity of owning their own new home —Building where they want to live and at a price that is more affordable.
- Quality – We do not compromise on quality. We build homes that last, are energy and thermal efficient, and are designed for the way that people live today.
- We achieve quality and greater accessibility to new homes by relentlessly innovating the way we plan, design and build. We bring new ideas home.

This approach is driving our customer service reputation.

Institutional Customer Focus

Increasingly our customers are institutions which is a feature of the market that we believe is here to stay. These institutions choose Glenveagh not only because we are one of the few companies delivering product which works in strong locations, but because:

- We have a track record of delivering and a strong reputation;
- Institutional investors know that when we say we'll deliver, that's what happens; and
- The Glenveagh name offers peace of mind to organisations who are considering an investment in one of our developments.

Increasingly these features are establishing Glenveagh as the partner of choice within the industry.

Scaling Our Construction Capabilities

We are now actively constructing from 18 sites which are expected to deliver our 2021 unit guidance of 1,150 units[7]. In order to achieve Glenveagh's medium-term construction objectives, the key priorities for the Group have been to:

- Further develop the Groups low-rise and high-rise capabilities;
- Standardise our processes and end product;
- Invest in offsite construction; and
- Utilise technology across our business.

Develop Low-rise and High-rise Capabilities

Our central Group resources have allowed the construction operations to focus on opening sites and controlling the build programme. This delivery of our developments is now aligned to our target markets and reflects the different skill sets involved in delivering Suburban and Urban product.

For Suburban delivery we now have dedicated teams for site openings. The most challenging part of any development. These delivery teams are organised into clusters by region to maximise efficiencies but also to help train, retain and promote our construction talent in a structured and deliberate manner.

We recognised early that Urban apartment delivery is a specialised segment. We've built on the track record of the team with specialised hires from the London market where high-rise apartment delivery has been the norm for a significant period of time. Our highly experienced Urban delivery team is well positioned to deliver the forthcoming Urban developments in a timely and cost-effective manner.

7. 1,000 core and 150 non-core units

Our ability and motivation to invest in technology early ensures we have a stable platform for growth and helps deliver transparency and control throughout our projects.

Standardisation of Processes and Production

Our construction methodologies are built around a standardised process to deliver high quality sustainable homes as efficiently as possible. This approach has allowed Glenveagh to build at volume across our active sites and deliver on our multi-site strategy.

Supporting our standardised construction approach is our centralised procurement team that has established strong relationships with suppliers and subcontractors enabling us to enter into comparatively attractive contracts for key labour and materials thereby allowing the Group to manage our exposure to construction cost inflation.

Offsite Construction

The Group continues to invest in more efficient and cost-effective construction techniques. Early initiatives have included the optimisation of our processes and finished product, in addition to adopting modern building practices, including utilising off site timber-frame and modular manufacturing systems.

In order to further enhance the Group's timber-frame construction solutions and guarantee long-term supply, Glenveagh has entered into an exclusive multi-year open book supply agreement with one of its existing timber-frame suppliers based in Ireland, Keenan Timber Frame Limited ("KTF").

In conjunction with the agreement, the Group has purchased a production facility in a strategic location close to its active construction sites. This manufacturing facility, which is leased to KTF, became operational in H1 2020 allowing KTF to supply timber frame product exclusively for Glenveagh.

The open book supply agreement and the factory investment by Glenveagh will facilitate the expansion of KTF's own operations and help de-risk Glenveagh's medium and long-term housing delivery targets while also allowing the Group to benefit from any savings delivered as a result of the partnership. The factory has the capability to deliver approximately 800 timber frame units per annum with the option to expand this capacity in the future with limited investment.

Separately, the Group's quarry for the offsite disposal of inert material is also now operational further de-risking the costs associated with groundworks on site.

Technology

Along with a stable and sustainable supply chain another asset that the Group is utilising to facilitate our continued growth is technology. The aim is to utilise technology to connect construction across our sites and the rest of the business.

Our ability and motivation to invest in technology early ensures we have a stable platform for growth and helps deliver transparency and control throughout our projects. Examples of this include drone scans, document management and a mobile field app. This helps ensure that collaboration, cost management, quality control and health and safety are all managed effectively.

Case Study: Technology in action

Notwithstanding the challenging economic and operational environment, the Group benefitted from early efforts to make the customer experience more accessible by enhancing our digital offering and facilitating customers to complete their entire home buying journey remotely or in a contactless manner with our agents providing virtual assistance via video calling.

The Group's redeveloped digital strategy facilitated an online and private viewing led customer journey ensuring a high volume of potential home buyers viewed our homes, delivering more qualified prospects for the sales team. This strategy has also positively impacted website traffic and has delivered a substantial increase in leads which grew by 169.0% year-on-year in H2 2020.

The combination of our revised digital strategy, improved customer experience and pent-up demand helped increase average weekly private reservation rate per site of 31.0% year-on-year H2 2020.

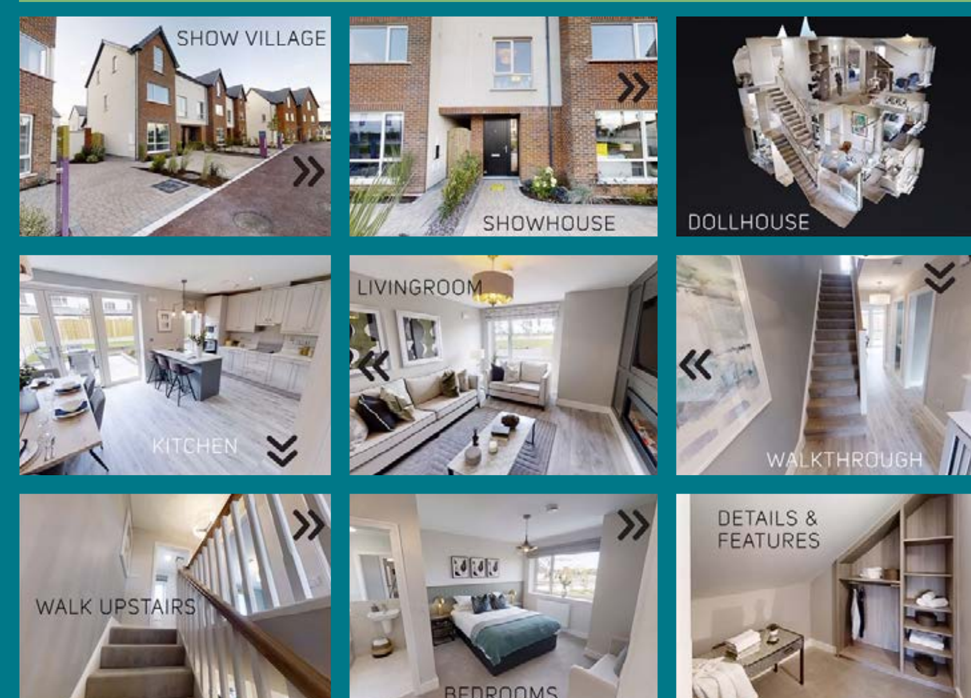
Technology in action continued

Cloud document management	Time and attendance tracking on-site	3D modelling and surveying

Communication	Health & Safety	Quality	Construction Programme	Cost Management
Regular visual update of project status	Logistics planning	Record and inspection of works	Updated completion forecast	Complete 3D volumetric assessment and cut fill
Certainty around dates	Coordination of works	Overlay as built with design	Key data to improve accuracy	Valuation and progress claim

Technology used on our sites monitor quality and reduce costs

Virtual Viewings Available Across Our Portfolio



At Glenveagh we encourage an inclusive culture, where employees have a voice and feel valued.

Optimise Capital Employed to Drive Returns for Shareholders

As the business makes increasing progress towards achieving these objectives we will further optimise the capital employed within the business to drive shareholder value and returns over the long term. Practically this will mean a reduced landbank investment without a reduction in output in the outer years of our business plan.

We've assembled a highly attractive landbank and are now at the peak of that investment trajectory with no net land spend envisaged.

Having already grown the delivery capability threefold, we're committing to doing the same again and more. This will require continued investment in work-in-progress which is a necessity to work the balance sheet appropriately. Where possible we'll mitigate any WIP investment via the forward funding of our Urban projects.

Operating Responsibly

Meeting the demand for affordable housing is one part of the story; doing so responsibly is the other. We are taking the necessary steps to deliver the social benefit of affordable housing in a way that minimises impact on the environment, including using land in the most efficient way, driving down waste, reusing resources, reducing emissions during construction and delivering A rated energy efficient homes across all our developments.

People

Key to scaling the business has been people. Growing the business from 75 employees at IPO to over 300 today has been supported by creating a culture which empowers talent and embraces equal opportunities, diversity and inclusion. We have a strong gender balance ratio compared with the industry average (Glenveagh 24% female, Industry average 9%)[8]. Glenveagh works closely with the Construction Industry Federation ("CIF") on initiatives to encourage female participation in the industry and sponsored the CIF's "International Women's Day Conference" in 2020.

At Glenveagh we encourage an inclusive culture, where employees have a voice and feel valued. We have signed the CIF Diversity Charter with the aim of achieving the Bronze Standard, and we are also planning to join the 30% Club Ireland with the goal of improving gender balance at all levels of the organisation.

We use the Great Place to Work model to assess engagement and satisfaction levels across the business. We carry out annual employee surveys to ensure engagement with employees and encourage frequent engagement through line management. We work on the lowest scoring areas to improve in these areas and also focus on our highest scoring areas to ensure we maintain these results.

Health and Safety

The first duty of any organisation is to keep its people safe. Health and Safety is embedded into our culture and is one of our six sustainability pillars. Our main objective every day is that our employees, sub-contractors, suppliers and all those visiting sites come into work and go home from work safely. Health and Safety is the first item on our Board's agenda.

Health and Safety is at the heart of our operations. In 2020 the Group achieved the Highly Commended Construction House Building Award from NISO and a Grade A Safe T Certification. We believe there is always more that can be done in this area and as a market leader, it is incumbent upon us to continue to drive the health and safety agenda and, to further demonstrate this, the Group are currently implementing ISO 45001:2018 Occupational Health and Safety Management. Health and Safety drives an element of all staff's variable remuneration with awards based on the results of site audits.

Customer

Exceeding customer expectations is central to the Group's strategy of creating the leading home building platform in Ireland. Built around the objectives of access, quality and innovation our customer service offering has brought a new professionalism to the industry. Customer satisfaction has been a KPI for the entire business since inception and drives an element of all staff's variable remuneration. Despite there being no published benchmarks in Ireland we engage an independent external firm to survey our customers. Full variable remuneration is not paid to employees unless the equivalent of 5 star status in the UK is achieved.

8. 2019 CSO data, no data available for 2020

Group Strategy Objectives and Our Sustainability Pillars

1 Disciplined Investment across our three target segments

2 Scaling our construction capability across Suburban and Urban

3 Sector-leading customer offering

4 Optimisation of capital employed to drive returns for shareholders

Putting customers at the heart of what we do

Creating sustainable homes and communities

Environmentally considerate and efficient operations

Sustainable and responsible sourcing

Attracting, inspiring and investing in people

Keeping people safe

Governance

Commitments & KPIs

Risk Management

Sustainable Communities

Contributing to sustainable communities is a key feature of our approach to planning and design. We think carefully about how our developments should connect with existing transport nodes and amenities, and as part of each development we contribute to new infrastructure such as playgrounds, sports facilities, access roads, and walking routes.

A number of our urban schemes are located on in-fill sites that have old housing stock and derelict industrial units. We are pleased to be able to bring these locations back to life, reintegrating them into the local community with mixed-use developments comprising housing, retail and amenities.

Environmental and Quality

The environmental sustainability of our housing is at the forefront of business decisions.

Our sustainability programme accelerated in 2020 where our initial focus was on ensuring that we fully-adopted and implemented the Governance, Strategy, and Risk Management processes necessary for delivering a comprehensive climate action plan.

We participated in the Climate Disclosure Project 2020 for the first time where we achieved a B-rating. Our homes are A-Rated with electric vehicle charging points and low-energy heating, and we run our own energy-efficient fleet vehicles. Our reporting now includes disclosures of the level expected by TCFD, SASB and GRI.

However, we want to do more. We are introducing a 25% Scope 1 and 2 emissions intensity reduction target to 2024 using 2019 baseline. We are also committing to implementing a Science Based Target using a 2024 baseline. For more detail on sustainability targets and strategy please see our Sustainability report on page 50.

All houses and apartments delivered by the Group in 2020 had a BER rating of A3 or better and our efforts in providing sustainable energy and thermal efficient homes are also reflected in our commitment to reduce the environmental footprint of our operations. Initiatives to date have included the introduction of electric vehicles, the use of recycled materials on site and a minimisation of waste across the business. Glenveagh has also commenced the implementation of ISO 14001:2015 Environmental Management System.

Quality control is integral to how we procure and run our sites. High risk materials such as stone, concrete, block, and mortar are certified at source with additional random sampling and testing carried out in the field. All materials are sent to design teams for approval prior to use and must carry a Declaration of Performance ("DOP") or Conformitè Europëenne ("CE") mark. As part of our ongoing training and development, we provide Building Control (Amendment) Regulations ("BCAR") training for all of our employees involved in this process and quality assurance training in relevant departments.

Our Near-Term Strategic Priorities

In achieving our corporate strategy, the near-term strategic priorities for the Group are to:

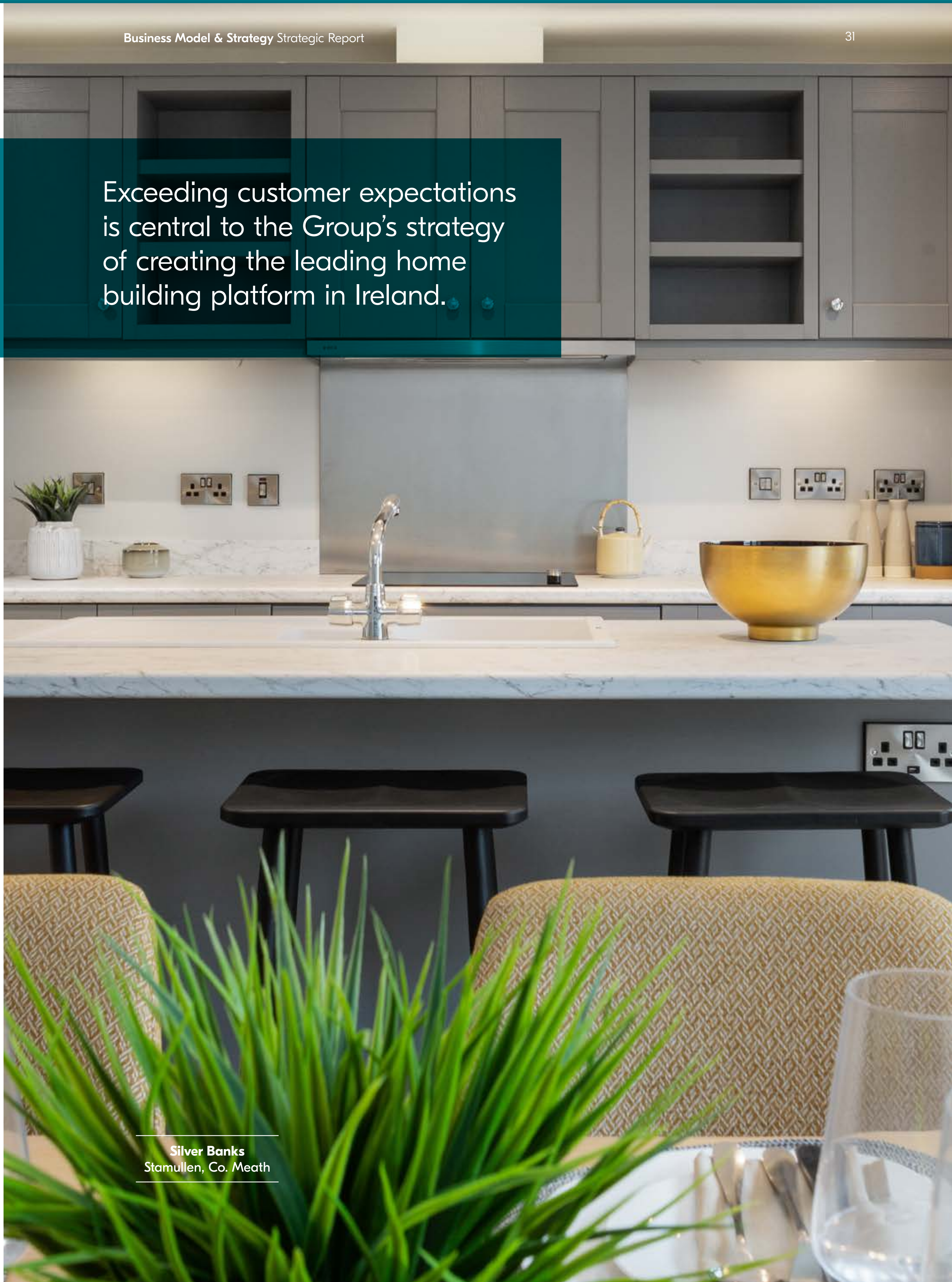
- Actively manage our landbank by acquiring sites at attractive rates through disciplined capital deployment while reducing the Group's overall land investment by further having already re-allocated €100.0 million from land to growing construction output;
- Triple construction output to 3,000 units as the Group continues to build a balanced and sustainable business throughout the cycle by focusing on Suburban, Urban and Partnerships while maintaining the highest standards of health and safety on our sites;
- Deliver sector leading return on capital over the long term by optimising the capital employed within the business; and
- Exceed our customers' expectations with a continued commitment to access, quality and innovation.

A3

All houses and apartments delivered by the Group in 2020 had a BER rating of A3 or better

For more information on Sustainability see our Sustainability Report on page 50

Exceeding customer expectations is central to the Group's strategy of creating the leading home building platform in Ireland.



Silver Banks
Stamullen, Co. Meath

BUSINESS UNITS

Glenveagh is a leading Irish homebuilder with a focus on strategically located developments in the Greater Dublin Area and Cork. The Group delivers across three distinct business segments Suburban, Urban and Partnerships - as a single business, capitalising on scale advantages and investing to optimise return on capital.

Our Business Segments - Key Characteristics

	Suburban	Urban	Partnerships
Product	Houses and Low-rise Apartments	Apartments	Houses and Apartments
End-Market	Private / Institutions	Institutions	Private / State / Institutions
Locations	Ireland	Dublin / Cork City	Ireland
Exit	Traditional / Forward Sale (FS)	FS / Forward F and (FF)	State / Traditional / FF or FS

Investing across three segments to optimise return on capital

Suburban product is primarily housing with some low-rise apartments with demand coming from private buyers and institutions. This means affordable, high quality homes in locations of choice at €450,000 or below. The Group has an overwhelming Greater Dublin Area focus in our portfolio however the product is required nationally. Suburban sees private and institutional demand for our product via traditional and forward sale structures.

Urban product consists of apartments to be delivered to institutions primarily in Dublin and Cork but also on sites adjacent to significant rail transportation hubs. Demand in this segment is being driven by the shift to rental by millennials and lifestyles and the exodus of private landlords due to fiscal policy and regulation who are being replaced by institutional investors.

Urban offers significant attractions from a risk and return on capital perspective given the opportunities that exist to forward fund these developments. This provides longer term earnings visibility due to early commitment from a forward sale or forward fund transaction.

Partnerships are critical to the business over the long-term. A partnership typically involves the Government or local authority or state agency contributing their land on a reduced cost or phased basis into a development agreement with Glenveagh. It has a reduced risk from a sales perspective where approximately 50% of the product will be delivered back to the government or local authority for social and affordable homes. This will de-risk the Glenveagh market exposure and provide:

- strong Return on Capital Employed ("ROCE");
- increased business resilience;
- reduced risk; and
- access to both land and deliveries for our Suburban and Urban segments.

The Partnerships segment is going to take the most time to come to fruition but it's one where we are investing significant time and effort given our skillset and the attractions of the segment from a ROCE perspective.

Attractions of Our Complementary Business Segments

Suburban	Urban	Partnerships
Deepest demand	Structural occupier shift to rental	Strong ROCE
Most fragmented supply	Institutionalisation of rental sector	Increased business resilience / reduced risk
Alignment of buyer income and aspirations	Capital light (forward funds)	Fit with both suburban and urban segments
Easier optimisation of construction process	Long term earnings visibility	Access to land / deliveries

All developments sourced and delivered via single delivery platform

Business Unit Operating Environment

Each business unit operates in a different segment of the market with its own supply, demand and cost structure characteristics. Having the optionality to invest across distinct business segments ensures there is a continuous competition for capital within the Group which helps drive ROCE over the longer-term.

Attractive Landbank Capable of Supporting Our Business Unit Objectives

Central to delivering across our Suburban and Urban segments is a landbank which can provide homes which meets the needs of our customers. We have focused our capital deployment on land which supports high-quality, affordable homes in communities where people want to live.

	Suburban	Urban	Partnerships
Land Availability	• Stable supply of zoned land • Primarily off-market transactions	• On-market transactions more prevalent • Utilising PLC advantages to compete for sites	• Driven by Local Authorities and Land Development Agency ("LDA")
Land Competition	• Limited for sites of scale • More prevalent on small sites	• Strong competition for high-profile on-market transactions	• Local developers and contractors • Developer / contractor consortiums
Demand	• Owner occupiers • PRS rental product • Social housing	• PRS rental product • Social housing	• Strong urban centres suit owner occupier product • Social and affordable component de-risk each site
Supply	• Primarily small developers	• Investment fund / end owners utilising 3rd party contractors • Specialist developers	• Local developers and contractors • Developer / contractor consortiums

Optimising Mix Across Three Segments To Optimise Return On Capital

Attractive Development Portfolio Designed to Deliver On Our Strategy

78% GDA Focused[9]
28% Dublin (ex Docklands) | 9% Dublin Docklands | 41% GDA (ex Dublin) | 16% Cork | 6% Other

96% Starter-Homes[10]
44% Selling Price <€300k | 33% €300k - €350k | 16% €350k - €400k | 7% €400k+ (4% > €450k+)

69% Suburban[9]
69% Suburban | 31% Urban

43% PRS Potential[11]
47% Suburban Private | 15% Suburban Private / PRS | 28% Urban PRS | 10% Part V[11]

Attractive Portfolio Delivering Homes To Underserved Segments Of The Market

9: by units
10: Suburban portfolio, <€450k
11: on each of Suburban / Urban

Central to delivering across our Suburban and Urban segments is a landbank which can provide homes which meets the needs of our customers.

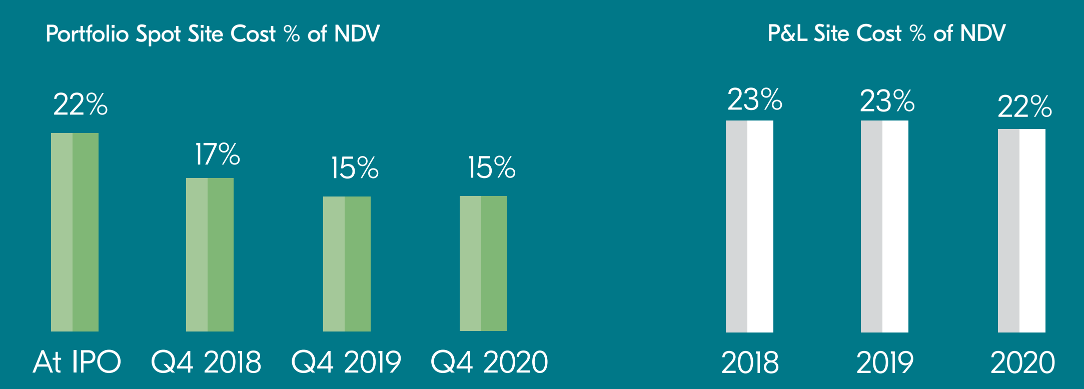
Given the Group's scale and attractiveness as a counterparty for landowners we have the ability to augment our existing portfolio with land acquisitions which further drive profitability and ROCE.

Increasingly Attractive Porfolio

Portfolio site cost percentage of NDV is increasingly attractive

This is beginning to be evidenced in our reported financials

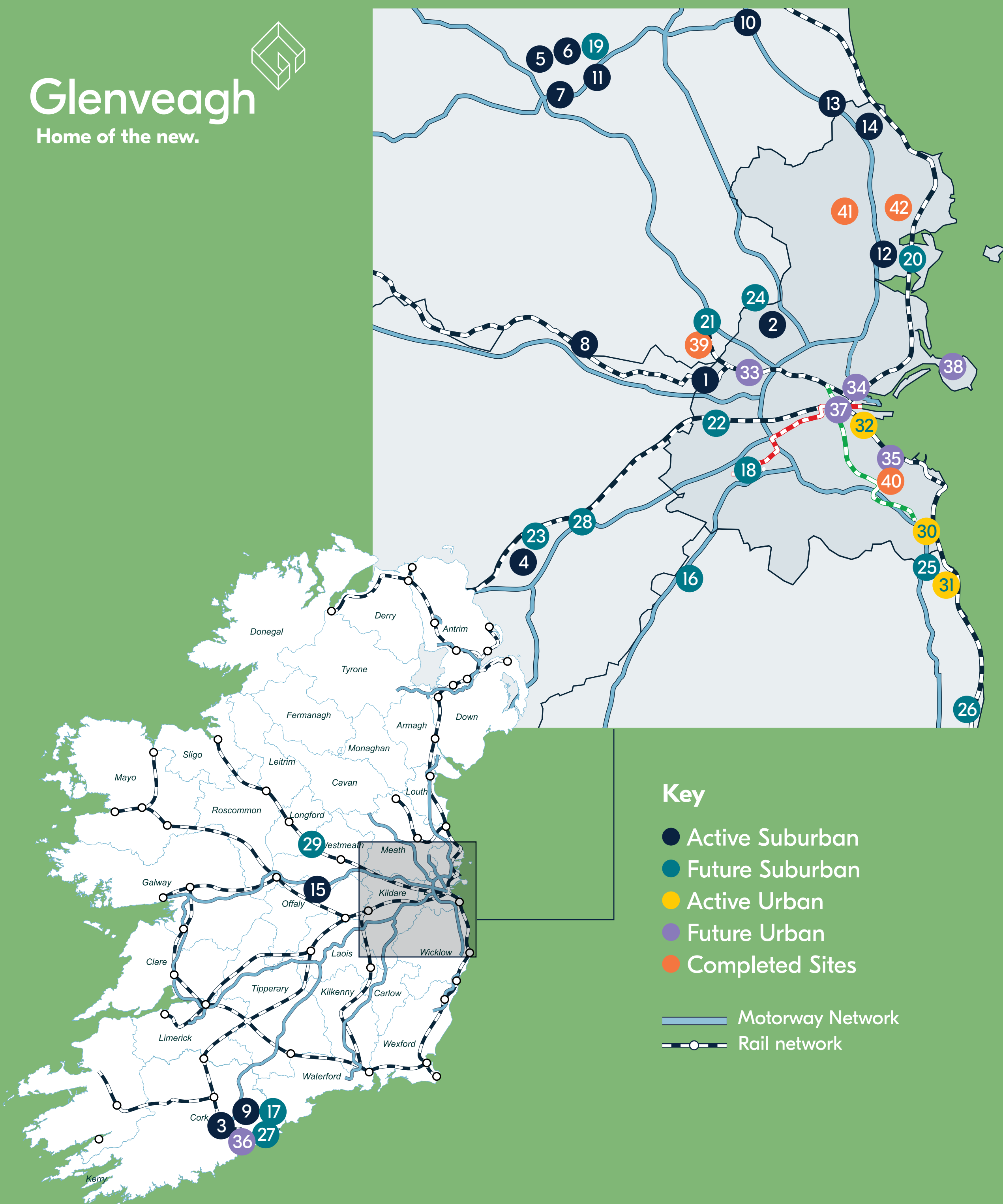
Further porfolio attractions include a low average site size (244 units) with limited abnormal infrastructure/ remediation spend required <0.1% of NDV



14,100 Plots Acquired at Attractive Rates 15% of NDV/€42k per site

Our Lanbank - Balanced GDA Focused Portfolio

Glenveagh
Home of the new.



Site Schedule

	Active Suburban	Selling from
1	Barnhall Meadows	2020
2	Bellingsmore	2020
3	Blackrock Villas	2019
4	Belin Woods	2020
5	Blackcastle	2020
6	Cluain Adain	2018
7	Cois Glaisin	2018
8	Ledwill Park	2019
9	Mount Woods	2019
10	Oldbridge Manor	2020
11	Ruxton Oaks	2020
12	Semple Woods	2019
13	Silver Banks	2020
14	Taylor Hill	2018
15	The Hawthorns	2021
	Future Suburan	
16	Blessington	
17	Castleredmond	
18	Citywest	
19	Clonmagadden	
20	Donabate East	
21	Dunboyne	
22	Grange Castle	
23	Great Connell Abbey	
24	Hollystown	
25	Killruddery	
26	Keatingstown	
27	Maple Woods	
28	Millennium Park	
29	Mullingar	
	Active Urban	
30	Dargan Hall	2021
31	Marina Quarter	2019
32	The Collection	2021
	Future Urban	
33	Carpenterstown	
34	Castleforbes	
35	Cluain Mhuire	
36	Cork Docklands	
37	East Road	
38	Howth	
	Completed sites	
39	Holsteiner Park	
40	Proby Place	
41	Cnoc Dubh	
42	Knightsgate	

Landbank Highlights

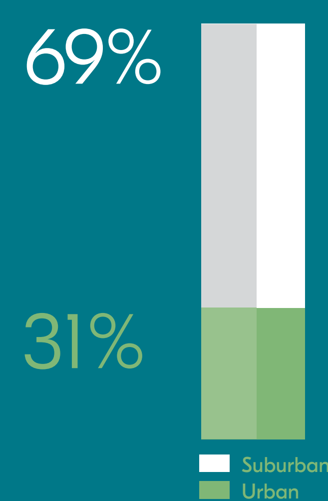
14,100
Total Units

78%
GDA Focused[1]

69%
Suburban[2]

43%
PRS Potential[3]

Split by Units



Notes:
1. by value
2. Suburban portfolio
3. by units

RISK MANAGEMENT REPORT

Our approach to risk management is embedded across all levels and departments of our business, with a focus on site level risk, to ensure that barriers to achieving strategic objectives are identified and mitigated. The Board and senior management set the tone for risk management in the business through regular interaction, review and ownership of key risks.

The Board is responsible for ensuring the Group maintains the appropriate level of risk to achieve its objectives whilst also ensuring good corporate governance and prudent risk management is implemented by the Group. The Board has approved the Group's Risk Management Framework which provides a common risk management process across the Group to identify, assess, mitigate, monitor and report risks which impact the Group. The Group's risk management process is a bottom up integrated approach that aims to ensure that all risks to which the Group are exposed are identified, understood and appropriate mitigating controls are implemented to manage the risks effectively and protect the Group.

As part of its oversight responsibilities, the Audit and Risk Committee ("ARC") is responsible for reviewing the adequacy and effectiveness of the Group's internal controls and risk management process (page 110). The Group's risk register and principal risks are a standing agenda item for each ARC meeting. The risk register is used to support the risk management process and document the Group's risks, controls and their approved ratings based on likelihood and impact from both an inherent and residual perspective. The risk register is not a static list, but a dynamic process to ensure risk is managed and mitigated effectively. The Board formally reviews and approves the risk register on at least a bi-annual basis.

The Board has identified environmental concerns and sustainability driven social trends as emerging risks. The Group has undertaken an analysis of how we manage environmental and sustainability impacts, the potential risks and the key mitigating considerations. The Board will identify any such risk as principal risks if significant in the future. For more detail, please see our Sustainability Report on page 50.

Our Risk Management Framework:

The Group has implemented a four line of defence model.

Line of defence	Function	Responsibilities
First line	**Department heads**	Risk owners within the business with responsibility for ensuring risk management is embedded in day to day activities and taking a proactive approach to risk identification and mitigation.
Second line	**Executive committee**	Risk monitoring within the business with responsibility for ensuring policies are implemented throughout the Group.
Third line	**Internal audit**	Risk assurance within the business with responsibility for providing additional assurance on the effectiveness of risk management and internal controls to the Executive committee and the Audit and Risk Committee.
Fourth line	**Audit & Risk Committee**	Risk oversight with responsibility for setting Group strategy through determining risk policy and procedures.

Impact of Covid-19

The Group remains focused on the wellbeing of our people and we are taking all the necessary steps to maintain the health and welfare of our employees, our sub-contractors and our customers. Aligned with Government recommendations the Group has implemented wide ranging measures across our sites and head office to limit the spread of Covid-19.

Covid-19 has required the Group to form new ways of working, including changes to our construction methods, flexible working arrangements and our interaction with customers, whilst also being mindful of the impact on the supply of labour and materials and the economic uncertain that exists.

The Board continues to monitor the pandemic as it evolves and has reassessed its impact on the principal risks of the business. A comprehensive review has been completed of each risk outlining the pandemics impact, any heightening of risks and the additional key mitigating considerations taken. Any changes arising from the impact of Covid-19 on each risk and the key mitigating considerations are detailed on pages 42 to 48. Changes arising from the pandemic are denoted by the following symbol:

Risk Management in Action

Risk management is embedded in the day to day activities of the business through aligning key strategic KPIs and remuneration metrics of executive and senior management with risk management objectives.

Certain risk management and compliance activities across the Group are reported monthly to the Board and executive committee, with input received from across the business to respond to risk in line with the risk management framework.

The Environmental, Health and Safety and Training ("EHS&T") department is a dedicated resource whose activities are mainly focused on risk management throughout the Group. There are a number of Corporate office departments whose activities support EHS&T and also assist in maintaining a focus on risk management including Information Technology, Human Resources and Internal Audit. In addition, third parties are engaged where necessary to assist and provide additional assurance in relation to risk management.

A key component of financial risk management is the Executive and senior management led development of the annual budget and strategy planning, and quarterly reforecast processes which are used to monitor progress against plan and assess risk across all existing and emerging risk categories.

The Group has also invested significantly in technology, site infrastructure and people to improve our control processes and systems to respond to the everyday operational risks that are faced by all companies in our industry.

Principal Risks and Uncertainties

The Board has carried out a robust assessment of the principal risks facing the business. Arising from the risk management process, principal risks and uncertainties have been identified which could have a material impact on the Group in achieving our strategic objectives. The Board and ARC have reviewed the Group's principal risks and have considered the new risks introduced for 2020. The main risk categories that the Board considered are the following:

Risk Categories

Financial Risk

Investment Risk is defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Market Risk is the risk of loss to the Group arising from market volatility or adverse movements in the level or volatility of market prices of equities, currencies or property.

Market Risk includes; **Interest Rate Risk** which is the risk to earnings and capital associated with changes in the level or volatility of interest rates and **Foreign Exchange ("FX") Risk** is the risk to earnings and capital associated with changes in the level of foreign exchange rates.

Non-Financial Risk

Compliance risk is the risk of legal sanctions, material financial loss, or loss to reputation that the Group may suffer as a result of its failure to comply with legislation, regulations, code of conduct, and standards of best/good practice.

Operational and IT risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Reputational risk is a risk of loss resulting from damage to the Group's reputation.

Strategic Risk is the loss or unplanned/unfair gains resulting from adverse strategic initiatives.

ESG Risk is the risk of financial loss or reputational damage arising from an ESG event or condition resulting in a material negative impact on the business.

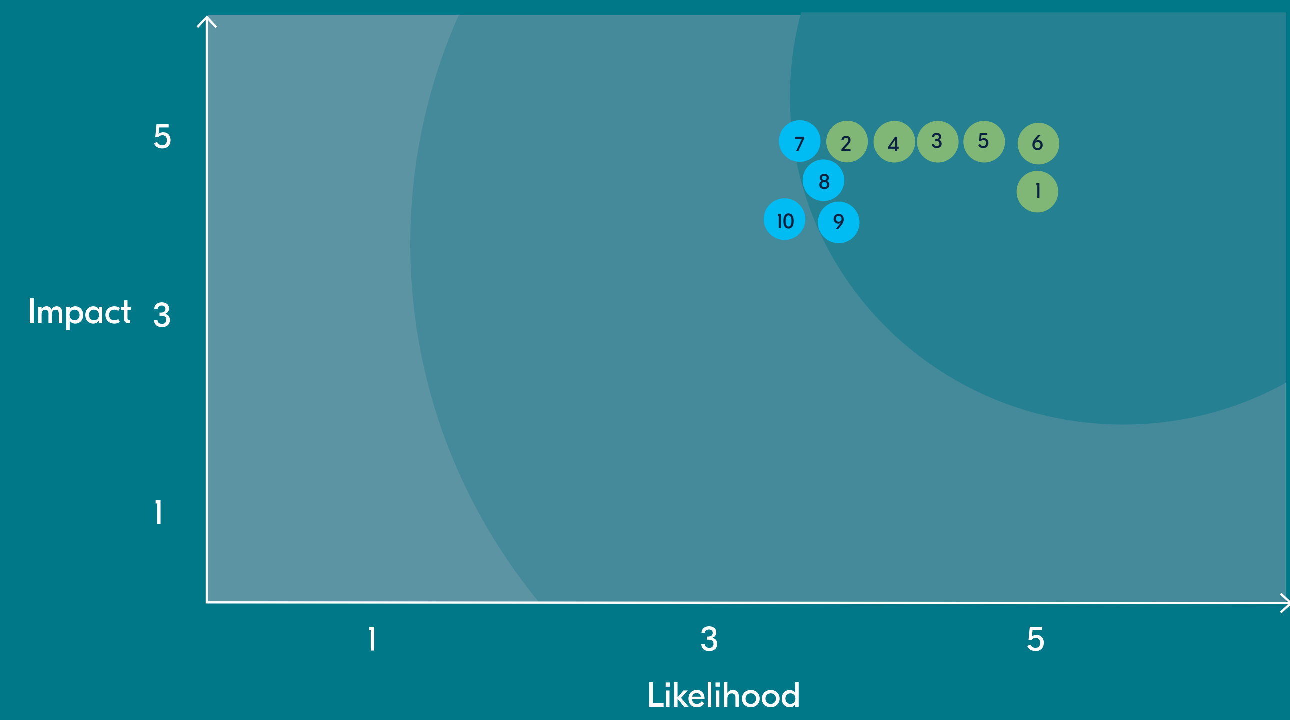
External Risk

External Risk is the risk to the Group of potentially failing to meet its strategic objectives following significant changes to the external environment in which it operates.

The risks and uncertainties together with key mitigating considerations that fall into each of these risk categories are set out below.

