Home of the new.

Glenveagh
Home of the new.

Annual Report & Accounts 2019

Ledwill Park
Kilcock, Co. Kildare

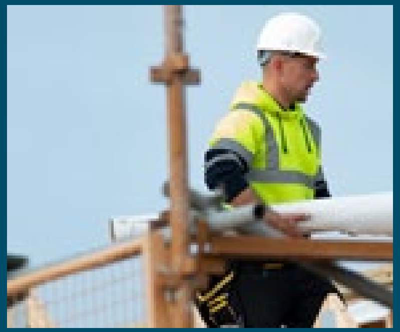
Contents

Knightsgate
Rush, Co. Dublin

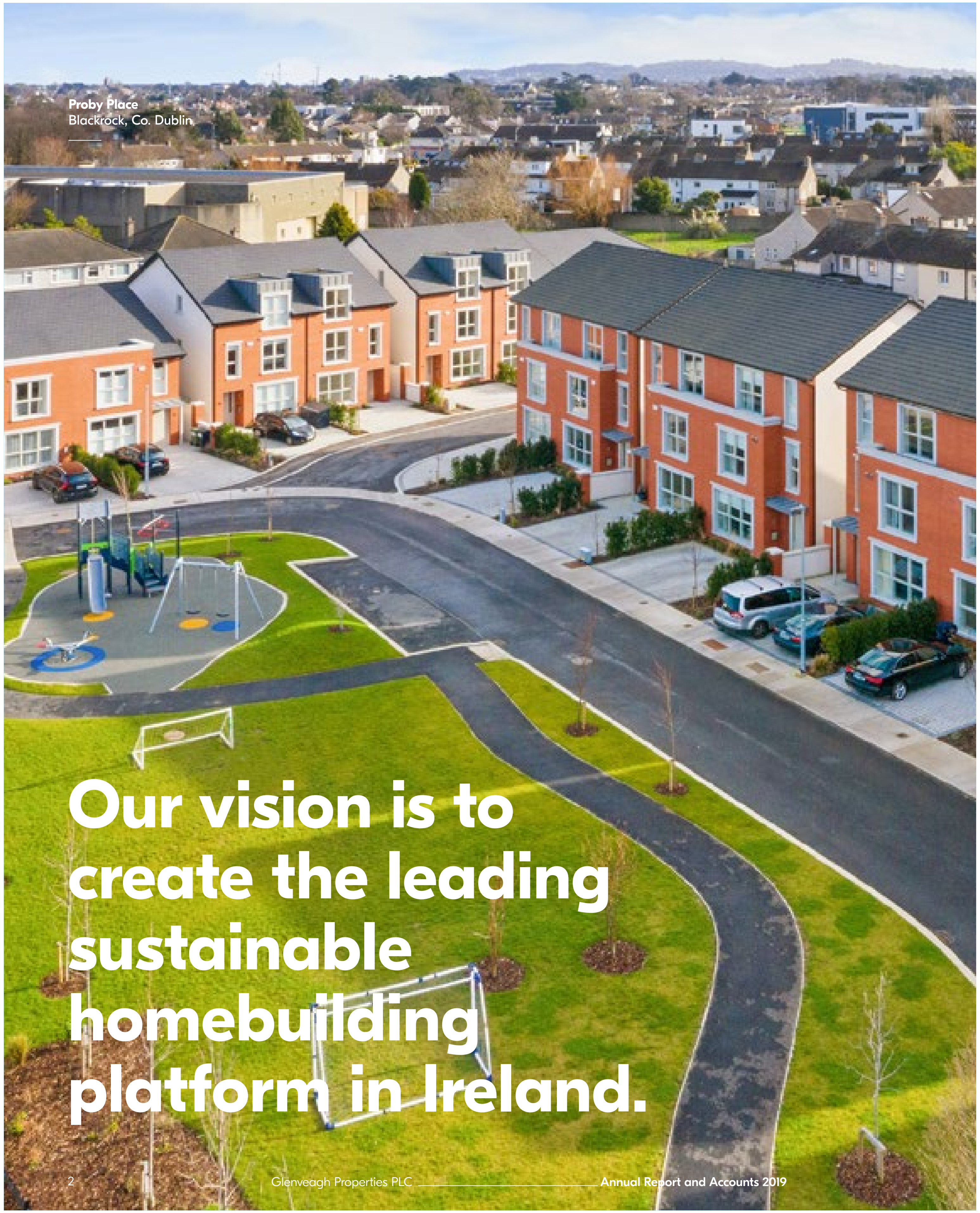
Taylor Hill
Balbriggan, Co. Dublin

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

Cluain Adain
Clonmagadden, Navan



Barnhall Meadows
Leixlip, Co. Kildare



Proby Place
Blackrock, Co. Dublin

Our vision is to create the leading sustainable homebuilding platform in Ireland.

Glenveagh at a Glance

	2019	2018
Financials		
Revenue	€284.6m	€84.2m
Gross margin %	18.1%	18.2%
Net cash at 31 December	€53m	€131m
Operating profit/(loss)	€29.4m	(€2.6m)
Inventory at 31 December	€840.5m	€718.9m
Sales Activity		
Selling sites	14	7
Unit completions	844	275
Units sold, signed or reserved*	475	451
ASP	€332k	€287k
Pricing <€350k**	84%	74%
Construction		
Active construction sites	17	14
Site openings	6	7
Next year's deliveries from existing sites	100%	100%
Units under construction in the period	>1,600	>1,100
Acquisitions		
Strategic acquisitions	8	16
Acquisitions cost	€109m	€351m
Total units acquired	2,600	7,408
Landbank size	14,500+	12,600+

* At Annual Report approval date
** Suburban portfolio at year end

John Mulcahy
Chairman

Chairman's Letter

Dear Shareholder, I am pleased to present our Annual Report for the year ended 31 December 2019.

Glenveagh Properties PLC was established just 28 months ago with the clear target of becoming the leading sustainable house builder in Ireland and we are well on our way to achieving that goal.

The Company's successful performance in 2019 demonstrates that we continue to implement the right strategy and provide attractive, affordable and high-quality product to owner occupiers, local authorities and the rental sector.

Successful scaling of operations

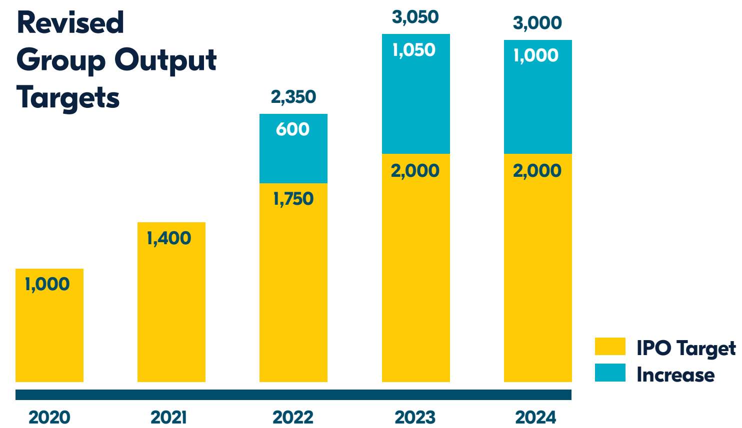
In 2019, the Group's second full year of trading, we delivered another strong performance both operationally and financially with a 207% increase on 2018 in the number of unit completions.

The 844 (2018: 275) unit completions in 2019 were delivered from 14 (2018: 7) sales outlets while we have now opened 20 sites since IPO which clearly illustrates the successful escalation of our operations.

Looking ahead, we expect the market environment to remain favourable with significant owner occupier and institutional demand for housing, particularly starter homes. The extent of the institutional demand for high quality residential product is such that the Group now expects to forward fund a series of Urban apartment developments in the future. Reflecting confidence in where the delivery capability has evolved since IPO, we have increased the Group's medium-term output targets by 2,650 units from 2022 to 2024. The increased output targets and our approach to funding our development expenditure reflects the Group's continued commitment to invest in operational scale and efficiencies which maximise return on capital.

2,650

Glenveagh have increased the Group's medium-term output targets by 2,650 units from 2022 to 2024



12,000 units delivered by 2024[1]

Note 1: Since IPO

Increasing output target to 3,000 units by 2023 (+50% vs IPO)

We have reviewed our key markets ahead of 2020 and realigned the segments of our business internally to ensure we are best equipped operationally to respond to current market dynamics. Our business segments are now Suburban, Urban and Partnerships and each are discussed in more detail in the strategy and business model section from page 18.

Our people

The Board recognises the significant role the people within our Company have played in delivering our success to date. Our role is to 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 330 staff and has a subcontractor network of more than 1,600. Our people continue to be the key element in delivering our increased output targets and the Board reaffirms its commitment to invest in our people. On behalf of the Board, I want to thank our employees, subcontractors and suppliers for their efforts and dedication throughout 2019 and we look forward to supporting and working with you throughout 2020 and beyond.

Our Culture

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

Governance

The New Code
Strong corporate governance is a pillar of the Group and the Board is firmly committed to maintaining the highest standards of corporate governance. Following the publication of the new 2018 UK Corporate Governance Code (the "Code"), the Board has invested significant time ensuring that we have met the changes introduced by the Code from 1 January 2019. Details of our approach and the governance structure changes introduced are set out in the Corporate Governance Report on pages 54 to 61.

Board Composition
During 2019 there were a number of changes to the membership of the Board. Early in 2019, we announced that Caleb Kramer had informed the Board of his intention to retire as a Non-Executive Director and confirmed that he would not seek re-election at the AGM. Justin Bickle stepped down from his role as Chief Executive Officer of the Group and resigned from the Board in August 2019. I'd like to take this opportunity to thank Justin and Caleb for the significant and valuable contribution they have made to the success achieved to date at Glenveagh.

35,000

In the market there continues to be a long-term demand for 35,000 units per annum. Glenveagh intend to be the volume operator supplying these units to the market

Following on from the Remuneration and Nomination Committee's 2018 assessment of the composition of the Board and its Committees, a process was undertaken to identify and appoint suitable independent Non-Executive Directors with complimentary skills and experience to the existing Board members. On completion of this process I was pleased to welcome two new Non-Executive Board members in September 2019; Pat McCann and Cara Ryan. In addition, I was pleased to welcome our Chief Financial Officer, Michael Rice, to the Board as an Executive Director in November 2019.

Each new Board member has a diverse background and unique skillset that will bring a fresh perspective to our existing Board composition. I look forward to the valued contribution each new Board member will make as we execute on our business plan and continue to work towards meeting our targets in 2020 and beyond. Further details of the above are set out in the Remuneration and Nomination Committee Report on page 68.

Capital re-organisation

At the Extraordinary General Meeting held on 17 December 2019, shareholders approved a capital reorganisation resolution to reduce the Group's share premium account by an amount up to €700 million. Subject to High Court approval of the capital reorganisation, the undistributable reserves (namely the share premium account) will be transferred to distributable reserves. We expect this process to complete in 2020 which will provide the Company with flexibility to establish and implement a capital returns policy in due course.

As communicated at our Investor Day on 29 January 2020 our priorities for maximising shareholder returns in the short term include a reduction in our net land investment, increased unit output, a targeted investment in suburban working capital and the forward funding of certain urban projects while maintaining prudent leverage levels in the interim.

In the context of these near-term strategic priorities, we re-affirm our commitment to commencing a capital returns program once excess cash is available and will continue to keep our investor community informed as we execute our business plan.