	External risk	Operational risk	Reputational risk
Risk or uncertainty and potential impact	1. Covid-19 ✥ 2. Adverse Macroeconomic Conditions ↔ 3. Mortgage Availability and Affordability ↑ 4. Adverse changes to government policy and regulations ↔	5. Availability and increased cost of materials and labour ↑ 6. Inadequate Project Management ↑ 7. Insufficient health and safety procedures ↔ 8. Employee development and retention ↔ 9. Data protection and cyber security ↔	10. Decline in Product Quality ↔

Risk rating change table legend:
No change to risk rating ↔ Increased risk rating ↑ Decreased risk rating ↓ New risk ✥



Key: Very High Risk High Risk Medium Risk Low Risk

Table legend: No change to risk rating ←···→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
External risk	**Covid-19** Covid-19 has exposed the Company to the impact of a macro risk related to an economic slowdown and specific risks as a result of government measures taken to contain the virus impacting availability and supply of materials and labour, a reluctance of buyers to transact in the current environment and interruption to the business operations due to the absence of staff and sub-contractors.	The Group has increased the frequency of Executive Committee meetings and Board updates to respond to the pandemic with Covid-19 being a standing agenda point at all meetings. The Group has increased the frequency of cashflow and sales reporting to facilitate accurate business continuity planning. The Group has updated and will continue to review on an on-going basis forecasts, cashflows and estimates about future business performance. The Group has kept in constant contact with Government and Local Authority representatives in addition to reviewing Government responses to Covid-19. The Group has put in place a transparent and timely communications strategy to update the market and all stakeholders (employees, sub-contractors, suppliers, investors etc.) of the business in relation to the plans put in place by the Group in response to Covid-19. The Group has put in place a number of specific actions related to on site health and safety and construction, project management, sales activity and office operations which are outlined in the risk specific to each area.	New risk
External risk	**Adverse Macroeconomic Conditions** Glenveagh operates in a property market that is cyclical by nature which can lead to volatility of property values and market conditions. Geopolitical uncertainty (including Brexit) could lead to a potential adverse impact on the Group's asset valuation and financial performance due to factors such as slowdown in economic growth, increased interest rates and decline in consumer confidence.	The Group aims to maintain a reasonable but limited stock of land (c.5 years). The Group has made significant progress in 2020 in reducing its net investment in land in line with the strategic objectives of the Group. The Group avoids any long-term exposure through strict land acquisition policies which are reviewed and updated on a regular basis to meet market sentiment and demand. The Group has a robust acquisition policy and approval process in place to ensure the best value is achieved on assets and that they are aligned to the strategic objectives of the Group. The Urban and Partnerships segments will assist in reducing the cyclical nature of the business through the delivery of apartments and houses for the rental market as well as schemes with local authorities or other government bodies. Management and the Board actively monitor the geopolitical risks and seeks expert industry advice where required.	No change

Table legend: No change to risk rating ←···→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
External risk	**Mortgage Availability and Affordability** Glenveagh understands that affordable mortgage finance is a crucial funding source for buyers in the residential market in Ireland. Constraints on the availability and costs of mortgage financing and any adverse impact on this as a result of Covid-19 may have a negative impact on sales of the Group's products due to a potential decline in customer demand and ultimately the profitability of the Group.	Management and the Board continuously monitor government policy around mortgage availability. The Group regularly engages with mortgage advisors to gain valuable insights into the market and the impact of regulatory changes impacting mortgage lending. The Group has increased the frequency of cashflow and sales reporting to facilitate accurate business continuity planning. The Group has increased the frequency of Executive Committee meetings and Board updates to respond to the pandemic with Covid-19 being a standing agenda point at all meetings. The Group's strategy can facilitate the adjustment of delivery velocity if required.	Increased
External risk	**Adverse changes to government policy and regulations** A change in the domestic political environment and/or government policy (including tax legislation, support of the housebuilding sector, Part V allowance and first-time buyer assistance) could adversely affect the Group's financial performance.	The Group's management and Board monitor government policy on an ongoing basis. Group management's site by site forecasts are conservative by nature and allow for expected negative changes in government policy and regulation. The Group has the capability to redesign developments as appropriate should it be required. The Group will consider alternative sales strategies where required to align to any changes in the domestic political environment.	No change

The Group has increased the frequency of Executive Committee and Board meetings to respond to the pandemic with Covid-19 being a standing agenda point at all meetings.

Table legend: No change to risk rating ←→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
Operational risk	**Availability and increased cost of materials and labour** Shortages or increased costs of materials and labour could lead to an increase in construction costs and delays in the completion of units. As a result of Covid-19, there is a risk to the Group of shortages in skilled sub-contractors which are critical to construction operations and the delivery of units in line with the Group's delivery matrix. If the Group is unable to control its costs or pass on any increase in costs to the purchasers of the Group's product, source the requisite labour, and/or renegotiate improved terms with suppliers and contractors, the Group's margins may reduce which could have an adverse impact on the Group's business operations and financial condition.	The Group has fixed cost contracts in place with sub-contractors and suppliers where possible. The Group has the potential to expand its purchasing network should it be required and maintains flexibility by not having an over-reliance on any one supplier. The Group engages in financial planning and continuously monitors and reviews budget versus actual costings. The Group continuously evaluates partnerships at a site level with outsource labour providers to ensure agreements are in line with the market rates. The Group has strong relationships across the construction industry in Ireland and with our existing and wider sub-contractor network. The Group's size and reputation in the market remains highly attractive to sub-contractors and suppliers.	↑

Table legend: No change to risk rating ←→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
Operational risk	**Inadequate Project Management** Inadequate oversight of the cost and delivery of development projects adversely affects expected return on investment. The delivery matrix of development projects could be impacted by the spread of Covid-19.	The Group has fixed cost contracts in place with sub-contractors and suppliers where possible. The Group employs highly experienced and qualified project managers commercial and finance teams who oversee a robust financial planning process for each development and continuously monitor and review the budget versus actual costings. This includes regular updates to the Executive Committee and Board of Directors. The organisational structure of the Commercial department ensures oversight of all site costs as the business matures in line with the business plan. The Group's integrated ERP system provides bespoke commercial reporting eliminates manual processes and provides for real time reporting for more accurate decision making at a project, sub project, element and cost object level. The Group has updated and will continuously review all site delivery matrix and update these as necessary to reflect the impact of Covid-19. The Group has engaged in continuous communications with our sub-contractor network and supply chain to ensure they are aware of the Group's plans and to reduce the impact of current restrictions and to ensure a smooth return to normal operations.	↑


Cluain Adain
Clonmagadden, Navan

Table legend: No change to risk rating ←···→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
Operational risk	**Insufficient health and safety procedures** Glenveagh is focused on the wellbeing of its employees, contractors/sub-contractors and the general public. The Group understands that failure to implement and adhere to the highest standard of Health & Safety practices can lead to a significant risk to health, safety, and welfare of staff and other parties resulting in increased costs and negatively impact the timely and safe delivery of a project. Additionally, any failure in health or safety performance or compliance, including delays in responding to changes in health & safety regulations may result in financial and/ or other penalties.	The Group has an experienced Health & Safety team in place with a specific health & safety plan in place at each site. The Group has a wealth of experience, adopts best practice and regulations and has developed and implemented formal best practice policies and procedures to support and promote a robust Health & Safety environment. The Group ensures all staff are appropriately and adequately trained. The Group has a Grade A Safe-T certificate which is the industry Health & Safety auditing standard. The Group undertakes monthly Health & Safety audits through both internal and external parties. The Group circulates a weekly incident monitoring report to construction management. The Group has undertaken significant investment to implement best practice and public health advice for the return to working on site and in the office in response to Covid-19. There is adequate insurance cover in place to deal with any claims that may arise from claims due to injury.	←···→

The Group has undertaken significant investment to implement best practice and public health advice for the return to working on site and in the office in response to Covid-19.

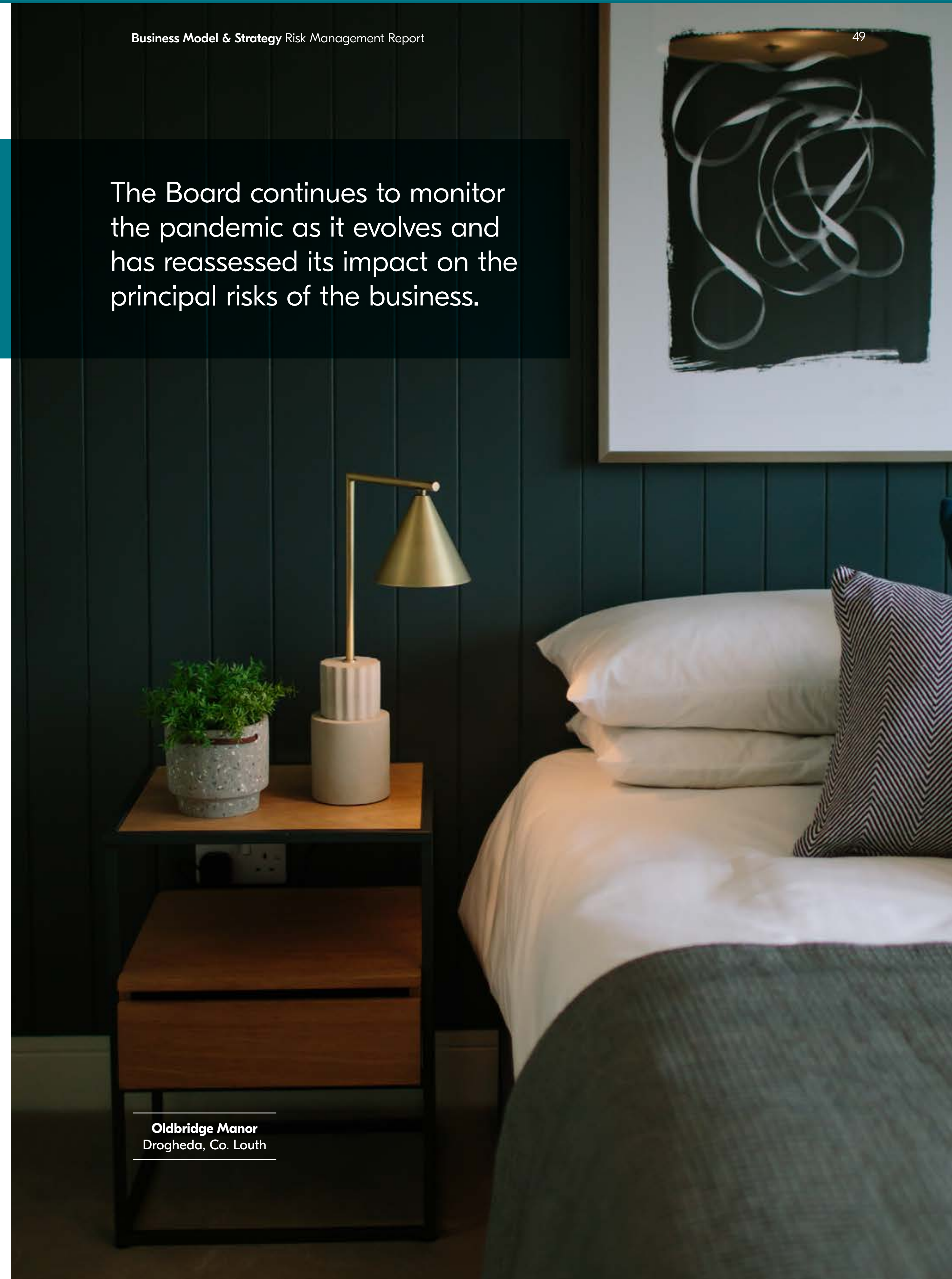
Table legend: No change to risk rating ←···→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
Operational risk	**Employee development and retention** The success of the Group is dependent on recruiting, retaining and developing highly skilled, competent people. The Group is aware that loss of key personnel and/or the inability to attract/retain adequately skilled and qualified people could lead to: • Poor operational and financial performance • Inadequate staff knowledge and understanding of policies and procedures. • Reduced control environment. • Insufficient transfer of knowledge amongst staff to allow for succession planning. • Demotivated staff; and • Failure to achieve/ deliver on the Group's strategic objectives.	The Group offers competitive and attractive remuneration packages and where appropriate long-term interest alignment. The Group offers the opportunity for advancement through creating a positive working environment. There is a Graduate Programme in place across all departments to develop and ensure progression within the business for all employees. The Group has in place a performance management and appraisal process which includes open channels of communication and feedback and development plans for employees. The Group is developing a succession plan to ensure continuity of quality service and knowledge retention. The Group has a dedicated Learning and Development manager with a focus on developing and deploying CPD and upskilling of staff. The Group has implemented flexible working arrangements for staff following the Covid-19 pandemic as well as offering support to ensure employees have suitable working from home arrangements. The Group ensures that all staff have access to relevant internal and external training.	←···→
Operational & reputational risk	**Data protection and cyber security** The Group uses information technology to perform operational and marketing activities and to maintain its business records. A cyber-attack could lead to potential data breaches or disruption to the Group's systems and operations which in turn could lead to damage to the Group's reputation and potential loss of customers and revenue. Any security or privacy breach of the information technology systems may also expose the Group to liability and regulatory scrutiny.	The Group's Head of IT leads the Group's initiatives in mitigating the risk of cyber and data security breaches further. The Group has a personal data retention policy in place to appropriately manage the information held. The Group uses internal and external back-up systems under the supervision of a third-party service provider pursuant to agreements that specify certain security and service level standards. The Group has in place sensitive data password protection and all such information is stored in secure locations and fully encrypted systems. The Group is proactively managing the cyber threat, is continuously monitoring and evolving systems internally and have engaged a third party to assist and ensure that best practices are implemented to identify and remediate any potential weaknesses or control gaps.	←···→

Table legend: No change to risk rating ←···→ Increased risk rating ↑ Decreased risk rating ↓ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
Reputational risk	**Decline in Product Quality** Delivery of the highest quality homes is central to the success of Glenveagh. The Group continues to focus on ensuring our products meet the desired standards and is aware that significant negative incidents including construction defects, material environmental liabilities (including hazardous or toxic substances), quality deficiencies or perceptions thereof could adversely impact the Group's sales and possibly result in litigation cases against the Group with a potentially negative impact on the Group's brand and customer satisfaction which are crucial to the Group's performance.	The Group has in place robust quality control procedures and strictly adheres to Building Control (Amendment) Regulations requiring (among other stipulations) the appointment of suitably qualified engineers and architects. The Group has a dedicated Quality Manager to manage and report on site quality. The Group has a dedicated Environmental Officer to advise on the business challenges from an environmental perspective on a daily basis. The Group has an experienced and professional support team in place. The Group has a dedicated customer service after-sales team.	←···→

Bellingsmore
Kilmartin, Dublin



The Board continues to monitor the pandemic as it evolves and has reassessed its impact on the principal risks of the business.

Oldbridge Manor
Drogheda, Co. Louth

SUSTAINABILITY REPORT

HIGHLIGHTS

Sustainability Pillars Built Around Our People And Our Communities

- Putting customers at the heart of what we do
- Creating sustainable homes and communities
- Environmentally considerate and efficient operations
- Sustainable and responsible sourcing
- Attracting, inspiring and investing in people
- Keeping people safe

Delivering On Our Commitment To Our Stakeholders And The Environment

CO2e Emissions Reduction Target
25%
Scope 1 and 2 intensity reduction target for 2025 from 2020 baseline

Affordable Homes
72%
Of homes priced below the new home median[12] 2019: 73%

Total Recordable Incident Rate
2.4
Including direct and contract employees

12. Core Glenveagh homes compared to GDA and Cork

KEY DRIVERS OF OUR APPROACH TO SUSTAINABILITY

Affordable Homes

The lack of affordable housing is a major inhibiting factor for the Irish economy. Projected trends in employment suggest that Ireland needs 300,000 additional dwellings in urban areas. It is incumbent on the construction industry, working in partnership with national government, local authorities, and multiple other stakeholders to accelerate the pace of construction of affordable homes for first time buyers and young families, and to create sustainable, thriving communities in the process.

21k
Number of new dwellings completed in 2020[13], which is below an estimated requirement of 34k[14]

Sustainable Communities

Developers must ensure that new developments have a strong sense of place, and that they are integrated into existing communities. Energy efficient construction, EV charging points, and cycling & walking permeability should all come as standard.

100%
Proportion of Glenveagh homes that are A2 or better[15]

The Climate Crisis

Globally, the buildings and construction sector is a major consumer of energy and a significant contributor to GHG emissions. Developers have a duty to minimise the impact of their activities on the environment, not just in terms of emissions, but also in terms of efficient use of land and raw materials, waste reduction, and recycling.

39%
Globally, the buildings and construction sector accounted for 39% of process-related carbon dioxide emissions in 2018[16]

Our long-term 'north star' sustainability objective is to set a new benchmark in our sector by delivering the maximum possible social benefit at the lowest possible environmental cost.

Delivering On Our Commitment To Our Stakeholders And The Environment

Building Energy Ratings of Starter Homes
100% A2[12]
option to upgrade to A1

Enhanced CLimate Reporting
SASB TCFD CDP
Disclosing against recognised international standards

Customer Satisfaction Score
83%
of customers would recommend us to a friend 2019: 82%

13. Source: Central Statistics Office (CSO) Ireland
14. Demand estimated by the Central Bank of Ireland (2019)
15. From November 2020
16. Estimates provided by the International Energy Agency (IEA)

CEO'S STATEMENT

The Irish housing market has been chronically undersupplied for many years, creating profound structural challenges for our economy and for our people. The biggest pinch point is affordable homes for first time buyers and young families.

We believe that everyone should have access to high-quality homes in flourishing communities, and we are determined that our contribution to that great endeavour is delivered in the context of the highest standards of environmental stewardship and responsible business.

Our ambition is to set a new benchmark in our sector by delivering the maximum possible social benefit at the lowest possible environmental cost. This is consistent with our broader business vision objective which is to create the leading sustainable homebuilding platform in Ireland.

In this, our first Sustainability Report since we became a public company in 2017, we set out our approach to reducing GHG emissions from our own operations and our supply chain, and the steps we are taking to reduce, re-use and recycle raw materials and resources.

We also explain the measures we are taking to keep our people and our contractors safe, to source responsibly, to attract, retain and inspire our people, to put customers at the heart of everything we do, and to create flourishing, sustainable communities.

We are passionate about the quality of our homes and about providing the highest standards of service for our private, institutional, and state customers. We focus on excellence and innovation across all aspects of construction to enhance build efficiency and minimise environmental impact.

During FY20 we began to put in place systems to measure and reduce our impact on the environment — including reporting Scope 1 and Scope 2 emissions for the first time — and to ensure we continue to operate in a socially responsible and ethical way. As part of our environmental strategy, we have set an emissions intensity reduction target for 2025 of 25% reduction of Scope 1 and 2 from a 2020 baseline year. It is our vision to achieve a net zero emissions target by 2050 and use Science Based targets to account for future Scope 1, 2 and 3 emissions.

We have also begun to integrate ISO 14001 — the international standard for environmental management — into our operations, with a view to achieving certification in 2021. As part of this process, we have developed and documented a comprehensive Environmental Management System.

All these measures are merely steppingstones on the journey towards our goal of class leading standards of environmental and social responsibility.

Stephen Garvey
Chief Executive Officer

Marina Village
Greystones,
Co. Wicklow

Understanding Our Operating Context[17]

The Irish housing market has been undersupplied for a number of years . Whilst some degree of undersupply is to be expected in any economy, the level of unfilled demand in Ireland has been increasing steadily. The number of young adults continuing to live at home has risen since 2011 while the number of people aged 25-34 who are registered as heads of household has fallen.

The pressure on housing stock is likely to grow in view of projected trends in employment and the continued under-supply of housing. Notwithstanding the impact of the pandemic, growth is expected to continue to be concentrated in the services sector for the foreseeable future.

Across the OECD, 79 per cent of the population lives in urban areas; in Ireland it is 63 per cent. Were Ireland to follow in the footsteps of other OECD nations it is estimated that there would need to be around 300,000 additional dwellings in urban areas.

In its analysis of the Irish housing market, the Central Bank of Ireland suggests a number of possible explanations for the current state of supply and demand in the Irish housing market, including: changes to the cost base associated with the delivery of housing units, the availability and price of development land, structural issues within the building industry such as difficulties achieving economies of scale, and the time taken for the sector to recover from the property crash over a decade ago.

It is against this backdrop that Glenveagh Properties emerged as a PLC in 2017. We are a young company dedicated to expanding access to high-quality new homes, with a focus on first time buyers and young families. We believe that everyone should have access to high quality homes in flourishing communities across Ireland.

We are focused on three core markets - suburban housing, urban apartments and partnerships with local authorities and state agencies. Since IPO we have opened 23 sites, delivering more than 1,800 units (700 in 2020) with 1,150 in the pipeline for 2021. The landbank we've assembled can deliver housing that is both in demand and affordable.

Meeting the demand for affordable housing is one part of the story; doing so responsibly is the other. In this report we address the steps we are taking to deliver the social benefit of affordable housing in a way that minimises impact on the environment, including using land in the most efficient way, driving down waste, reusing resources, reducing emissions during construction and delivering A rated energy efficient homes across all our developments.

17. Data and analysis in this section, including OECD reference: An Overview of the Irish Housing Market, Central Bank of Ireland, 2019

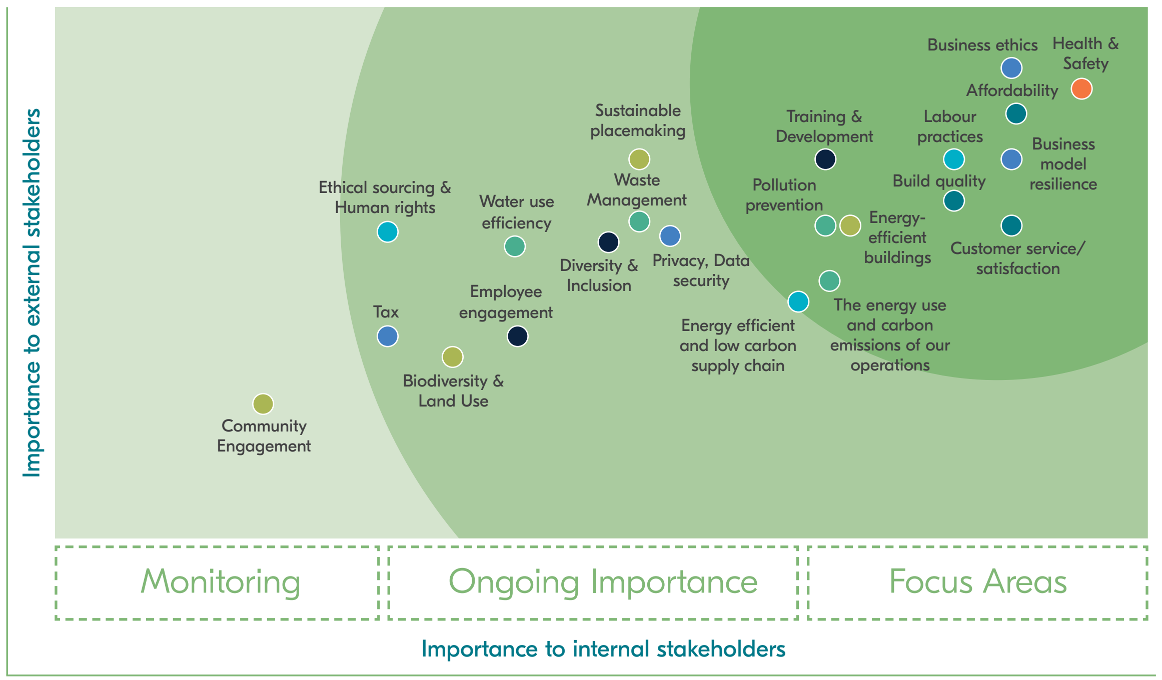
Our Material Issues

We have assessed a wide range of issues against our business strategy to identify those that present the most significant risks and opportunities. We considered how important each issue is to our key stakeholders (including investors, customers, employees, communities and government) and the extent to which each issue could have a negative or positive impact on people, society or the environment.

We have identified our material issues in the context of the Group's six pillars:

- Putting customers at the heart of what we do
- Attracting, inspiring and investing in people
- Keeping people safe
- Creating sustainable homes and communities
- Environmentally considerate and efficient operations
- Sustainable and responsible sourcing

Materiality assessment is an ongoing process, and we will continue to engage with our stakeholders to ensure we are addressing their most material issues.



- Putting customers at the heart of what we do
- Environmentally considerate and efficient operations
- Attracting, inspiring and investing in people
- Creating sustainable homes and communities
- Sustainable and responsible sourcing
- Keeping people safe
- Leadership & Governance

Our Approach and Link to Business Strategy

At Glenveagh, we are passionate and disciplined about creating a positive environmental, social and economic legacy for future generations. Our passion is manifested by the sheer scope of the topics we are managing and monitoring, whilst our discipline is evident from our rigorous management approach.

Our approach to sustainability is holistic and integrated. Our six sustainability priorities address the most relevant issues to our stakeholders, whilst supporting our strategic priorities. Management of each topic is integrated into "business as usual" operations through commitments, KPIs, governance, accountability, and risk management processes and structures.

Group Strategy Objectives and Our Sustainability Pillars

1 **Disciplined Investment across our three target segments**

2 **Scaling our construction capability across Suburban and Urban**

3 **Sector-leading customer offering**

4 **Optimisation of capital employed**

Key Sustainability Objectives	Material Issues Addressed
Putting customers at the heart of what we do **Read more on page 56**	• Affordable Housing • Build Quality • Customer Service/Satisfaction
Attracting, inspiring and investing in people **Read more on page 62**	• Employee Engagement & Wellbeing • Diversity & Inclusion • Training & Development
Keeping people safe **Read more on page 68**	• EHS Culture, Policies and Processes • EHS Training & Awareness • General H&S Performance
Creating sustainable homes and communities **Read more on page 74**	• Energy Efficient Buildings • Sustainable Placemaking • Land Use & Biodiversity • Social Value & Community
Environmentally considerate and efficient operations **Read more on page 80**	• Climate Change & Energy Use • Waste & Resource Use • Water Usage • Innovation
Sustainable and responsible sourcing **Read more on page 86**	• Managing Our Supply Chain • Energy Efficient and Low Carbon Supply Chain • Ethical Sourcing & Human Rights

Governance | Commitments & KPIs | Risk Management

SUSTAINABLE DEVELOPMENT GOALS

We support the United Nations Sustainable Development Goals. We are currently in the process of carefully examining each one and its underlying indicators in order to identify, which are most relevant to Glenveagh and where we can make the biggest contribution.

Putting customers at the heart of what we do

72%

Of homes priced below the new home median[18]
2019: 73%

83%

83% of our customers would recommend us to a friend
2019: 82%

Redeveloped our digital strategy to facilitate an online and private viewing led customer journey

18. Core Glenveagh homes compared to GDA and Cork

We believe that everyone should have the opportunity to access great-value, high-quality homes in flourishing communities across Ireland. This vision governs everything we do at Glenveagh. To best achieve our vision, we focus on providing affordable homes for first time buyers and young families.

We strive to create a seamless customer journey, to ensure the highest levels of build quality and to adapt to the changing needs of our customers.

Access & Affordability

We devote the majority of our portfolio to the first-time buyers ("FTB's") segment. We give more people access to new homes by building at scale and by keeping our prices below the industry average for new-build homes. We plan our developments with access to transportation, amenities and green spaces in mind. We've even partnered with national broadband providers to futureproof developments for our customers.

Customer Spotlight: Supporting First Time Buyers With Our Approach to Placemaking

First-time buyer Lorraine is one of the residents at our Cluain Adain development in Navan, Co. Meath

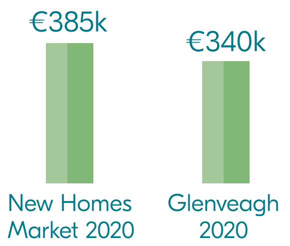
"It is our absolute dream home! Location and amenities were also very important to us. We love the Blackwater park that is local to us here. We tend to bring our dog over for a walk most evenings, it's very convenient and there is nothing better than getting a bit of fresh air.

The whole process of buying the home went smoothly enough for us! Dealing with Glenveagh was very easy. We never had to wait for them to get back to us. It was always prompt responses. The process went smoothly from start to finish, which we are very thankful for!"

We work to ensure our developments match repayment capabilities in the communities where we operate. Price transparency is important to us which is why typical monthly mortgage repayments are routinely promoted on site.

Our land portfolio is positioned towards delivering affordable homes in attractive urban locations. We offer selling prices below €350k on the majority of our Suburban portfolio. Prices at the Group's developments start from €240k, with our selling prices materially below the national average new home price.
Furthermore, the current Part V (social housing) requirement in Ireland is 10% and we are delighted to meet this obligation and to offer additional homes to the state for social housing at affordable prices.

Median new home prices (Inclusive of VAT)*



Source: Property Price Register
* Core Glenveagh homes compared to GDA and Cork

Build Quality

We consider having a cohesive and robust Quality Management System ("QMS") essential to our success. Our QMS is built on best practice and we are aligning this with the standards of ISO 9001 which we will seek to fully implement over the next 24 months.

Our QMS assists us in maintaining our currently high levels of quality and drives consistency across sites. With dedicated training and role-specific responsibilities under the QMS we are able to work towards improving our product efficiencies and empowering staff so that we can improve the quality of workmanship and reduce rework.

Construction quality is overseen by our Head of Quality who is responsible for ensuring each project complies with the quality requirements of the business and that our Quality Policy is adhered to. Under our QMS we have a Quality Responsibility Matrix ("QRM") outlining the responsibility and reporting structure.

At site level the Contracts Manger is responsible for ensuring that the project quality requirements are understood by all colleagues and sub-contractors. Throughout the build process Quality Control is observed inspected and recorded by our site team. It is also verified and validated by third party consultants and is internally audited by our Quality Team.

We have a dedicated Quality Team with a Quality Manager and a Building Control (Amendment) Regulations ("BCAR") Manager (who is responsible for ensuring compliance with Building Regulations). They work across all projects to ensure that each aspect of our quality approach is maintained.

Our QMS guidelines and associated training ensure our management and sub-contractors have a consistent understanding of our quality and finishing requirements.

Quality Management System Objectives

Bellingsmore
Kilmartin, Dublin

Key steps in our quality process include:

1. Plan
Pre-Start Quality meeting held to develop project quality objectives and finalise project quality plan.

2. Set-Up
Consultant ITP, Quality Responsibility Matrix and BCAR requirements finalised with site team and consultants.

3. Build
Subcontractors pre-start meetings are held to communicate quality requirements and approved design. Workmanship monitored and recorded by site teams.

4. Inspect & Validate
Internal Quality checks and material testing conducted as per the approved ITP and all works and results validated by consultant inspection and review.

5. Monitor & Improve
Inspections, quality observations and consultant reports are reviewed and analysed. Recommendations for improvement.

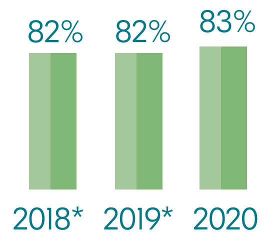
Quality performance is presented at senior management meetings on a monthly basis. Quality targets are set and reviewed by the business annually. The targets relate to the high-grade finish of all our homes, consistency across sites, improvements in efficiencies and reduced rework.

Customer Service

We seek to establish trusted long-term relationships with our customers. For this reason, we do not outsource the completion of the sales process to estate agents. From their first enquiry to after their move-in date Glenveagh builds our customer relationships on trust, transparency and respect.

We foster a one team culture on site such that our construction representatives act as an extension of the sales team. This means all our people are focused on delighting the customer, for example by eliminating many of the pain points associated with moving into a new home, such as the installation of flooring and appliances and even setting up a broadband internet connection. We promote a professional and transparent snagging process while our dedicated landscaping team "Greencare" by Glenveagh is on hand to provide an ongoing service.

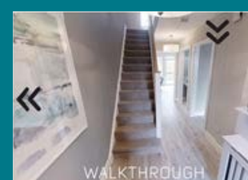
Customer Satisfaction
'Would you recommend Glenveagh to a friend?'



* "Recommend to a friend" score introduced in 2020. 2018/2019 based on responses to 14 queries.

Enhancing Customer Experience during Covid-19

Despite the mobility restrictions brought about by COVID-19 lockdowns our customers were able to complete their home buying journey remotely. We redeveloped our digital strategy to allow for contactless, online and private viewing with our agents providing virtual assistance via video calling. The new system allowed prospective customers to balance an intimate viewing-experience with on-call assistance while allowing Glenveagh to refine data collection on our prospective customers.



We ask our buyers to complete a survey, about eight weeks after completion, to capture feedback on design, build quality, the snagging process, and their engagement with our people throughout the process.

Twenty per cent of the executive and senior team bonus is dependent on the Group achieving the equivalent of a 5 Star rating (90%+ recommending Glenveagh to a friend). Feedback from the survey is reported at Board level. In FY21 we will also be incorporating the survey data into monthly reporting to relevant departments to inform decision making. Furthermore, we have enhanced the survey to capture more information about sustainability topics.

In FY20, 83% per cent of customers said they would recommend Glenveagh to a friend.

Communication with customers on sustainability issues is key to our customer service process. We aim to ensure that sustainability is communicated during the purchasing process, in marketing brochures, and we also aim to provide detailed information upon the completion of a purchase. We encourage our customers to operate their new homes in a sustainable way through reduced energy use and lower water consumption. Our marketing team provides guidance to our customers regarding behavioural change and how to best use appliances in an energy efficient way.

Managing Complaints

We use several methods to capture complaints or issues, including a services inbox, an aftersales inbox, and queries that come in by email, telephone, social media or directly from customers on site. Queries are escalated to the relevant site or dealt with directly with the buyer by the sales team. For 2021 we have established a dedicated After Sales team to further improve our services to customers.

Responsible Marketing

We are committed to having clear, honest and truthful advertising. We work with Marketing and Advertising agencies that are required to follow the guidelines established by The Advertising Standards Authority for Ireland. There was one complaint made to the Advertising Standards Authority in 2020. No complaints have been upheld during the year.

Targets, Goals, and Progress

Commitments	Targets	Progress	Actions, Measurement, Evaluation
Access & Affordability Continue to deliver housing linked to local affordability	Maintain Group ASP Below Greater Dublin Area ("GDA") and Cork New Homes Market ASP	✓	**In 2020 we:** • Ensured sufficient range and choice was available to our customers to help address local need with 82% of our private sales made to first-time buyers. • Delivered a Group ASP below the GDA new homes market. **In 2021 we will:** • Continue to drive local affordability and ensure sufficient range of choice is available to our customers at prices they can afford.
Build Quality Continue to provide high quality homes that exceeds customer expectations	Achieve ISO 9001:2015 Certification by 2022 Implement Integrated Site QMS on all Projects by 2022 Conduct over 2,000 Internal Quality Inspections by the end of 2021	● ● ●	**In 2020 we:** • Developed and implemented a Site Quality Responsibility Matrix and Inspection Plan. • Conducted over 500 Internal Site Quality Inspections. • Integrated our consultants into our quality Management System. • Conducted an external audit of our QMS. **In 2021 we will:** • Progress towards ISO 9001 with adoption targeted for 2022. • Begin to Integrate our major subcontractors into our quality management system. • Rollout Site Quality Responsibility Matrix and Inspection Plan on all sites. • Strengthen and expand our quality culture among site teams and sub-contractors.
Customer Service and Satisfaction Put customers first, continually striving for service excellence in all that we do	Achieve customer satisfaction rating in excess of 86% by 2022	●	**In 2020 we:** • Improved our overall customer satisfaction rating to 83%. • Made the customer experience more accessible by enhancing our digital offering and facilitating customers to complete their entire home buying journey remotely or in a contactless manner. • Redeveloped our digital strategy to facilitate an online and private viewing led customer journey. **In 2021 we will:** • Develop an After Sales Department to provide a central platform for our buyers to register any queries they have after the sale of their property has closed. • Develop our website to enable buyers to be self-sufficient by accessing a portal with links to information on maintaining heating/ventilation systems within their homes, energy saving tips and local community initiatives that Glenveagh are involved in.

✓ Achieved ● On track ● Off track

Attracting, inspiring and investing in people

12
Graduates
On our first Graduate Programme

Internal mentorship programme aimed at developing employees' skills and experience in areas outside of their current role

11
Hours
Average hours of training per salaried employee

Be an employer of choice, attract, and retain the best people by investing in their development and success.

Everything starts with our people. Delivering on our commitment to expand access to home ownership; creating thriving communities; leading the industry on quality, safety and sustainability – all of these material issues rely on a talented, dedicated and motivated workforce.

Employee Engagement & Satisfaction

We use the Great Place to Work model to assess engagement and satisfaction levels across the business. We are proud to be the first housebuilder in Ireland to be recognised as a Great Place to Work (2019).

The model measures five dimensions of the employee experience. The first three – Credibility, Respect and Fairness – measure employee trust in management, while the final two, Pride and Camaraderie, assess employees' feelings about their jobs and their colleagues. In addition, we run a number of periodic employee pulse surveys to assess and improve the employee experience.

A Great Place to Work Committee has been established with a representation of employees from across the business. The committee assesses survey results and engages with the workforce to identify improvements. One of its initiatives was to introduce "Pride in Place" activity, which involves site visits for office employees to witness the work that the site team have carried out on their development. It is a great opportunity for office based teams to meet the sites teams to gain a better understanding of their roles and also to have a look at the finished homes.

Employee Wellbeing

The health and wellbeing of our people is a priority at the best of times, but the Covid-19 pandemic has taken a particular toll this year. We have put in place a number of initiatives to support our people during this difficult time, including:

- A 12-week programme called Take Care Tuesday which ran from June to September. Employees were able to take advantage of a weekly live talk from a subject matter expert on topics including Healthy Eating, Physiotherapy, Skin Cancer Awareness, Financial Wellbeing, Stress and Mindfulness;
- Online quizzes which brought teams of employees together from across the business;
- A regular employee-led newsletter that includes competitions, fun activities, employee interviews as well as updates from across the business;
- An introduction to the Wheel of Life – a visual tool designed to help people achieve balance in their lives – which was shared with all employees during Construction Safety Week;
- Weekly talks on topic including men's health, self-care, smoking cessation, and a GP led live webinar on Cancers.
- Subsidised catering on-site delivering a healthy, hot food offering and reducing the need to leave the site, further mitigating the spread of Covid-19 and improving health & safety and productivity.

We regularly promote our Employee Assistance Programme to remove any stigma around mental health and in 2021 we will establish an employee Wellness Committee.

Our 2020 Employee Wellness Programme

In 2020 we ran a Wellness Programme which included talks on pensions, cancer awareness, healthy eating, and mindfulness among numerous other topics which are important to our staff.

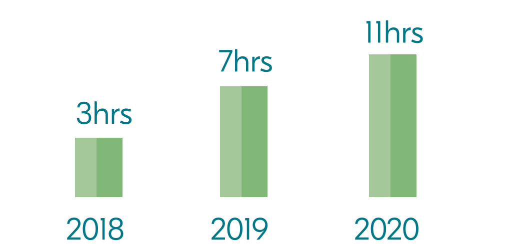
We are rolling out training for Mental Health First Aiders in 2021, ensuring the support of colleagues across the business.

We have developed our own bespoke Mental Health Management Training to provide key tools to enable our managers to support employees.

Training & Development

We are committed to supporting and developing our people to further their skills and experience. In 2020, we concentrated on making space for employees to develop new skills and techniques directly related to their current roles and streamlining our internal processes. We also updated our performance review processes to incorporate competencies across the business, launched our first Graduate Programme, and held a management programme for our people managers.

Average Hours of Training per Salaried Employee



For 2021, the focus will be on strengthening our teamwork and communication, both in and across our departments. We will also be providing increased targeted training interventions to complement our growing workforce and we will look to develop long term career mapping in all departments.

Glenveagh Career Path: Dean Mulligan — Contracts Manager

Dean joined Glenveagh's founding company Bridgedale in 2010 as a carpentry apprentice. Upon completing his apprenticeship, he was promoted to Finishing Foreman on the Cois Glaisín site in Navan, Co. Meath. The Cois Glaisín development played a central role in the early part of Glenveagh's story and was completed to an exceptional standard by Dean and his team in 2020. Towards the end of his time at Cois Glaisín site Dean was promoted to Contracts Manager. He is now responsible for managing approximately 40 direct employees on the Bellingsmore and Oldbridge Manor developments as well as a large volume of subcontractors.

In his role as Contracts Manager Dean now helps to guide and mentor junior members of the Construction team with their career paths.

We have launched an internal mentorship programme aimed at developing employees skills and experience in areas outside of their current role.

Apprenticeships

Attracting a steady stream of apprentices into the construction industry is crucial for the long-term health of the sector and we are determined to play our part. In 2020 we initiated a scheme for our sub-contractors to match the government's employer incentive of €3,000 per apprentice.

Transition Year Students & Graduate Placement

In addition to supporting apprenticeships, we offer placements to second and third level students, providing work experience and mentoring from a senior member of our team. This programme will be expanded in FY21 as part of our school outreach programme.

Reward and Remuneration

At Glenveagh, we offer attractive remuneration, and our range of benefits exceeds industry benchmarks.

Our Benefits

- Health Insurance
- Long Term Disability
- Wellbeing Programme
- SAYE Share Scheme
- Life Insurance
- Parenting Policies
- Education Support
- Sports & Social club and activities
- Annual Bonus
- Pension Scheme
- Income Protection
- Commuter travel pass schemes

Attracting a steady stream of apprentices into the construction industry is crucial for the long-term health of the sector and we are determined to play our part.

24%

Female headcount in Glenveagh (Construction sector average 9%)

We encourage employee share ownership. All employees can participate in the Glenveagh Save As You Earn Scheme, which allows them to save with us for 3 or 5 years, enabling them to buy Glenveagh Properties PLC shares at a discounted price.

Diversity & Inclusion

We are committed to attracting and supporting a diverse workforce. Our commitment is outlined in our Diversity and Inclusion Policy statement. However, at Glenveagh we go beyond words. Here is how.

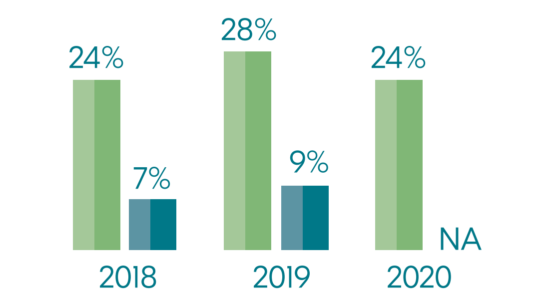
In 2020 we signed the Construction Industry Federation (CIF) Diversity Charter with the aim of achieving the Bronze Standard, and we are also planning to join the 30% Club Ireland with the goal of improving gender balance at all levels of the organisation.

A new recruitment drive will take place in 2021 with the aim of extending opportunities to a more diverse range of candidates and by promoting the construction industry as an employer of choice for all.

We have recently reviewed all our policies and procedures to ensure they are suitable for a diverse workforce. For example, we have introduced more flexibility in our Parental Leave policy allowing all employees to apply to take parental leave in short blocks. As part of our CIF Diversity Charter commitments we will introduce a number of new policies and initiatives in 2021.

All managers are currently undertaking unconscious bias training and all job Interviews are carried out by a two-person panel to reduce further the risk of any bias in the process. A competency framework has been developed for use as selection criteria at interview for both hiring and promotion opportunities.

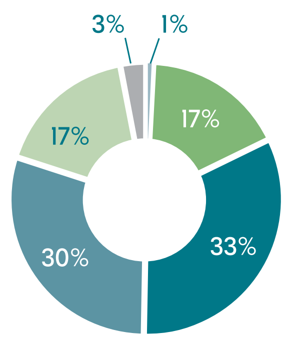
Female headcount in Glenveagh vs Irish Construction Sector



*No CSO data available for 2020

Age diversity in our workforce

Age employees	% of full-time
<20	1%
20 – 29	17%
30-39	33%
40-49	30%
50-59	17%
60>	3%



Engagement & Leadership on Diversity

We regularly attend job fairs at universities and colleges with an emphasis on promoting applications from women. Where possible we arrange for our female engineers to speak at these events. We were the main sponsor for CIF's International Women's Day event in 2020.

Targets, Goals, and Progress

Commitments	Targets	Progress	Actions, Measurement, Evaluation
Employee Engagement & Wellbeing Demonstrate commitment to improving the wellbeing of our workforce. Improve employee communication and engagement.	1. Aim to achieve 82% or above in the employee satisfaction survey in 2021 2. Aim to reduce employee turnover rate to 10%	● ●	**In 2020 we:** • Ran a Wellness Programme which included talks on pensions, cancer awareness, healthy eating, and mindfulness among numerous other topics which are important to our staff. • Reduced employee turnover to 11% from 15% in 2019. **In 2021 we will:** • Gain greater understanding of how employees feel about working at Glenveagh. • Set up Wellbeing Committee. • Develop a Communication Charter • Improve communication technology.
Training & Development Aim to be the industry destination of choice for graduate, trainee and apprentice recruitment Ensure we have appropriate development programmes to further encourage promotion and career development in the Group	1. Invest in at least 13 hours of training per salaried employee in FY21 2. Continue graduate intake and completion of supporting programme 3. Align career mapping with departmental strategy and development plans for all	● ● ●	**In 2020 we:** • Invested in 11 hours of training per salaried employee. • Launched a Graduate Programme with 12 graduates. • Launched an internal mentorship programme. • Developed a competency framework model as a human resource management tool. **In 2021 we will:** • Focus on targeted training and development interventions, career mapping, and developing succession planning. • Improve internal communication platform.
Diversity & Inclusion Create an inclusive workplace that promotes diversity and ensures equal pay Become a more accessible employer for employees with disabilities Promote ethnicity in the workplace	1. Maintain female employees percentage above industry average 2. Recruit at least 30% females amongst new college recruits in a given year 3. Continue to drive and ensure equal pay for equal work 4. Ensure we reduce the gender pay gap on an on-going basis	✓ ● ✓ ●	**In 2020 we:** • Published Diversity & Inclusion Policy and signed the CIF Diversity Charter as a public commitment to D&I. • Introduced more flexibility in our Parental Leave policy. • Took part in Down syndrome Ireland's Accessibility Programme with one part-time employee. **In 2021 we will:** • Embed D&I policy into all company policy, procedures and practices. • Achieve the Bronze Standard in CIF Diversity Charter. • Deliver D&I training to senior leaders and managers. • Improve our recruitment advertising to promote employment with the company for people with disabilities.

✓ Achieved ● On track ● Off track

Keeping people safe

2.4

Total Recordable Incident Rate

NISO Construction Housebuilding Award 2020

88%

Average achieved across the Group on monthly site audits, up 4% vs 2019

Ensure our operations are safe for all those employed and affected by what we do.

Culture, Policies, and Processes

Environmental Health & Safety ("EHS") is at the forefront of what we do at Glenveagh. Our main objective every day is to ensure that our employees, sub-contractors, suppliers and all those visiting sites come into work and go home safely.

EHS is the first item on our Board's agenda. For all members of staff, 20 per cent of their bonus is tied to our overall EHS performance.

Our 12-strong EHS team drives the H&S agenda across the business. The team has developed a comprehensive training programme and in 2020 it delivered awareness courses on: Working at Height, Plant Safety, Scaffolding, Craneage, and Managing Safety In Construction. Due to the Covid-19 pandemic, some planned courses have been postponed to 2021.

Our Safety Management System has been designed to be consistent with ISO 45001 and we will be applying for accreditation to this standard in the first half of 2021.

AWARD WINNING HEALTH & SAFETY TEAM

Glenveagh are thrilled to have been awarded the NISO Construction Housebuilding Award for 2020. We have also maintained our Safe T Cert - Grade A in 2020. This is a great result for the everybody in the company and reflects all the work we put into maintaining and improving our safety standards.

Whiteboard Meetings

White board meetings are completed on each site at the beginning of every day to agree a safe plan of action for the day's activities. The objective of the meetings is to identify the hazards and risks associated with each area of work on the site.

Our Health & Safety policies

As part of our Health and Safety Culture, the Group has adopted comprehensive Health & Safety policies which are disclosed on our website. Adherence to robust health and safety practices is integrated into all employees remuneration.

Weekly safety meetings are held to look at any issues that were raised during the previous seven days and to identify any actions required in respect of new contractors or works in the week ahead. There are also monthly meetings with the Senior Leadership Team, monthly review audits and trends as well as new projects.

Health & Safety audits

Every month three of our sites are audited via independent inspections.

All our sub-contractors have to pass a pre-qualification process that includes a comprehensive safety section. Contractors are required to appoint a supervisor with specific responsibility for Health and Safety.

Monthly Safety Awards

We hold monthly safety awards where our employees and subcontractors are awarded for H&S compliance, care to themselves, fellow workers and the Environment.

Creating Homes Safely

Monthly Safety Awards

Glenveagh
Home of the new.

At Glenveagh, H&S training is a continuous process and investing in the competency levels of all staff, particularly site staff, is a key commitment Glenveagh makes to its people.

88%

Average achieved across the Group on monthly site audits, up 4% on 2019

Approach to training and awareness

At Glenveagh, Health and Safety training is a continuous process and investing in the competency levels of all staff, particularly site staff, is a key commitment Glenveagh makes to its people. In-house training for staff is provided in:

- Manual handling
- Abrasive wheels
- Working at height
- Fire training
- Toolbox talks

In addition, external training consultants are brought in to provide further training in Managing Safety in Construction, and Safe Pass and Plant safety ("CSCS"). When we identify an area of competency that we need to augment, staff are provided with the appropriate level of training.

Glenveagh continually introduce initiatives to reduce our Accident Frequency Rate ("AFR") in 2020 we introduced Gloves and Glasses to our mandatory PPE. This achieved a reduction of 18% in relation to hand injuries across the Group from the previous year. We believe with the implementation and certification of our Integrated ISO EHS system will also led towards further reduction of our AFR.

Total recordable incident rate ("TRIR")

2020: 2.4

Reopening Sites Post Lockdown

In line with the Irish Government's Covid-19 guidance all our construction sites closed between March 27 and May 18. The Health & Safety team designed a comprehensive set of protocols so that our sites and offices were able to reopen with all appropriate hygiene and social distancing measures in place.

Investing in Technology

We have deployed TAG (Time Attendance Glenveagh), a biometric time and attendance software solution that ensures only pre-qualified and competent people are allowed access to sites. Individuals gaining access to site have to have their certification and induction up to date and recorded in TAG before the software will allow them access. TAG also provides alerts when an individual's training is approaching expiry.

Working with Subcontractors on H&S

We have a rigorous system in place to ensure Health & Safety of all our contractors. All contractors' staff are required to have Safe Pass and Manual Handling training and be 100% compliant. This is tracked through our TAG System.

All contractors go through our vetting procedure prior to being put on our approved suppliers list.

We have a 16-point Environmental, Health & Safety minimum requirements document that is communicated to all contractors and is included within their contract.

Each contractor must have a competent supervisor on site, and these are identified by wearing a black hat. The Black Hat's responsibilities are set out by our safety team member.

Each site must have a safety representative nominated by the operatives on site. This allows for staff to raise concerns and bring them to the attention of site management.

The Health & Safety team designed a comprehensive set of protocols so that our sites and offices were able to reopen with all appropriate hygiene and social distancing measures in place.

Targets, Goals, and Progress

Commitments	Targets	Progress	Actions, Measurement, Evaluation
Culture, Policies, and processes Strive to ensure the highest standards of health and safety across our workforce and sites	Proportion of sites with Independent audits to be 20% Achieve ISO45001 Certification by the end of Q2 2020 Maintain Grade A in Safe T Cert	✓ ● ✓	**In 2020 we:** • Maintained our Grade A in Safe T Cert. • Were awarded the NISO construction homebuilding award. • Achieved an average of 88% across the group on monthly audits up 4% on previous year. • Completed stage 1 pre assessment for ISO. • Developed and implemented a Covid-19 management plan across the Group. • Remote working procedures developed and implemented. **In 2021 we will:** • Achieve ISO Certification. • Maintain Grade A -Safe T Cert.
H&S training & awareness Continue to raise health and safety awareness amongst our directly employed and supply chain workforce	Increase training hours and participation per employee	●	**In 2020 we:** • Ensured 14 staff completed IOSH MSIC • Implemented Covid-19 management system training for all Glenveagh staff. • Delivered remote working training • Delivered safe pass, manual handling and working at heights training for Glenveagh site staff and Contractors. • Participated in CIF Safety Week in October. **In 2021 we will:** • Continue the roll out of IOSH MSIC. • Participate in Safety Week 2021. • Roll out Mental Health First aiders within the Group.
General H&S Performance Maintain group health and safety Annual Injury Incidence Rate (AIIR)	Maintain low group health and safety Annual Injury Incidence Rate	●	**In 2020 we:** • Delivered a TIRR of 2.43. • Introduced Gloves and Glasses to our mandatory PPE. This achieved a reduction of 18% in relation to hand injuries across the Group from the previous year. **In 2021 we will:** • Target continual improvement in Group health and safety accident frequency rate ("AFR"). • Reduce injuries and drive a positive change in culture with our workforce.

✓ Achieved ● On track ● Off track

Creating sustainable homes and communities

Oldbridge Manor
Drogheda, Co. Louth

100%

of starter homes are now A2 rated with an option to upgrade to A1

Emphasis on local employment and community engagement with a new social barometer tool in development to measure success

First high-density suburban housing scheme in planning

Deliver high quality homes with low environmental impact where people can live a sustainable life.

Land Use & Biodiversity

As part of the planning process, we assess for sensitive ecosystems to ensure they are protected and enhanced. We work closely with local authorities in pre-planning to protect ecosystems and create areas that promote biodiversity.

As part of the land acquisition process all our sites are screened for their ecological attributes, proximity to sensitive habitats, and areas of significant biodiversity value. The sites are assessed by environmental experts using the appropriate recognised Irish and EU regulations.

Any sensitive or biodiverse habitats identified on our sites are disclosed to the relevant authorities and we work with the relevant expert-consultants on how best to protect them. All resulting actions are considered and implemented as part of a Construction Environmental Management Plan.

As part of the planning process, we "screen" for sensitive ecosystems to ensure they are protected and enhanced.

How We Engage on Biodiversity with Residents

We have been working closely with residents in Taylor Hill on biodiversity projects including tree planting and wildflower bed creation to help enrich areas where we build. We look forward to continuing our partnership work during 2021.

This year we plan to have each development sewn with Wildflower Seed, this seed is most commonly affiliated with farming areas and our aim is to reintroduce this feature throughout our developments. Once the seed is sewn we will manage the process and its growth until the meadows become self-sufficient and almost maintenance free. To add to this we are arranging 2 days of planting these meadows in September which will include the residents in four strategically chosen developments as part of our community engagement initiative.

Efficient Use of Land

Meeting customer needs whilst also satisfying local authority sustainable development standards is a challenge using traditional residential typology layouts. We have therefore started to research the development of new housing typologies that satisfy and exceed customers' expectations, are more efficient in terms of ground use and hence reduce the overall environmental impact. It is our intention to introduce these new typologies to the planning system in Q1 2021 and we are looking forward to working with the sector in delivering this innovative solution to our customers.

Sustainable & Energy-Efficient Homes

There has been very little innovation in product type in the housing industry over the last 40 years. As pressure grows on land use, it is vital developers consider how to utilise space better, meeting consumer needs while using land more efficiently.

The overall energy demand of our homes is reduced further by a relentless focus on the highest standards of insulation and air tightness in all our properties.

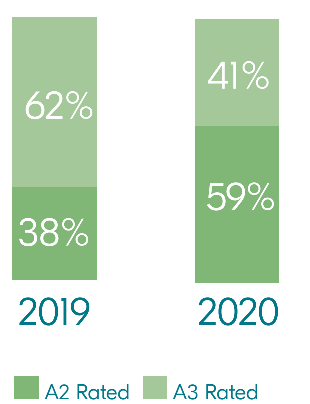
All houses and apartments delivered by the Group from November 2020 have a BER rating of A2 or better. Indeed, an A-rating has been the benchmark we set when the business was established in 2017, as a result our homes are more energy efficient than the market average.

Glenveagh has consistently delivered homes to customer which exceed minimum regulatory requirements. In 2020 the energy performance of our dwellings improved by 12%. Delivering more efficient buildings to the customer has a significant impact on our Scope 3 emissions.

The key to achieving this standard is attention to detail during the design and construction process along with the use of renewable technologies. The overall energy demand of our homes is reduced further by a relentless focus on the highest standards of insulation and air tightness in all our properties.

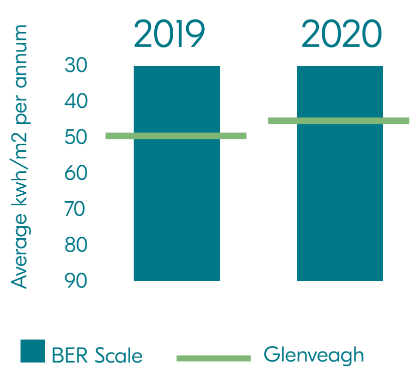
Delivering on Our Commitment to Our Customers and the Environment

100% of Homes A-Rated



All dwellings now A2 rated or better

Reducing Scope 3 Emissions



Delivered a 12% improvement in kwh/m2 performance

A1 Rated Starter Homes Available Today

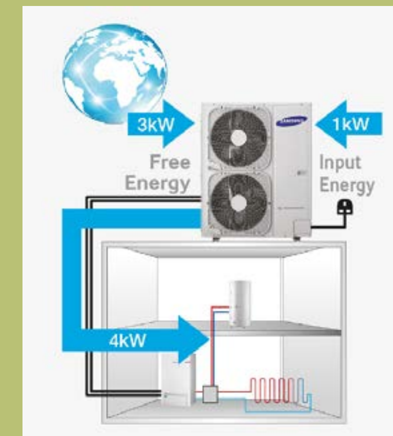
We are constantly innovating and working with our supply chain to reduce the energy consumption of our homes, and while we exceed our obligations, we want to do more

Today we offer the option to upgrade to an A1 rated starter-home via the installation of additional solar panel technology

Glenveagh Homes Were Designed and Delivered to Achieve Greater Efficiency Than Regulations in 2020

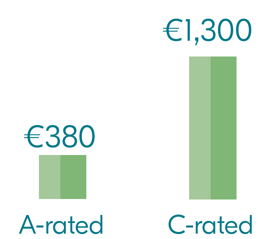
Eco Energy Systems

We have transitioned away from gas boilers and since January 2020 air source heat pumps have been installed as standard in all our new homes. Heat pumps represent the most efficient alternative to fuel, oil and electric systems in regard to both heating and cooling. They supply more heating and cooling capacity than the amount of electricity used to run them, which represents a long-term solution from a carbon footprint aspect and lower energy cost for our customers.



The high energy efficiency of our homes not only brings down customers' bills – and hence contributes to the overall affordability of home ownership – it also helps homeowners reduce their personal carbon footprint; this is an increasingly important consideration for many, particularly those in the demographic groups we serve.

Average yearly heating bill for a 100m² three-bed semi-detached home



Source: Sustainable Energy Authority of Ireland

We are focused on achieving 'beyond-NZEB' standards through the installation of renewable technologies such as solar panels, heat pumps and further insulation measures. As a result, with the addition of solar panels, many of our properties can achieve an A1 energy efficiency standard.

55%

Increase in the proportion of A2 rated homes in 2020

Sustainable Placemaking

At Glenveagh, we consider where the house lives as well as where people live. It is important to us that our developments reflect the local built environment. We do not want to create monocultures and, accordingly, have evolved a variety of layouts suited to higher and lower density sites while being cognisant of "placemaking" within our developments. We take great pride in restoring listed and protected features such as walled gardens, existing hedgerows, stone walls, to mention but a few.

We think carefully about how our developments should connect with existing transport nodes and amenities, and as part of each development we contribute to new infrastructure such as playgrounds, sports facilities, access roads, and walking routes.

On every scheme we design sustainable infrastructure such as EV charging points, cycle lanes, connection to public cycle lanes, and walking permeability.

A number of our urban schemes are located on in-fill sites with old housing stock and derelict industrial units. We are pleased to be able to bring these locations back to life, reintegrating them back into the local community with mixed-use developments comprising housing, retail and amenities.

All potential sites are assessed within the context of the national planning framework, local development standards, local authority development plans, zoning requirements, and development standards.

Green Transport
Access to sustainable transport infrastructure – including public transport, cycle lanes and walking routes – is central to the development process for every scheme. In addition, all homes have the necessary heavy cabling installed to allow for an Electric Vehicle charging unit and these units are fitted in show villages to demonstrate the option to consumers.

Community Engagement

Traditionally, developers look for parcels of land and then approach local authorities to initiate a planning process. We take a different approach. We work in partnership with local authorities to identify the needs of local communities and then, together, we identify the best ways of meeting those needs.

It's a multi-disciplinary approach involving our Acquisitions, Sales, Planning and Design teams. The process starts with detailed research into the needs of the consumer and the wider community. We engage with public bodies and community groups, as well as local authorities, to ensure we take into account all aspects of infrastructure provision and social need.

How we Support Local Communities
We aim to be active participants in the communities we serve and seek out ways in which we can contribute to local and national causes. For instance, in Balbriggan we organised a Biodiverse Planting Project with local residents; in Greystones we sponsored the Christmas market & Christmas lights; and in Kilcock we sponsor GAA and Soccer teams.

Nationally and locally we support a number of charities including Capuchin Day Centre, ALONE, Irish Cancer Society, Jack & Jill, Cappagh Children's Hospital, Cappagh Kids Orthopaedic fund, Down Syndrome Ireland Ability Programme, St. Vincent de Paul Giving Tree, Irish Heart Foundation, Barretstown and St. Francis Hospice.

In 2021, we will launch our Building Better Communities initiative. This initiative will focus on sustainable placemaking and enhancing the lives of our residents and the wider community members. our community initiative will focus on environment, biodiversity, health, wellbeing, education and local charity support.

Community Engagement Spotlight: DIY SOS: The Big Build Ireland

The Glenveagh team are proud to have been part of The Big Build Ireland Project where we helped to renovate the homes of deserving families, changing their lives forever. Volunteer builders, labourers, trades, suppliers, friends & neighbours come together giving their time, labour and materials to help a local family whose lives have been impacted by a significant loss or misfortune.

We aim to be active participants in the communities we serve and seek out ways in which we can contribute to local and national causes.

Targets, Goals, and Progress

Commitments	Targets	Progress	Actions, Measurement, Evaluation
Sustainable Communities Exceeding local authority development standards	Ensure all our developments are designed based on consumer needs and latent needs	✓	**In 2020 we:** • Exceeded the development standards of our relevant Local Authorities. **In 2021 we will:** • Complete Behaviours & Attitudes ("B&A") survey and incorporate results into scheme designs. • Implement a new procedure to evaluate each parcel of land from a social, environmental and transport perspective.
Provide quality private and public open spaces for our customers	Incorporate quality landscaping in public open spaces and quality private open space on all our scheme designs	○	
Sustainable & Energy-efficient homes Design and build homes with reduced carbon emissions over their lifetime	Research options for reducing lifetime carbon emissions of homes	○	**In 2020 we:** • Stopped using gas boilers in new developments. • Increased the proportion of A2 rated homes by 55%. **In 2021 we will:** • Participate in Sustainable Futures Lab. • Endeavour to introduce Irish timber into our timber frames houses.
	Continue reducing Carbon Emissions over time measured by BER Ratings	○	
Land use & biodiversity Maximise efficiency of land use on our developments.	Bring our new innovative own-door high density housing solution to planning lodgement	○	**In 2020 we:** • Established a new dedicated directly employed landscaping team. **In 2021 we will:** • Lodge our first new high density housing scheme. • Introduce new Landscaping design for all new developments (Biodiversity Areas, Softer, more shrubs & tress. Less Hedges). • Update design team engagement forms to reflect landscaping requirements and include the relevance of protecting existing hedgerows.
	Introduce landscaping techniques that promote biodiversity and support natural habitat	○	
Promote biodiversity of our developments and connect communities with nature.	Retain existing hedgerows where possible in our developments	○	
Community engagement Continually improve engagement with local communities	Create a best practice hub to enrich our community engagement activities	○	**In 2021 we will:** • Launch our building better communities initiative. • Roll out the communication of our initiative on both consumer and corporate websites. • Develop a social barometer and sentiment survey to measure success.

✓ Achieved ○ On track ○ Off track

Environmentally considerate and efficient operations

25%

Intensity reduction target in Scope 1 and 2 Greenhouse Gas emissions by 2025 from a 2020 baseline

ISO 14001

Implemented in 2020 with certification planned for 2021

Rated B

By CDP in 2020

Focusing on excellence and innovation across all aspects of construction to increase build efficiency whilst minimising environmental impacts.

Climate Change Mitigation & Adaptation

The threat of climate change requires urgent actions by governments and all businesses. At Glenveagh, we take a holistic approach to climate change. At a corporate level, we have governance and risk management systems in place to evaluate our footprint. At a business level, our approach to managing climate change is integrated into how we operate, interact with our suppliers, and the homes we deliver.

Governance, Strategy, and Risk

The Group's approach to climate related risks and opportunities is guided by a climate-related risk management process, which is broadly aligned to the recommendations of the Task Force on Climate related Financial Disclosures. Our aim is to continue aligning our disclosure to these recommendations. Further information on our approach to climate risk is included in our submission to CDP. We received a score of B for 2020 on our first submission.

Managing Energy and Greenhouse Gas Emissions in Our Operations

Minimising the carbon emissions and energy use from our operations is one of our key priorities. Throughout 2020, working in conjunction with environmental consultants we have measured and externally verified our emissions, set emission reduction targets, and identified areas where emissions can be reduced, and sustainable practices embedded.

Our current target is to achieve a 25% reduction in our direct emissions (scope 1 and 2) intensity by 2025 against our 2020 baseline (tonnes of CO_2e per 100 sqm of completed homes).

Renewable Energy

Where possible we arrange for mains power to be available on-site during construction rather than generators, and thanks to our partnership with our energy provider this is from 100 per cent renewable sources. In addition to improving the environmental performance of our developments, we are committed to reducing the impact of central group functions. We have retrofitted our office in Merrion Square, Dublin to make it more energy efficient and have begun to replace our fleet with electric vehicles.

Off-site Construction

Off-site manufacturing has been identified with increased build capacity and reduced construction times in mind. We aim to invest in these techniques so as to improve our efficiency, minimise our impact on the environment, and limit our reliance on traditional, unsustainable building practices.

Greenhouse gas emissions (tonnes of CO_2e) and energy use (MWh)

Scope 1 and 2 emissions		**2020**	**2019**
Scope 1 GHG emissions - combustion of fuel	Tonnes CO_2e	2,700	2,295
Scope 2 GHG emissions - location based	Tonnes CO_2e	214	192
Scope 2 GHG emissions - market based	Tonnes CO_2e	62	79
Total Scopes 1 and 2 (market based)	Tonnes CO_2e	2,762	2,374
Energy use			
Operational energy use (fuel and electricity consumption from sites and offices)	MWh	11,508	9,439
Operational energy intensity (site and office fuel and electricity intensity)	MWh/100sqm	12.1	10.9

Minimising the carbon emissions and energy use from our operations is one of our key priorities.

Emissions Reduction Roadmap for Glenveagh

Scope	Focus Area	Example Initiatives	Why?	Status
Scope 1 On-site 77% Green Diesel Emissions	Reduce use of Generators	All power tools to be battery operated on-site	Shift to Electricity	Ongoing
		Solar lights on-site	Generation	Ongoing
		Standardise site set-up for efficiency	Improved Efficiency	Ongoing
		Review of generators systems	Improved Efficiency	Due to commence 2021
		Use of eco-portacabin	Improved Efficiency	Due to commence 2021
	Behavioural Change (Energy)	Energy efficiency audits on-site	Improved Efficiency	Due to commence 2021
		Energy efficiency training for site manager	Improved Efficiency	Due to commence 2021
Scope 1 Off Site 14% Diesel Emissions	Transition to EVs	Transition fleet to electric	Shift to Electricity	Ongoing
		Electric ilnfrastructure in place where required	Shift to Electricity	Ongoing
	Behavioural Change (Transport)	Business travel & flexible working policies review	Avoided Emissions	Ongoing
		Remote working technologies	Avoided Emissions	Complete
Scope 2 Electricity 9%	Green Energy	Purchase 100% green electricity from utilities	Emissions are zero (market-based approach)	Ongoing
	Behavioural Change	Energy efficiency audits & staff training		Due to commence 2021

Case study: A First With A1 Ready Starter-homes

All our homes are a minimum of A2 rated. Recognising the desire of some customers to upgrade the thermal efficiency of their homes further, we now offer the option to upgrade to an A1 rated starter-home via the installation of additional solar panel technology. We thermal model all our new development house designs to ensure that they can be easily converted to an A1 house by putting PV panels on the roof. I.e. no other upgrade works or technology needed.

For instance, the KTF timber factory is in operation since Q2 2020 and is capable of delivering approximately 800 timber frame units per annum on a single shift. This investment will allow the Group to further reduce its carbon footprint in a cost-effective manner, as timber-frame houses make it easier to meet and exceed energy standards whilst producing less material waste during the building process.

Managing Emissions in Our Value Chain (Scope 3)

Most of our emissions are indirect. Namely, they are related to the life use of the homes we build, waste that gets generated, as well activities of our suppliers and the product they produce for us. Therefore, we have direct responsibility for the energy efficiency of the homes we build and how we interact with our suppliers to encourage them to become more energy efficient.

We have started to measure and account for Scope 3 in our supply chain and home products. We propose to measure to Science Based Targets (Scope 1-3) as a next step as part of our focus on achieving a net zero emissions target by 2050.

We take a holistic approach to our overall development process to minimise carbon emissions in the homes we deliver. This means we design our homes to be energy efficient, whilst also selecting materials with lower embodied carbon. We continuously explore new processes, materials, and home designs that have the potential to improve the environmental performance of the Group. A growing proportion of our properties are of timber frame construction. In FY20, 406 units were of timber frame construction, representing 58% of the total. This compares with 313 units in FY19, representing 37% of the total. Of all the main building materials, timber has the lowest energy consumption and the lowest carbon dioxide emissions.

To further reduce our Scope 3 emissions, we will commence an engagement programme with our suppliers on sustainability issues.

Environmental Management System

During 2020 we began to integrate ISO 14001 into our operations, with a view to achieving certification in 2021. As part of this process, we have developed and documented a comprehensive Environmental Management System ("EMS"). The pre-assessment phase for ISO 14001 certification has been completed and the certification audit is due to take place in 2021.

Environmental Management System Implementation

Construction environmental management is overseen by the Sustainability Committee who is responsible for ensuring each project complies with the environmental requirements of the business and that the Environmental Policy is adhered to. We have a responsibility and reporting structure to ensure all people are involved in the maintenance of the EMS at a project and site level. Environmental and sustainability targets and KPIs are being implemented by the Sustainability Committee during 2021. All projects will be assigned targets to ensure they are contributing to the overall company strategy.

Best practice sharing is at the heart of environmental improvements. Incentives to improve environmental performance at a site level have been undertake. Examples of awards for sub-contractors is on page 43.

Waste & Resource Use

We work hard to minimise waste from our developments and to re-use resources wherever we can, driving both economic and environmental benefits. Before any project begins, under the EMS procedures, a Site Waste Management Plan is prepared and sent to the relevant local authority for approval and review. Internal waste procedures are managed following our Waste and Resource Management Policy.

All waste is sent to our waste management partner. Recyclable materials such as paper, wood, plastic, and inert materials are removed, and the residual waste sent on for further processing into Solid Recovered Fuel ("SRF") and Refuse Derived Fuel ("RDF").

The Group's Soil Recovery Facility for the offsite disposal of inert material is also now operational, further de-risking the costs associated with groundworks on site.

In FY20 we have measured our waste for the first time (3,661 tonnes of total construction waste) and we are planning to introduce an intensity target going forward. A key element to growing resource efficiency is making the shift from traditional waste management towards incorporating a circular economy. Collecting waste management data, incorporating soil stabilisation as part of groundwork packages and using the groups Soil Recovery Facility are just three areas which will contribute towards our circular economy initiatives in 2021.

Reuse of Resources

One of the most effective ways to improve the environmental performance of construction is to reuse earthworks. During 2020 we started to test soil stabilisation by adding lime to subsoil to reduce moisture and improve stability. This means that soil that would otherwise be removed from site can be recycled, reducing waste and cutting emissions. Testing continues and we will provide further updates in due course.

Water & Wastewater Management

We recognise the need to use water resources carefully and aim to reduce water use in our operations and in our homes, all of which have water efficiency features. We are committed to protecting water quality during construction and remediation, including managing surface water, and reducing flood risk.

Targets, Goals, and Progress

Commitments	Targets	Progress	Actions, Measurement, Evaluation
Environmental training, awareness, and culture Management Improve environmental awareness and knowledge of the entire workforce	Achieve ISO 14001 by end of Q2 2021 100% of employees to receive training environmental awareness training in 2020 100% of site managers to complete energy efficiency training in 2022		**In 2020 we:** • Began implementation of ISO 14001. **In 2021 we will:** • Introduce energy efficiency training. • Achieve ISO certification. • Will commence an engagement programme with our suppliers on sustainability issues.
Emissions from our operations Achieve continuous reduction in carbon footprint from our operations through: - Energy-efficiency improvements - Systematic equipment replacement - Expanding power generation projects	Reduce the carbon intensity of our construction operations and offices by 25% by 2025. *2020 baseline		**In 2020 we:** • Participated in the CDP climate survey achieving a rating at B (Management). • Set a target for Scope 1 & 2 emissions. • Began monitoring fuel consumption on company fleet vehicles. • Introduced electric vehicles to our fleet. • Moved to utility supplier that guarantees 100% green electricity supply. **In 2021 we will:** • Source from picking facilities close to sites to reduce haulage impact. • Migrate all power tools to battery powered, which eliminates the use of small generators on site. • Differentiate all Glenveagh purchased material into Standard & Bulk orders. • Carry out an employee commuter survey.
Waste & Resource Use Achieve continuous reduction in waste intensity and increase waste reuse/recycling rate			**In 2020 we:** • Opened our soil recovery facility. • Moved to utilities provider that will recycle or recover all Glenveagh waste. • Began monitoring and measuring our waste. **In 2021 we will:** • Introduce recycling initiatives. • Plan to optimise movements of soil off site; lime stabilisations reusing existing materials/ using waste material.
Innovation Continue to invest in offsite construction techniques			**In 2020 we:** • Started operations at timber frame factory. **In 2021 we will:** • Continue to invest in offsite construction.

Achieved On track Off track

Sustainable and responsible sourcings

Innovating with our supply chain to improve the energy efficiency of our homes

Circular economy practices being implemented with our Soil Recovery Facility in operation and a shift towards soil stabilization for groundworks packages

Supporting our suppliers through the Covid-19 pandemic

Select suppliers who meet high standards on sustainability issues and build meaningful, long-term relationships with them.

Our Supplier Standards

We expect our suppliers to adhere to our standards on safety, quality, ethics, human rights and the environment, which are set through our Sustainable Procurement Policy and the Vendor Code of Conduct.

We expect these standards to be applied by all Glenveagh staff involved in significant procurement decisions relating to sourcing of products and services. However, for greatest impact, we will focus attention on larger contracts and areas of significant expenditure. Glenveagh considers significant procurement decisions as relating to Tier 1 suppliers and major contracts or tenders in excess of €100k per annum.

In addition, we require suppliers to identify any major environmental and social impacts in respect of the goods and services they provide and whether they have considered alternatives (e.g., reusing, leasing, or hiring). We plan to further engage with suppliers on sustainability issues in 2021.

Standardised Approach and Centralised Procurement

We go to great lengths to ensure our sub-contractors understand the Glenveagh Way. These are our standardised processes and procedures covering; site set up, health & safety, environmental requirements, procurement and valuations processes, and logistics planning and coordination. By using our MEAT (Most Economically Advantageous Tender) process we are able to ensure our supply chain partners are aligned with not just with our Health & Safety, programme, quality requirements but also our sustainability goals too. We centrally procure most high value items such as heat pumps, sanitary ware, insulation and plasterboard. This mitigates the effect of credit restrictions further down the supply chain and minimises the administrative burden for sub-contractors.

Efficient & Sustainable Sourcing

We aim to minimise waste and maximise efficiency by working in partnership with vendors and logistics partners. Just-in-time deliveries help to reduce emissions by reducing the overall number of deliveries onto site. New racking systems have been designed so that trucks can carry smaller pallets, meaning that the majority of trucks carry full loads, minimising waste.

Before construction begins on any site a plan is developed with material suppliers for each unit type. Every day, materials are packaged for each trade so that when they arrive on site, the correct quantities of materials needed for the day ahead — such as tiling, grout, adhesive, trim and ancillary items — are on site and at the right locations. This saves time, drives efficiency and reduces waste.