Outlook

We are on plan and have made good progress in 2019 and are confident that the investments we are making will further enhance our level of output and position in the market. The Glenveagh management team remains focussed on delivering profitable growth and cash conversion in the medium term while building scale and continuing to develop out the platform.

In particular the Board believes that the Company is well positioned to deliver across three segments, but as a single business capitalising on scale advantages to address Ireland's fundamental demand / supply imbalance. In the market there continues to be a long-term demand for 35,000 units per annum. We intend to be the volume operator supplying these units to the market. We are clear on where we are, where we are going and we have the right strategy for how we are going to get there. The Group's increased output targets are ambitious but achievable in the context of the short to medium term fundamentals of the Irish housing market. The Board remains very confident about the future for your Company and the further progress 2020 and beyond will bring.

John Mulcahy
Executive Chairman

Taylor Hill
Balbriggan, Co. Dublin

Our vision is to create the leading sustainable homebuilding platform in Ireland.

Stephen Garvey
Chief Executive Officer

CEO's Review

I am pleased to update you, our shareholders, on our continued strong progress at Glenveagh.

For more information on our Business Model see page 18

In our second full year of trading it has been another strong performance for the Group both operationally and financially as we continue to exceed our targets, delivering three times the number of unit completions from one year ago. We have completed our net investment in land, grown our operations consistent with our business plan and remain focused on optimising capital returns as the business continues to scale.

Our Vision

The vision for the business is simple; it's that everyone should have access to high quality, energy efficient homes in flourishing communities across Ireland. Our key ingredient for delivering on this vision is people. We're very proud of what the business has become in a short space of time since its inception. If you were to spend a day at our offices or indeed visit us on our sites I believe you'd see a business that is; safety led, customer centred, collaborative, innovative and importantly for the scale of the opportunity ahead of us, a talented group of people with a 'can-do' attitude.

Phase I Of IPO Objectives Delivered

It's our 'can-do' attitude that has helped ensure that the Group has delivered on Phase I of our IPO objectives. We've not only succeeded in successfully deploying our capital; we've also assembled a landbank which is targeted at the most resilient segment of the market — starter homes — in very strong urban centres. The sustained and profitable manner in which we've deployed the capital is best demonstrated by the pace of our operational ramp-up. We've opened 20 sites to date, thus far delivered more than 1,100 units (844 in 2019) with in excess of this number under construction again in 2020. Our delivery of units, revenues and profits have consistently exceeded expectations in each of the years since IPO. Our approach to operations and construction consistently delivers and exceeds expectations. Our key objective is to continue solidifying this platform and programme to deliver units and returns for shareholders.

Market Environment

A key driver of this unit delivery is a market opportunity which remains highly compelling. Population growth 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 which is both in demand and affordable and for which we have the operations and capital structure to execute on.

Fourteen selling sites delivered the Group's units for 2019 with both existing and new selling sites performing well with reservations and pricing remaining strong throughout the period. New selling sites in 2019 included Blackrock Villas, Ledwill Park, Mountwoods, Semple Woods, and Knightsgate. These sites will each be delivering sales again in 2020 with new developments at Barnhall Meadows, Oldbridge Manor, Bellingsmore, and Silver Banks also coming onstream.

Our End Markets

We will continue to pursue our three core markets — suburban housing, urban apartments and partnerships with local authorities and state agencies. To better reflect how we are delivering these segments to the market and to streamline communication to investors, Suburban, Urban and Partnerships will replace the old Home and Living banners. While the target markets remain the same our new approach will allow the attractive characteristics of each segment to be assessed and valued independently.

Given our single delivery platform, one of the welcome challenges the Group will begin to face is where to deploy our construction resource to deliver the best return on capital for shareholders. In the near-term that's 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 and deliver our output targets in as capital light a manner as possible. This will be upside to our base case plan which just deals with our current operational programme — Suburban and Urban.

Scaling Our Construction Operations

2019 was another strong year on the construction front where the Group opened seven construction sites assisted by the formation of dedicated site opening teams. Allowing for completed developments at Herbert Hill, Proby Place and Holsteiner, the Group is now actively constructing on 16 sites with a further two sites scheduled to open in Q1 2020.

Since IPO a commitment of the business has been to clearly outline where we believe we can take the business from a unit delivery standpoint. We're now two years into our journey and have proven we can move quickly to monetise the Group's attractive landbank. Reflecting our confidence in where the delivery capability has got to, and the extent of the team's ambitions, we have significantly increased the Group's output targets for the medium-term to 3,000 units per annum from 2023. This is 50% greater than the IPO target of 2,000 units. This plan sees the Group delivering a further 10,800 units in the period to 2024 having already delivered on over 1,100 since IPO.

The Group's Urban projects, once successfully forward funded, will result in revenue, profits and cash for the Group in advance of the full delivery of the unit output targets outlined. The increased output targets and approach to funding our development expenditure reflects the Group's continued commitment to invest in operational scale and efficiencies which maximises the return on the capital of the Group.

Working Closely With Our Supply Chain

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 for approximately €5 million. This manufacturing facility will be leased to KTF and once operational will allow KTF to supply timber frame product exclusively for Glenveagh.

Barnhall Meadows
Leixlip, Co. Kildare

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 is due to be operational by Q2 2020 and will initially have the capability to deliver approximately 800 timber frame units per annum with the option to expand this capacity in the future with limited investment.

Our Sustainability Agenda

In delivering on our objectives we recognised early the importance of creating a sustainable business. Our environmental and social agenda has been to the fore since our establishment as a PLC and we committed to strengthening and progressing this as part of our operational and construction programmes.

Our work in planning and contributing to sustainable communities, meeting and exceeding our environmental obligations and sustainably integrating with our supply chain are features of our operations and are covered in more detail in this report.

Customer Service

We are very proud to lead the industry in Ireland in both build quality and customer service. Quality and customer service 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 country needs, creating jobs and supporting economic growth whilst also delivering both operationally and financially for our shareholders.