Case study: How we reward our suppliers for climate action

Tullamore Project Environmental Award

We aim to recognise great work by our suppliers. In December 2020 the project team at our Tullamore development acknowledged the contribution of supply chain partners to better environmental performance with the Tullamore Project Environmental Awards. For instance, there were awards for Shawport Civil & Building Contractors Ltd, who ensured all generators were bunded with drip trays in place and installed new equipment to reduce the risk of hand arm vibration.

Irish Timber
The primary source of timber for use in construction in Ireland is from Scandinavia. Traditionally, Irish timber has not been considered suitable for housing but recent advances in technology has opened up the prospect of sourcing a proportion of our timber locally.

We are working closely with the National Standards Authority of Ireland ("NSAI") and our suppliers to certify Irish timber and we anticipate that we will be using Irish timber in component parts of our kits during 2021.

Ethical Sourcing & Human Rights

We respect the human rights of employees, workers in our supply chain, customers, and people in the communities in which operate. We are guided in our approach by international standards, including the UN Universal Declaration of Human Rights and the European Convention on Human Rights.

We respect the rights of our own employees and workers in our supply chain, including the rights to freedom of assembly and association and non-discrimination.

We do not tolerate any form of slavery, forced labour, child labour or human trafficking in our business or supply chain.

Local Employment and Local Sourcing

Our approach to recruitment and to working with sub-contractors is designed to deliver a benefit in terms of reduced emissions, as well as binding us closer to the communities we serve. Where possible we seek to hire staff from the areas surrounding our developments and to build relationships with local sub-contractors. Hiring local sub-contractors keeps the economic benefit of our activities in the area and also reduces drive times, and hence emissions.

We also endeavour to favour local hardware suppliers for certain materials. Agreements with distributors are structured so that materials can be purchased in wholesalers across the country, meaning we are able to support local hardware suppliers and other local vendors.

Prompt Payment

We take great pride in paying our suppliers on time. We want our sub-contractors to have the security they need to plan ahead and invest in people and skills. Sub-contractors- are generally paid monthly in accordance with the Construction Payment Act. Labourers and smaller sub-contractors are paid on a bi-weekly basis.

Supplier Spotlight: Alan Cribben MD, Alan Cribben Electrical Ltd

Alan Cribben has seen his electrical services business flourish, in part thanks to the strong relationship he has forged with Glenveagh.

"For us, cashflow is the key to expanding our business," he says. **"When you're running a small business you need certainty that you'll be able to pay suppliers and pay wages. One of the big attractions of working with Glenveagh is you can look forward six months or even twelve months because of their output. Our business is growing hand in hand with Glenveagh."**

Targets, Goals, and Progress

Commitments	Targets	Progress	Actions, Measurement, Evaluation
Energy efficient and low carbon supply chain 1. Engage with our suppliers to drive down emissions in our supply chain (Scope 3) 2. Purchase sustainable materials to reduce embodied carbon in purchased materials (Scope 3)	Hold Toolbox talks on every active site before Q3 2021 discussing sustainability issues and its importance to Glenveagh Carry out a feasibility study for using Irish FSC certified timber by end of Q4 2021 Commence an engagement programme with our suppliers on sustainability issues		**In 2020 we:** • Reviewed our Supplier Principles to further embed sustainability into our supply chain. **In 2021 we will:** • Will commence an engagement programme with our suppliers on sustainability issues. • Deliver responsible sourcing training. • Assess feasibility of Irish FSC certified timber.
Ethical sourcing & human rights Promote and improve the efficiency of sustainable procurement across the group	All active suppliers to be signed up to Glenveagh's Supplier Code of Conduct Engage with our labour suppliers to ensure they have a robust process for managing and reducing modern slavery		**In 2020 we:** • Ran advertising campaigns to recruit contractors from the local communities in which we operate. • Developed a Sustainable Procurement Policy and Supplier Code of Conduct. **In 2021 we will:** • Engage with suppliers who provide labour for our building sites to ensure they have robust processes for managing and reducing modern slavery risks.

Achieved | On track | Off track

Governance and Reporting Disclosures

Oldbridge Manor
Drogheda, Co. Louth

2020 CDP Rating - B

Reporting standards aligned

Implementation of recommendations progressed

Well-structured governance and management systems are key to achieving our sustainability objectives as outlined in our ESG framework.

Governance of Sustainability

Non-Executive
The Board of Directors
Sustainability on Board agenda at least quarterly. Audit Committee reviews sustainability risks and opportunities at least twice a year

Executive
CEO
Ultimate executive accountability for sustainability issues, reviews performance against targets

Operational
Sustainability Committee
Coordinates sustainability strategy and programmes

Business Units
Department Leads
Lead execution of specific sustainability commitments through operations activities, projects, etc.

Roles and Responsibilities

Our sustainability strategy focuses on issues of material importance to our business and our stakeholders. We have policies in place setting out our commitments and plans for implementation in these key areas of our strategy. We communicate all our sustainability policies on our corporate website, www.glenveagh.ie/where it is available publicly.

Our Chief Executive has ultimate executive authority for our sustainability policies and is accountable for all sustainability issues. Responsibility cascades down to our CFO and Director of Strategy & IR, who sit on the Sustainability Committee. We have made a commitment to placing sustainability issues on the agenda of the Glenveagh Board at least quarterly and more often where capacity allows. Our performance in the area of sustainability is reviewed with the support of our Sustainability Committee.

The Sustainability Committee's primary objective is to coordinate the Board's sustainability strategy across the Group in a way which will see the strategy implemented on schedule. The Committee coordinates sustainability activities at an operational level, which ensure the implementation of the plan against clearly defined benchmarks & KPIs. The Committee is responsible for continuous assessment of sustainability issues, which of material importance to the business and our stakeholders.

The members of our Sustainability Committee are comprised of representatives essential to the running of business and include the CFO, Strategy & IR Director, as well as senior executives from our Construction, Quality, Customer, Procurement, Planning & Manufacturing, HR, EHS departments.

Materiality

We carried out our first materiality assessment during 2020, to demonstrate the impact our ESG framework may have on the business. This has allowed us to focus on the key ESG issues for our business and stakeholders. This is an ongoing process which will be enhanced in time and we will continue to engage with all stakeholders to ensure we are communicating the materiality issues of most importance to them.

Leadership and Engagement

In 2020 we began measuring, monitoring, and reporting on our sustainability activities and performance.

Reward structures have already been put in place for some of the objectives. For example, a proportion of our senior management bonus relates to our performance in the areas of customer service and health and safety.

At operational and project levels, achieving commitments is integrated into our business model as an ongoing, constant activity through allocating responsibility to relevant leads. Planning is underway

to further integrate sustainability initiatives into our operations by introducing e-learning programmes accessible to the relevant personnel. The programmes will cover topics related to energy efficiency, diversity & inclusion, and sustainable sourcing, for example.

Management Systems

We recognise the importance of robust management systems to ensure top quality standards, efficiency, and compliance with our sustainability initiatives. We have already begun making important progress in this area. For instance, we are currently on target of achieve ISO 14001:2015 Environmental Management and ISO 45001:2018 Health and Safety Management in FY21.

Ratings, Certifications, and Standards

In 2020, we participated in the CDP Climate report and received a score of B. In line with best practise, we now disclose sustainability topics and accounting methods in line with the Home Builders Sustainability Accounting Standard issued by the Sustainability Accounting Standards Board ("SASB").

Risk Management

Sustainability risks have been integrated into our corporate risk management framework. A number of our risks in the areas of Quality, Environmental, Health and Safety, People, and Customer Services are included in our Principal risks. Climate change, biodiversity, and other sustainability risks are recorded and monitored through the Groups Sustainability Risk and Opportunity Register. Our Sustainability Committee maintains and regularly updates the Groups Sustainability Risk and Opportunity Register to ensure the data is up to date.

The Audit & Risk committee formally reviews and approves the Group's risk register on an annual basis.

External Assurance

We submit our greenhouse gas data for independent verification (scope 1 and 2) as part of our commitment to have third-party verification or assurance processes in place (standard: ISO14064-3). Our GHG Emissions data has been verified by an external consultant Clearstream Solutions and the findings have been published on our website at www.glenveagh.ie

Sustainability Accounting Standards Board Disclosures

We have chosen to disclose sustainability topics and accounting methods in line with the Home Builders Sustainability Accounting Standard issued by the SASB. According to the SASB Industry Level Materiality Map, the following categories are "the most likely material issues for companies" in the Home Builders industry. The below table references accounting metrics within this report and other sources.

Activity metric	Code	Category	Unit of measure	2020	2019
Number of controlled lots	IF-HB-000.A	Quantitative	Number	14,147	14,500
Number of homes delivered	IF-HB-000.B	Quantitative	Number	700	844
Number of active selling communities	IF-HB-000.C	Quantitative	Number	16	14

Topic	Code	Accounting Metric	2020	2019
Land Use and Ecological Impacts	IF-HB-160a.1	Number of (1) lots controlled and (2) homes delivered on redevelopment sites	(1) 4,005 (2) 25	(1) 3,881 (2) 132
	IF-HB-160a.2	Number of (1) lots controlled and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	(1) 0 (2) 0	(1) 0 (2) 0
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	€nill	€nill
	IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	As part of the land acquisition process all our sites are screened for their ecological attributes, proximity to sensitive habitats, and areas of significant biodiversity value. The sites are assessed by competent environmental experts using the appropriate recognised Irish and EU regulations. All potential sites are assessed and designed within the context of the national planning framework, local development standards, local authority development plans, zoning requirements, and development standards. In order to manage our environmental performance minimize ecological impacts during construction we maintain and continually improve our ISO 14001:2015 Environmental Management System. We manage our systems and work activities to facilitate continual improvement and enhance environmental performance. We also measure our environmental performance and level of compliance by conducting self-monitoring, regular inspections, audits and reviews.	
Workforce Health and Safety	IF-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees Accident data includes Glenveagh employees, contractors, suppliers, and public. Our data collection process does not segregate employees from contractors *Reportable Incidents in Ireland are absent for more than 3 days not including the day of injury.	(1) 2.4 (2) 0	1) n.a. (2) 0

Topic	Code	Accounting Metric	2020	2019
Design for Resource Efficiency	IF-HB-410a.1	(1) Number of homes that obtained a certified HERS® Index Score and (2) average score Note that the HERS certification standard is not applicable within the Republic of Ireland. Information on mandatory Energy Performance Certificates is provided as an alternative. Note that ratings range from BER A1 to BER G	(1) 844 (2) 59% of homes were A2 rated 41% of homes were A3 rated	(1) 700 (2) 38% of homes were A2 rated 62% of homes were A3 rated
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	Note that WaterSense specifications are not applicable within the Republic of Ireland. All units in our developments include fixtures that have flow restrictors and aerators or are sized to reduce the water usage of our homes.	
	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Building Control Acts 1990 to 2014, Local Government requirements through planning, and the European Union Regulations 2014 (SI 426 of 2014) are all integrated into the energy efficiency of the homes Glenveagh builds. Non-compliance with these standards implies a substantial number of company-wide risks. There are climate-related risks associated with unexpected market outcomes that are included into the Sustainability Risk and Opportunity Register, as they are could have an impact on Glenveagh's financial and operational performance. One such risk is related to shifting consumer preferences towards more energy efficient homes. New homeowners are becoming more environmentally aware and there is a risk that Glenveagh may lose market share if the energy efficiency of our homes does not meet customer expectations. Glenveagh homes are more energy efficient than the average house and from and from November 2020 all our homes are A2 rated or better. The key to us building to this standard is attention to detail during the design and construction process, which includes improved insulation measures, airtightness detailing, greater quality of materials used, and the use of renewable technologies in our homes, such as a heat pump. Our marketing team communicates these sustainability features to customers at all stages of the purchasing process, from initial marketing brochures to detailed information upon completion of the home	

Topic	Code	Accounting Metric	2020	2019
Community Impacts of New Developments	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	At Glenveagh, we consider where the house lives as well as where people live. It is important to us that our developments reflect the local built environment. Therefore, we take a holistic approach to public infrastructure understanding the needs and requirements specific to each development with respect to the surrounding environment, public infrastructure, and amenity. Access to sustainable transport infrastructure — including public transport, cycle lanes and walking routes — is central to the development process for every scheme. As part of this process, we engage with public bodies, local communities and local authority policy to ensure we consider all aspects of infrastructure provision, current and future.	
	IF-HB-410b.2	Number of (1) lots controlled and (2) homes delivered on infill sites[19]	(1) 3,662 (2) 25	(1) 3,848 (2) 132
	IF-HB-410b.3	(1) Number of homes delivered in compact developments and (2) average density[20]	(1) 313 (2) 16.1	(1) 309 (2) 19.8
Climate Change Adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	0	0
	IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	For each risk and opportunity, the register identifies the: description of the risk/opportunity; its potential impact; the time-horizon; the likely impact it will have and the magnitude of this; as well as control description and its effectiveness. Risks and opportunities are ranked on a scale ranging from insignificant risks (1) to catastrophic risks (5). Any given risk with a score above 3 - 'Moderate' — is considered to have a substantive financial or strategic impact on the business, which would require greater allocation of management effort. This is aligned with our approach adapted through the CDP reporting benchmarks.	

19. Infill sites defined as those sites that are surrounded by other developments from both sides.
20. Compact developments are defined as those sites with 13 or more units per acre.

Task Force on Climate-related Financial Disclosure

Glenveagh welcomes the recommendations of the Financial Stability Board's ("FSB") Task Force on Climate-related Financial Disclosures ("TCFD"). Climate-related governance, strategy, risk management, and metrics and targets are communicated in this report and as part of our annual response to CDP's Climate Change Programme. Climate change mitigation and adaptation are key areas of focus for Glenveagh and we are addressing these issues is integrated into our sustainability priorities as evident in this report.

Glenveagh continues to take actions to further implement the TCFD recommendations through the evolution of our processes and reporting mechanisms. The table below summarises the key areas where Glenveagh has already made progress.

Governance	
Disclose the organisation's governance around climate-related risks and opportunities.	The Chief Executive Officer leads the board and is ultimately responsible for environmental matters within the organisation. The CEO has put in place the personnel structures to ensure that climate-related issues reported in the Annual Report will be complete and accurate. Responsibility cascades down to our CFO and Director of Strategy & IR, who sit on the Sustainability Committee. From July 2020, climate-related issues are reported to the board on a quarterly basis will be reviewed by the board in those meetings. Appropriate risks and opportunities that are considered to have substantive strategic, operational, and financial impacts are recorded in the Group Sustainability Risk and Opportunity Register. The Audit & Risk committee formally reviews and approves the Group's risk register.
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Certain climate change risks and opportunities have the potential to impact our business strategy. Namely, increased costs, reduced productivity and reputational damage. We assess climate risks to the business using short (0-3 years), medium (4-10 years) and long term (11 years on) horizons. Acute and chronic physical climate change risks are the most material. Namely, the frequency and severity of extreme weather events such as floods or intense winds. For instance, a flood might damage homes that are being built or reduce the value of land on the Group's balance sheet. In such a case, some assets could be impaired and may have to be written down. Participation in renewable energy programs and adoption of energy-efficiency measures and shift in consumer preferences are the most material opportunities over the medium term, as there are considerable financial benefits associated with using low carbon materials for our homes.
Risk Management	
Disclose how the organisation identifies, assesses and manages climate-related risks.	The allocation of management efforts is based on the level of financial impact of each individual risk or opportunity. The process is intended to cover risks and opportunities across all stages in the value chain, if a substantial financial impact has been identified. Therefore, risks and opportunities are ranked on a scale ranging from insignificant risks (1) to catastrophic risks (5). Any given risk with a score above 3 - 'Moderate' — is considered to have a substantive financial or strategic impact on the business, which would require greater allocation of management effort. The financial impact of a given risk to the business is estimated as an aggregate % change across three categories: Total Assets, Gross Margin, and Overheads. Risks with a score above 3 have a potential to reduce Total Assets by more than 1.5%, reduce Gross Margin by more than 5%, and increase overhead by more than 5%. The responsibility for management of those risks and implementation of opportunities are then allocated to appropriate heads of departments.
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.	The Group monitors its Scope 1 and Scope 2 Green House Gas Emissions. It has a target of reducing the intensity of these emissions by 25% from 2020 to 2025.

Feedback and Policies

We value your feedback on our approach to sustainability and would appreciate your comments on this report and our performance.

You can email us at

investors@glenveagh.ie

or write to:

Conor Murtagh
Director
Strategy & IR
Glenveagh Properties PLC
Digital Office
Block B
Maynooth Business Campus
Maynooth
County Kildare
Ireland

Further information on the following policies that support Glenveagh's approach to sustainability can be found on our website:

- **Sustainability Policy**
- **Environmental Policy**
- **Climate Change Policy**
- **Health & Safety Policy**
- **Diversity & Inclusion Policy**
- **Waste & Resources Policy**
- **Human Rights Policy**
- **Customer Service Policy**
- **Community Engagement Policy**
- **Charitable Giving Policy**
- **Sustainable Procurement Policy**
- **Vendor Code of Conduct**
- **Anti-Bribery Policy**
- **Whistleblowing Policy**

Quality is a promise we do not compromise on.

GOVERNANCE

Bellingsmore
Kilmartin, Dublin

INTRODUCTION FROM THE CHAIRMAN

I am pleased to present our latest Corporate Governance Report for the year 2020. It was an extremely challenging year for many people and businesses here in Ireland and across the world, and I am particularly grateful to my fellow Board members and to all of our employees across the Group for their hard work, commitment and support this year.

John Mulcahy
Chairman

The Board's focus for much of 2020 has been on assessing the impact on the Covid-19 pandemic and providing well-informed, timely, strategic guidance of the Group's business and operations. Despite the unprecedented challenges presented during 2020, the role of the Board in providing effective leadership to promote long-term sustainable value for our shareholders and stakeholders remains unchanged.

The Board's continued commitment to the highest standards of corporate governance is a key element in its effective leadership of the Group and ensures that the appropriate framework of policies, practices and controls is in place to promote sustainable corporate behaviour. In this Corporate Governance Report we describe how we have applied the principles and provisions of the 2018 UK Corporate Governance Code (the "Code") and the Irish Corporate Governance Annex ('the Annex") which underpin the corporate governance framework for listed companies and, in line with its 'comply or explain' model, we detail any departures from its provisions.

The Board made a number of changes to its committee composition and announced Robert Dix as successor to the role of Senior Independent

The work of the Board committees is central to ensuring the robustness of the Group's corporate governance framework.

Barnhall Meadows
Leixlip, Co. Kildare

Director. Cara Ryan succeeded Robert as Chair of the Audit and Risk Committee and the Board established a Remuneration Committee and, separately, a Nomination Committee, in place of the existing Remuneration and Nomination Committee. Richard Cherry continues to serve as Chair of the Remuneration Committee, while Pat McCann assumed the role of Chair of the Nomination Committee.

A key focus for the newly established Nomination Committee has been the commencement of a process to identify a replacement independent Non-Executive Director following the passing away of Lady Barbara. This process has been informed by the Board's completion of its first externally facilitated performance evaluation at the end of 2020 and the assessment of existing skills, experience, knowledge and diversity on the Board.

The work of the Board committees is central to ensuring the robustness of the Group's corporate governance framework. Our Board committees have continued to work effectively during the year and reports from the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee are set out at pages 110 to 115, 116 to 135 and 136 to 137 respectively, providing details of each committee's membership and key areas of activities during the year.

Looking ahead to 2021, the Board remains confident in the Group's ability to deliver on its strategy to complete 1,150 units[21] in 2021.

John Mulcahy
Executive Chairman

21. 1,000 core and 150 non-core units

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, in conjunction with the Audit and Risk Committee Report, the Remuneration Committee Report and the Nomination Committee Report, describes how the Group has applied the principles and followed the provisions of the new 2018 UK Corporate Governance Code (the "Code") and the Irish Corporate Governance Annex ("the Annex") and details any departures by the Group from the specific provisions of the Code and the Annex. The full text of the Code and the Annex can be obtained from the following websites respectively:

www.frc.org.uk
www.euronext.com

Board Leadership and Purpose

Purpose & Culture

The Group's overarching purpose is the provision of access to high quality, energy and thermal efficient homes in flourishing communities across Ireland.

The Group has positioned itself as 'Home of the New' in Irish residential development, not only in how it builds energy and thermal efficient, high quality homes but in how it selects land and partners, how it plans on land, how it fosters and embeds relationships with communities and how it utilises technology to innovate in delivering on land.

The Group has a clear vision to create the leading and most sustainable homebuilding platform in Ireland and it recognises and reinforces the pivotal role played by its people in achieving its aims. To this end, the Group has developed a culture that is safety-led, customer-centred, collaborative and innovative.

The Board is committed to ensuring the continued alignment of the Group's strategic decisions with its purpose and culture, through both the setting of non-financial KPIs in Health and Safety and Customer Satisfaction and through its regular assessment of policies and practices across the business. The Board supports and encourages two-way communication with the workforce and has established formal channels for the workforce to raise any matters of concern directly.

Role of the Board

The Board is responsible for setting and guiding the strategic direction of the Group, understanding the key risks faced by the Group, determining the risk appetite of the Group and ensuring that a robust internal control environment and risk management framework is in place. The Board has overall responsibility for the management of the Group's activities and is accountable to shareholders for creating and sustaining shareholder value and for the long-term success of the Group.

There is a clear division of responsibilities within the Group between the Board and executive management. Responsibility for day-to-day running of the Group's operations is delegated by the Board to the Executive Committee, with the Board reserving to itself a formal schedule of matters over which it retains control. To assist in discharging its responsibilities, the Board has established an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee.

The decision to establish a Remuneration Committee and, separately, a Nomination Committee, in place of the previous Remuneration and Nomination Committee was made in October 2020. The composition of each of the new committees is fully aligned with the provisions of the Code and is detailed in the reports of the Committee Chairs at pages 116 to 135 and 136 to 137 respectively.

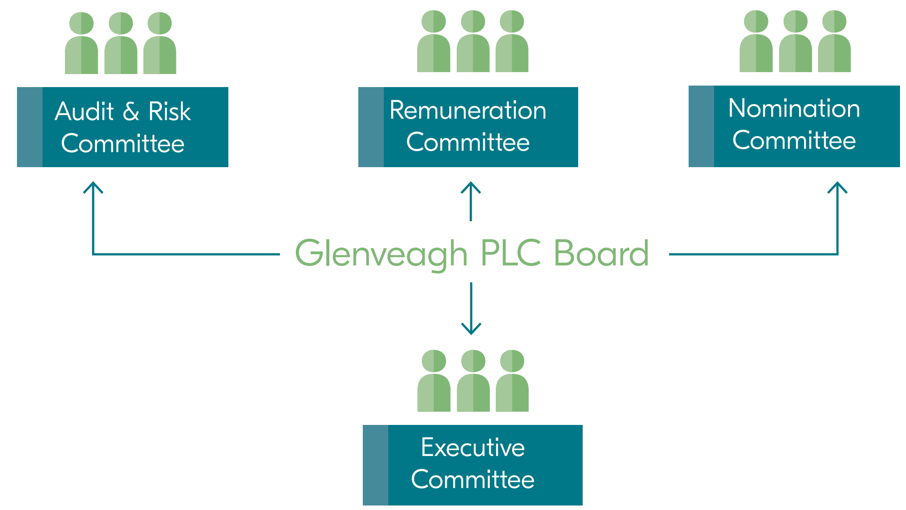
The terms of reference for each of the Board Committees and the schedule of matters reserved for the Board are reviewed on an annual basis and made available on the Group's website.

Engagement with Shareholders

The Board recognises the importance of effective engagement with, and active participation from, its shareholders and is committed to building and maintaining successful shareholder relationships through regular and transparent communication.

This commitment is formalised through the Group's comprehensive investor relations program. In addition to the detailed presentations and roadshows conducted after the announcement of interim and

Glenveagh Properties plc Board



full-year results, the Chief Executive Officer, Chief Financial Officer and the Director of Investor Relations and Strategy regularly meet with institutional investors and analysts throughout the year and participate in a number of industry conferences.

Investor engagement during the course of 2020 was largely focused on the impact of, and the Group's response to, the Covid-19 pandemic. Interactions with investors and analysts shifted to virtual meetings from March onwards, with conferences also moving online successfully.

The Chairman and Senior Independent Director remain available to meet with shareholders on request, should they have any issues or concerns that cannot be resolved through the usual investor relations channels.

The views of shareholders are communicated to the Board through the Executive Directors and they receive monthly updates on institutional shareholder meetings, broker reporting and general market commentary from the Director of Investor Relations & Strategy, all of which assists the Board in understanding and taking account of the view of shareholders.

Annual General Meeting

The Annual General Meeting ("AGM") gives shareholders an opportunity to hear a presentation on the Group's activities and performance during the year, to ask questions of the Chairman and, through him, the Board Committee Chairs and members, and to vote on each resolution put to the meeting.

The AGM also provides the Board with a valuable opportunity to communicate with private investors and Glenveagh encourages all shareholders to attend the meeting each year and to put forward any questions that they may have to the Directors at the conclusion of the formal business of the meeting.

As a result of social distancing requirements, prohibition on non-essential travel and limitation on public gatherings introduced by the Irish Government in response to Covid-19, the 2020 AGM was moved to the Company's registered office address and attendance in person was limited to the minimum number of directors required to establish a quorum.

Shareholder participation at the AGM is valued by the Company, and while it was not possible for shareholders to attend the 2020 AGM in person, shareholders were encouraged to use proxy voting services to ensure their votes counted. A teleconference facility for shareholders to follow proceedings of the AGM, and a mechanism for lodging questions in advance, was provided by the Company.

The 2021 AGM will be held on 27 May at 15 Merrion Square, Dublin 2. While the Company remains hopeful that attendance in person at the 2021 AGM will be possible, similar arrangements will be put in place if required.

Workforce Engagement

The Board is committed to meeting its responsibilities to all stakeholders in the business and places significant value on the maintenance of successful relationships with the Group's workforce, suppliers, customers and the communities in which it operates.

Following her appointment to the role of Workforce Engagement Director in 2019, Cara Ryan has continued to work with the Company Secretary and the Head of Human Resources to develop meaningful two-way dialogue between the employee-led Great Place to Work Committee and the boardroom. As Workforce Engagement Director, Cara meets with the Great Place to Work Committee at key intervals in the Group's workforce engagement calendar and delivers succinct and accurate feedback both up-to and back-from the Board.

During 2020, Cara met with the Great Place to Work Committee virtually due to the Covid-19 pandemic. The Group prioritised the health and safety of its employees by ensuring that those who could work from home did so using technology and internal systems, while also reviewing and adapting processes and practices on site to ensure a safe working environment for those employees engaged in construction activities that could not be performed remotely. Cara's continued engagement with the employee representatives throughout 2020 served as an additional tool for the Board's assessment of the Group's handling of the pandemic.

At the end of 2020, the Group engaged Great Place to Work Ireland to conduct an externally facilitated employee pulse survey, taking feedback from all employees on the impact that Covid-19 has had on the workforce and suggestions for areas of improvement. The feedback received from the workforce will inform the recommendations of the Workforce Engagement Director to the Board for the year ahead, as the Group continues to adapt to the challenges presented by ongoing Covid-19 restrictions on its employees and its workplaces into 2021.

The Board recognises the importance of ongoing communication and 'reporting back' to the workforce, to demonstrate that it has listened to and acted upon feedback, and the Board is committed to continuing to build upon its engagement activities and strengthen its relationship with the workforce over the course of 2021.

Conflicts of Interest

The Board considers potential conflicts of interest as a standing agenda item at each meeting and a Conflicts of Interest Register is maintained by the Company Secretary, setting out any conflicts of interest which a Director has disclosed to the Board in line with their statutory duty.

The Group has established a comprehensive Conflict of Interest Policy and, in line with that policy, each Director reviews the Conflict of Interest Register and provides an updated declaration of interests form to the Company Secretary on an annual basis.

Division of Responsibilities

Chairman and Chief Executive

The roles of the Chairman and the Chief Executive Officer are clearly segregated and the division of responsibilities between them is set out in writing and reviewed by the Board on an annual basis.

The Chairman, John Mulcahy, is responsible for leadership of the Board, promoting its effectiveness in all aspects of its role and ensuring its key duties are discharged to an acceptable degree. The Chairman ensures that the Board members receive accurate and timely information, enabling them to play a full and constructive role in the development and determination of the Company's strategy. He is responsible for creating an environment which encourages open dialogue and constructive challenge, and he ensures that there is effective communication with the shareholders.

The Chief Executive Officer, Stephen Garvey, is accountable to and reports to the Board and is responsible for running the Group's business. He is charged with the execution of agreed strategy and implementation of the decisions of the Board, with a view to creating value for shareholders and the wider stakeholder base. The Chief Executive Officer is ultimately responsible for all day-to-day management decisions, acting as a direct liaison between the Board

Towards the end of 2020, the Group engaged Great Place to Work Ireland to conduct an externally facilitated employee pulse survey, taking feedback from all employees on the impact that Covid-19 has had on the workforce and suggestions for areas of improvement.

and management and communicating to the Board on behalf of the Group's external stakeholders.

Senior Independent Director

Robert Dix succeeded Lady Barbara Judge CBE as Senior Independent Directors in September 2020. Robert is available to shareholders who have concerns that cannot be addressed through the Chairman or Chief Executive Officer and will attend meetings with major shareholders as necessary.

The Senior Independent Director acts as a sounding board for the Chairman and serves as an intermediary for the other Directors as necessary. He is also responsible for leading the annual performance review of the Chairman.

Non-Executive Directors

Of the seven Board members, four are independent Non-Executive Directors. The Group's Non-Executive Directors have a key role in the appointment and removal of Executive Directors, and the assessment of their performance. The Non-Executive Directors constructively challenge and debate management proposals and hold to account the performance of management and of individual Executive Directors against the agreed performance objectives.

The Non-Executive Directors have direct access to the senior management team within the Group and contact with the business is encouraged by the Board and assists the Non-Executive Directors in constructively challenging management and offering advice and guidance on strategic decisions.

Company Secretary

The Company Secretary, Chloe McCarthy, supports the Chairman and the Executive Directors in fulfilling their duties and is available to all Directors for advice and support. She is responsible for ensuring compliance with Board procedures and for the Group's commitment to best practice in corporate governance. The Company Secretary is also responsible for ensuring compliance with the Group's legal and regulatory requirements.

Independence

Provision 9 of the Code prescribes that the Chairman should be independent on appointment. The Board is of the collective belief that John Mulcahy's ongoing role as Executive Chairman enables him to bring his extensive knowledge and experience of the Irish residential housing market to his leadership of the Board. The Board continues to believe that John's commitment and contribution as Executive Chairman is essential to the effective leadership of the Board and the Group as it implements its ambitious growth strategy following admission to trading in October 2017.

Given the Board's unanimous decision to appoint an Executive Chairman, and its collective preference for John Mulcahy to continue in his role, the Senior Independent Director is willing and available to assume additional responsibilities, as required. There also continues to be a clear division of responsibilities between the Chairman and the Chief Executive Officer. As such, the Board remains satisfied that no one individual or group has dominated its decision making and that there has been sufficient challenge of executive management in meetings of the Board.

The independence of each of the Non-Executive Directors is considered on appointment, and on an annual basis by the Board. The Board has reviewed the independence of all Non-Executive Directors and determined that they continue to be independent within the provisions of the Code.

The Board gave detailed consideration to the continued independence of Robert Dix and Pat McCann, noting that Robert Dix also serves as a Non-Executive Director of Dalata Hotel Group plc where Pat McCann is Chief Executive, and both currently act as Non-Executive Directors at The Quinn Property Group. The Board was aware of this relationship on appointing Pat McCann to the Board in 2019 and concluded that his experience, knowledge and skills in leading and growing a company post-IPO would be of immeasurable value to the Board and in the best interests of the Group and its shareholders.

The Board remains satisfied that Robert Dix and Pat McCann continue to demonstrate objectivity and autonomy in both character and judgement, irrespective of their relationship outside the Group, and will continue to act objectively and in the best interests of the Group.

Board Meeting Attendance

The Board convenes with sufficient frequency to ensure the effective discharge of its duties during the year. In 2020, the Board held nine formal Board meetings.

In adherence to the travel restrictions and social distancing guidelines introduced by the Irish Government in response to Covid-19, the Board met virtually, using audio-video conferencing, from March 2020.

The table on page 106 provides of the attendance details record of all board meetings held in 2020.

Directors are expected to attend all meetings of the Board and of the Committees on which they serve, and the Annual General Meeting.

Time Commitment

The time commitment required of Directors is considered on appointment, and on an annual basis by the Board. All Directors are expected to allocate sufficient time to

Board Meeting Attendance 2020	Meetings held while a Director	Meetings Attended	Attendance Record
John Mulcahy	9	9	100%
Stephen Garvey	9	9	100%
Michael Rice	9	9	100%
Robert Dix	9	9	100%
Richard Cherry	9	9	100%
Cara Ryan	9	9	100%
Pat McCann	9	9	100%
Lady Barbara Judge CBE	6	6	100%

discharge their duties effectively and confirm this as part of the annual Board evaluation each year.

Each year, the schedule of regular meetings to be held in the following calendar year is agreed with each of the Directors. If a Director is unable to attend a scheduled meeting, they are encouraged to communicate their views on the relevant agenda items in advance to the Chairman or the Company Secretary for noting at the Board meeting.

Supplementary to its formal meetings, the Board encourages its Non-Executive Directors to communicate directly with both the Executive Directors and the senior management team.

Composition, Succession and Evaluation

Board Composition

While there were no planned changes to the membership of the Board in 2020 following a very active year for appointments in 2019, the Nomination Committee has commenced a process to identify a suitable Non-Executive Director for recommendation to the Board in early 2021 following the unexpected passing away of Lady Barbara Judge CBE during the year.

The Board is currently comprised of seven Directors: three Executive Directors, including the Executive Chairman, and four independent Non-Executive Directors. It is expected that one additional independent Non-Executive Director will be appointed to the Board in Q1 2021.

As part of the annual Board evaluation process, the Board reviewed the overall balance of skill, experience, knowledge and independence of the Board and its Committees. The Board is satisfied that it is of an appropriate size for the requirements of the business and that its composition provides a suitable balance of skills and experience across a number of industry sectors including construction, property development, capital markets, legal and financial services, which equip the Board members in effectively discharging their duties to the Group and its shareholders.

The Board is satisfied that the balance of Executive and Non-Executive Directors is suitable to facilitate constructive and effective challenge and debate.

Biographies of the Directors are set out on pages 138 to 140.

Appointments to the Board

The Nomination Committee is responsible for leading the process for new director appointments and has established a formal, rigorous and transparent procedure for the selection and nomination of candidates to the Board.

All members of the Nomination Committee are independent Non-Executive Directors and the details of its activities in 2020 are set out in the Committee Chairman's report at pages 136 to 137.

The Non-Executive Directors are appointed for a term of three years, with no right to re-nomination by the Board either annually or after the conclusion of the three-year period. The terms of their engagement with the Company as Directors are set out in formal letters of appointment. Following the conclusion of their initial three-year terms in October 2020, both Robert Dix and Richard Cherry were re-engaged by the Company for a second three-year term.

The Executive Directors have service agreements with the Company, which provide for notice periods of six months. Full details of the remuneration of the Directors can be found at page 128 of the Remuneration Report.

All Directors will submit themselves for re-election at the 2021 AGM.

Board Diversity

The Board has adopted a Board Diversity Policy, intended to assist the Board, through the Nomination Committee, in achieving optimum Board and Committee composition.

The Board recognises the clear benefits of a diverse Board including with regard to diversity of experience, skills, background and gender and agrees that these differences should be considered in determining the optimum composition of the Board.

While all Board appointments are made on merit and with regard to the skills and experience that the Board requires to be effective, it is the Group's policy to develop over time the diversity of its Board without compromising the calibre of new directors.

The Nomination Committee reviews the Board Diversity Policy annually, including assessing its effectiveness and will discuss any revisions that may be required, recommending any such revisions to the Board for approval.

Following changes to Board composition in 2019, female representation on the Board increased to 25% and the Group was commended by the Balance for Better Business Review Group for achieving its interim target of 25% female directors on the boards of ISEQ 20 companies by 2020. Sadly, following the passing away of Lady Barbara in the latter part of the year, female representation on the Board as at 31 December 2020 had reduced to 14%. The identification of a replacement Independent Non-Executive Director is a key focus of the Nomination Committee for 2021 and the nomination process will be undertaken in line with the Board Diversity Policy.

Female employees account for 25% of the senior management[22], as defined by the Code, and 11% of senior management direct reports. Further details on diversity within the Group can be found on pages 66 and 67.

Directors' Induction, Training and Development

The Group has established a formal induction process for new Non-Executive Directors, providing them with a comprehensive understanding of their role and responsibilities as Directors, the business of the Group and the operations of the Board and allowing for the efficient and effective integration of new Board members.

The induction of Non-Executive Directors is overseen by the Chairman with the assistance of the Company Secretary and includes meetings with respective management teams in each of the Group's business lines and site tours of active construction projects. Newly appointed Directors have access to the Company Secretary's assistance and guidance around the workings of the Board, in addition to the experience gained with attendance at regular meetings.

The Group is committed to the ongoing development of the Board and all Directors receive regular updates on the Group's projects and activities and are encouraged to attend site tours facilitated by the Executive Directors. Directors also receive updates from the Company Secretary on legal and regulatory changes.

As a result of Covid-19 restrictions, the Board was unable to meet in person for its scheduled annual full-day strategy and training session and instead received a number of targeted virtual presentations from internal heads of departments including Environmental, Health and Safety and Training, Construction, Sales and Land Acquisition as well as external advisors from the Group's broker and corporate law firm. The key focus of these presentations in 2020 was on the impact of the Covid-19 pandemic on the Group's strategy and operations.

Board Evaluation

The performance and effectiveness of the Board and its Committees is reviewed on an ongoing basis and is subject to a formal and rigorous annual evaluation.

The Board completed its first externally facilitated performance evaluation in 2020. Following a detailed tender process, the Board engaged the Institute of Directors in Ireland (the "IoD") to facilitate its annual evaluation of its own performance and that of its committees.

The IoD assessor presented their report at a meeting of the Board, noting that the Board was performing very effectively and demonstrated many examples of good corporate governance practice against the backdrop of a young and growing company. The assessor concluded that the business of the Board was well organised and that relationships around the Board table were strong, with the Chairman acting as an inclusive and effective leader.

Areas for increased focus highlighted by the 2020 evaluation, and the agreed action items for 2021, are summarised below:

- The Board will continue to enhance its focus on succession planning, both in relation to its own membership and for key members of the senior management team.
- The Board will expand its use of audio-visual conferencing facilities to increase engagement outside of formal meetings during the ongoing Covid-19 restrictions. Site tours, training sessions and strategy days will be held virtually while travel restrictions and physical distancing requirements remain in place.