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 and capital ready to deploy should we see an opportunity, together with a skilled team with a proven track record, Glenveagh has already earned a leading role within the Irish residential landscape.

We will continue to deliver in 2020 where the Group has substantially de-risked its construction targets with costs largely fixed and strong forward sales in place. The market backdrop remains favourable with significant institutional and private demand for housing, particularly starter homes, evident across the Group's selling sites.

In closing, I wish to echo the words of our Executive Chairman and thank all the Glenveagh staff, their families and our industry partners for joining us on this exciting journey.

Stephen Garvey
Chief Executive Officer

Michael Rice
Chief Financial Officer

CFO's Review

Glenveagh had another strong year in 2019 both from an operational and financial perspective.

844

The total unit completions for the year was 844 units (2018: 275), a 207% increase on the prior year but also 16% higher than our market guidance of 725 units.

Group performance

Glenveagh had another strong year in 2019 both from an operational and financial perspective. This was the first year of profitability for the Group and we have now established ourselves as a scale housebuilder within the Irish market after only two full years of operation.

The total unit completions for the year was 844 units (2018: 275), a 207% increase on the prior year but also 16% higher than our market guidance of 725 units.

Group revenue was €284.6m (2018: €84.2m) for the year with €280m (2018: €79m) related to the 844 units. The continued strong demand for our first-time buyer product is evident from our Average Selling Price ('ASP') for the year of €332k (2018: €287k).

Revenue included consideration of €4.3m (2018: €5m) from a number of non-core site disposals.

The Group's gross profit for the year amounted to €51.5m (2018: €15.3m) with an overall gross margin of 18.1% (2018: 18.2%). The strong margin performance demonstrates continued margin progression in our underlying housing margin which was 17% in 2018.

Our operating profit (pre-exceptional items) was €30.5m (2018: loss of €2.2m), which is a 10.7% operating margin and is in line with expectations. The Group's central costs for the year were €19.6m (2018: €17.2m), which along with €1.4m (2018: €0.2m) of depreciation and amortisation gives total administrative expenses (pre-exceptional items) of €21.0m (2018: €17.4m).

The exceptional costs of €1.1m (2018: €0.4m) incurred in the year relate to redundancy and restructuring costs and costs associated with the cessation of the Hollystown Golf and Leisure Limited business in December 2019.

Net finance costs for the year were €2.7m (2018: €1.4m), primarily reflecting interest on the drawn portion of our Revolving Credit Facility, commitment fees on the undrawn element of the facility and arrangement fees, which are being amortised over the life of the facility.

Overall, the Group delivered a profit after tax of €22.8m, which shows significant progression from the loss of €3.9m incurred in 2018, and current year earnings per share of 2.6 cent (2018: Loss per share of 0.5 cent).

€22.8m

Overall, the Group delivered a profit after tax of €22.8m, which shows significant progression from the loss of €3.9m incurred in 2018.

Balance Sheet

The Group's net asset value has increased to €867m at 31 December 2019 (2018: €843m).

The Group has increased its land portfolio to €668m (2018: €618m) at 31 December with the Group's net investment in land now starting to decrease with focus on smaller incremental land acquisitions.

The Group has made a significant investment in work in progress in line with the continued ramp-up of the business with a year-end balance of €173m (2018: €101m). The investment in the land portfolio and work in progress has been financed through the Group's cash balances, which have decreased to €93m at 31 December 2019 (2018: €131m).

Cash flow

The Group had a net cash outflow in the year of €37.5m, a significant reduction from €221m in the prior year. This reduction comes from a combination of improved cash generation from the business and a reduced spend on land.

With the business now getting towards scale, the business generated operating cash inflows before changes in working capital of €31m versus a cash outflow of €2m in 2018. Given the strong landbank now in place, our net inventory spend for the year was €119m, with the vast majority of that related to work in progress, compared to a net inventory spend of €432m in 2018.

The Group is in a net cash position of €53m (2018: €131m) at year-end, with €93m of cash and €40m of debt from our Revolving Credit Facility.

As expected, we utilised this debt facility to a greater extent in 2019 to fund our investment in work in progress. We drew down €120m (2018: €26m) and repaid €80m (2018: €26m) from the facility at various points during the year. The increased utilisation of the facility will continue in 2020 as we open more construction sites in line with our strategy.

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 9 capital market conferences, and conducted 258 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.

Share Price and Market Capitalisation

The Group's shares traded between €0.62 and €0.91 during the year (2018: €0.67 to €1.26). The share price at 31 December 2019 was €0.87 (31 December 2018: €0.71m) giving a market capitalisation of €758m (2018: €619m).

The Group has a strong balance sheet with its cash balance and undrawn debt facility allowing the business to finance its current growth strategy.

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 had forward sales of 240 units (2018: 202 units) at 31 December 2019 which has risen to 475 at the date of this report giving a strong view on our 1,000 unit completion target for 2020.

All sites required to deliver the 1,000 units in 2020 are now active and this gives us good visibility of the projected 2020 gross margin.

The Group has maintained a strong Balance Sheet throughout the year with €53m (2018: €131m) of net cash at year end and an undrawn debt facility of €210m (2018: €250m). The next phase of the Group's growth will require significant investment in working capital and I am confident that this growth will be prudently funded through a combination of cash generated from the business and our current debt facility.

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

Michael Rice
CFO

1,000

All sites required to deliver the 1,000 units in 2020 are now active.

Herbert Hill
Dundrum, Dublin

Our KPIs

For more information on how our KPIs impact Executive Director's remuneration
See pages 82 and 83

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.

€284.6m

2019	€284.6m
2018	€84.2m

EBITDA

Group management consider EBITDA pre-exceptional items and the related margin percentage of revenue, to be an important measure for assessing the 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.

€31.9m

2019	€31.9m
2018	(€1.9m)

EBITDA Margin

11.2%

2019	11.2%
2018	-2.3%

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 percenage from both internally and externally completed audits.

2019

Performance achieved **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.

2019

Performance achieved **84%**

Semple Woods
Donabate, Co. Dublin

Innovation

For more on our
use of technology
see pages 23 and 24

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

Taylor Hill
Balbriggan, Co. Dublin

Business Model & Strategy

Strategic Update

Business Model and Organisational Structure

Glenveagh is focussed on strategically located developments in the Greater Dublin Area, Cork, Limerick and Galway. 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 benefit from the Group's attractive landbank, proven delivery platform and industry leading central resources covering the entire process outside of construction delivery. Our single underwriting teams is complimented by centralised, planning & design, manufacturing, procurement, construction management and PLC functions.

Three business segments addressing Ireland's fundamental demand / supply imbalance

Glenveagh

Home of the new.

Suburban | **Urban** | **Partnerships**

Key Attractions

- Fundamentals remain highly favourable and sustainable
- Glenveagh focused on three attractive segments
- Opportunity to create the leading homebuilding platform in Ireland
- Structures now in place to triple construction output

Scalable and sustainable business focused on driving ROCE

Our implementation strategy

Strategic priorities for maximising shareholder returns

Disciplined Investment Across Target Segments	Customer Centric Focus	Scale Contruction Capability	Target Enhanced ROCE
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

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

A. Disciplined investment across our 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.

During 2019 the Group made significant progress towards the achievement of these strategic objectives.

Disciplined investment across three business segments

Post IPO the Group moved quickly to de-risk our long-term sales objectives by assembling a starter-home focussed landbank with affordability and value-for-money at its core. Our landbank was assembled at attractive rates in the context of both cost per site and site cost as a percentage of NDV.

Glenveagh is now positioned to deliver housing to the deepest segments of the market with 84% of Suburban units on forthcoming developments priced at €350k or less. With an average site size of 280 units coupled with a focus on starter-homes, the portfolio is monetisable in the current regulatory and market environment within a short time-frame. We also estimate that our primarily low-density Homes portfolio has the optionality to deliver over 2,000 units into 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 portfolio includes high density apartment sites 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 starter-home and PRS markets in the strongest locations. Once acquired these acquisitions will contribute to the achievement of delivery targets in the near-term and drive returns above Group targets in future periods.

Despite our continued investment in land the Group are committing to reducing our net landbank investment by €100m by 2021.[1]

Customer centric focus

Retail Customer Focus
Our retail customer service offering is built around three core customer promises:

- Access – building where our customers want to live at a price that is affordable;
- Quality is a promise we do not compromise on. Energy efficient homes designed for how people want to live; and
- To achieve access and quality for our customers we will continue to relentlessly innovate how we plan, design and build - bringing 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
- There is peace of mind for individuals within organisations who are advocating for an investment in one of our developments alongside a blue chip supplier like Glenveagh.

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

Scaling our construction capabilities

We are now actively constructing from 16 sites which are expected to deliver our 2020 unit guidance of 1,000 units. This is consistent with our target absorption rate of 50-70 unit sales per site per annum.

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 construction 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. The delivery of our developments is aligned to our target markets and reflects the different skill sets involved in delivering Suburban and Urban product.

For Suburban construction we 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 skill-set. We've built on the track record of the existing 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.

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 the Group to enter into comparatively attractive contracts for key labour and materials thereby allowing the Group to manage our exposure to construction cost inflation.

The Group continues to invest in more efficient and cost-effective construction techniques

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 for approximately €5 million. This manufacturing facility will be leased to KTF and once operational will allow 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 which is due to be operational in Q2 2020 and will initially have 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 due to be operational from Q2 2020 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 has ensured we have a stable platform for growth that 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.

Optimise capital employed to drive returns for shareholders

As we make 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 (€100m reduction targeted by the end of 2021[1]).

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

Our environmental and social agenda has been to the fore since our establishment as a PLC.

People
Key to scaling the business has been people. Growing the business from 75 employees at IPO to over 330 today required the creation of a culture which not only empowered talent but which also embraced equal opportunities, diversity and inclusion. We have a strong gender balance ratio compared to the industry average (Glenveagh 19% female, Industry average 5.5%). 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 2019 and will do so again in 2020.

At Glenveagh we encourage an inclusive culture, where employees have a voice and feel valued. Glenveagh held Diversity Day 2019 which provided diversity and inclusion workshops for all managers. We will again be carrying out Diversity and Inclusion training in 2020. We

1. Vs June 2019

Case Study

Technology in action

Technology allows us to have a collaborative environment where the whole business is on the same page.

One of the challenges within our business is how best we can connect sites to our head office. To facilitate coordination, we use an online platform that is accessible to everyone in the business. We use multiple modules across the platform such as document control, health & safety, tendering, supplier packages and workflows. Our field app allows us to inspect, observe, identify and report any positive or negative corrective actions.

Drone scans and videos are used to record and communicate on this platform with all parts of the business. This offers the ability to predict constraints and reprogram the works which de-risks the entire process and greatly improves coordination.

Utilising our drone technology, 3D scans are the used in our earthworks modelling software which allows us to value engineer and manage our civil engineering projects at an early stage before we even go into a site.

> **"Technology allows us to have a collaborative environment where the whole business is on the same page."**

have also signed up to the CIF Diversity Charter with a view to gaining bronze accreditation in 2020.

We are committed to having a great place to work for our people. 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

Health and Safety is at the heart of our operations. In 2019 the Group achieved a Highly Commended Award from NISO and a Grade A Safe T Cert. We believe there is always more that can be done in this area and as a market leader, it is incumbent on us to continue to drive the health and safety agenda and the Group are currently implementing ISO 45001:2018 Occupational Health & Safety Management. Health and Safety drives an element of all senior management'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 senior management'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.