22. Senior management definition in line with the UK Corporate Governance Code, under which the Executive Committee and Company Secretary is included in our senior management definition.

- The Board will continue to monitor and ensure that the appropriate Board Committees are in place and will formalise the arrangements for regular meetings between the Chairman and the Independent Non-Executive Directors.

- The Board will continue to expand its focus on ESG and on culture within the Group.

The Company Secretary will work with the Chairman to ensure that the agreed actions arising from the 2020 Board Evaluation are implemented during the year.

The Board will continue to review and evaluate its own performance, the individual Directors and the Chairman on an annual basis.

Audit, Risk and Internal Control

Audit and Risk Committee

The Board has established an Audit and Risk Committee comprised entirely of independent Non-Executive Directors.

The Audit and Risk Committee is responsible for monitoring the integrity of the Group's financial reporting and the effective application of the Group's internal controls and risk management procedures. The Board is satisfied that the combined qualification and experience of the individual members provides the Committee with the financial and risk management expertise necessary to discharge its responsibilities. A detailed overview of the key roles and responsibilities of the Audit and Risk Committee and the work of the Committee in discharging its responsibilities during 2020 is set out in the Committee Chair's report on pages 110 to 115.

Internal Control and Risk Management

The Board recognises its ultimate responsibility for establishing and maintaining Group procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal and emerging risks that the Group is willing to take in order to achieve its long-term objectives.

The Board confirms that a robust process for identifying, evaluating and managing significant risks has been in place for the financial year and up to the date of approval of the Annual Report and Financial Statements. Details of the annual assessment of the principal risks facing the Group are set out at pages 38 to 48.

The key elements of the Group's system of internal controls are as follows:

- A clearly defined organisation structure and lines of authority;
- Group policies for financial reporting, treasury management, tax, risk management, information technology and security and site acquisition and investment;
- Approval of annual budgets and strategic business plans by the Board, with performance against budgets and forecasts monitored and reported back to the Board on a regular basis;
- An Audit and Risk Committee comprised of independent Non-Executive Directors; and
- An independent internal audit function reporting directly to the Audit and Risk Committee.

The preparation and issue of financial reports is managed by the Group Finance Department in accordance with Group accounting policies and reporting systems, and under the direction of the Chief Financial Officer. The interim and preliminary results and the Annual Report and Financial Statements of the Group are reviewed by the Audit and Risk Committee and recommended for approval to the Board.

Remuneration

Remuneration Committee

The Board has established a Remuneration Committee comprised entirely of independent Non-Executive Directors. The Remuneration Committee has been delegated responsibility for determining Group policy on executive remuneration and for setting remuneration for the Chairman, Executive Directors and senior management.

A detailed description of the work undertaken by the Remuneration Committee in its assessment, development and application of the Group's executive remuneration policy is set out in the Committee Chairman's Report on pages 116 to 135.

Non-Executive Director Remuneration

The remuneration of Non-Executive Directors is set on appointment by the Board, on advice from independent professional advisors, and is reflective of the time commitment and responsibilities of their role.

The full details of fees paid to Non-Executive Directors is set out on page 127.

Oldbridge Manor
Drogheda, Co. Louth

REPORT OF THE AUDIT AND RISK COMMITTEE

I am pleased to present the Audit and Risk Committee Report for financial year ended 31 December 2020. I was appointed to the Committee and succeeded Robert Dix as Chair in September 2020. I would like to thank Robert, who chaired the Committee from October 2017 until my appointment and with whom I have worked closely since joining the Board.

Cara Ryan
Chair
Audit and Risk Committee

In common with most businesses, 2020 has been a challenging year and the Committee continues to focus its efforts on assisting the Board by proactively managing its core areas of responsibility. The arrival of Covid-19 has created new challenges for the business which increased the Committee's focus on risk management and the integrity of the financial statements. The Committee will continue to proactively monitor the on-going developments of the pandemic and the related impact on internal controls, risk management and financial reporting. The principal duties and responsibilities of the Committee together with an overview of its activities for the year has been outlined in detail on page 112 to 115 and is summarised below.

In February, the Committee reviewed the Director's statements on compliance, viability and going concern from the 2019 Annual Report prior to recommending approval of these to the Board. This review was revisited as part of the approval of the condensed consolidated interim financial statements in September.

In common with most businesses 2020 has been a challenging year and the Committee continues to focus its efforts on assisting the Board by proactively managing its core areas of responsibility.

As part of the February and May meetings, the Committee received presentations from and reviewed the findings of Group internal audit in relation to their review of sales and contractor management. In May, the Committee received an update from the Group external auditor, KPMG, on the impact Covid-19 would have on the interim review process. The Committee also reviewed and approved the updated Sales Manual and Procurement Policy documents.

As part of the August and September meetings the Committee received presentations on the Group going concern position and the 2020 interim results for the six months ended 30 June 2020. The Committee confirmed the appropriateness of the preparation of the interim financial statements on a going concern basis and approved the condensed consolidated interim financial statements.

In December, the Committee received a presentation from and reviewed the findings of Group internal audit in relation to a specific review completed at the request of the Committee. This review was completed in line with the Group's Whistleblowing policy and procedures with no findings being reported. In addition, the Committee reviewed and approved the 3-year plan for internal audit. The external auditor also presented their audit plan for the year end audit to the Committee. Finally, the Committee received a presentation from management on the Group insurance cover as well as reviewing the updated risk register for inclusion in the Annual Report.

With regard to the half year and year-end financial statements, the Committee continues to be particularly focused on the areas of the financial statements with which a high degree of judgement and estimation uncertainty is associated. The primary area of estimation uncertainty reviewed by the Committee is the carrying value of inventory and profit recognition. The issue considered and activities undertaken by the Committee are outlined on page 114.

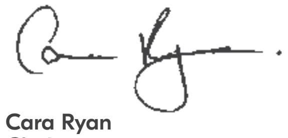
The underlying valuation models for inventory are thoroughly scrutinised by the external auditor with no disagreement in estimates used by the Company being reported.

The Committee is conscious of the impact of the ongoing Covid-19 pandemic on the Group's employees and operations. Against that background, we have engaged with Group management to seek to ensure that robust internal controls and risk management systems continue to apply. We have also discussed with Group management the additional work completed in respect of the viability and going concern statements to seek to assess the impact, in the short to medium term, of the Covid-19 pandemic on the prospects of the Group.

The risk register and the principal risks and uncertainties faced by the Group outlined on pages 42 to 48 of this report are a standing agenda point on all Committee meetings. Discussions are focused on emerging risk areas and existing risks where the risk rating has increased or decreased significantly.

The Committee continues to give careful consideration to the impact of Covid-19 on risk management and ensuring the controls put in place by senior management to respond to these risks are appropriate. The Committee is also aware of the emergence of ESG related risks, the responsibility the business has to respond proactively to these risks and the increased reporting of such activities.

I am pleased to conclude that the Audit and Risk Committee has met its obligations for 2020 and is looking forward to further adapting the Group's risk management framework to respond to the opportunities and challenges that 2021 will bring as the Group continues to deliver on its strategic objectives and 5 year plan.



Cara Ryan
Chair
Audit and Risk Committee

Roles and Responsibilities

The Audit and Risk Committee's Terms of Reference, are available on the Group's website. The Terms of Reference are reviewed annually and amended in line with any future organisational changes to ensure they continue to be fit for purpose.

At a high level, the duties carried out by the Audit and Risk Committee relate to:

- Financial reporting;
- Risk management;
- Internal controls;
- Compliance; and
- Oversight of the Group's relationship with the external auditor.

These responsibilities are intended to be performed in conjunction with the management team, Executive Committee and internal/external auditors.

The key function of the Committee is oversight of the Group's internal control and risk management systems. This involves the following responsibilities:

- Monitor the integrity of the financial statements of the Company and any other formal announcement;
- Reporting to the Board on significant financial reporting issues and judgements and estimates;
- Review the content of the annual report;
- Review the adequacy and effectiveness of the Group's internal controls;
- Review and approve the risk management policy, the Group's risk register and appetite statement, prior to submission to the Board for its approval;
- Advise the Board on the Group's current risk exposures and future strategy for managing such risks;
- Review relevant risk reporting, including incident breach reporting in order to assess the effectiveness of the Group's risk management process;
- Review the Groups' arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and
- Monitoring and reviewing the effectiveness of the Group's internal and external auditors.

Other responsibilities of the Audit and Risk Committee are set out in detail in its Terms of Reference which are available on the Group's website and are noted below.

(i) Integrity of the Financial Statements and Announcements
(ii) Compliance, Bribery, Conflict of interest, Whistleblowing and Fraud
(iii) Internal Audit
(iv) External Audit
(v) Committee Effectiveness

Audit and Risk Committee Composition

During 2020, the Audit and Risk Committee comprised three independent non-executive Directors; Cara Ryan (Chair), Robert Dix and Richard Cherry. Lady Barbara Judge CBE served as a member of the committee until her untimely bereavement in August 2020. The biographies of these Directors can be found on pages 138 to 140.

The Board believes that Committee members offer a balanced suite of expertise, including financial expertise and experience in the legal and property sectors. Particularly, the Board considers that the Committee Chair has sufficient recent and relevant financial experience for the role and that there is sufficient financial and commercial experience within the Audit and Risk Committee as a whole. This vast array of skills enables the Audit and Risk Committee to carry out its duties and responsibilities as detailed in the Committee's Terms of Reference.

Meetings

The Audit and Risk Committee have met on five occasions during the financial year. The attendance of Committee members is detailed in the table below. On occasion, special attendees were invited to attend all or part of Committee meetings as deemed appropriate and necessary by the Committee Chair.

The Committee meet with the internal and external auditor without other executive management being present, on an annual basis in order to discuss any issues which may have arisen during the financial year.

Committee Member	In Attendance	Committee member as of
Cara Ryan*	2/2	2020
Robert Dix	5/5	2017
Richard Cherry	5/5	2017
Lady Barbara Judge CBE**	3/3	2017

* Cara Ryan was appointed to the Committee on 3 September 2020
** Lady Barbara Judge CBE resigned from the Committee on 31 August 2020

Activities

2020 has been a year of significant change and development for the Group. The Group's risk profile continues to evolve as it works towards achieving its strategic objectives and executing on its strategic plan. To respond and mitigate against risks as they emerge or evolve, the Group implements a risk management approach that is dynamic rather than static in nature. Further detail in relation to the Group's approach to risk management is set out on pages 38 to 48. The Group continues to embed risk management across all levels and departments of the Group through a top down approach with the tone being set by the Committee, Board and senior management. Set out below is a summary of the Committee's activity during the financial year.

Activity in 2020

Topic	Description of activity
Financial Reporting	The Committee assessed whether suitable accounting policies had been adopted in the preparation of the results for the relevant period and whether management had made appropriate estimates and judgements. In particular, the Committee focused on areas that involved a significant level of judgement or complexity (as outlined in the financial reporting section below). The Committee also considered the view expressed by the external auditor, KPMG, in making these assessments. The Committee assessed the Group's ability to continue as a going concern. The Committee considered the potential and likely implications of the Covid-19 pandemic on the Group's financial performance and position including but not limited to the impact on selling prices and strategies, development costs and construction programs and put a focus on the adequacy of liquidity when reaching its conclusion on going concern. During the financial year, the Committee reviewed and recommended the Group's 2019 Annual Report and the consolidated condensed interim financial statements for the half year ended 30 June 2020 to the Board for approval. The Committee considered the requirements of the Irish Companies Act 2014 in relation to the Directors' Compliance Statement and is satisfied that appropriate steps were taken to ensure compliance by the Group with these requirements. The Committee also considered the Group's adoption of the going concern basis of preparation and its viability statement prior to recommending both for approval by the Board.
Risk Management	In respect of the 2020 annual report, the Committee considered the Group's risk management framework and the key business risks as disclosed in the Risk Management Report as part of its review of the Group's risk register. The Committee also reviewed and approved the updated Sales Manual and Procurement Policy documents.
Internal Audit	The Committee met representatives from the outsourced internal audit function (Deloitte) throughout the financial year and reviewed reports, findings and recommendations arising from the audits conducted. The Committee also approved the planned programme of work for 2021-2023.
External Audit	The Committee met representatives from the external auditor throughout the financial year both with and without management present. During 2020, the Committee reviewed KPMG's reports on their 2019 audit and their interim review for the six months ended 30 June 2020. It also reviewed and approved KPMG's audit plan in respect of the audit for the year ended 31 December 2020.

Fair, Balanced and Understandable

The Board is responsible for the approval of the annual report and financial statements. The Board is required to confirm that:

- It considers the annual report and financial statements, taken as a whole, to be fair balanced and understandable; and
- It provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

At the request of the Board, the Committee considered whether the annual report and financial statements for the financial year met these requirements. To satisfy this responsibility the Committee considered the following:

- The timetable, communications and co-ordinated approach to the preparation of the annual report and financial statements by senior management;
- The systematic and timely approach to review and sign off with a focus on transparency and understandability by senior management;
- The detailed presentation of the annual report and financial statements to the Committee by senior management outlining the process undertaken to ensure the report is fair, balanced and understandable;
- Timely submission of the draft annual report and financial statements to the Committee to facilitate adequate review and discussion prior to approval by the Committee; and
- The presentation by KPMG on their audit process and conclusions reached on the annual report and financial statements.

Having considered the above, the Committee confirmed to the Board that the annual report and financial statements taken as a whole, is fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's and the Company's financial position, performance, business model and strategy.

Financial Reporting

The primary issue considered by the Audit and Risk Committee in relation to the financial statements for the financial year ended 31 December 2020 was the Group's assessment of the carrying value of inventory at the reporting date and profit recognised on completed units during the year.

Significant Issue Considered	Committee Activity
Carrying value of inventory The carrying value of the Group's inventory was €821.2 million at 31 December 2020 which comprises the cost of development land and development rights acquired, and the costs of the work completed thereon to date. Inventory is required to be carried at the lower of cost and net realisable value. At 30 June 2020 management undertook an exercise to assess the net realisable value of the inventory balance in order to assess the carrying value at that date. There is a significant level of estimation involved in this exercise, which includes a review of future cash flows associated with each individual site in order to validate current profitability projections which are also the key determinants of profit recognition as sales complete. 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 charge on two of our higher Average Selling Price ("ASP") non-core active sites and three non-core assets on which construction has not commenced. A similar exercise was undertaken at financial year end by management. The exercise indicated no further evidence of impairment and therefore no additional adjustment to the carrying value was required at 31 December 2020.	Management presented a summary of its review to the Committee which included information in relation to the cross functional approach taken to the net realisable value calculations, its policy for profit recognition on completed units, as well as the review process undertaken by senior management. Management's presentation included a summary of the results of the review for each development site with key assumptions highlighted for discussion. The Committee robustly challenged management on the additional work completed in respect of the carrying value of inventory both at 30 June 2020 and 31 December 2020 to seek to assess the impact of the Covid-19 pandemic on the profitability of the Group's development sites and to understand the different scenario analysis completed. The Committee considered the approach taken at 30 June 2020 and 31 December 2020 to the net realisable carrying value of the inventory balance. It also considered the external auditor's conclusion regarding management's assessment that an impairment charge was required at 30 June 2020 and no further impairment was required at 31 December 2020. Based on the results of the process undertaken by management, the Committee was satisfied with the carrying value of inventory at year end and the profit recognised in the consolidated statement of profit or loss on units closed in 2020.

Internal Audit

The Committee is responsible for the scope and operation of the internal audit function. The Committee approves and monitors the planned work of internal audit considering any identified ineffective controls and findings. The Committee places a particular focus on control weaknesses and the remediation plans put in place by management.

The Committee met representatives from the outsourced internal audit function (Deloitte) on four occasions during the financial year and considered the reports from the internal audit function on their reviews of sales, contractor management and compliance with legislation and regulation. The Committee has also approved the planned programme of work for 2021-2023.

Whistleblowing, Fraud and Anti Bribery

The Group has Whistleblowing, Fraud and Anti Bribery policies and reporting procedures in place that have been reviewed and approved by the Board. The policies are detailed in the employee handbook and published on the Group's intranet. All employees are required to acknowledge and confirm that they have read and understand these policies. Any reported cases of whistleblowing, fraud and bribery or alleged breach of these policies are appropriately investigated, with the results reported to the Committee.

External Auditor

KPMG is the external auditor of the Group. The Audit and Risk Committee considers and makes recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment or removal of the external auditor. KPMG attended each of the Committee meetings in 2020.

Audit effectiveness

The effectiveness of the external audit process is assessed by the Audit and Risk Committee, which meets regularly throughout the financial year with the audit partners. In conducting this review, the Audit and Risk Committee concluded that the audit process as a whole had been conducted robustly and that the team selected to undertake the audit had done so thoroughly and professionally.

In assessing the independence and objectivity of the external auditor, the Audit and Risk Committee considered the internal processes which the External Auditor has in place to ensure their independence and objectivity is monitored and reviewed sufficiently. Further, the Audit and Risk Committee considered senior management's satisfaction with KPMG. The Committee also meets regularly with KPMG without the presence of management.

Auditor independence and non-audit services

KPMG have formally confirmed their independence to the Audit and Risk Committee. To further ensure independence, the Committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. Analysis of fees paid or payable in respect of services provided by KPMG in the financial year are analysed in the table below:

	€ '000
Audit fees	220
Non-audit fees	
Interim review fees	15
Tax services fees	109
Total	**324**

At the end of the financial year, non-audit fees paid to KPMG represented 62% of total audit fees.

It is the Group's practice to engage KPMG on assignments in addition to their statutory audit duties where their expertise and experience with the Group are important. KPMG provided certain tax services in the financial year which were considered and deemed appropriate by the Committee.

The Committee has approved a policy on the use of the external auditor for non-audit services and continually monitors the ratio of audit to non-audit fees, acknowledging the legislation requiring fees for non-audit services to be capped at 70% of the average statutory audit fee over the previous 3 year period. Further, in reviewing non-audit services provided by the external auditor, the Committee considers whether the non-audit service is a permissible service under the relevant legislation and any real or perceived threat to the external auditor's independence and objectivity to include, among other considerations, a review of: the nature of the non-audit services; whether the experience and knowledge of the external auditor makes it the most suitable supplier of the non-audit services; and the economic importance of the Group to the external auditor. The policy on the supply of non-audit services includes a case by case assessment of the services to be provided and the costs of the services by the external auditor considering any relevant ethical guidance on the matter.

REPORT OF THE REMUNERATION COMMITTEE

I am pleased to present the report of the Remuneration Committee ("the Committee") for the financial year ended 31 December 2020. The Committee operated as a combined Remuneration and Nomination Committee until 9 October 2020, when it was separated into two new committees. The report of the Nomination Committee report is included on pages 136 to 137.

Richard Cherry
Chairman
Remuneration Committee

I was delighted to welcome two new members to the Committee during 2020, Cara Ryan and Pat McCann, both of whom proved to be a considerable asset as we addressed the extraordinary events of the year. I would also like to express my thanks to Robert Dix, who stepped down from the Committee during the year, and to pay tribute to Lady Barbara Judge CBE, whose contributions to the Committee and to the Board are much missed.

During 2020, the Committee monitored the impact of the Covid-19 pandemic across Glenveagh and considered carefully the implications for the remuneration of Executive Directors and others in the business. Separately, having received an excellent level of support for the Directors' Remuneration Policy at the AGM in May, we reviewed the Policy against the Irish Government's new regulations on remuneration voting and disclosure and also started to consider how the Policy should develop over the longer-term to keep pace with the development of the business and the expectations of shareholders.

We developed extensive health and safety protocols to ensure a safe return to work for our people when sites began to reopen in May.

Performance during 2020

As communicated to the market during 2020, and as explained throughout this Annual Report, Glenveagh's performance was impacted as construction sites were closed for six weeks as part of a Government enforced industry-wide lockdown in response to the first wave of the Covid-19 pandemic. We developed extensive health and safety protocols in line with Government and Health Organisation protocols and guidance to ensure a safe return to work for our people when sites began to reopen in May. The Group put in a resilient performance for the remainder of the year despite the ongoing challenges posed by the continued spread of the virus.

As we announced to the market in May 2020, a number of mitigating actions were put in place in reaction to the outbreak of the pandemic and the site closures. This included some temporary lay-offs and furlough arrangements for certain staff. Salaries for all employees were temporarily reduced, and all employer pension contributions temporarily ceased. For the Executive Directors, this resulted in a salary reduction of approximately 20%. Fees for the Non-Executive Directors were reduced by 25%. All salaries and fees were restored to their full levels on 1 September and employer pension contributions resumed. Recognising the underlying strength of the business, we have since repaid to all employees, including the Executive Directors, the salaries and pensions foregone as a result of the temporary reductions.

The unexpected events of 2020 meant that the financial targets set for the annual bonus scheme at the start of the year became very difficult to achieve. Although performance against the non-financial targets would have merited a bonus payment, the Executive Directors and other senior executives within the business waived their entitlement to any bonus payment for the year.

Long-term incentives were also significantly impacted. The Long-Term Incentive Plan ("LTIP") award granted to certain employees (including the CFO) at the time of Glenveagh's IPO in October 2017 did not vest, as the total shareholder return ("TSR") performance condition was not met. For the legacy Founder Share Scheme – in which both the Executive Chairman and the CEO participate – the performance condition was not met when tested during the year and, accordingly, no Founder Shares converted into ordinary shares.

The Committee did not exercise any discretion in terms of these incentive outcomes for the year.

Remuneration for 2021

The Committee has made no changes to the way the Remuneration Policy operates for 2021. The salary levels for the Executive Directors and other aspects of their fixed remuneration remain unchanged. The measures used for the annual bonus scheme remain the key metrics of revenue (20%), adjusted EBITDA (20%), adjusted EBITDA margin (20%), health and safety (20%) and customer satisfaction (20%), all of which are critical indicators of Glenveagh's ability to meet its strategic objectives over the short-term. The specific targets have been set in the context of the business environment for the year and will be disclosed in the 2021 Remuneration Report.

The Committee continues to recognise the preference of a number of shareholders for a return on capital employed ("ROCE") metric to be included in the bonus scheme. Optimising the capital employed within the business remains an important strategic priority for Glenveagh. However, in light of the impact of the events of 2020 on the broader market environment, the Committee wishes to review business performance during 2021 before committing to introduce a new measure to the scheme.

The maximum bonus opportunity for the Executive Directors will remain unchanged for 2021 (100% of salary for the CEO and CFO and 75% of salary for the Executive Chairman).

At present, the CFO is the only Executive Director to participate in the LTIP. We intend to grant a further LTIP award to him in 2021 at a level of 100% of basic salary, the same level as the grant he received in early 2020. The performance measures will also remain the same as 2020, a mix of absolute TSR (for 50% of the award) and EPS (the remaining 50%). Further detail in relation to the specific targets for the award is provided on pages 131 and 132.

The Executive Chairman and the CEO continue to participate in the Founder Share Scheme and will not receive an LTIP award in 2021.

Directors' Remuneration Policy

As discussed in last year's report, during late 2019 and early 2020 the Committee reviewed the Remuneration Policy for the Executive Directors and made a number of changes to bring the Policy into line with good market practice. This included introducing shareholding requirements for the Executive Directors, adding a two-year post-vesting holding period to the LTIP, reducing the amount of annual bonus payable for target performance and making a commitment that all new Executive Directors would receive a pension contribution rate set in line with the rate attributable to the majority of the wider workforce. The Remuneration Policy was presented to shareholders by way of a separate resolution at the AGM in May 2020 and the Committee was delighted to receive the support of 99.9% of those voting.

Shortly after the proposed Remuneration Policy was finalised by the Board and set out for shareholders in the 2019 Annual Report, the Government published the regulations transposing the EU Shareholder Rights Directive into Irish law. These regulations set out in detail the specific requirements for remuneration policies and remuneration reports, in terms of both required levels of disclosure and the shareholding voting regime. While nothing in the Remuneration Policy approved at the 2020 AGM contradicts the regulations, in order to achieve full compliance we are required to seek reapproval of the Policy at the 2021 AGM. The Policy is broadly unchanged from that approved overwhelmingly by shareholders in 2020, although we have included some extra detail on certain minor areas of disclosure and procedure to ensure complete consistency with the regulations.

Looking further ahead, the Committee intends to undertake a more fundamental review of the Remuneration Policy later in 2021 to ensure that the executives are aligned, incentivised and appropriately rewarded to drive Glenveagh's longer-term business strategy and growth profile, while also taking into account the changing economic and business environment and evolving investor expectations. This review will encompass matters such as quantum and the structure of long-term incentives, in particular recognising that the Founder Share Scheme will run its course in early 2022. We will also review the current position on the pension contribution rate for incumbent Executive Directors, post-employment shareholding requirements and annual bonus deferral. Any proposed changes to the Policy which emerge from this review will be the subject of appropriate shareholder consultation before being presented to shareholders for formal approval at the AGM in 2022.

In late 2020, I wrote to major shareholders and the proxy advisory services to explain our approach to the rollover of the Policy for 2021 and the intention to undertake a fuller review later in the year. I am pleased to report that all of those who responded were supportive of this plan of action.

2018 UK Corporate Governance Code

Glenveagh remains committed to complying with the UK Corporate Governance Code wherever appropriate or explaining its reasons for non-compliance. The Committee believes that the Remuneration Policy for Executive Directors is consistent with the key principles set out in the 2018 Code. The arrangements are simple and transparent, with a clear link between the performance of the Group and the rewards available to individual Executive Directors. The Policy for Executive Directors is aligned with Glenveagh's culture of rewarding excellent performance across the organisation and also provides for a strong level of alignment with the interests of shareholders in Glenveagh.

The Committee is satisfied that Glenveagh complies in all material respects with the remuneration provisions of the 2018 Code, with the following minor exceptions. First, the Committee has not developed a formal policy on post-employment shareholding requirements. As noted above, shareholding requirements to apply in employment were introduced last year and the Committee decided not to go further than this, recognising also that the post-vesting holding period in the LTIP continues to apply for awards held by leavers. Second, the pension contribution rate for existing Executive Directors is not aligned with the rate for the wider workforce, although is consistent with the arrangements in place for senior executives below Board level. The Committee has decided not to change its current approach on these matters at this stage, but this position will be reviewed very carefully as part of the detailed review of the Remuneration Policy to take place later in 2021.

AGM

As explained above, at the AGM on 27 May 2021 shareholders will be asked to reapprove the Directors' Remuneration Policy by way of an advisory vote. In addition, there will be a separate resolution to approve the Remuneration Committee Report, also by way of an advisory vote.

I hope you will support both the Policy and the Report resolutions, and I welcome any comments or feedback you may have on our activities in 2020, our plans for 2021, or any other relevant matters.

Richard Cherry
Chairman,
Remuneration Committee

During 2020, the Committee monitored the impact of the Covid-19 pandemic across Glenveagh and considered carefully the implications for the remuneration of Executive Directors and others in the business.

Roles and Responsibilities

The principal responsibilities and duties of the Remuneration Committee include:

- Having responsibility for setting the Remuneration Policy for all Executive Directors including pension rights and any other compensation payments;
- Recommending and monitoring the level and structure of remuneration for senior management;
- Reviewing the ongoing appropriateness and relevance of the Remuneration Policy, taking into account all factors which it deems necessary, including the risk appetite of the Group and alignment to the Group's long-term strategic goals and culture;
- Reviewing the total individual remuneration package of each Executive Director and other designated senior executives including any bonuses, incentive payments and share options or other share awards; and
- Overseeing any major changes in employee benefits structures throughout the Group.

Committee Composition

The Committee comprises three Independent Non-Executive Directors; Richard Cherry (Chairman), Cara Ryan and Pat McCann. The biographies of these Directors can be found on pages 138 to 140. Richard Cherry served on the Committee for the entire year. Cara Ryan and Pat McCann were appointed to the Committee on 4 September 2020 and 3 September 2020 respectively. Lady Barbara Judge CBE was a member of the Committee until her death on 31 August 2020. Robert Dix was a member of the Committee until 4 September 2020.

The Board believes that the Committee members offer a balanced suite of expertise, meeting the specific requirements of this Committee. The breadth of skills and experience of the members enables the Committee to carry out its duties and responsibilities as detailed in the Committee Terms of Reference.

Meetings

The Committee met on seven occasions during the financial year ended 31 December 2020. On occasion, additional attendees including the Board Chairman, the CEO, the CFO, the Head of HR, the Group Company Secretary and specialist external advisers were invited to attend all or part of Committee meetings as deemed appropriate and necessary by the Committee Chairman.

Committee Member	In Attendance	Committee member as of
Richard Cherry	7/7	2017 to date
Robert Dix	3/3	2017 to 2020
Lady Barbara Judge CBE	2/2	2017 to 2020
Cara Ryan	4/4	2020 to date
Pat McCann	5/5	2020 to date

Other Activities

Set out below is a summary of the Committee's key activities during the financial year.

Activity in 2020

Topic	Description of activity
Annual Bonus	The Committee formally assessed performance against the targets set for the 2019 annual bonus scheme, agreeing bonus payments as disclosed in last year's report. Later in the year, the Committee also considered the position with regards to the 2020 annual bonus scheme, and noted the waiver by the Executive Directors and other senior executives of any bonus for 2020.
Long Term Incentive Plan (LTIP)	The Committee approved the granting of LTIP awards to certain members of the senior management team (including the CFO) during 2020, having considered the appropriate employee population and performance conditions for these awards.
Review of AGM voting	The Committee considered the outcome of the 2020 AGM votes on the Directors' Remuneration Policy and the Remuneration Committee Report.
Review of Remuneration Policy and Shareholder Consultation	The Committee considered the Directors' Remuneration Policy in the context of the European Union (Shareholders' Rights) Regulations 2020 published in March 2020 and agreed to seek shareholder reapproval for the Policy at the AGM in 2021 to ensure full compliance with the regulations. The Committee also agreed to conduct a fuller review of executive remuneration in 2021. Major shareholders and proxy advisers were consulted on this approach.
Executive Committee	The Committee met representatives from the Executive Committee throughout the financial year to receive updates on the business and specific areas of interest to the Committee.
Committee Evaluation	The Committee reviewed its Terms of Reference to ensure they were fit for purpose. The Terms of Reference are available on the Group's website.

Reporting

The Chairman of the Committee reports to the Board on the activities of the Committee. The Chairman of the Committee will attend the Annual General Meeting to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

External Advisers

During the financial year, the Committee continued to obtain independent advice from Korn Ferry in relation to market trends, comparator benchmarking, developments in remuneration policies and practice and governance best practice. Korn Ferry are members of the Remuneration Consultants Group and signatories to its Code of Conduct, and all advice is provided in accordance with this Code. The Committee is entirely comfortable that the advice it received from Korn Ferry on executive remuneration matters was independent and robust.

Remuneration Policy

Background

The Remuneration Policy was approved by shareholders at the AGM held on 19 May 2020, with a vote in favour of 99.9%.

To ensure full compliance with the European Union (Shareholders' Rights) Regulations 2020 published in March 2020, the Committee will be presenting the Remuneration Policy to shareholders for reapproval by way of an advisory vote at the AGM to be held on 27 May 2021. There are no substantive changes to the Remuneration Policy approved in 2020: the reward opportunities are not being increased, and the incentive schemes will continue to operate as set out in the Policy approved in 2020. However, some additional detail has been added in terms of disclosure and procedure to bring the Policy fully into line with the new regulations.

Remuneration Principles

In designing the Remuneration Policy, the objective of the Committee is to continue to attract, retain and motivate executive management of the quality required to run the Group successfully, having regard to the views of shareholders and other stakeholders, as well as pay and conditions across the Group as a whole. The Committee is satisfied that the remuneration framework is in alignment with the Group's risk appetite, purpose and culture, while also being supportive of its long-term strategic goals.

The Policy contributes to Glenveagh's business strategy by setting the framework by which the Executive Directors and other senior employees are incentivised and rewarded. The performance and reward of these individuals is critical in ensuring the Group's ongoing success. The Policy incorporates a mix of fixed and variable remuneration which provides both a meaningful level of guaranteed pay appropriate for senior leaders of a major listed company and incentives which are structured to drive performance over the short and long-term. Glenveagh's Long-Term Incentive Plan assesses performance over a three-year period using performance conditions which are relevant indicators of long-term growth and value creation. Achievement of these performance conditions will demonstrate success in ensuring the long-term viability and sustainability of the business.

Determination of the Remuneration Policy

The Remuneration Policy as approved at the 2020 AGM was agreed by the Remuneration Committee taking into account (among other things) Glenveagh's business strategy and objectives, expectations of future performance, market practice at similar companies and the views of institutional shareholders and advisory bodies. The Committee received input from its independent external advisers in the form of a number of presentations and direct discussions. The Committee also took on board the views of Glenveagh management. Shareholder feedback on the Policy and its implementation was sought through a consultation exercise in late 2019 and early 2020. The Committee subsequently presented the Policy to the AGM in May 2020 by way of a separate resolution and, as noted above, received overwhelming shareholder support.

A further review of the Policy took place during 2020 to assess its compliance with the terms of the European Union (Shareholders' Rights) Regulations 2020. As a result of this review, a number of minor changes were agreed to bring the Policy fully into line with the regulations. Given the level of shareholder support for the Policy at the 2020 AGM, and the 100% support received for the separate vote on the Annual Report on Remuneration, the Committee decided not to make any fundamental changes to the Policy ahead of submitting it for a further shareholder vote at the AGM in 2021. The Committee consulted with major shareholders on this approach in late 2020 and those who responded indicated their support.

The Committee intends to undertake another full review of the Policy later in 2021 to ensure that the executives are aligned, incentivised and appropriately rewarded to drive Glenveagh's long-term business strategy and growth profile as well as reflecting the changing economic and business environment and evolving investor expectations.

Implementation of the Policy is reviewed every year, for example in terms of the performance measures and targets which apply to variable remuneration and the quantum of fixed remuneration. Proposals are presented to the Remuneration Committee and are subject to rigorous debate.

Conflicts of interest are avoided. Committee members are required to disclose any conflicts or potential conflicts ahead of Committee meetings. No Executive Director or other member of management is present when his or her own remuneration is under discussion. The Committee's external advisers are responsible for providing advice to the Committee and not to management.

Remuneration of the Non-Executive Directors ("NEDs") is a matter for the Board (excluding the NEDs) rather than the Remuneration Committee. From time to time the Board (excluding the NEDs) reviews the fees payable to NEDs, taking into account any changes in Board responsibilities and levels of fees paid to NEDs of similar companies to Glenveagh. No NED is involved in discussions regarding his or her own remuneration.

Changes to the Remuneration Policy

The key changes to the Policy approved by shareholders at the 2020 AGM are set out below:

- Additional information has been added to explain how the Policy contributes to Glenveagh's business strategy and long-term interests and sustainability;
- The relative proportion of the different components of fixed and variable remuneration has been indicated;
- Clarification has been provided on how the financial and non-financial performance conditions used for the annual bonus scheme and the LTIP contribute to Glenveagh's business strategy and long-term interests and sustainability;
- An explanation has been included of the methods applied to determine the extent to which the performance criteria are fulfilled; and
- Information has been provided on the decision-making process followed for the determination, review and implementation of the Policy and the measures to avoid or manage conflicts of interest.

Components of Remuneration for Executive Directors

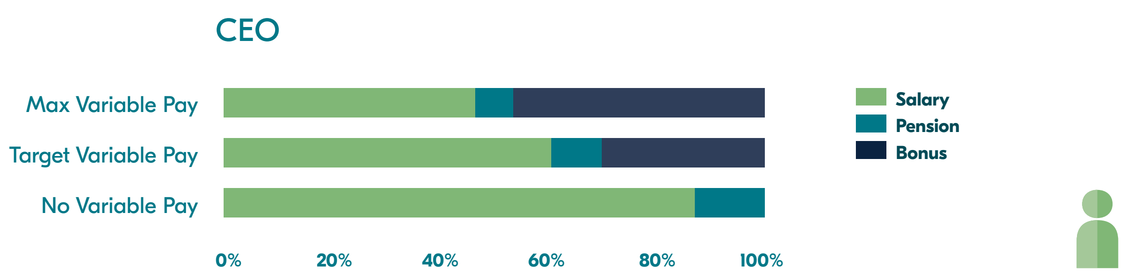
The following table outlines the key elements of the Executive Directors' Remuneration Policy.

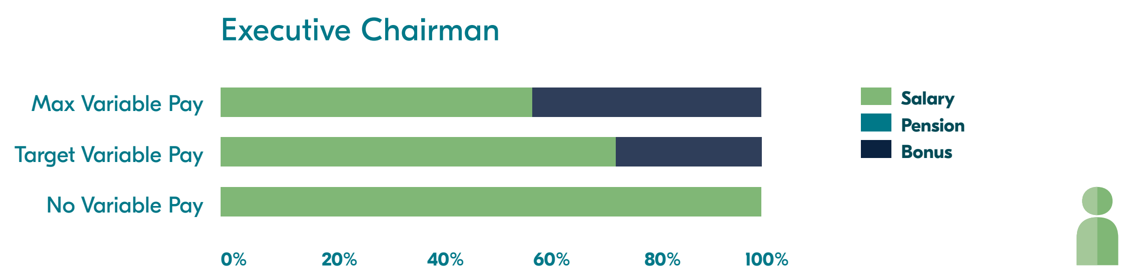
Element/Purpose	Operation	Maximum Opportunity
Fixed Remuneration		
Base Salary		
To attract and retain high calibre individuals	Base salaries are normally reviewed by the Committee annually in the last quarter of the year with any adjustments to take effect from 1 January of the following year. Factors taken into account in the review include the individual's role and level of responsibility, personal performance and developments in pay in the market generally and across the Group. Base salary for Executive Directors is inclusive of fees receivable by the Executive as a Director of the Group.	There are no prescribed maximum salaries or maximum increases. Increases will normally reflect increases across the Group and in the market generally. However, increases may be higher or lower to reflect certain circumstances (whether temporary or permanent) such as changes in responsibility or in the case of newly appointed individuals to progressively align salary with market norms. In line with good practice, market movements will not be considered in isolation but in conjunction with other factors.
Benefits		
To be competitive with the market	In addition to their base salaries, Executive Directors' benefits currently include life and health insurance and a car allowance in line with typical market practice. Other benefits may be provided if considered appropriate.	No maximum levels are prescribed as benefits will be related to each individual's circumstances.
Retirement Benefits		
To attract and retain high calibre individuals as part of competitive package.	The Group operates a defined contribution pension scheme for Executive Directors. Pension contributions are calculated on base salary only.	For current Executive Directors, 15% of basic salary. Any new Executive Director appointed after the 2020 AGM will have their contribution rate set in line with the rate attributable to the majority of the wider workforce.

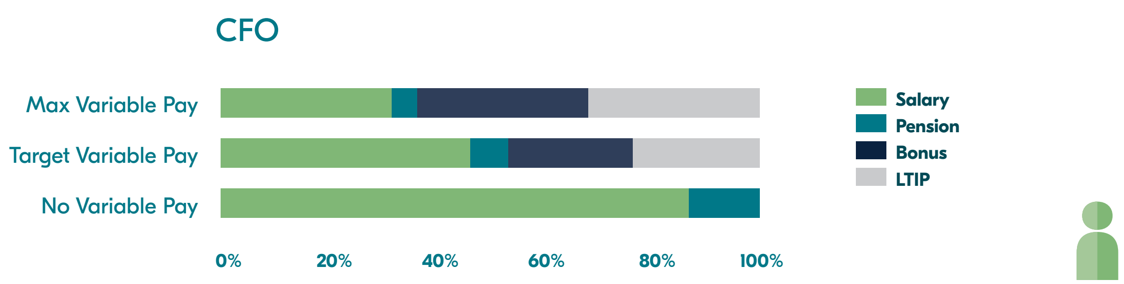
Element/Purpose	Operation	Maximum Opportunity
Variable Remuneration		
Annual Bonus		
To reward the achievement of annual performance targets	Individuals will receive annual bonus awards based on the achievement of financial and/or non-financial targets. Threshold, target and maximum performance levels will be set, with pro-rata payments between the points based on relative achievement levels against the agreed targets. The financial KPIs will ensure that employees are aligned with shareholders' interests and the parameters that the Group will be assessed on by the market in the long-term. The financial KPI targets will be set annually for the year ahead, based on the budget and strategic plan process carried out in Q3/Q4 of the preceding year. Appropriate details of the specific targets will be included on a retrospective basis in the Remuneration Committee report each year. The Committee retains discretion to adjust any award to reflect the underlying financial position of the Group.	The maximum award for Executive Directors as a percentage of basic salary is as follows: Executive Chairman 75% CEO 100% CFO 100% The amount payable for target performance is limited to 50% of the maximum award. Bonuses are paid in cash although the Committee will keep under review whether it would be appropriate to require a portion of any cash bonus to be invested in Glenveagh shares.
Long Term Incentive Plan (LTIP)		
To incentivise long-term sustainable performance by granting shares which vest subject to the achievement of targets which are linked to Glenveagh's business strategy and central to its long-term success. The LTIP also contributes to Glenveagh's long-term interests by ensuring alignment between participants and the interests of shareholders.	Senior executives are eligible to participate in the LTIP. The CFO is the only Executive Director who currently participates in the plan. The Executive Chairman and the CEO do not currently participate in the LTIP given their participation in the Founder Share Scheme although this will be kept under review (see page 135). The LTIP involves the grant of nil-cost options over ordinary shares to participants based on a percentage of their gross basic salary. LTIP awards vest subject to the satisfaction of performance conditions over a three-year period. The Committee selects the performance condition ahead of each grant taking into account Glenveagh's strategic priorities and business circumstances. A majority of the metrics chosen will be financial metrics. Full details of the chosen metrics and specific targets for recent awards and for awards to be granted in 2021 are set out pages 131 to 132. The vesting of any award is subject to Committee discretion that it is satisfied the Group's underlying performance has shown a sustained improvement in the period since date of grant. With effect from 2020, LTIP awards granted to Executive Directors are subject to a holding period of at least two years following the date of exercise of their options. Shares that are subject to a holding period post-exercise may be placed in a restricted share trust for the duration of the restricted period.	The LTIP rules permit awards to be granted up to 150% of basic salary, or 200% in exceptional circumstances.

Relative Proportion of Fixed and Variable Remuneration

As indicated in the table above, the remuneration of the Executive Directors includes both fixed and variable remuneration. The charts below indicate the relative proportion of the fixed and variable remuneration for each Executive Director.







Notes:
(1) Max Variable Pay assumes a full annual bonus pay-out and (for the CFO, as the only Director who currently participates in the LTIP) the vesting of LTIP awards at the maximum level. No account has been taken of share price appreciation since the date of grant.
(2) Target Variable Pay assumes a bonus pay-out at a target level of 50% of the maximum and LTIP vesting at a target level of 50% of the maximum.
(3) No Variable Pay assumes no annual bonus pay-out and no LTIP vesting.
(4) The value of benefits will fluctuate and therefore for simplicity have not been included in the charts.
(5) The Founder Share Scheme (in which the CEO and the Executive Chairman participate) has not been included in the charts as it is not part of the Remuneration Policy.

Performance Conditions

For both the annual bonus scheme and the LTIP, the Committee sets performance conditions based on business circumstances and the key strategic priorities. Specific targets are chosen based on the business plan and budget, the Board's expectations of performance and external market estimates (where relevant).

The performance conditions are designed to be relevant to achieving Glenveagh's vision of being the leading sustainable homebuilding platform in Ireland.

The performance conditions which apply to the annual bonus scheme to operate in 2021 are based on a mix of financial and non-financial criteria as set out below:

- **Revenue:** This is a key measure of top-line business improvement and takes into account the number of units sold, the average selling price of those units and non-core land disposals. The long-term success of Glenveagh depends in part upon revenue growth.

- **Adjusted EBITDA and Adjusted EBITDA margin:** Adjusted EBITDA is an important measure for assessing the profitability of the Group which is closely tracked by the market. Adjusted EBITDA margin represents this metric as a percentage of Group revenue. By using these metrics in the bonus scheme, we ensure that Executive Directors are incentivised to focus on profitability in addition to revenue growth.

- **Health and safety:** Glenveagh's health and safety audit score is an indicator of the ability of the business to provide a safe working environment for our people. Among other things, this ensures we operate as a responsible employer and can attract and retain the best people in the industry.

- **Customer satisfaction:** Customers are central to the success of the business. An independent external firm is used to survey customers on topics linked to their experience with Glenveagh. Annual bonuses are based on the survey results. Ultimately, Glenveagh's long-term success will depend upon its ability to meet and exceed customer expectations.

For the LTIP award to be granted in 2021, the following performance conditions have been chosen:

- **TSR:** This is a measure of the returns to Glenveagh shareholders in the form of share price growth and dividend payments over the performance period. TSR growth is indicative of the market's appreciation of Glenveagh's business strategy, its performance and its long-term prospects.

- **EPS:** This is a key measure of profitability. Growth in EPS over time reflects our ability to grow earnings responsibly while having due regards to the interests of shareholders.

The Remuneration Committee is responsible for assessing the extent of the achievement of the performance conditions for both the bonus scheme and the LTIP. In the case of the financial metrics such as revenue, Adjusted EBITDA, Adjusted EBITDA margin and EPS, this involves reviewing Glenveagh's financial performance as determined by its audited results and comparing the specific targets against the performance achieved. The assessment of TSR is based on Glenveagh's TSR performance as calculated by external data sources. Health and safety is measured by considering the result of internal and external site safety audits. Customer satisfaction is determined through the results of the surveys conducted on Glenveagh's behalf by an independent external firm.

Malus and Clawback

For both the annual bonus scheme and the LTIP, recovery provisions are in place which permit the Committee to claw back awards if certain trigger events occur within two years of the payment or vesting date:

- If the award was determined on the basis of materially incorrect information, including as a result of any material misstatement of the financial results; and/or
- If the participant has engaged in any wilful misconduct, recklessness, fraud and/or criminal activity (including actions which have impacted the reputation of the Company); and/or
- If the participant commits an act which constitutes a material breach of his/her contract, restrictive covenants and/or any confidentiality obligations.

Shareholding Guidelines

All Executive Directors are required to build a shareholding equivalent in value to 200% of their basic salary. Until this guideline is met, individuals will be required to retain at least 50% of any shares which vest following the end of the performance and holding periods for the LTIP (excluding any shares which are required to be sold to pay tax due at vesting).

As explained on page 118, the Committee has at this stage decided not to introduce a requirement for shares to be held for a set period of time following termination of employment. However, this matter will be kept under review.

Approach to Recruitment Remuneration

The package for any new Executive Director would be based on the elements set out in the Remuneration Policy table above. For certain elements of the package, the following approach would apply.

- **Basic salary:** The salary offered to a new Executive Director would take into account a number of relevant factors including the individual's background and experience, the responsibilities of the role and wider market practice. The Committee has the discretion to appoint a new Executive Director on a salary below the prevailing market rate, with a view to increasing the salary over time depending on performance and development in the role. Such increases may be at a level higher than would otherwise apply.
- **Benefits:** The benefits package will be consistent with that provided to existing Executive Directors. The Committee may provide other benefits (e.g. a relocation package in the event of a new Executive Director being required to relocate in order to join Glenveagh).
- **Retirement benefits:** As stated in the Remuneration Policy table, any new Executive Director will have their pension contribution rate set in line with the rate attributable to the majority of the wider workforce.
- **Annual bonus:** A new Executive Director will normally be eligible to participate in the annual bonus scheme, on the same basis as the other Executive Directors. Participation will normally be pro-rated to reflect the period of service during the financial year. The maximum bonus opportunity for a new Executive Director is 100% of basic salary.
- **LTIP:** A new Executive Director will normally be eligible to participate in the LTIP on the same basis as the other Executive Directors. An LTIP award may be granted as part of the arrangements agreed on appointment. In line with the Remuneration Policy, any LTIP award will be limited in size to 150% of basic salary, or 200% in the event the Committee considers the circumstances to be sufficiently exceptional to justify an award at this level.
- **Buyout awards:** In certain circumstances – for example to attract an external candidate of exceptional calibre – the Committee may consider providing a buyout award as compensation for incentives provided by the candidate's previous employer which will lapse as a result of the individual joining Glenveagh. The value of any buyout award will take into account the performance conditions attached to the forfeited incentives, the likelihood of them being satisfied, the proportion of the performance period completed as at the date of cessation of employment, the mechanism of delivery (e.g. in cash or equity) and any other relevant factors. The Committee may grant a buyout award under Glenveagh's existing incentive plans or, if necessary, may use a bespoke arrangement.

The Committee reserves the right to appoint a new Executive Director on a service agreement with a twelve-month notice period, in line with standard market practice.

Service Agreements

The current Executive Directors all have service agreements with Glenveagh of no fixed term. The agreements are terminable on six months' notice from both the Group and the Executive. The agreements do not provide for any additional compensation to be paid in the event of a change of control of Glenveagh.

Policy for Leavers

Salary and Benefits

For leavers, any termination payments are made only in respect of annual salary excluding benefits for the relevant notice period.

Annual Bonus

In order for annual bonus payments to be made, Executive Directors must normally be employed by the Group on the bonus payment date.

Long-Term Incentive Plan

Under the rules of the LTIP, the vesting of awards for good leavers depends on the satisfaction of the relevant performance conditions. Awards are reduced on a pro rata basis to reflect the proportion of the vesting period which has not elapsed at the date of cessation.

For other leavers, unvested awards lapse on cessation.

In the event of a change of control, the Committee has discretion under the LTIP rules to determine the extent of vesting of outstanding awards, having regard to the extent that performance conditions have been met and the length of the performance period which has elapsed.

Wider Executive/Employee Remuneration Considerations

In addition to setting the pay for the Executive Directors, the Remuneration Committee has responsibility for setting the pay of members of senior management immediately below Board level (including the Group Company Secretary). The Committee also considers matters relating to pay across the Group as a whole, including workforce remuneration policies and incentives for the wider employee population. The Committee has not engaged directly with employees on executive remuneration matters but has considered in detail the issue of alignment between Executive Director remuneration and the pay for the employee population more broadly. In designing the Directors' Remuneration Policy the Committee has been cognisant of pay arrangements across the Group and has sought to ensure consistency where appropriate.

For example, senior managers participate in a bonus scheme which is reflective of the structure in place for the Executive Directors. A number of senior managers below the Board participate in the LTIP, with the same performance conditions applying to all awards granted under the plan. A separate bonus scheme applies for the main employee group, under which the majority of bonus payments are subject to the achievement of targets linked to personal performance.

Engaging with Shareholders

The Committee is committed to an open line of communication with shareholders and will seek the views of major investors when considering significant changes to remuneration practices or policies (as evidenced by recent consultation exercises with major shareholders).

Committee Discretions

The Committee retains discretion to make any payments, notwithstanding that they are not in line with the policy set out above, where the terms of the payment were agreed (i) before the policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are determined at the time the award is granted. Details of any such payments will be disclosed in the Remuneration Committee Report for the relevant year. The Committee also has the discretion to amend the policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

The Committee will operate the annual bonus and long-term incentive arrangements according to their respective rules. Consistent with market practice the Committee retains certain discretions in respect of the operation and administration of these arrangements.

External Appointments

The Board recognises the benefit which the Company can obtain if Executive Directors serve as non-Executive Directors of other companies. Subject to review in each case, the Board's general policy is that an Executive Director can accept non-executive directorships of other companies (provide this does not prejudice the individual's ability to undertake their duties at Glenveagh) and can retain the fees in respect of such appointment.

Remuneration Policy for Non-Executive Directors

NEDs have letters of appointment which set out their duties and responsibilities. The appointments are initially for a three-year term but are terminable on one month's notice.

The NEDs each receive a fee which is set by the Committee and approved by the Board on advice from the independent professional advisers. The NEDs are paid a basic fee of €60,000 per annum with additional fees payable to the Senior Independent Non-Executive Director of €30,000 per annum. NEDs receive an additional €15,000 for chairing the Audit and Risk, Remuneration and Nomination Committees.

Accordingly, the NED letters of appointment detail the following annual fees:

	Role	€
Robert Dix	Senior Independent Non- Executive Director	90,000
Cara Ryan	Chair, Audit and Risk Committee	75,000
Richard Cherry	Chairman, Remuneration Committee	75,000
Pat McCann	Chairman, Nomination Committee	75,000

No changes to the above fees are proposed for 2021. NEDs are not eligible to participate in any Group pension plan. The NEDs do not have service contracts and do not participate in any bonus or share option schemes. NEDs may receive benefits if considered appropriate. All remuneration received by the NEDs is fixed remuneration.

Annual Remuneration Report for 2020

The following table illustrates remuneration awarded to Directors for the financial year ended 31 December 2020:

Name	Salary/Fees (€) [1]		Benefits (€) [2]		Employer Pension Contribution (€) [3]		Total Fixed (€)		Annual Bonuses (€) [4]		LTIP (€)		Total Variable (€)		Total (€)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Executive Directors																
John Mulcahy	**300,000**	300,000	**18,500**	18,500	**-**	-	**318,500**	318,500	**-**	162,096	**-**	-	**-**	162,096	**318,500**	480,596
Stephen Garvey	**450,000**	383,333	**24,321**	22,725	**67,500**	57,500	**541,821**	463,558	**-**	286,881	**-**	-	**-**	286,881	**541,821**	750,439
Michael Rice[5]	**315,000**	52,500	**15,926**	168	**47,250**	7,875	**378,176**	60,543	**-**	39,375	**-**	-	**-**	39,375	**378,176**	99,918
Non-Executive Directors																
Robert Dix	**79,875**	75,000	**-**	-	**-**	-	**79,875**	75,000	**-**	-	**-**	-	**-**	-	**79,875**	75,000
Richard Cherry	**75,000**	75,000	**-**	-	**-**	-	**75,000**	75,000	**-**	-	**-**	-	**-**	-	**75,000**	75,000
Lady Barbara Judge CBE[6]	**52,500**	90,000	**-**	-	**-**	-	**52,500**	90,000	**-**	-	**-**	-	**-**	-	**52,500**	90,000
Pat McCann[7]	**63,427**	20,000	**-**	-	**-**	-	**63,427**	20,000	**-**	-	**-**	-	**-**	-	**63,427**	20,000
Cara Ryan[7]	**64,875**	20,000	**-**	-	**-**	-	**64,875**	20,000	**-**	-	**-**	-	**-**	-	**64,875**	20,000
Total	**1,400,677**	1,015,833	**58,747**	41,393	**114,750**	65,375	**1,574,174**	1,122,601	**-**	488,352	**-**	-	**-**	488,352	**1,574,174**	1,610,953

(1) Amounts reflect salaries in respect of Executive Directors and Directors' fees in respect of Non-Executive Directors.
(2) Benefits largely relate to car allowances and healthcare provided to Executive Directors in accordance with their employment contracts.
(3) Only Executive Directors are eligible to receive pension contributions. Non-Executive Directors do not receive pension contributions.
(4) The Executive Directors waived their entitlement to an annual bonus for 2020.
(5) Michael Rice was appointed to the Board on 1 November 2019. Payments disclosed for 2019 relate to period served as an Executive Director.
(6) Lady Barbara Judge CBE passed away on 31 August 2020.
(7) Pat McCann and Cara Ryan were appointed to the Board on 1 September 2019.

Cluain Adain
Clonmagadden, Navan

Total Remuneration Received for 2020

All elements of the remuneration received by the Directors for 2020 were consistent with the Directors' Remuneration Policy as approved by shareholders at the AGM in 2020. All remuneration received in respect of 2020 was fixed remuneration, reflecting the Executive Directors' decision to waive any entitlement to an annual bonus pay-out and the lapsing of the LTIP award granted in 2017. The lapsing of this award, although disappointing, reflected the failure to achieve the TSR performance condition set at the time of grant and was therefore consistent with Glenveagh's share price performance over the three-year performance period.

During the financial year ended 31 December 2020:

- There were no deviations from the procedure for implementing the Remuneration Policy;
- There were no derogations from the Remuneration Policy; and
- No use was made of the possibility to reclaim variable remuneration using the malus and clawback mechanisms described in the Remuneration Policy.

The Remuneration and Nomination Committee Report for 2019 was the subject of an advisory shareholder vote at the AGM in 2020. The resolution was passed with the support of 100% of those voting. The Committee took this overwhelming level of shareholder support into account when reflecting on the appropriate approach to executive remuneration to take in respect of 2020. The Committee concluded that the vote result indicated shareholder satisfaction with the current approach and that no changes were required to be made in response.

Base Salary and Fees

The actual salaries paid to the Executive Directors for the financial year ended 31 December 2020 are set out in the table above. The annual salaries for the Executive Directors were €300,000 for John Mulcahy, €450,000 for Stephen Garvey and €315,000 for Michael Rice. For the period from 1 May to 31 August 2020 the salaries for the Directors and other salaried staff were temporarily reduced and all pension contributions ceased. All salaries were restored to their full levels with effect from 1 September 2020 and employer pension contributions resumed. In addition, Glenveagh has since repaid to all employees (including the Executive Directors) all salaries and pensions foregone as a result of the temporary reductions.

The base salaries of Executive Directors will remain unchanged for the 2021 financial year.

As part of Glenveagh's response to the Covid-19 pandemic, fees for the Non-Executive Directors were temporarily reduced for the period from 1 May 2020 to 31 August 2020. The fees were restored to their full levels with effect from 1 September 2020. In addition, Glenveagh repaid to the NEDs all fees foregone as a result of the temporary reductions.

Annual Bonus

2020 Outcome

The Executive Directors participated in an annual bonus scheme for 2020 with performance measured against a mix of financial (60%) and non-financial (40%) performance conditions.

As noted in the statement from the Chairman of the Remuneration Committee on page 117, during the year the Executive Directors voluntarily waived any entitlement to an annual bonus payment for 2020.

The specific targets that were set for the bonus scheme in 2020 are set out in the table below:

Metric	Weight	% Payable	Targets	Performance Achieved
Revenue	20%	Threshold 25%	€329.1m	€232.3m
		Target 50%	€370.2m	
		Max 100%	€452.5m	
Adjusted EBITDA	20%	Threshold 25%	€41.1m	(€10.7m)
		Target 50%	€46.2m	
		Max 100%	€56.5m	
Adjusted EBITDA margin	20%	Threshold 25%	11.5%	(4.6%)
		Target 50%	12.0%	
		Max 100%	13.0%	
Health and Safety	20%	Threshold 25%	65% Audit Score	88.0%
		Target 50%	70% Audit Score	
		Max 100%	85%+ Audit Score	
Customer Satisfaction	20%	Threshold 25%	75% Survey Score	83.0%
		Target 50%	80% Survey Score	
		Max 100%	90%+ Survey Score	

In light of their bonus waivers, no bonuses were paid to the Executive Directors for performance against the 2020 targets.

2021 Bonus Arrangements

For 2021, the annual bonus scheme will continue to operate in the same manner as in 2020, with a 60%/40% split between financial and non-financial metrics. The performance metrics will remain the same:

Financial metrics	Weighting
Revenue	20%
Adjusted EBITDA	20%
Adjusted EBITDA margin	20%
Non-financial metrics	**Weighting**
Safety	20%
Customer service	20%

Full details of the targets – including information on the extent of achievement against them – will be included in next year's report.

The maximum annual bonus opportunity for 2021 will be 100% of basic salary for the CEO and CFO and 75% of basic salary for the Executive Chairman. As set out in the Remuneration Policy table, the amount payable for target performance will be set at 50% of the maximum opportunity.

Long-Term Incentive Plan (LTIP)

Awards Granted in 2020

Michael Rice is the only Executive Director who participates in the LTIP. During 2020 he received an LTIP award as set out in the table below.

Award date	% of salary award	Grant date share price	Face value of award	Number of shares	Performance period	Date of vesting
28 Feb 2020	100%	€0.75	€315,000	420,000	1 Jan 2020 to 31 Dec 2022	27 Feb 2023

The performance conditions for this award are set out below:

TSR performance (applies to 50% of the award) - compound growth per annum	Level of vesting
12.5%	100%
6.25%	25%
Less than 6.25%	Nil
Awards vest on a straight-line basis for performance between 6.25% and 12.5%	

EPS performance (applies to 50% of the award) - Adjusted EPS to be achieved in FY2022	Level of vesting
12.5c	100%
9.5c	25%
Less than 9.5c	Nil
Awards vest on a straight-line basis for performance between 9.5c and 12.5c	

In addition, the vesting of the awards is subject to Committee discretion that it is satisfied the Group's underlying performance has shown a sustained improvement in the period since the date of grant.

The TSR performance conditions for the award are the same as those applying to earlier LTIP awards and are considered appropriately challenging. The EPS performance targets were set taking into account the internal budget and strategic plan as well as external expectations of Glenveagh's performance over the period up to the end of 2022. Achievement of the maximum target would represent significant outperformance of both internal and external forecasts as at the time of grant. Given the events of 2020, the performance targets are now considered even more challenging than at the time they were set.

Awards to be Granted in 2021

For 2021, the Remuneration Committee intends to grant an LTIP award to Michael Rice at a level of 100% of salary, the same as in 2020. The performance conditions to apply to this award will be as follows:

TSR performance (applies to 50% of the award) - compound growth per annum	Level of vesting
12.5%	100%
6.25%	25%
Less than 6.25%	Nil
Awards vest on a straight-line basis for performance between 6.25% and 12.5%	

The TSR performance conditions for the award are considered appropriately challenging given expectations of performance over the medium term.

At the time of finalising this report, the Committee had not made a final decision on the EPS targets to apply to 50% of the award to be granted in 2021. These targets will be included in the necessary regulatory announcement of the award at the time it is granted, which is expected to be in March or April 2021. The Committee confirms that the chosen EPS targets will be challenging in the context of relevant internal and external forecasts.

In addition, the vesting of the awards will be subject to Committee discretion that it is satisfied the Group's underlying performance has shown a sustained improvement in the period since the date of grant.

LTIP Awards Held by Directors

Details of all LTIP awards held by Michael Rice are set out in the table below:

Award date*	Share price used	Share awards held at 1 Jan 2020	Award during the year	Vested during the year	Lapsed during the year	Share awards held at 31 Dec 2020	Vesting date
13 Oct 2017	€1.00	225,000	-	-	225,000	-	-
17 Apr 2019	€0.84	200,893	-	-	-	200,893	16 Apr 2022
28 Feb 2020	€0.75	-	420,000	-	-	420,000	27 Feb 2023

*The awards are granted as options with an exercise price of nil.

The vesting of the award granted in October 2017 was subject to a performance condition based on the satisfaction of absolute total shareholder return (TSR) targets over the three-year vesting period, as set out in the table below.

TSR performance – compound growth per annum	Level of vesting
12.5%	100%
6.25%	25%
Less than 6.25%	Nil
Awards vest on a straight-line basis for performance between 6.25% and 12.5%	

TSR performance over the performance period was not achieved. As a result, the performance condition was not met and the award lapsed.

The vesting of the award granted in April 2019 is subject to the TSR performance condition set out in the table above.

In addition to the TSR performance condition, the vesting of any awards is subject to Committee discretion that it is satisfied the Group's underlying performance has shown a sustained improvement in the period since the date of grant.

In line with the Directors' Remuneration Policy (as set out in the table on pages 122 and 123), LTIP awards granted to Executive Directors from 2020 onwards include a holding period of at least two years post-exercise. Shares that are subject to a post-exercise holding period may be placed in a restricted share trust.

Change in Remuneration of all Directors and all Employees

As required by the European Union (Shareholders' Rights) Regulations 2020, the table below sets out the annual change of remuneration for each Director compared with the performance of Glenveagh. Where individual Directors did not serve for the full year in either 2019 or 2020 the percentage change calculation has not been provided as it is not representative of annual year-on-year changes.

	2020	2019	2018	2017(4)	% Change 2020 v 2109
Executive Directors					
John Mulcahy	**€318,500**	€480,596	€419,000	€72,387	**(33.7%)**
Stephen Garvey	**€541,821**	€750,439	€564,401	€93,309	**(27.8%)**
Michael Rice (1)	**€378,176**	€99,918	-	-	**278.5%**
Non-Executive Directors					
Robert Dix	**€79,875**	€75,000	€75,000	€16,438	**6.5%**
Richard Cherry	**€75,000**	€75,000	€75,000	€16,438	**-**
Lady Barbara Judge CBE (2)	**€52,500**	€90,000	€90,000	€19,726	**(41.7%)**
Pat McCann (3)	**€63,427**	€20,000	-	-	**217.1%**
Cara Ryan (3)	**€64,875**	€20,000	-	-	**224.4%**
Company performance					
Adjusted EBITDA	**(€10.7m)**	€31.9m	(€2.0m)	(€3.6m)	**(133.5%)**
Health & safety	**88.0%**	75.0%	N/A	N/A	**17.3%**
Customer satisfaction	**83.0%**	82.0%	N/A	N/A	**1.2%**

(1) Michael Rice was appointed to the Board on 1 November 2019. Remuneration for 2019 relates to period served as an Executive Director.
(2) Lady Barbara Judge CBE passed away on 31 August 2020.
(3) Pat McCann and Cara Ryan were appointed to the Board on 1 September 2019.
(4) From period of incorporation 9 August 2017 to 31 December 2017

The table below sets out the change in average remuneration (on a full-time equivalent basis) of Glenveagh employees (other than the Directors).

Average full time employee remuneration	2020	2019	2018	2017(1)
Average remuneration				
Employees of the Group	**€73,610**	€84,286	€90,110	€25,990

(1) From period of incorporation 9 August 2017 to 31 December 2017

Directors' and Secretary's Interest in Shares

The biographical information for the Directors and the Company Secretary at the time of this report can be found on pages 138 to 140 of the Director's Report. The table below sets out the interests of the Directors and Company Secretary in Ordinary Shares of the Group as at 31 December 2020. As stated in the Directors' Remuneration Policy, the Executive Directors are required to build a shareholding equivalent in value to 200% of their basic salary. Until this guideline is met, individuals will be required to retain at least 50% of any shares which vest following the end of the performance and holding periods for the LTIP (excluding any shares which are required to be sold to pay tax due at vesting).

	Ordinary Shares		Founder Shares		Deferred Shares		Lapsed shares		Ordinary Shares under option***	
Name	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
John Mulcahy	**2,682,766**	2,682,766	**18,100,684**	18,100,684	**-**	-	**-**	-	**-**	-
Stephen Garvey	**13,411,329**	13,261,329	**81,453,077**	81,453,077	**-**	-	**-**	-	**-**	-
Michael Rice	**23,333**	23,333	**-**	-	**-**	-	**(225,000)**	-	**650,893***	455,893*
Lady Barbara Judge CBE**	**109,880**	109,880	**-**	-	**-**	-	**-**	-	**-**	-
Richard Cherry	**1,371,069**	1,371,069	**-**	-	**-**	-	**-**	-	**-**	-
Robert Dix	**350,000**	350,000	**-**	-	**-**	-	**-**	-	**-**	-
Cara Ryan	**28,000**	-	**-**	-	**-**	-	**-**	-	**-**	-
Pat McCann	**70,000**	70,000	**-**	-	**-**	-	**-**	-	**-**	-
Chloe McCarthy	**-**	-	**-**	-	**-**	-	**(65,000)**	-	**264,048***	142,381*

* The exercise price of the ordinary shares under options detailed above is €nil. The expiry date for the options granted during 2019 and 2020 are 7 years from 16 April 2022 and 27 February 2023 respectively.
** Shares held for 2020 are at the date of Lady Barbara Judge's death on 31 August 2020.
*** Shares under options include options from both LTIP and SAYE schemes

Founder Share Scheme

This scheme was established in 2017 in advance of the Company's IPO to incentivise the three founders of Glenveagh (John Mulcahy, Stephen Garvey and Justin Bickle) to grow the business over the initial five-year period following listing.

Each of the founders holds a number of Founder Shares, which are a specific class of shares in the share capital of the Company, with their terms set out in the Memorandum and Articles of Association. The Founder Shares are converted into ordinary shares (or a cash equivalent) subject to the achievement of a performance condition linked to Glenveagh's share price.

The scheme runs over the five years from 2018 to 2022. Performance is assessed separately over five separate test periods, with Founder Shares converting into ordinary shares based on performance in each test period. The test period is from 1 March to 30 June each year.

Under the performance condition, the closing Glenveagh share price must, for a period of 15 or more consecutive business days during the test period, exceed the adjusted issue price[23] by 12.5%. This percentage increase is measured on a compound basis.

If the performance condition is satisfied, the founders are entitled to convert Founder Shares into such number of ordinary shares which, at the highest average closing price of an ordinary share during the test period, have an aggregate value equal to the "Founder Share Value." This is calculated as 20% of the TSR in the relevant period, being (i) the first time the performance condition is satisfied, the period from Admission to the test period in which the performance condition is first satisfied; and (ii) for subsequent test periods, the period from the end of the previous test period in respect of which Founder Shares were last converted or redeemed to the test period in which the performance condition is next satisfied.

The performance condition was satisfied during the first test period from 1 March 2018 to 30 June 2018, resulting in the conversion of Founder Shares into 18,993,162 ordinary shares in 2018. The performance condition was not satisfied during the test period from 1 March 2019 to 30 June 2019, or during the test period from 1 March 2020 to 30 June 2020. As a result, there was no conversion of Founder Shares into ordinary shares in either 2019 or 2020.

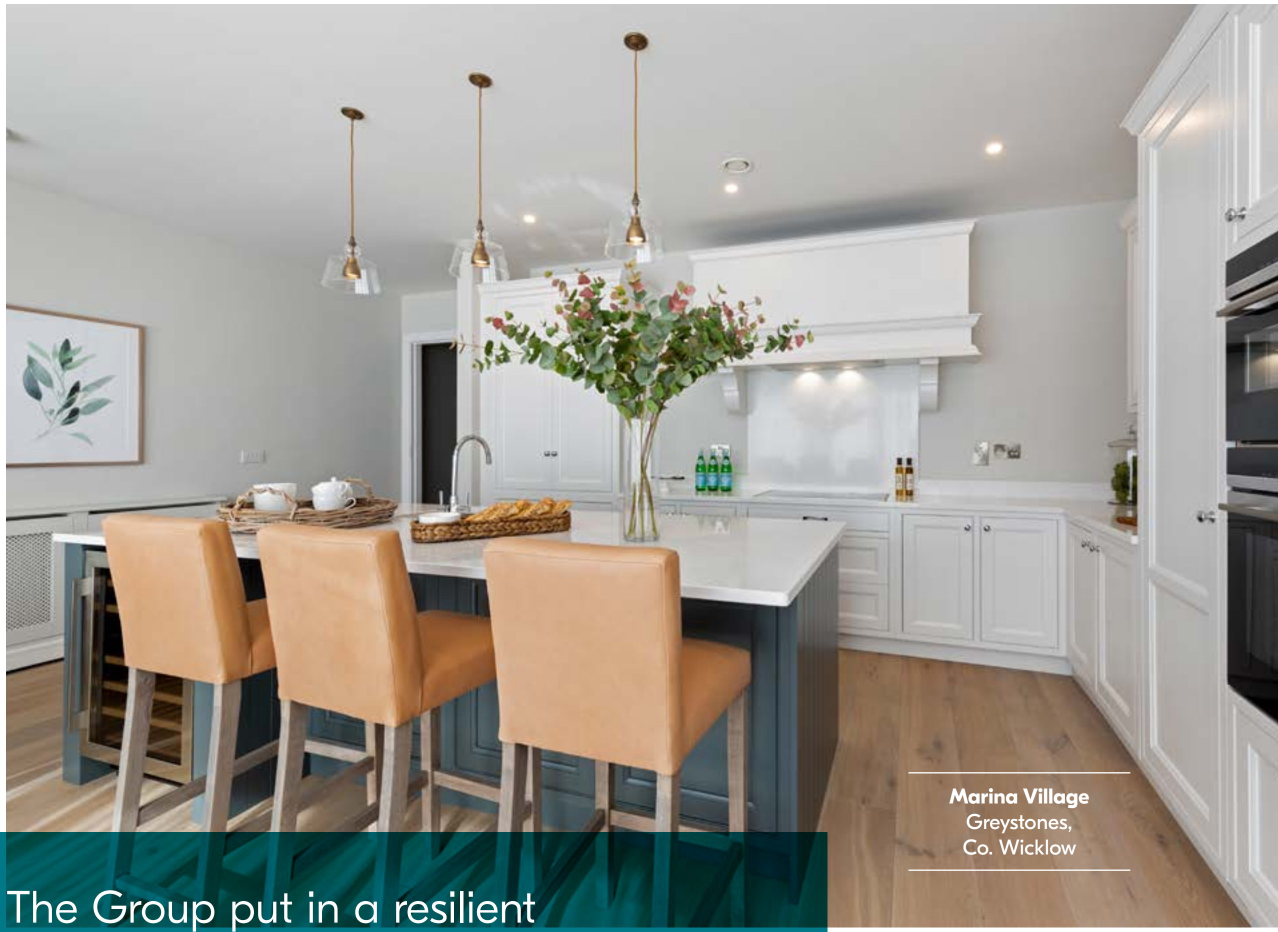
23. The adjusted issue price is defined as the IPO offer price (€1) as adjusted to reflect any subsequent consolidation or subdivision of ordinary shares or any allotment of ordinary shares pursuant to a capitalisation of profits or reserves.

Any shares converted in accordance with the terms and conditions of the Founder Share Scheme are subject to a one-year lock-up period, with 50% of the converted shares subject to a further one-year lock-up period thereafter.

The table below sets out the ownership split between the holders of Founder Shares:

Name	31 December 2020	31 December 2019
Justin Bickle*	**81,453,077**	81,453,077
Stephen Garvey	**81,453,077**	81,453,077
John Mulcahy	**18,100,684**	18,100,684
Total	**181,006,838**	**181,006,838**

* Beneficially held by Durrow Ventures.



Marina Village
Greystones,
Co. Wicklow

The Group put in a resilient performance despite the ongoing challenges posed by the continued spread of the virus.

NOMINATION COMMITTEE REPORT

I am pleased to present the report of the newly established Nomination Committee ("the Committee") for the financial year ended 31 December 2020.

Having considered the corporate governance arrangements of the Company during the year, the Board approved the separation of the existing Remuneration and Nomination Committee into two new committees, with effect from 9 October 2020. Richard Cherry continues to serve as the Chair of the Remuneration Committee, while I have assumed the role of Chair of the Nomination Committee. I was delighted to welcome my fellow non-Executive Directors as members of this dedicated Nomination Committee, each of whom bring their individual experience and specific areas of expertise as we collectively address the nomination and succession planning requirements of the Company.

The Committee is focused on ensuring that the Board is of sufficient size and structure, and comprised of individuals with an appropriate mix of skills, experience, independence, knowledge and diversity to effectively discharge its responsibilities and promote the long-term success of the Company. As its first order of formal business, the Board mandated that the Committee commence a process of identifying a replacement independent non-executive director following the very sad passing of Lady Barbara Judge CBE in 2020. An update on the selection and appointment process is provided in this report and I look forward to welcoming a new director to the Board in due course.

Looking ahead to 2021, the Committee will keep under review the leadership needs of the Company, both executive and non-executive, giving full consideration to succession planning for directors and members of senior management and taking into account the challenges and opportunities facing the Company.

Pat McCann
Chairman,
Nomination Committee

Role of the Committee

The Committee is responsible for reviewing the size, structure and composition of the Board, undertaking succession planning and leading the process for new Board appointment recommendations.

The Committee regularly reviews the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board and makes recommendations to the Board with regard to any proposed changes. The Committee is also tasked with succession planning for directors and members of the Executive Team in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed at both an executive and non-executive level in the future.

The Committee is responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. The recruitment process for Non-Executive Directors includes the development of a candidate profile and the engagement of a professional search agency specialising in the recruitment of high-calibre Non-Executive Directors. Reports on potential appointees are provided to the Committee, which, after careful consideration, makes a recommendation to the Board.

Each year, the Committee reviews the results of the Board performance evaluation process that relate to the composition of the Board and the time commitment required from Non-Executive Directors.

The full role of the Nomination Committee is prescribed in detail in its formal Terms of Reference, which are available at https://glenveagh.ie/corporate-governance/

Committee Composition

The Committee is comprised of the Company's four Independent Non-Executive Directors; Pat McCann (Chair), Robert Dix, Richard Cherry and Cara Ryan. The biographies of these Directors can be found on page 138 to 140. All members were appointed to the Committee with effect from its establishment on 9 October 2020.

The Committee meets at least once per annum, and additionally as circumstances require. The Committee met once during the period under review, in its new composition.

Committee Member	In Attendance	Committee member as of
Pat McCann	1/1	2020 to date
Robert Dix	1/1	2020 to date
Richard Cherry	1/1	2020 to date
Cara Ryan	1/1	2020 to date

Key Areas of Activity During 2020

The principal activities of the Nomination Committee during the year were:

- Appointment of a new Senior Independent Director
- Commencement of the process to identify and nominate a new independent non-executive director to the Board. The Committee has engaged Korn Ferry, a leading independent recruitment firm, to assist in this process. To date, the Committee has completed a detailed market review and a subsequent interview and short-listing process is currently underway.
- Review of Board, Committee and individual Director performance as part of the annual evaluation process.