Sustainable Communities

Contributing to sustainable communities is a key feature of our approach to planning and design. In 2020 the Group will commence works on our first urban brownfield regeneration project in Dublin's Docklands. This is the first project of its type to be delivered by the Group and forms part of a portfolio of over 2,000 urban brownfield units which will be delivered by the Group between now and 2024.

Glenveagh is pleased to confirm that the Group has been shortlisted as a finalist in Residential Category for the upcoming Irish Construction Excellence Awards.

Environmental and Quality

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

All houses and apartments delivered by the Group in 2019 had a BER rating of A3 or better and our efforts in providing sustainable energy efficient homes are replicated in reducing 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 DOP or 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 Groups overall land investment by over €100m in the period to 2021;
- Exceed our customers' expectations with a continued commitment to access, quality and innovation;
- Triple construction output to 3,000 units as the Group continues to build a balanced and sustainable business throughout the cycle by focussing on Suburban, Urban and Partnerships while maintaining the highest standards of health and safety on our sites; and
- Deliver sector leading return on capital over the long term by optimising the capital employed within the business.

Cois Glaisin
Navan, Co. Meath

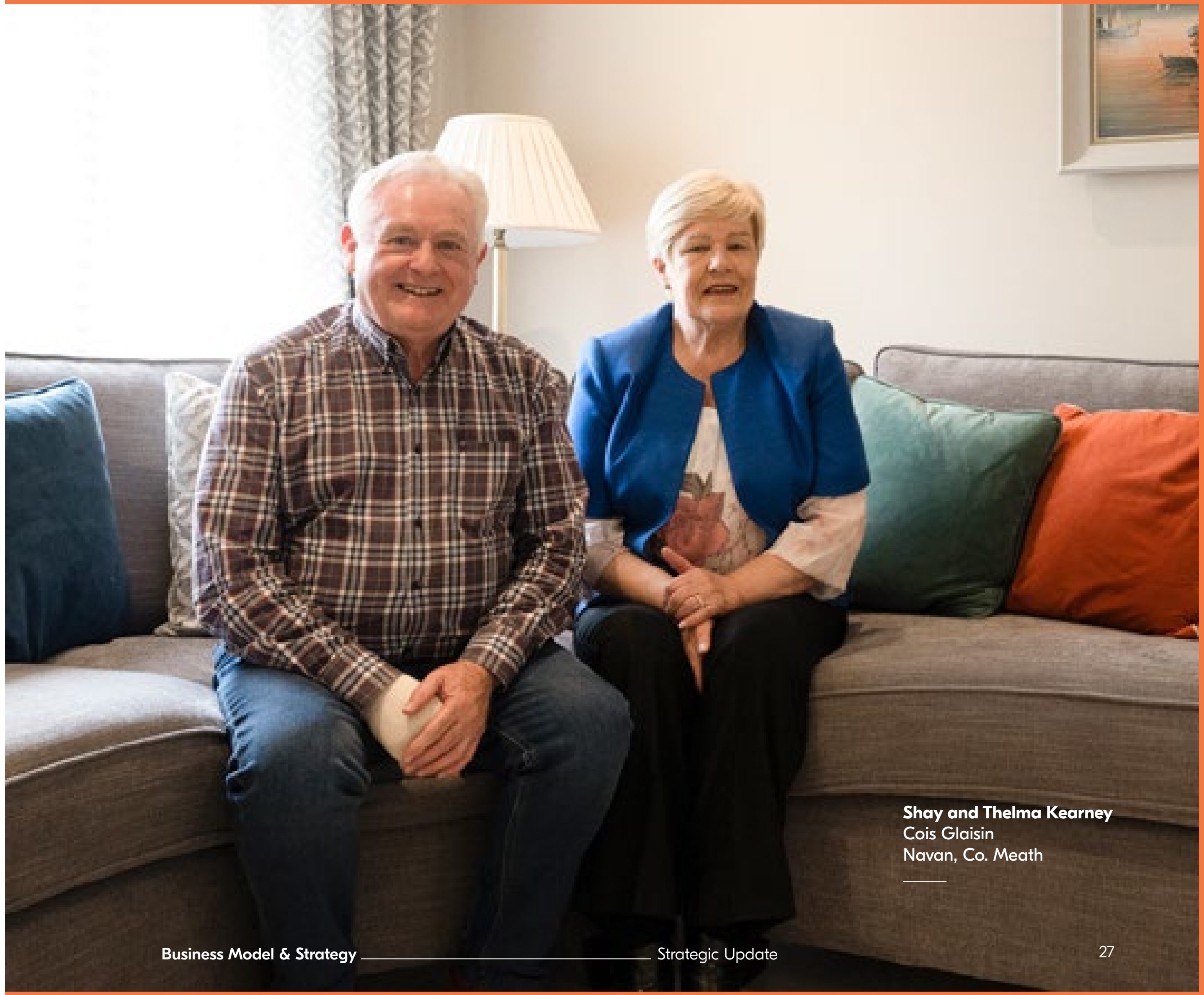
Case Study

Glenveagh celebrates one year of happy homeowners

June 2018, Glenveagh closed the first house in the company's history when Shay Kearney and his wife Thelma received the keys to their home. After selling their home in Dublin and browsing the market, Shay and Thelma found exactly what they were looking for at Cois Glaisin.

"We knew all about the community because our kids live here," he says. "The houses are well structured and they're well finished and even now I've found that I can get help from Sean, the finishing foreman on the site, if there's anything I need."