Diversity

The Board adopted a formal Diversity Policy in 2019. The Committee reviews the Board Diversity Policy annually, including assessing its effectiveness and discussing any revisions that may be required, recommending any such revisions to the Board for approval. Diversity continues to be a key focus area for the Board and across the wider Group.

An overview of the Board's Diversity Policy, as well as details on the diversity of the Board and Executive Committee, can be found on page 107. Further details on diversity within the Group can be found on pages 66 and 67.

Evaluation

As part of the annual Board evaluation, all members of the Committee participated in an evaluation of the performance of the Board and its Committees. The evaluation concluded that the establishment of a separately constituted Nomination Committee during 2020 had improved focus on nomination and succession planning activities, with a number of actions noted for prioritisation in 2021.

Further details of the annual Board evaluation can be found on pages 107 and 108.

BOARD OF DIRECTORS

John Mulcahy (71)

Executive Chairman

Nationality: Irish
Appointed: 11 August 2017

John Mulcahy is a chartered surveyor with over 40 years' experience in the Irish real estate sector. He is currently the chairman of IPUT plc and a member of the board of TIO ICAV. Previously, he was a member of the board (from 2012 to 2014), and Head of Asset Management (from 2011 to 2014), at National Asset Management Agency and, prior to that, was chairman and CEO of JLL's operations in Ireland from 2002 to 2010. John was also a founding member of the RICS Asset Valuations Standards Committee and the Property Advisory Committee of the National Pension Reserve Fund.

Other Appointments:
- Chairman of IPUT plc
- Board member of TIO ICAV, and Quinta do Lago S.A., a Portuguese resort developer.

Stephen Garvey (41)

CEO

Nationality: Irish
Appointed: 9 August 2017

Stephen was appointed Chief Executive Officer on 22 August 2019. As CEO of Glenveagh, Stephen is responsible for delivering on the Group's vision to create Ireland's leading and most sustainable homebuilder. Stephen has over 20 years' experience in the construction and property industry in Ireland. Prior to founding his own successful residential development business, Bridgedale Homes, Stephen worked with a number of Ireland's largest property developers. From 2014 to 2017, Stephen advised and managed the acquisition of Irish residential development opportunities on behalf of TIO RLF. A co-founder of Glenveagh who assumed the CEO role in 2019, Stephen had led the growth and development of the Group since IPO. Stephen is also a member of Irish Institutional Property, the voice of institutionally financed investors with significant international backing in the Irish real estate market.

Michael Rice (38)

CFO

Nationality: Irish
Appointed: 1 November 2019

Michael is the Group Chief Financial Officer. He joined the Group in September 2017 and was appointed to the Board in November 2019. Prior to joining Glenveagh, he was the Group Financial Controller of Kingspan Group plc. He is a qualified chartered accountant with extensive experience in financial and risk management, internal and external reporting frameworks, and capital markets.

Robert Dix (68)

Senior Independent Director

Nationality: Irish
Appointed: 26 September 2017

Robert Dix was formerly a partner and head of Transaction Services at KPMG Ireland, where he worked for 20 years before his retirement in 2008. He now operates his own firm, Sopal Limited, which advises organisations on capital markets, corporate governance and strategic planning issues. Robert is a graduate of Trinity College Dublin and a Fellow of Chartered Accountants Ireland.

Other Appointments:
- CEO of Sopal Limited.
- Non-executive Director and Chairman of Quinn Property Group.
- Non-executive Director and Chairman of the Audit Committee of Allianz plc and Dalata Hotel Group plc.
- Robert also holds non-executive directorships at a number of private companies.

Committee Memberships:
- Member of the Audit and Risk Committee (3 years).
- Member of the Nomination Committee (1 year).

Richard Cherry (59)

Independent Non-Executive Director & Chair of the Remuneration Committee

Nationality: British
Appointed: 2 October 2017

Richard Cherry was formerly a director and Chief Executive of the Partnerships business at UK housebuilder Countryside, where he worked for over 35 years until his retirement in September 2017. He served on the main board for 30 years and previously held the roles of Group New Business Director and Deputy Chairman. He has significant experience in the real estate sector, including in the execution of partnership projects with public authorities and housing associations. Richard is a graduate of the University of Reading and is a Fellow of the Royal Institution of Chartered Surveyors.

Other Appointments:
- Richard holds directorships at a small number of private companies

Committee Memberships:
- Chair of the Remuneration Committee (3 years).
- Member of the Audit and Risk Committee (3 years).
- Member of the Nomination Committee (1 year).

Cara Ryan (48)

Independent Non-Executive Director, Chair of the Audit and Risk Committee & Workforce Engagement NED

Nationality: Irish
Appointed: 1 September 2019

Cara Ryan is an experienced Non-executive Director, with 20 years' experience at board level in publicly listed and private companies in both regulated and non-regulated entities. Until recently, she was a Non-executive Director of IFG Group plc, a listed financial services Group, where she chaired the Nominations Committee and was a member of the Audit and Risk and Remuneration Committees. In March 2019 she was appointed as a Non-executive Director of Mercer Ireland, where she chairs the Risk Committee and sits on the Audit Committee. Cara was also a Non-executive Director of the Children's Medical Research Foundation, supporting Our Lady's Children's Hospital in Crumlin and the National Children's Research Centre. She has held Board positions at various investment funds, was the MD of IFG Investment Managers until 2006 and is the former Director of Finance of Manor Park Homebuilders, where she held responsibility for financial and legal matters of the Group until 2012.

Other Appointments:
- Non-executive Director and Chair of the Risk Committee and member of the Audit Committee of Mercer Ireland Limited.
- Non-executive Director of Harmony Capital Partners Limited

Committee Memberships:
- Chair of the Audit and Risk Committee (1 year).
- Member of the Remuneration Committee (1 year).
- Member of the Nomination Committee (1 year).

Pat McCann (69)

Independent Non-Executive Director & Chair of the Nomination Committee

Nationality: Irish
Appointed: 1 September 2019

Pat McCann has 50 years' experience in the hotel industry, having begun his career in 1969 with Ryan Hotels plc. He joined Jurys Hotel Group plc in 1989 and became Chief Executive of Jurys Doyle Hotel Group plc in 2000. In 2007, Pat founded Dalata Hotel Group plc. He is a Non-executive Director of a number of private companies and was appointed to the board of Ibec in 2017. Pat completed his term as President of Ibec in September 2020. He is a former Non-executive Director of EBS Building Society, Greencore Group plc and Whitfield Private Hospital. He has served as National President of the Irish Hotels Federation and as a member of the National Tourism Council.

Other Appointments:
- CEO and Executive Director of Dalata Hotel Group plc.
- Non-executive Director of Ibec and Quinn Property Group.

Committee Memberships:
- Chair of the Nomination Committee (1 year).
- Member of the Remuneration Committee (1 year).

Company Secretary

Chloe McCarthy (35)

Chloe McCarthy is an ICSA qualified Company Secretary and a Barrister-at-Law in Ireland. Chloe was called to the Bar in 2008 and was a member of the Law Library for a number of years before gaining experience at international law firms including Taylor Wessing in London, Allens Linklaters in Sydney and A&L Goodbody in Dublin. Prior to joining Glenveagh at IPO in 2017, Chloe was the Assistant Company Secretary at Aegon Ireland PLC.

DIRECTORS' REPORT

The Directors present their report and the consolidated financial statements of Glenveagh Properties plc ("Glenveagh" or the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020.

Principal Activities and Business Review

Glenveagh is a leading Irish homebuilder listed on Euronext Dublin and the London Stock Exchange. With a focus on strategically located developments in the Greater Dublin Area and Cork. The Group delivers across there distinct business segments – Suburban, Urban and Partnerships – as a single business capitalising on scale advantages and investing to optimise return on capital.

Shareholders are referred to the Chairman's Letter, the CEO's Review and the CFO's Review on pages 6, 10 and 14 respectively, which set out management's review of the Group's operations and financial performance in 2020 and the outlook for 2021. These are deemed to be incorporated into the Directors' Report.

Results and Dividends

Group revenue for the year ended 31 December 2020 was €232.3 million (2019: €284.6 million), gross profit was €9.5 million (2019: €51.5 million), loss after tax was €13.9 million (2019: profit of €22.8 million) and basic loss per share of 1.60 cent (2019: earnings per share of 2.62 cent).

Glenveagh did not pay a dividend during the financial year ended 31 December 2020 (2019: €Nil).

Key Performance Indicators

Group performance against 2020 key performance indicators is outlined in the table below. A detailed commentary incorporating key performance indicators is contained within the Our KPIs section on page 19 in this Annual Report. A number of key performance indicators have been included in more detail on pages 205 to 207 'Alternative Performance Measures'. The key performance indicators for Glenveagh upon which particular emphasis is placed are listed below.

	2020	2019	% Change
KPIs financial			
Revenue	**€232.3m**	€284.6m	(18.4%)
Adjusted EBITDA	**(€10.7m)**	€31.9m	(133.5%)
KPIs Non-financial			
Customer satisfaction	**83.0%**	84.0%	(1.0%)
Health and safety	**88.0%**	75.0%	17.3%

Group Strategy

A review of the Group's strategic priorities is set out in the Strategic Report, which is deemed to be incorporated into the Directors' Report.

Principal Risks and Uncertainties

In accordance with Section 327(1)(b) of the Companies Act 2014, Glenveagh is required to give a description of the principal risks and uncertainties faced by the Group. These principal risks and uncertainties, and the steps taken by the Group to mitigate them, are detailed at pages 42 to 48 of the Risk Management Report and deemed to be incorporated into the Directors' Report.

Directors and Company Secretary

The names of the Directors and Company Secretary and a biographical note on each appear on pages 138 to 140.

In accordance with the provisions contained in the UK Corporate Governance Code (2018), all directors will voluntarily retire and be subject to election by shareholders at the 2021 Annual General Meeting.

Directors' and Company Secretary's Interests in Shares

Details of the Directors' and Company Secretary's share interests and interests in unvested share awards of the Company are set out in the Remuneration Committee Report on page 134.

Share Capital

The issued share capital of the Group as at 25 February 2021 consists of 871,333,550 ordinary shares and 181,006,838 Founder Shares. Each share class has a nominal value of €0.001. Holders of ordinary shares are entitled to one vote per ordinary share at general meetings of the Group, while no voting rights are conferred on holders of founder shares. Founder shares may be converted to ordinary shares (or an equivalent value in cash) in the future subject to the achievement of performance hurdles related to the Group's share price. Further information on the Group's share capital and the rights attaching to the different classes of shares is set out in Note 26 to the consolidated financial statements.

The Group also has a Long-Term Incentive Plan in place, the details of which are set out at pages 131 and 132 of the Remuneration Committee Report and in Note 15 to the consolidated financial statements.

Significant Shareholdings

As at 31 December 2020 and 25 February 2021, the Group has been notified of the following interests of 3% or more in its ordinary share capital:

		31 December 2020		25 February 2021	
	Shareholder	Ordinary Shares held	%	Ordinary Shares held	%
1	Teleios Capital Partners	96,390,989	11.06	111,132,991	12.75
2	FIL Investment International	83,473,048	9.58	86,944,808	9.98
3	Rye Bay Capital	78,538,649	9.01	61,108,849	7.01
4	GIC	77,492,088	8.89	77,492,088	8.89
5	Helikon Investments	69,802,763	8.01	69,802,763	8.01
6	Oaktree Capital Mgt	55,250,000	6.34	54,990,614	6.31
7	Paradice Investment Mgt	40,086,102	4.60	38,846,589	4.46
8	Pelham Capital Mgt	30,078,255	3.45	30,078,255	3.45
9	Man GLG	29,277,693	3.36	24,540,554	2.82
10	Kinney Asset Mgt	26,369,903	3.03	25,516,886	2.93

Accounting Records

The Directors are responsible for ensuring that adequate accounting records are maintained by the Group, as required under Sections 281 to 285 of the Companies Act, 2014. The Directors believe that they have complied with this requirement through the implementation and maintenance of appropriate accounting systems and resources, including the employment of suitably qualified accounting personnel and the provision of adequate resources to the Group Finance Department. The accounting records of the Group are maintained at Block B, Maynooth Business Campus, Maynooth, Co. Kildare.

Takeover Regulations 2006

For the purposes of Regulation 21 of Statutory Instrument 255/2006 "European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006", the details provided on share capital and substantial shareholdings above, and the disclosures in relation directors' remuneration and interests in the Remuneration Committee Report on pages 116 to 135 are deemed to be incorporated in this section of the Directors' Report.

Further required information in relation to the change of control provisions contained in the Group's Founder Share Scheme and Long-Term Incentive Plan is set out below.

Founder Shares
In the event of a change of control of the Group at any time prior to 30 June 2022 which results in an offer to all holders of shares, if the performance condition has been satisfied and such offer becomes unconditional in all respects, the Founder Shares shall convert into such number of ordinary shares which, at such offer price, have an aggregate value equal to his relative proportion of 20% of the Total Shareholder Return (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.

Long-Term Incentive Plan
The Remuneration Committee will determine the extent to which any outstanding awards will vest with regard to the extent that the applicable performance condition has been satisfied up to the date of the change of control event.

Transparency Regulations 2007

For the purposes of information required by Statutory Instrument 277/2007 'Transparency (Directive 2004/109/EC) Regulations 2007' concerning the development and performance of the Group, and the principal risks and uncertainties faced, the Chairman's Letter on pages 6 to 9, the CEO's Review on pages 10 to 13, the CFO's Review on pages 14 to 17 and the Principal Risks and Uncertainties detailed at pages 42 to 48 are deemed to be incorporated in this part of the Directors' Report.

Corporate Governance

The directors of Glenveagh are committed to achieving the highest standards of corporate governance. The directors have prepared a Corporate Governance Report, which is set out on pages 102 to 108 and, for the purposes of s1373 of the Companies Act 2014, is deemed to be incorporated into the Directors' Report.

The Corporate Governance Report includes a detailed description of the way in which Glenveagh has applied the principles of good governance set out in the UK Corporate Governance Code (2018) and the Irish Corporate Governance Annex.

Directors' Compliance Statement

The directors acknowledge their responsibility for securing the Group's compliance with its relevant obligations under Section 225(2)(a) of the Companies Act 2014 (the "Act") (the "Relevant Obligations").
In accordance with Section 225 (2) (b) of the Act, the directors confirm that they have:

1. Drawn up a Compliance Policy Statement setting out the Group's policies (that are, in the opinion of the directors, appropriate to the Group) in respect of the compliance by the Company with its Relevant Obligations;
2. Put in place appropriate arrangements or structures that, in the opinion of the directors, provide a reasonable assurance of compliance in all material respects with the Group's Relevant Obligations; and
3. Conducted a review of the arrangements or structures that the directors have put in place to ensure material compliance with the Company's Relevant Obligations during the financial year to which this report relates.

Going Concern

The Directors have assessed the financial position of the Group in light of the principal business risks facing the construction industry as a whole and the Group's strategic plan. In light of Covid-19 a number of extra considerations have been assessed as outlined in Note 7 of the consolidated financial statements. The Directors believe that the Group is well placed to manage and mitigate these risks. Thus, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date of approval of the financial statements. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Viability Statement

In accordance with the provisions of the UK Corporate Governance Code (2018), the directors are required to assess the prospects of the Group, explain the period over which they have done so and state whether they have a reasonable expectation that the Group will be able to continue in operation and meet liabilities as they fall due over this period of assessment.

The directors assessed the prospects of the Group over the three-year period to February 2023. The directors concluded that three years was an appropriate period for the assessment, having regard to the following:

- The Group's strategic plan is predominantly based on a 3-year horizon with longer term strategic forecasting and any statement with foresight greater than three years having to be made with a considerable level of estimation; and
- In general, the inherent short-cycle nature of the residential market in Ireland, including the Group's forward sales and project pipeline, does not lend itself to making long term projection statements greater than three years.

It is recognised that such future assessments are subject to a level of uncertainty that increases with time, and therefore future outcomes cannot be guaranteed or predicted with certainty.

The Group's strategic plan was approved by the Board at its meeting in February 2021 and is based on forecasts undertaken by management of the relevant business functions. The forecast reflects construction cost and house price inflationary assumptions which were reviewed at Board and management level. The underlying assumptions of the Group's three year forecast is subject to sensitivity analysis for scenarios that could reasonably materialise. The risk factors outlined in the Risk Management Report on pages 38 to 48 were also considered in the strategic plan process.

Based on the above assessment the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the 3-year period.

Political Donations

No political donations were made by the Group during the year that require disclosure under the Electoral Act 1997.

Subsidiary Companies

Information in relation to the Group's subsidiaries is set out in Note 25 to the financial statements. The Group does not have any branches outside of Ireland.

Subsequent Events

Information in respect of events since the year end is contained in Note 31 to the consolidated financial statements.

Audit and Risk Committee

The Group has an established Audit and Risk Committee comprising of three independent Non-Executive Directors. Details of the Committee and its activities are set out on pages 110 to 115.

Auditor

KPMG, Chartered Accountants, were appointed statutory auditor on 21 August 2017 and have been re-appointed annually since that date. Pursuant to section 383(2) KPMG will continue in office and a resolution authorising the directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

Relevant Audit Information

The Directors confirm that so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware and that each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Approval of Financial Statements

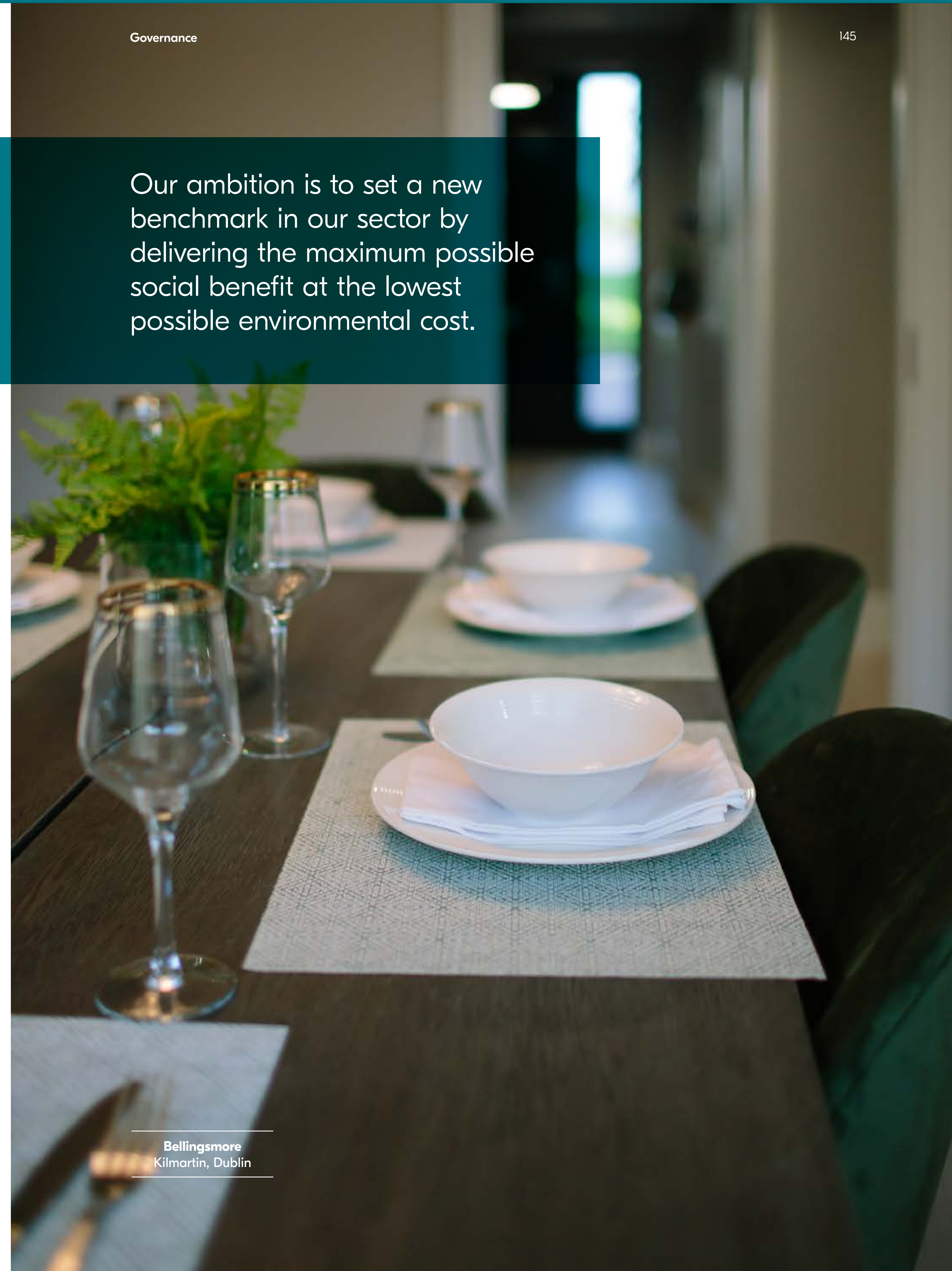
The financial statements were approved by the Board on 25 February 2021.

On behalf of the Board

Michael Rice
Director

Stephen Garvey
Director

Our ambition is to set a new benchmark in our sector by delivering the maximum possible social benefit at the lowest possible environmental cost.



Bellingsmore
Kilmartin, Dublin

FINANCIAL STATEMENTS

Bellingsmore
Kilmartin, Dublin

Statement of directors' responsibilities
in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law, the directors are required to prepare the consolidated financial statements in accordance with IFRS as adopted by the European Union and applicable law including Article 4 of the IAS Regulation. The directors have elected to prepare the Company financial statements in accordance with FRS 101 *Reduced Disclosure Framework* as applied in accordance with the provisions of Companies Act 2014.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for the financial year ended 31 December 2020. In preparing each of the Group and Company financial statements, the directors are required to:

» select suitable accounting policies and then apply them consistently;
» make judgements and estimates that are reasonable and prudent;
» state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
» assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
» use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Company comply with the provision of the Companies Act 2014. The directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

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

Statement of directors' responsibilities
in respect of the annual report and the financial statements (continued)

Responsibility statement as required by the Transparency Directive and UK Corporate Governance Code

Each of the directors, whose names and functions are listed on pages 138 to 140 of this annual report, confirm that, to the best of each person's knowledge and belief:

» The Group financial statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with FRS 101 *Reduced Disclosure Framework,* give a true and fair view of the assets, liabilities, and financial position of the Group and Company at 31 December 2020 and of the profit or loss of the Group for the financial year then ended;
» The directors' report contained in the annual report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risk and uncertainties that they face; and
» The annual report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the board

Michael Rice
Director

Stephen Garvey
Director

25 February 2021

Independent Auditor's Report
to the Members of Glenveagh Properties plc

Report on the audit of the financial statements

Opinion

We have audited the statements of Glenveagh Properties PLC ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2020 set out on pages 156 to 207 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and related notes, including the summary of significant accounting policies set out in note 8 and note 1 of the Company financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Irish Law and FRS 101 *Reduced Disclosure Framework* issued in the United Kingdom by the Financial Reporting Council..

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with *FRS 101 Reduced Disclosure Framework* issued by the UK's Financial Reporting Council; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk committee.

We were appointed as auditor by the directors on 21 August 2017. The period of total uninterrupted engagement is the 4 years ended 31 December 2020. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Independent Auditor's Report
to the Members of Glenveagh Properties plc (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period.

The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The impact of Covid-19 on the Group's revenue and the ability to complete construction activities.

As this was the risk that could potentially cast significant doubt on the Group's and the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Key audit matters: our assessment of risks of material misstatement

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

In arriving at our audit opinion above, the key audit matter was as follows: (unchanged from 2019):

Carrying value of Inventory €821.2 million (2019 - €840.5 million) and profit recognition.

Refer to page 110 (Audit and Risk Committee Report), page 167 (accounting policy for inventories) page 165 (accounting policy for expenditure) and page 184 (financial disclosures - inventories)

Independent Auditor's Report
to the Members of Glenveagh Properties plc (continued)

The key audit matter	How the matter was addressed in our audit
Inventories, relating to work-in-progress on sites under development and land yet to be developed, represent a significant asset of the Group. Work-in-progress comprises of the costs of the land being built on, direct materials, and direct labour costs that have been incurred in bringing the inventories to their present location and condition. Work-in-progress per site is stated at the lower of cost and net realisable value ("NRV"), NRV being the estimated net selling price less costs to sell and management's estimated total costs of completion. The forecasting of selling prices and costs to complete is inherently judgemental and may be subject to estimation error. For each development project, site-wide residential development costs are allocated between units built in the current period and units to be built in future years, which requires further judgement. The Group recognises profit on each unit sale by reference to the overall expected margin to be achieved on the site. There is a risk that the assumptions of such forecasts and estimations may be inaccurate with a resulting impact on the carrying value of inventory or the amount of profit recognised.	Our audit procedures included, amongst others: » We obtained and documented our understanding of the process to determine the NRV of the Group's work-in-progress and tested the design and implementation of the key controls therein. » For all new land acquisitions, we inspected purchase contracts and agreed the costs of acquisition including related purchase costs. » We agreed a sample of costs incurred and included in inventory in the year such as direct materials, and direct labour costs to supporting documentary evidence, which included checking that they were allocated to the appropriate site. » We inspected the Group's NRV reports on a sample basis and challenged the key inputs and assumptions in the following ways: a) We agreed a sample of forecast costs to purchase contracts, supplier agreements or tenders and other relevant documentation. b) We compared the forecast sales prices against recent prices achieved for similar properties and properties that were reserved/contracted to support the validity of the estimated sales price in the forecast. c) We enquired as to whether there were any site-specific factors which may indicate that an individual site could be impaired. d) For sites where impairment indicators were present, we inspected the Group's calculation of the impairment recognised. e) We evaluated the sensitivity of the certain development margin to a change in sales prices and costs and considered whether this indicated a risk of impairment of the inventory balance. f) For sites in development, we compared actual unit sales and costs incurred to NRV estimates to assess that NRV estimates were updated and that the overall expected site margin was adjusted accordingly. » For completed sales, we tested the accuracy of the release from inventory to cost of sales recorded in the general ledger for consistency with the NRV reports for the relevant sites. » We considered the adequacy of the Group's disclosures regarding the carrying value of inventory. We found that the profit margins recognised on completed sales during the year appropriately reflected the attributable costs of the units sold. We found that the key assumptions used in the calculations of NRV were within a reasonable range and supported the carrying value of inventory as at 31 December 2020, and the related disclosures in respect of work-in-progress to be appropriate.

Due to the nature of the Company's activities, there are no key audit matters that we are required to communicate in accordance with ISAs (Ireland).

Independent Auditor's Report
to the Members of Glenveagh Properties plc (continued)

Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at €4.9 million (2019: €4.8 million). This has been calculated with reference to a benchmark of total assets which we consider to be one of the principal considerations for members of the Group in assessing the financial performance of the Group as the principal focus of the Group in the financial period has been the deployment of capital raised. Materiality represents approximately 0.5% of this benchmark. We report to the Audit and Risk Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of €0.2 million (2019 €0.2 million). In addition, we applied a lower specific materiality level of €1.1 million (2019: €1.1 million) for testing certain profit and loss items, representing approximately 0.5% of total revenues for the year. In our judgement, the application of this specific materiality is appropriate due to key performance indicators of the Group.

Materiality for the Company financial statements as a whole was set at €4.3 million (2019: €4.3 million). This was determined with reference to a 0.5% benchmark of total assets. We reported to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding €0.2 million (2019 €0.2 million).

We subjected all of the Group's reporting components to audits for group reporting purposes. The work on all components was performed by the Group audit team.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report, Chairman's Letter, CEO's Review, CFO's Review, Strategic Report, Business Unit Update, Risk Management Report, Sustainability Report, Corporate Governance Report, Audit and Risk Committee Report, Remuneration Committee Report and Nomination Committee Report.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that, in those parts of the directors' report specified for our consideration:

» we have not identified material misstatements in the directors' report;
» in our opinion, the information given in the directors' report is consistent with the financial statements; and
» in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

» the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated;
» the directors' confirmation within the Viability Statement page 144 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity; and
» the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent Auditor's Report
to the Members of Glenveagh Properties plc (continued)

Other corporate governance disclosures

We are required to address the following items and report to you in the following circumstances:

- Fair, balanced and understandable: if we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- Report of the Audit and Risk Committee: if the section of the Annual Report describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee;
- Statement of compliance with UK Corporate Governance Code: if the directors' statement does not properly disclose a departure from provisions of the UK Corporate Governance Code specified by the Listing Rules of Euronext Dublin and the UK Listing Authority for our review.
- If the directors' statement relating to Going Concern required under the Listing Rules of Euronext Dublin and the UK Listing Authority set out on page 143 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 100 to 109, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- the Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, other information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion,

- the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.
- the Company has not provided the information required by Section 1110N in relation to its remuneration report for the financial year 31 December 2019;
- the Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 December 2019 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Independent Auditor's Report
to the Members of Glenveagh Properties plc (continued)

The Listing Rules of the Euronext Dublin and the UK Listing Authority require us to review:

- the Directors' Statement, set out on pages 143 and 144, in relation to going concern and longer-term viability;
- the part of the Corporate Governance Statement on pages 100 to 109, relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review; and
- certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on pages 148 and 149, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf

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

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

Michael Gibbons 25 February 2021
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2 Ireland

Consolidated statement of profit or loss and other comprehensive income
For the financial year ended 31 December 2020

	Note	2020 Total €'000	2019 Before exceptional items €'000	2019 Exceptional items €'000	2019 Total €'000
Revenue	10	**232,296**	284,637	–	284,637
Cost of sales		**(202,530)**	(233,150)	–	(233,150)
Impairment of inventories	20	**(20,291)**	–	–	–
Gross profit		**9,475**	51,487	–	51,487
Administrative expenses	11	**(22,188)**	(21,005)	(1,125)	(22,130)
Operating (loss)/profit		**(12,713)**	30,482	(1,125)	29,357
Finance expense	12	**(3,033)**	(2,666)	–	(2,666)
(Loss)/profit before tax	13	**(15,746)**	27,816	(1,125)	26,691
Income tax credit/(charge)	17	**1,844**	(3,944)	93	(3,851)
(Loss)/profit after tax attributable to the owners of the Company		**(13,902)**	23,872	(1,032)	22,840
Other comprehensive income		**–**	–	–	–
Total comprehensive (loss)/income for the year attributable of the owners of the Company		**(13,902)**			22,840
Basic (loss)/earnings per share (cents)	16	**(1.60)**			2.62
Diluted (loss)/earnings per share (cents)	16	**(1.60)**			2.62

Consolidated balance sheet
as at 31 December 2020

	Note	2020 €'000	2019 €'000
Assets			
Non-current assets			
Property, plant and equipment	18	**21,087**	18,142
Intangible assets	19	**712**	944
Deferred tax asset	17	**1,415**	128
Restricted cash	24	**708**	1,500
		23,922	20,714
Current assets			
Inventory	20	**821,169**	840,487
Trade and other receivables	21	**14,605**	12,241
Income tax receivable		**21**	–
Cash and cash equivalents	27	**137,276**	93,224
		973,071	945,952
Total assets		**996,993**	966,666
Equity			
Share capital	26	**1,052**	1,052
Share premium	26	**179,281**	879,281
Retained earnings		**629,044**	(57,821)
Share-based payment reserve		**44,129**	44,035
Total equity		**853,506**	866,547
Liabilities			
Non-current liabilities			
Lease liabilities	28	**287**	319
		287	319
Current liabilities			
Trade and other payables	22	**42,237**	56,218
Income tax payable		**-**	3,737
Loans and borrowings	23	**99,934**	39,569
Lease liabilities	28	**1,029**	276
		143,200	99,800
Total liabilities		**143,487**	100,119
Total liabilities and equity		**996,993**	966,666

On behalf of the board

Michael Rice
Director

Stephen Garvey
Director

25 February 2021

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 15)	-	-	-	(767)	767	-
Share premium reduction and transfer to distributable reserves (Note 26)	-	-	(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

Consolidated statement of changes in equity
for the financial year ended 31 December 2019

	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 2019	871	181	879,281	43,443	(80,661)	843,115
Total comprehensive income for the financial year						
Profit for the financial year	–	–	–	–	22,840	22,840
Other comprehensive income	–	–	–	–	–	–
	871	181	879,281	43,443	(57,821)	865,955
Transactions with owners of the Company						
Equity-settled share-based payments	–	–	–	592	–	592
	–	–	–	592	–	592
Balance as at 31 December 2019	871	181	879,281	44,035	(57,821)	866,547

Consolidated statement of cash flows
For the financial year ended 31 December 2020

	Note	2020 €'000	2019 €'000
Cash flows from operating activities			
(Loss)/profit for the financial year		**(13,902)**	22,840
Adjustments for:			
Depreciation and amortisation		**2,031**	1,391
Impairment of inventories	*20*	**20,291**	–
Finance costs	*12*	**3,033**	2,666
Equity-settled share-based payment expense	*15*	**861**	592
Tax (credit)/charge	*17*	**(1,844)**	3,851
Profit on disposal of property, plant and equipment	*13*	**(33)**	(456)
		10,437	30,884
Changes in:			
Inventories		**124**	(118,605)
Trade and other receivables		**(2,343)**	(1,036)
Trade and other payables		**(13,916)**	21,346
Cash used in operating activities		**(5,698)**	(67,411)
Interest paid		**(2,638)**	(2,472)
Tax (paid)/refund		**(3,201)**	276
Transfer from restricted cash	*24*	**792**	–
Net cash used in operating activities		**(10,745)**	(69,607)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*18*	**(3,982)**	(7,747)
Acquisition of intangible assets	*19*	**(174)**	(491)
Proceeds from the sale of property, plant and equipment		**41**	1,160
Net cash used in investing activities		**(4,115)**	(7,078)
Cash flows from financing activities			
Proceeds from loans and borrowings	*23*	**70,000**	120,000
Repayment of loans and borrowings	*23*	**(10,000)**	(80,000)
Payment of lease liabilities		**(1,088)**	(792)
Net cash from financing activities		**58,912**	39,208
Net increase/(decrease) in cash and cash equivalents		**44,052**	(37,477)
Cash and cash equivalents at the beginning of the year		**93,224**	130,701
Cash and cash equivalents at the end of the year		**137,276**	93,224

Notes to the consolidated financial statements
For the financial year ended 31 December 2020

1 Reporting entity

Glenveagh Properties PLC ("the Company") is domiciled in the Republic of Ireland. The Company's registered office is 15 Merrion Square North, Dublin 2. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and cover the financial year ended 31 December 2020. 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.

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. 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

4 Use of judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

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

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.

Covid-19 was declared a global pandemic by the World Health Organisation during the year and the impact of the pandemic has been considered in the Group's assessment of the carrying value of its inventories at 31 December 2020, particularly with regard to the potential implications for future selling prices, development expenditure and construction programming. While the exact impact of Covid-19 remains uncertain, management has considered a number of scenarios on each of its active developments and the consequential impact on future profitability based on current facts and circumstances together with any implications for future projects in undertaking its net realisable value calculations.

As part of the assessment, which included a consideration of the market capitalisation of the Group and the macro-economic factors that influenced such market capitalisation, the Group has re-evaluated its most likely exit strategies on its remaining high end, private customer units in the context of the current market environment and reflected these 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 results of this exercise required an impairment charge on two of our higher Average Selling Price ("ASP") active sites and a small number of other higher ASP sites in the portfolio where construction has not commenced. Further detail in respect of the impairment charge for the year is included in Note 20.

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 58bps.

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. 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.
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 15 Share-based payments; and
- Note 27 Financial instruments and financial risk management.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

6 Changes in significant accounting policies

A number of amendments to standards (IFRS 3 *Business Combinations* and *Interest Rate Benchmark Reform*) are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

(i) New significant accounting policies

(a) Accounting for government grants and disclosure of government assistance

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.

There have been no other changes to significant accounting policies during the financial year ended to 31 December 2020.

(ii) Standards not yet effective

(b) Interest rate benchmark reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cashflows, arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities.

The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

At 31 December 2020, the Group has €250.0 million (of which €125.0 million is committed) EURIBOR secured bank loans that will be subject to IBOR reform. The Group expects that the interest rate benchmark for these loans will be changed to Euro Short-Term Rate *(€STR)* in 2021 and that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

The Group plans to apply the amendments from 1 January 2021. Application will not impact amounts reported for 2020 or prior periods.

(iii) Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- *IFRS 16 Leases:* Covid-19 related rent concessions (amendment)
- *IAS 16 Property, Plant and Equipment:* Proceeds for intend use (amendment)
- *IFRS 3 Business Combinations:* Reference to conceptual framework (amendment)
- *IAS 1 Presentation of Financial Statements:* Reference to Conceptual Framework (amendment)

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

7 Going concern

The Group has recorded a loss before tax of €15.7 million (2019: Profit of €26.7 million) which included a non-cash impairment charge of €20.3 million (2019: €Nil) relating to the Group's inventory balance. The Group has a cash balance of €137.3 million (31 December 2019: €93.2 million) and under the terms of its current debt facility, the Group is required to maintain a minimum cash balance of €25.0 million. It has committed undrawn funds available of €25.0 million (31 December 2019: €85.0 million) with a further uncommitted facility of €125.0 million (31 December 2019: €125.0 million).

The Group has successfully completed a debt refinancing process and has put in place a new €250.0 million facility. The new facility is for a period of five years and 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 and will provide the debt funding the business. The Directors are satisfied that this facility will support the growth of the business and provide adequate funding to allow the business to achieve its strategic objectives. The Group's forecast includes the terms of the new debt facility in advance of the expiration of the current facility in April 2021 to complement the Group's future operating cash flow in financing its working capital requirement over the forecast period.

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 potential and likely implications of the Covid-19 pandemic on the Group's financial performance and position over the forecast period including but not limited to the impact on selling prices and strategies, development costs and construction programs.

The Group is forecasting compliance with all covenant requirements under the current and future facility including the interest cover covenant which is based on earnings before interest, tax, depreciation and amortisation (EBITDA) excluding the non-cash impairment charge. In addition, the Group expects to be profitable, generate positive cashflows and be in a net cash position next year. Other assumptions within the forecast include the Group's expected selling prices and sales strategies as well as its investment in work in progress which reflect updated development programs as a result of the ongoing impact of Covid-19.

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

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

8 Significant accounting policies (continued)

8.1 Basis of consolidation (continued)

(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.