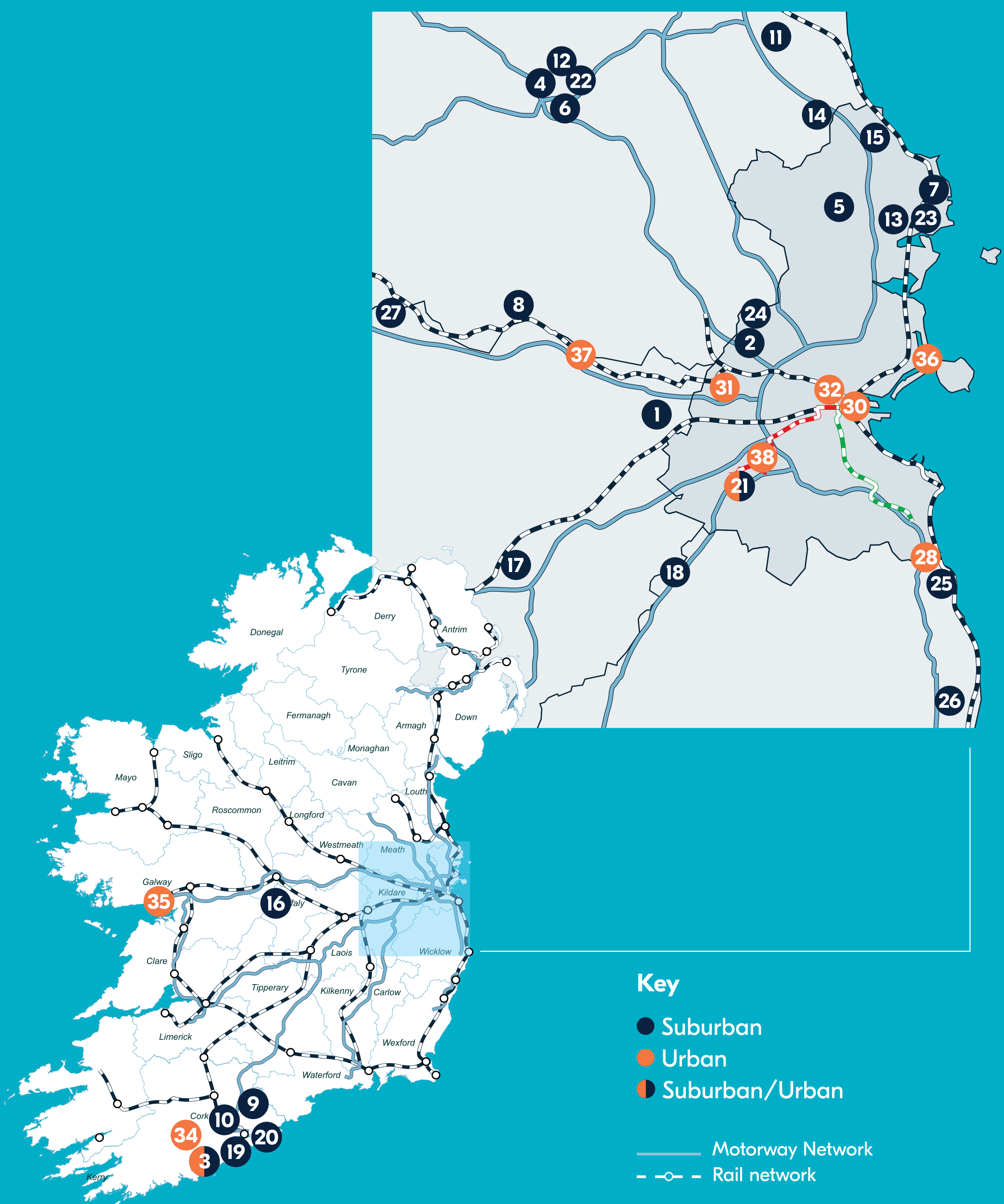
"We got the keys on a Friday evening and we slept there on Sunday night. That's how quickly the move took place for us."



Shay and Thelma Kearney
Cois Glaisin
Navan, Co. Meath

Glenveagh
Home of the new.

Our Lanbank - Balanced GDA Focused Portfolio



Key

- Suburban
- Urban
- Suburban/Urban

Motorway Network
Rail network

Landbank Highlights

14,500
Total Units

91%
GDA Focused[1]

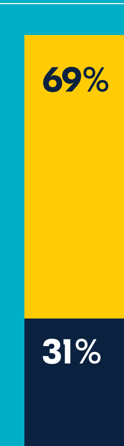
97%
Starter-Homes[2]

69%
Suburban[3]

42%
PRS Potential[3]

Split by Units

69%
Suburban[3]



Suburban
Urban

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

Site Schedule

	Active Suburban	Selling from
1	Barnhall Meadows	2020
2	Bellingsmore	2020
3	Blackrock Villas (Eden houses)	2019
4	Cluain Adain	2018
5	Cnoc Dubh	2018
6	Cois Glaisin	2018
7	Knightsgate	2019
8	Ledwill Park	2019
9	Maple Woods	2019
10	Mount Woods	2019
11	Oldbridge Manaor	2020
12	Ruxton Oaks	2020
13	Semple Woods	2019
14	Silver Banks	2020
15	Taylor Hill	2018
	Future Suburan	
16	The Hawthorns	2020
17	Belin Woods	
18	Blessington	
19	The Boatyard	
20	Castleredmond	
21	Citywest houses	
22	Clonmagadden	
23	Donabate East	
24	Hollystown	
25	Killruddery	
26	Keatingstown	
27	Mullingar	
	Active Urban	
28	Dargan Hall	2020
29	Eden Apartments	2019
	Future Urban	
30	East Road	2020
31	Carpenterstown	
32	Castleforbes	
33	Citywest apartments	
34	Cork Docklands	
35	Galway	
36	Howth	
37	Parson Street, Maynooth	
38	Tallaght	

Business Units

Glenveagh 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. These business segments have differing characteristics in terms of product, end-market, location and exit mechanism.