(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. Revenue is recognised at the point in time when control over the property has been transferred to the customer, which occurs at legal completion. Revenue is measured at the transaction price agreed under the contract.

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. 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

8 Significant accounting policies (continued)

8.4 Taxation (continued)

(ii) Deferred tax (continued)

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.

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. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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

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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

8 Significant accounting policies (continued)

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 (Note 11). The Directors believe that separate presentation of exceptional expenses is useful to the reader as it allows clear presentation of the results of the underlying business and is relevant for an understanding of the Group's performance in the financial year.

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.

8.8 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

8 Significant accounting policies (continued)

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:

Type	IFRS 9 Classification
Financial assets	
Cash and cash equivalents	Amortised cost
Other receivables	Amortised cost
Restricted cash	Amortised cost
Construction bonds	Amortised cost
Financial liabilities	
Bank indebtedness	Amortised cost
Accounts payable and accrued liabilities	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 other income.

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 consolidated balance sheets 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.

Restricted cash

Restricted cash includes cash amounts which are classified as non-current assets and held in escrow until the completion of certain criteria.

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.

Other liabilities

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

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

8 Significant accounting policies (continued)

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

(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.

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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

8 Significant accounting policies (continued)

8.13 Leases (continued)

(i) As a lessee (continued)

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.

8.15 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

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.

In 2019, the Group was organised into two key reportable operating segments being Glenveagh Homes and Glenveagh Living.

During the year, the Group's operating segments changed in line with our refined strategy and are set out below. As a result of the change in the Group's reportable segments, the Group has restated the previously reported segment information for the year ended 31 December 2019.

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 (€450,000 or below) 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

9 Segmental information (continued)

Segmental financial results

	31 December 2020 €'000	Restated 31 December 2019 €'000
Revenue		
Suburban	**201,973**	255,405
Urban	**30,323**	29,232
Partnerships	**-**	-
Revenue for reportable segments	**232,296**	284,637
Operating (loss)/profit		
Suburban	**15,399**	38,799
Urban	**(15,662)**	2,312
Partnerships	**(1,166)**	(349)
Operating (loss)/profit for reportable segments	**(1,429)**	40,762
Reconciliation to results for the period		
Segment results – operating (loss)/profit	**(1,429)**	40,762
Finance expense	**(3,033)**	(2,666)
Directors' remuneration	**(1,574)**	(2,712)
Corporate function payroll costs	**(2,741)**	(3,816)
Depreciation	**(2,031)**	(1,155)
Professional fees	**(1,736)**	(1,257)
Share-based payment expense	**(861)**	(592)
Gain on sale of property, plant and equipment	**33**	456
Other corporate costs	**(2,374)**	(2,329)
(Loss)/profit before tax	**(15,746)**	26,691

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

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

9 Segmental information (continued)

Segment assets and liabilities

	31 December 2020				Restated 31 December 2019			
	Suburban €'000	Urban €'000	Partnerships €'000	Total €'000	Suburban €'000	Urban €'000	Partnerships €'000	Total €'000
Segment assets	**522,478**	**298,691**	**467**	**821,636**	545,681	294,806	675	841,162
Reconciliation to Consolidated Balance Sheet								
Deferred tax asset				**1,415**				128
Trade and other receivables				**14,138**				11,566
Income tax receivable				**21**				-
Cash and cash equivalents				**137,276**				93,224
Restricted cash				**708**				1,500
Property, plant and equipment				**21,087**				18,142
Intangible assets				**712**				944
				996,993				966,666
Segment liabilities	**-**	**-**	**46**	**46**	-	-	-	-
Reconciliation to Consolidated Balance Sheet								
Trade and other payables				**42,191**				56,218
Loans and Borrowings				**99,934**				39,569
Lease liabilities				**1,316**				595
Income tax payable				**-**				3,737
				143,487				100,119

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

10 Revenue

	2020 €'000	2019 €'000
Residential property sales	**230,879**	280,035
Land sales	**673**	4,300
Income from property rental and other income	**744**	302
	232,296	284,637

All revenue is earned in the Republic of Ireland.

11 Exceptional items

	2020 €'000	2019 €'000
Redundancy costs	**-**	817
Hollystown Golf and Leisure Limited closure costs	**-**	308
	-	1,125

There were no costs classified as exceptional items in accordance with the Group's accounting policy set out at Note 8.6 in the financial year.

In the prior financial year, redundancy and restructuring costs and costs associated with the cessation of the Hollystown Golf and Leisure Limited business of €1.1m were classified as exceptional items.

12 Finance Expense

	2020 €'000	2019 €'000
Interest on secured bank loans	**3,006**	2,634
Finance cost on lease liabilities	**27**	32
	3,033	2,666

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

13 Statutory and other information

	2020 €'000	2019 €'000
Amortisation of intangible assets (Note 19)	**406**	299
Depreciation of property, plant and equipment (Note 18)*	**2,722**	1,937
Employment costs (Note 14)	**24,400**	28,567
Profit on disposal of property, plant and equipment	**(33)**	(456)
Audit of Group, Company and subsidiary financial statements**	**200**	120
Other assurance services	**15**	15
Tax advisory services	**78**	18
Tax compliance services	**31**	32
	324	185
Directors' remuneration		
Salaries, fees and other emoluments	**1,459**	2,605
Pension contributions	**115**	88
	1,574	2,693

*Includes €1.1 million (2019: €0.8 million) capitalised in inventory during the year ended 31 December 2020

**Included in the auditor's remuneration for the Group is an amount of €0.015 million *(2019: €0.015 million)* that relates to the Company's financial statements.

14 Employment costs

The average number of persons employed by the Group (including executive directors) during the financial year was 315 *(Executive Committee: 3; Non-executive Directors: 5, Construction: 188; and Other: 119)*. *(2019: Executive Committee: 4; Non-executive Directors: 4, Construction: 198; and Other: 107)*

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

	2020	2019		
	Total €'000	Before Exceptional items €'000	Exceptional items €'000	Total €'000
Wages and salaries	**20,535**	23,723	745	24,468
Social welfare costs	**2,064**	2,316	72	2,388
Pension costs - defined contribution	**940**	1,119	–	1,119
Share-based payment expense (Note 15)	**861**	592	–	592
	24,400	27,750	817	28,567

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

14 Employment costs (continued)

€11.2 million (*2019: €12.9 million*) of employment costs were capitalised in inventory during the financial year.

As a result of the impact of the Covid-19 pandemic, the Group availed of the Temporary Wage Subsidy Scheme in Ireland from 17 April 2020 to 2 August 2020. The Group fully withdrew from the scheme effective from 3 August 2020.

The Temporary Wage Subsidy Scheme is available to employers who have lost a minimum of 25% of turnover as a result of the Covid-19 pandemic and who kept employees on their payroll during this time. The scheme has been availed of for employees who were temporarily not working (laid off) or on reduced hours and/or reduced pay. All grants received by the Group has been offset against the related costs in cost of sales and administrative expenses in the statement of comprehensive income.

Throughout the duration of involvement the Group was in compliance with all the conditions of the scheme.

15 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 26.

Following the completion of the third test period (which ran from 1 March 2020 until 31 December 2020), 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.

(b) LTIP

On 28 February 2020, the Remuneration Committee approved the grant of 5,185,560 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 Adjusted EPS* for the financial year ended 31 December 2022. 25% of the options will vest should the Group achieve 9.5 cents per share with 100% vesting at 12.5 cents per share. Options will vest on a pro rata basis for performance between 9.5 cents and 12.5 cents per share. The TSR targets are in line with all previous grants under the scheme with 25% of the award vesting 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. The entire grant of options remain outstanding at 31 December 2020. 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

15 Share-based payment arrangements (continued)

(b) LTIP (continued)

	Number of Options 2020	Number of Options 2019
LTIP options in issue at 1 January	**4,685,800**	2,351,743
Granted during the financial year	**5,185,560**	2,750,293
Forfeited during the financial year	**(991,726)**	(416,236)
Lapsed during the financial year	**(1,204,178)**	–
LTIP options in issue at 31 December	**7,675,456**	4,685,800
Exercisable at 31 December	**-**	–

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:

	2020 Tranche 1	**2019 Tranche 1**
Fair value at grant date	**€0.23**	**€0.32**
Share price at grant date	€0.75	€0.85
Valuation methodology	Monte Carlo	Monte Carlo
Exercise price	€0.001	€0.001
Expected volatility	26.6%	27.0%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Risk free rate	-0.8%	-0.55%

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

Given the Group did not have an extensive trading history at grant date, expected share price and TSR volatility was based on the 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 €0.8 million (*2019: €0.6* million) in the consolidated statement of profit or loss in respect of options granted under the LTIP.

*(*Adjusted 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.)*

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

15 Share-based payment arrangements (continued)

(c) SAYE Scheme

On 1 October 2020, the Remuneration Committee approved the grant of 445,500 options to employees of the Group. Under the terms of the scheme, employees may save up to €500 per month (2019: €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 of €0.60.

Details of options outstanding and grant date fair value assumptions

		2020		2019
	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	**806,340**	**202,000**	341,640	150,000
Granted during the financial year	**355,500**	**90,000**	771,420	195,000
Cancelled during the financial year	**(202,800)**	**(37,000)**	(306,720)	(143,000)
SAYE options in issue at 31 December	**959,040**	**255,000**	806,340	202,000

		2020		2019
	3 Year	5 Year	3 Year	5 Year
Fair value at grant date	**€0.25**	**€0.25**	€0.21	€0.21
Share price at grant date	**€0.76**	**€0.76**	€0.75	€0.75
Valuation Methodology	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Exercise price	**€0.60**	**€0.60**	€0.60	€0.60
Expected volatility	**34.3%**	**35.5%**	27.5%	29.6%
Expected life	3 years	5 years	3 years	5 years
Expected dividend yield	**0%**	**1.37%**	0%	1.4%
Risk free rate	**-0.83%**	**-0.81%**	-0.82%	-0.78%

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

Given the Group did not have an extensive trading history at grant date, expected share price and TSR volatility was based on the 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 €0.05 million *(2019: €0.01 million)* in the consolidated statement of profit or loss in respect of options granted under the SAYE scheme.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

16 (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings 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 871,333,550 ordinary shares in issue at 31 December 2020 (*2019: 871,333,550*).

	2020	2019
(Loss)/profit for the financial year attributable to ordinary shareholders (€'000)	**(13,902)**	22,840
Weighted average number of shares for the financial year	**871,333,550**	871,333,550
Basic (loss)/earnings per share (cents)	**(1.60)**	2.62

	2020 No. of shares	2019 No. of shares
Reconciliation of weighted average number of shares (basic)		
Issued ordinary shares at beginning and end of financial year	**871,333,550**	871,333,550

Diluted (loss)/earnings per share

	2020	2019
(Loss)/profit for the financial year attributable to ordinary shareholders (€'000)	**(13,902)**	22,840
Weighted average number of shares for the financial year	**871,333,550**	871,333,550
Diluted (loss)/earnings per share (cents)	**(1.60)**	2.62

	2020* No. of shares	2019 No. of shares
Reconciliation of weighted average number of shares (diluted)		
Weighted average number of ordinary shares (basic)	**871,333,550**	871,333,550
Effect of share options on issue**	**-**	-
	871,333,550	871,333,550

*The number of potentially issuable shares in the Group held under option or Founder Share arrangements at 31 December 2020 is 188,682,294 (*2019:* 185,692,638).

**Under IAS 33, Founders Shares and LTIP arrangements have an assumed test period ending on 31 December 2020. Based on this assumed test period no ordinary shares would be issued through the conversion of Founder Shares and LTIP as the performance conditions were not met.

At 31 December 2020 1,202,040 options (*2019: 1,116,340)* were excluded from the diluted weighted average number of ordinary shares because their effect would have been anti-dilutive. As a result, there was no difference between basic and diluted earnings per share.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

17 Income tax

	2020 €'000	2019 Before Exceptional items €'000	2019 Exceptional Items €'000	2019 Total €'000
Current tax (credit)/charge for the financial year	**(557)**	3,864	(93)	3,771
Deferred tax (credit)/charge for the financial year	**(1,287)**	80	–	80
Total income tax (credit)/charge	**(1,844)**	3,944	(93)	3,851

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.

	2020 €'000	2019 €'000
(Loss)/profit before tax for the financial year	**(15,746)**	26,691
Tax (credit)/charge at standard Irish income tax rate of 12.5%	**(1,968)**	3,336
Tax effect of:		
Income taxed at the higher rate of corporation tax	**40**	222
Non-deductible expenses — other	**359**	230
Adjustment in respect of prior year (over)/under accrual	**(5)**	-
Other adjustments	**(270)**	63
Total income tax (credit)/charge	**(1,844)**	3,851

Movement in deferred tax balances	Balance at 1 January 2020 €'000	Recognised in profit or loss €'000	Balance at 31 December 2020 €'000
Tax losses carried forward	128	1,287	1,415
	128	**1,287**	**1,415**

The deferred tax asset accrues in Ireland and therefore has no expiry date. Based on the return to profitability forecast in the Group's 3-year strategy plan and the sensitivities that have been applied therein, management has considered it probable that future profits will be available against which the above losses can be recovered and, therefore, the related deferred tax asset can be realised.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

18 Property, plant and equipment

	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**

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

18 Property, plant and equipment (continued)

	Land & buildings €'000	Fixtures & fittings €'000	Plant & machinery €'000	Computer equipment €'000	Total €'000
Cost					
At 1 January 2019	7,713	748	3,341	407	12,209
Recognition of right-of-use asset on initial application of IFRS 16	876	–	351	–	1,227
Adjusted at 1 January 2019	8,589	748	3,692	407	13,436
Additions	5,281	21	2,616	146	8,064
Disposals	(704)	(7)	–	–	(711)
At 31 December 2019	**13,166**	**762**	**6,308**	**553**	**20,789**
Accumulated depreciation					
At 1 January 2019	(36)	(89)	(500)	(87)	(712)
Charge for the financial year	(743)	(141)	(896)	(157)	(1,937)
Disposals	–	2	–	–	2
At 31 December 2019	**(779)**	**(228)**	**(1,396)**	**(244)**	**(2,647)**
Net book value					
At 31 December 2019	**12,387**	**534**	**4,912**	**309**	**18,142**

The depreciation charge for the year includes €1.1 million (*2019: €0.8 million)* which was capitalised in inventory at 31 December 2020.

Property plant and equipment includes right of use assets of €1.3 million *(2019: €0.6 million)* related to leased properties and motor vehicles. During the year, the Group entered into new lease agreements for the use of motor vehicles (€0.3 million) and land and buildings for its office facility in Maynooth, Co. Kildare (€1.5 million). The land and buildings lease commenced in June 2020 for a duration of two years. On lease commencement, the Group recognised €1.8 million (2019: €0.1 million) of right-of-use assets and lease liabilities.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

19 Intangible assets

	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**

	Licence €'000	Computer Software €'000	Total €'000
Cost			
At 1 January 2019	149	709	858
Additions	–	516	516
At 31 December 2019	**149**	**1,225**	**1,374**
Accumulated amortisation			
At 1 January 2019	–	(131)	(131)
Charge for the year	(100)	(199)	(299)
At 31 December 2019	**(100)**	**(330)**	**(430)**
Net book value			
At 31 December 2019	**49**	**895**	**944**

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

20 Inventory

	2020 €'000	2019 €'000
Land held for development	**605,244**	647,513
Development expenditure (ii)	**201,917**	172,683
Development rights (iii)	**14,008**	20,291
	821,169	840,487

€198.9 million (*2019: €227.3 million*) of inventory was recognised in 'cost of sales' during the year ended 31 December 2020.

(i) Impairment of inventories

During the 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 assessment has resulted in an impairment charge of €20.3 million which was recognised in cost of sales in the financial year with €10.3 million allocated to land and the remainder (€10.0 million) allocated to work in progress.

(ii) Employment cost capitalised

€11.2 million of employment costs (net of Temporary Wage Subsidy Scheme Payments received which have been accounted for in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance') incurred in the year have been capitalised in inventory *(2019: €12.9 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 29 of these financial statements.

Maryborough Ridge, Cork

In December 2018, the Group entered into a licence agreement to develop 18.65 acres at Maryborough Ridge, Cork. During 2020, the Group accelerated the licence fee payments required to exit the agreement. At 31 December 2020, an amount of €6.9 million *(2019: €6.4 million)* that was previously included in development rights is now included within land held for development.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

21 Trade and other receivables

	2020 €'000	2019 €'000
Trade receivables	**1,948**	3,412
Other receivables	**1,985**	2,482
Prepayments	**462**	393
Construction bonds	**7,670**	4,401
Deposits for sites	**2,540**	1,553
	14,605	12,241

The carrying value of all financial assets and trade and other receivables is approximate to their fair value and are repayable on demand.

22 Trade and other payables

	2020 €'000	2019 €'000
Trade payables	**3,457**	7,455
Payroll and other taxes	**1,671**	2,755
Inventory accruals	**17,416**	22,017
Other accruals	**5,874**	5,709
VAT payable	**13,819**	18,282
	42,237	56,218
Non-current	**-**	-
Current	**42,237**	56,218
	42,237	56,218

The carrying value of all financial liabilities and trade and other payables is approximate to their fair value and are repayable on demand.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

23 Loans and Borrowings

(a) Loans and borrowings

The Group is party to a Revolving Credit Facility for a total of €250.0 million (of which €125.0 million is committed) with a syndicate of domestic and international banks for a term of 3 years at an interest rate of one-month EURIBOR (subject to a floor of 0 per cent.) plus a margin of 2.5%. At 31 December 2020, €100.0 million *(31 December 2019: €40.0 million)* had been drawn on the facility. Pursuant to the RCF 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 2020 €'000	31 December 2019 €'000
Revolving Credit Facility	**100,000**	40,000
Unamortised borrowing costs	**(104)**	(446)
Interest accrued	**38**	15
Total loans and borrowings	**99,934**	39,569

The Group's RCF was entered into with AIB, Barclays and HSBC and is subject to primary financial covenants calculated on a quarterly basis:

- A maximum net debt to net assets ratio; and
- A minimum EBITDA to net interest coverage ratio calculated on a trailing 12 month basis.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

23 Loans and Borrowings (continued)

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

2020		Cash flows				Non-cash changes				
	Opening 2020 €'000	Credit facility drawdown €'000	Credit facility repayment €'000	Payment of lease liability €'000	Interest Paid €'000	Amortisation of transaction costs €'000	Interest on RCF €'000	Interest on lease liability €'000	New leases €'000	Closing 2020 €'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**

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

23 Loans and Borrowings (continued)

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

2019	Opening 2019 €'000	Cash flows: Credit facility drawdown €'000	Cash flows: Credit facility repayment €'000	Cash flows: Payment of lease liability €'000	Cash flows: Interest Paid €'000	Non cash changes: Amortisation of transaction costs €'000	Non cash changes: Interest on RCF €'000	Non cash changes: Interest on lease liability €'000	Non cash changes: IFRS 16 – transition adjustment €'000	Non cash changes: New leases €'000	Closing 2019 €'000
Liabilities											
Loans and borrowings	-	120,000	(80,000)	-	-	-	-	-	-	-	40,000
Unamortised transaction costs	(788)	-	-	-	-	342	-	-	-	-	(446)
Lease liability	38	-	-	(792)	-	-	-	32	1,227	90	595
Interest accrual	196	-	-	-	(2,472)	-	2,291	-	-	-	15
	(554)	120,000	(80,000)	(792)	(2,472)	342	2,291	32	1,227	90	40,164

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

23 Loans and Borrowings (continued)

(c) Net funds reconciliation

	31 December 2020 €'000	31 December 2019 €'000
Cash and cash equivalents	**137,276**	93,224
Loans and borrowings	**(99,934)**	(39,569)
Lease liabilities	**(1,316)**	(595)
Total net funds	**36,026**	53,060

(d) Lease Liabilities

Lease liabilities are payable as follows:

	31 December 2020: Present value of minimum lease payments €'000	Interest €'000	Future value of minimum lease payments €'000
Less than one year	**1,029**	**49**	**1,078**
Between one and two years	**283**	**11**	**294**
More than two years	**4**	**1**	**5**
	1,316	**61**	**1,377**

24 Restricted cash

	2020 €'000	2019 €'000
Balance at 1 January	**1,500**	1,500
Transfers to cash and cash equivalents	**(792)**	–
	708	1,500

The restricted cash balance relates to funds held in escrow until the completion of certain infrastructural works relating to the Group's residential development at Balbriggan, Co. Dublin. In November 2020, €0.8 million of the funds were received following the completion of the first phase of these works. At 31 December 2020, the estimated fair value of restricted cash is equivalent to its carrying value.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

25 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 2020 are as follows:

Company	Principal activity	%	Reg.office
Glenveagh Properties (Holdings) Limited	Holding company	100%	1
Glenveagh Treasury DAC	Financing activities	100%	2
Glenveagh Contracting Limited	Property development	100%	2
Glenveagh Homes Limited	Property development	100%	2
Greystones Devco Limited	Property development	100%	2
Marina Quarter Limited	Property development	100%	2
GLV Bay Lane Limited	Property development	100%	2
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%	2

1 15 Merrion Square North, Dublin 2, D02 YN15
2 Block B, Maynooth Business Campus, Maynooth, Co. Kildare, W23W5X7

*In July 2020 by special resolution and approval of the Registrar of Companies the entity formally know as GL Partnerships Opportunities II DAC was renamed Castleforbes Development Company DAC.

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.

26 Capital and reserves

(a) Authorised share capital

	2020		2019	
	Number of shares	€'000	Number of shares	€'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**

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

26 Capital and reserves (continued)

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

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**

At 31 December 2019	Number of shares	Share Capital €'000	Share premium €'000
Ordinary Shares of €0.001 each	871,333,550	871	879,281
Founder Shares of €0.001 each	181,006,838	181	–
	1,052,340,388	**1,052**	**879,281**

(c) Reconciliation of shares in issue

In respect of current 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**

In respect of prior year	Ordinary shares '000	Founder shares '000	Share capital €'000	Share premium €'000
In issue at 1 January 2019	871,333	181,007	1,052	879,281
	871,333	**181,007**	**1,052**	**879,281**

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

26 Capital and reserves (continued)

(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 third test period (which ran from 1 March 2020 until 31 December 2020), 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

During the 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.

(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 15.

27 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).

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

27 Financial instruments and financial risk management (continued)

Financial instruments: financial assets

The consolidated financial assets can be summarised as follows:	2020 €'000	2019 €'000
Trade receivables	**1,948**	3,412
Other receivables	**1,985**	2,482
Construction bonds	**7,670**	4,401
Deposits for sites	**2,540**	1,553
Cash and cash equivalents	**137,276**	93,224
Restricted cash (non-current)	**708**	1,500
Total financial assets	**152,127**	106,572

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

Financial instruments: financial liabilities

	2020 €'000	2019 €'000
Trade payables	**3,457**	7,455
Lease liabilities	**1,316**	595
Inventory accruals	**17,416**	22,017
Other accruals	**5,874**	5,709
Loans & borrowings	**99,934**	39,569
Total financial liabilities	**127,997**	75,345

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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

27 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

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.

	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

	31 December 2019				
	Carrying amount €'000	Contractual cash flows €'000	Less than 1 year €'000	1 year to 2 years €'000	More than 2 years €'000
Finance lease obligations	595	595	276	319	-
Trade payables	7,455	7,455	7,455	-	-
Inventory accruals	22,017	22,017	22,017	-	-
Other accruals	5,709	5,709	5,709	-	-
Loans and borrowings	39,569	41,244	40,862	382	-
	75,345	77,020	76,319	701	-

Funds available

	2020 €'000	2019 €'000
Revolving credit facility* (undrawn committed)	25,000	85,000
Cash and cash equivalents	137,526	93,224
	162,526	178,224

*The Group's RCF contains a mechanism through which the committed amount can be increased up to €250.0 million.

The Group's RCF is subject to primary financial covenants calculated on a quarterly basis:

» A maximum net debt to net assets ratio; and
» A minimum EBITDA to net interest coverage ratio.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

27 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

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.

Market risk

The Group's exposure to market risk relates to changes to interest rates and stems predominately from its debt obligations. In 2018, the Group entered in to a RCF for a total of €250.0 million (of which €125.0 million is committed) with a syndicate of domestic and international banks for a term of 3 years at an interest rate of EURIBOR (subject to a floor of 0%.) plus 2.5%. €100.0 million *(2019: €40.0 million)* had been drawn on the facility at 31 December 2020. 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 RCF with variable interest rates based upon EURIBOR. At the year ended 31 December 2020 it is estimated that an increase of 100 basis points to EURIBOR would have decreased the Group's profit before tax by €0.093 million assuming all other variables remain constant and the rate change is only applied to the loans that are exposed to movements in EURIBOR.

A fundamental review and reform of major interest rate benchmarks has been undertaken globally. There is now roadmap setting out actions to ensure a transition from interbank offered rates (IBORs) by the end of 2021. From 2021 financial firms will be able to offer non-IBOR linked interest rates and have formalised plans to amend legacy agreements.

IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities. Therefore, the Group believes the current market structure supports the valuation of our debt obligations as at 31 December 2020.

The Group expects that the interest rate benchmark will be changed to Euro Short-Term Rate (€STR) in 2021 and that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Capital management

The Group finances its operations by 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. This allows the Group to take advantage of prevailing market conditions by investing in land and work-in-progress at the right point in the cycle.

28 Leases

(a) Leases as a 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

28 Leases (continued)

(a) Leases as a lessee (IFRS 16) (continued)

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 18).

	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**

	Property €'000	Motor Vehicles €'000	Total €'000
2019			
Balance at 1 January	876	351	1,227
Additions to right-of-use assets	–	90	90
Depreciation charge for the year	(596)	(148)	(744)
Balance at 31 December	**280**	**293**	**573**

(ii) Amounts recognised in profit or loss

	2020 €'000	2019 €'000
2020 – Leases under IFRS 16		
Interest on lease liabilities	**27**	32
Expenses relating to short-term leases	**12**	80

(iii) Amounts recognised in statement of cash flows

	2020 €'000	2019 €'000
Total cash outflow on leases	**1,088**	792

(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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

29 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:

	2020 €'000	2019 €'000
Short-term employee benefits	**1,460**	2,912
Post-employment benefits	**115**	116
LTIP and SAYE share-based payment expense	**99**	66
	1,674	3,094

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 transaction

Acquisition of development rights

The Group entered into the APSA with 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.

Notes to the consolidated financial statements
For the financial year ended 31 December 2020 (continued)

30 Commitments and contingent liabilities

(a) Commitments arising from development land acquisitions

In addition to the contingent liabilities outlined in Note 29 above, the Group had the following commitments at 31 December 2020 relating to development land acquisitions:

Land acquisition subject to re-zoning

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

Hollystown Golf and Leisure Limited ("HGL")

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

Contracted acquisitions

At 31 December 2020, the Group had contracted to acquire five development sites; two in North County Dublin, two in Co. Kildare and one in Co. Kilkenny for aggregate consideration of approximately €24.0 million (excluding stamp duty and legal fees). Deposits totaling €2.3 million were paid pre-year end and are included within trade and other receivables at 31 December 2020.

31 Subsequent events

On 12 February 2021, the Group has successfully completed a debt refinancing process and has put in place a new €250.0 million facility. The new facility is for a period of five years and 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 and will provide the debt funding for the business.

At 31 December 2020, the Group had contracted to sell 134 units in Marina Village, Greystones, Co. Wicklow, 71 units in Dargan Hall, Bray, Co. Wicklow and 61 units in Barnhall Meadows, Leixlip, Co. Kildare for a total consideration of €119.0 million.

On 3 February 2021, the Group completed the first phase of the contracted sales at the Marina Village development comprising of 65 units for a consideration of €31.7 million.

On 6 January 2021, the Government announced a third national lockdown in response to Covid-19 which required all non-essential construction to stop on 8 January 2021 with the exception of private housing that will be completed by 31 January 2021 and social housing that will be completed by 28 February 2021. Selling activity has continued virtually throughout the period and our forecast sales activity for 2021 remains unchanged subject to Government confirmation that a reopening of the sites will commence on 5 April 2021. The third national Covid-19 lockdown is a non-adjusting post balance sheet event.

32 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 €0.034 million (for the period ended 31 December 2019: loss of €1.1m).

33 Approved financial statements

The Board of Directors approved the financial statements on 25 February 2021.

Company balance sheet
as at 31 December 2020

	Note	2020 €'000	2019 €'000
Assets			
Non-current assets			
Investments in subsidiaries	3	**5,924**	5,063
		5,924	5,063
Current assets			
Trade and other receivables	4	**196**	170
Amounts owed by subsidiaries	5	**843,154**	845,700
Cash and cash equivalents		**1,559**	1
		844,909	845,871
Total assets		**850,833**	850,934
Equity			
Share capital	7	**1,052**	1,052
Share premium		**179,281**	879,281
Retained earnings		**625,775**	(75,026)
Share-based payment reserve		**44,129**	44,035
		850,237	849,342
Liabilities			
Current liabilities			
Trade and other payables	6	**596**	1,592
Total liabilities		**596**	1,592
Total liabilities and equity		**850,833**	850,934

Company statement of changes in equity
for the financial year ended 31 December 2020

	Share Capital Ordinary shares €'000	Share Capital Founder shares €'000	Share premium €'000	Share-based payment reserve €'000	Retained earnings €'000	Total equity €'000
Balance as at 1 January 2020	**871**	**181**	**879,281**	**44,035**	**(75,026)**	**849,342**
Total comprehensive income for the financial year						
Profit for the financial year	**-**	**-**	**-**	**-**	**34**	**34**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
	871	**181**	**879,281**	**44,035**	**(74,992)**	**849,376**
Transactions with owners of the Company						
Equity-settled share-based payments	**-**	**-**	**-**	**861**	**-**	**861**
Lapsed share options	**-**	**-**	**-**	**(767)**	**767**	**-**
Share premium reduction and transfer to distributable reserves	**-**	**-**	**(700,000)**	**-**	**700,000**	**-**
	-	**-**	**(700,000)**	**94**	**700,767**	**861**
Balance as at 31 December 2020	**871**	**181**	**179,281**	**44,129**	**625,775**	**850,237**

Company statement of changes in equity
for the financial year ended 31 December 2019

	Share Capital Ordinary shares €'000	Share Capital Founder shares €'000	Share premium €'000	Share-based payment reserve €'000	Retained earnings €'000	Total equity €'000
Balance as at 1 January 2019	871	181	879,281	43,443	(73,893)	849,883
Total comprehensive loss for the financial year						
Loss for the financial year	–	–	–	–	(1,133)	(1,133)
Other comprehensive income	–	–	–	–	–	–
	871	181	879,281	43,443	(75,026)	848,750
Transactions with owners of the Company						
Equity-settled share-based payments	–	–	–	592	–	592
	–	–	–	592	–	592
Balance as at 31 December 2019	871	181	879,281	44,035	(75,026)	849,342

Notes to the Company financial statements
For the financial year ended 31 December 2020

1 Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2014 and Generally Accepted Accounting Practice in the Republic of Ireland (*Financial Reporting Standard 101 Reduced Disclosure Framework* (FRS 101)). Note 2 describes the principal accounting policies under FRS 101, which have been applied. The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of Cash Flows
- Disclosures in respect of transactions with wholly owned subsidiaries
- Certain requirements of IAS 1 *Presentation of Financial Statements*
- Disclosures required by IFRS 7 *Financial Instrument Disclosures*
- Disclosures required by IFRS 13 *Fair Value Measurement; and*
- The effects of new but not yet effective IFRSs
- Disclosures in respect capital management

As noted in Note 32 of the consolidated financial statements, the Company has also availed of the exemption from presenting the individual statement of profit or loss and other comprehensive income. The Company's profit for the financial year was €0.034 million. (*2019: Loss of €1.1 million*).

2 Significant accounting policies

Significant accounting policies specifically applicable to these individual Company financial statements and which are not included within the accounting policies for the consolidated financial statements are detailed below.

(a) Investments in subsidiaries

Investments in subsidiaries are accounted for in these individual Company financial statements on the basis of the direct equity interest, rather than on the basis of the reported results and net assets of investees. Investments in subsidiaries are carried at cost less impairment.

The capital contributions arising from share-based payment charges represents the Company's granting rights over its equity instruments to employees of the Company's subsidiaries. This results in a corresponding increase in investment in subsidiary.

(b) Intra-group guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contract as a contingent liability until such time as it becomes probable that it will be required to make a payment under the guarantee.

Notes to the Company financial statements
For the financial year ended 31 December 2020 (continued)

3 Investment in subsidiaries

	2020 €'000	2019 €'000
Investment in subsidiaries	**4,025**	4,025
Accumulated cost of share-based payments in respect of subsidiaries	**1,899**	1,038
	5,924	5,063

Details of subsidiary undertakings are given in Note 25 of the consolidated financial statements. The Company has considered triggers for impairment, including market capitalisation and determined there was no trigger.

4 Trade and other receivables

	2020 €'000	2019 €'000
VAT receivable	**38**	35
Prepayments and other receivables	**158**	135
	196	170

5 Amounts due from subsidiaries

	2020 €'000	2019 €'000
Amounts due from subsidiaries	**843,154**	845,700
	843,154	845,700

Amounts owed by subsidiaries are non-interest bearing and are repayable on demand. The expected credit loss associated with the above balances is considered to be insignificant.

6 Trade and other payables

	2020 €'000	2019 €'000
Trade payables	**16**	44
Accruals	**534**	1,476
Payroll and other taxes	**46**	72
	596	1,592

Notes to the Company financial statements
For the financial year ended 31 December 2020 (continued)

7 Share capital and share premium

For further information on share capital and share premium, refer to Note 26 of the consolidated financial statements.

8 Financial instruments

The carrying value of the Company's financial assets and liabilities are a reasonable approximation of their fair value.

Relevant disclosures on consolidated financial instruments and risk management are given in Note 27 of the consolidated financial statements.

9 Share-based payments

For information in relation to share-based payment arrangements impacting the Company, refer to Note 15 of the consolidated financial statements.

10 Related party disclosures

See Note 29 of the consolidated financial statements for information in relation to related party transactions.

Remuneration of key management

Key management of the Company is defined as the directors of the Company. The compensation of key management personnel is set out in Note 29 of the consolidated financial statements.

Alternative Performance Measures (APMs)

The Group reports certain alternative performance measures ("APMs") that are not required under IFRS, which is the framework under which the consolidated financial statements are prepared. The Group believes that these metrics assist investors in evaluating the performance of the underlying business and provides a more meaningful understanding of how senior management review and monitor the business on an ongoing basis.

A new performance measure, core gross margin percentage, is being used by management to evaluate the business in 2020. During the financial year, the Group amended its sales strategy on its remaining high end, private customer units. 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. The calculation of core gross margin omits these sites as they are no longer considered as part of the core strategy or reflective of the core performance of the Group.

These performance measures are referred to throughout our strategy and business update and the discussion of our reported financial position. These performance measures may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies.

The principal APMs used by the Group are defined as follows:

1 Gross margin percentage

	Financial statements reference	2020 €'000	2019 €'000
Gross profit	Statement of profit or loss	**9,475**	51,487
Revenue	Note 10	**232,296**	284,637
Gross margin percentage		**4.1%**	18.1%

Gross margin percentage is calculated after charging an impairment of €20.3m *(2019: €nil)*.

2 Core gross margin percentage

		2020 €'000	2019 €'000
Suburban			
Core revenue		**201,300**	251,105
Non-core revenue		**673**	4,300
Total revenue	Note 9	**201,973**	255,405
Urban			
Core revenue		**7,390**	9,213
Non-core revenue		**22,933**	20,019
Total revenue	Note 9	**30,323**	29,232

Alternative Performance Measures (APMs) (continued)

2 Core gross margin percentage (continued)

		2020 €'000	2019 €'000
Core cost of sales		**(179,169)**	(214,050)
Non-core cost of sales		**(23,361)**	(19,100)
Total cost of sales	Statement of profit or loss	**(202,530)**	(233,150)
Core gross profit		**29,521**	46,268
Core revenue		**208,690**	260,318
Core gross margin percentage		**14.1%**	17.8%

Core gross margin represents gross margin before impairment and non-core revenue and cost of sales is applied. Core gross margin is calculated from Suburban and Urban core revenue unit sales and rental income less the equivalent cost of sales. Non-core revenue is mostly attributable to the Urban segment.

3 Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) pre-exceptional items, pre-impairment and related margin

An APM representing earnings before interest, tax, depreciation, amortisation, impairment and exceptional items that Group management considers to be the most appropriate measure for assessing the profitability of the Group in a given financial period. It is calculated by adding back non-cash depreciation and amortisation charges to the Group's operating profit or loss for a period, and also adding back exceptional items and impairment. Adjusted EBITDA margin pre-exceptional items, pre-impairment and related margin represents this metric as a percentage of the Group's revenue.

	Financial statements reference	2020 €'000	2019 €'000
Depreciation - capitalised		**1,097**	845
Depreciation - expensed		**1,625**	1,092
Total depreciation	Note 18	**2,722**	1,937
Operating (loss)/profit	Statement of profit or loss	**(12,713)**	29,357
Impairment	Note 20	**20,291**	-
Exceptional items	Note 11	**-**	1,125
Depreciation – expensed	As above	**1,625**	1,092
Amortisation	Note 19	**406**	299
Adjusted EBITDA pre-exceptional items		**9,609**	31,873
Adjusted EBITDA margin pre- exceptional items		**4.1%**	**11.2%**

Alternative Performance Measures (APMs) (continued)

4 Return on capital employed (ROCE)

An APM representing return on capital employed that Group management believes is the best measure of the Group's ability to generate profits from its asset base in a capital efficient manner and to create sustainable shareholder value. ROCE is calculated as operating profit divided by average capital employed, where operating profit is earnings before interest and tax and where capital employed is calculated as (i) net assets plus (ii) financial indebtedness, less (iii) cash and intangible assets.

5 Net Development Value (NDV)

An APM representing a metric the Group uses to estimate the development value of land held in inventory. NDV is calculated by multiplying the number of units the Group expects to sell on a given site by the estimated sales price of each unit.

6 Adjusted EPS

This metric will be used as a performance condition for grants under the Group's LTIP from 2020 onwards. It is defined as Basic Earnings Per Share as calculated in accordance with IAS 33 *Earnings Per Share* subject to adjustment by the Remuneration and Nomination Committee at its discretion, for items deemed not reflective of the Group's underlying performance for the period.

Company Information

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Stephen Garvey
Michael Rice

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Richard Cherry
Pat McCann
Cara Ryan

Company Secretary
Chloe McCarthy

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