Our business segments - key characteristics

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

Investing across three segments to optimise return on capital

Targeting these verticals has allowed the Group to capitalise on the unique attractions of each market. Each business segment benefits from the Group's attractive landbank, proven delivery platform and industry leading central resources covering the entire process outside of construction delivery. Our single underwriting team are complemented by centralised planning & design, manufacturing, procurement and PLC functions.

Attractions of our complementary business segments

Suburban

- Deepest demand
- Most fragmented supply
- Alignment of buyer income and aspirations
- Easier optimisation of construction

Urban

- Structural occupier shift to rental
- Institutionalisation of rental sector
- Capital light (forward funds)
- Longer term earnings visibility

Partnerships

- Strong ROCE
- Increased business resilience/reduced risk
- Fit with both suburban and urban segments
- Access to land/deliveries

All developments sourced and delivered via single delivery platform

The comptitive environment, from land availbility through to supply and demand differs across each target segment. Over the medium term the diversification across these distinct markerts will allow the Group to prioritise its construction resource in a manner which generates the best return for shareholders while reducing risk and increasing business resiliance.

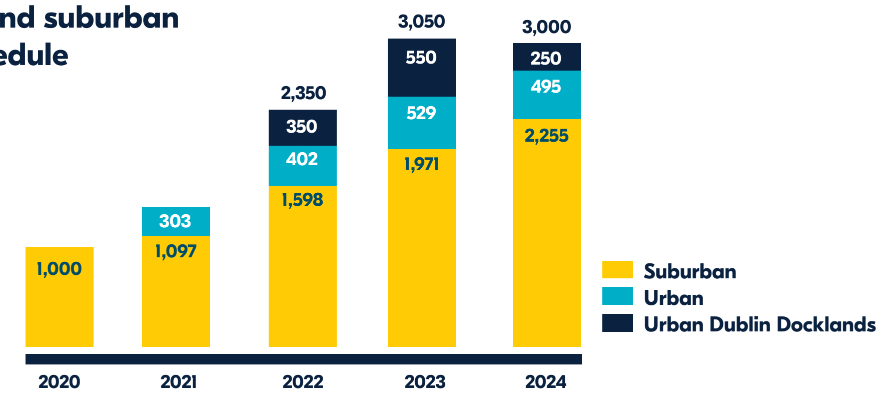
Our business segments — competitive dynamics

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

Optimising mix across three segments to optimise return on capital

The focus on three distinct verticals and exit optionality through increased sales velocity has allowed the Group to increase its output targets significantly since IPO. Reflecting confidence in where the delivery capability has evolved, the Group's medium-term output targets were increased for 2022, 2023 and 2024 to 2,350, 3,050 and 3,000 units respectively.

Our urban and suburban delivery schedule



Both suburban and urban deliveries are core to the group's output targets

(Note: The Group communicated the change in its segments from Homes and Living to Suburban, Urban and Partnerships to the shareholder community at its Investor Day on 29 January 2020 and has prepared this strategic report on this basis to maintain consistency. It should be noted that this change in how we analyse our business is effective from January 2020, while the previous segmentation of Homes and Living was used throughout 2019 and Note 9 of the consolidated financial statements has been prepared on this basis, in accordance with the requirements of IFRS 8 Operating Segments)

Suburban

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 €325,000 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.

Suburban Landbank Split by ASP

97% Starter-Homes

57% <€300k | 27% €300k-€350k | 16% €350k+/ (3% €425k+)

Urban

Urban product is all 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.

Why Institutions choose Glenveagh

Glenveagh
Home of the new.

- Access to quality product in Suburban and Urban locations
- Building track-record and reputation
- Certainty of delivery
- Blue chip backing
- Strong focus on collaboration driving repeat business

Herbert Hill
Dundrum, Dublin

Partnerships

Partnerships are accretive to the business over the long-term. A partnership typically involves the Government, 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 approx. 50% of the product will be delivered back to the government or local authority for social and affordable homes. Over time this will de-risk the Glenveagh market exposure and provide:

- access to both land and deliveries for our Suburban and Urban segments;
- strong ROCE profile; and
- increased business resilience with reduced risk

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.

Local Authority / State Agency Benefits

Placemaking

Social and Affordable units delivered in an appropriate setting

Utilise site value

Leverage value in state lands to provide social and affordable units

Overage

Sharing of economics above certain thresholds

Developer Economics

Delivery Margin

On social and affordable units

Developer Margin

On PRS and private for sale units

Fees

For development management

Returns

On social and affordable units

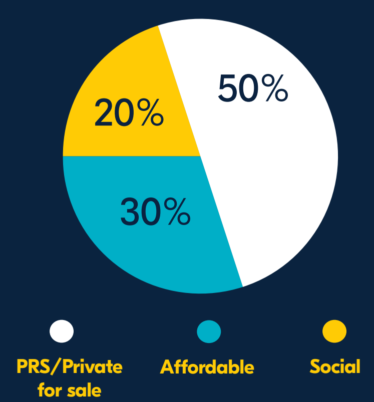
Units

On PRS and private for sale units

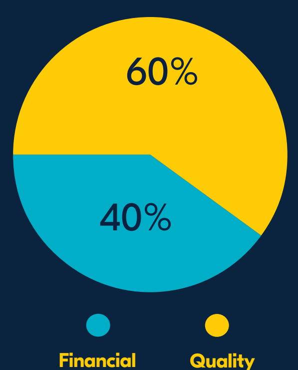
Risk Management

Strong unit delivery with high level of pre-committed sales even in downturn

Example Unit Mix



Indicative Tender Criteria



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 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 & Risk Committee is responsible for reviewing the adequacy and effectiveness of the Group's internal controls and risk management process (page 62). The Group's risk register and principal risks are a standing agenda item for each Audit and Risk Committee 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.

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.

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.

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 Health & Safety (H&S) 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 H&S 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 5-year business plan, 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 in order 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 Audit and Risk Committee have reviewed the Group's principal risks and have considered the new risks introduced for 2019. 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.

External Risk

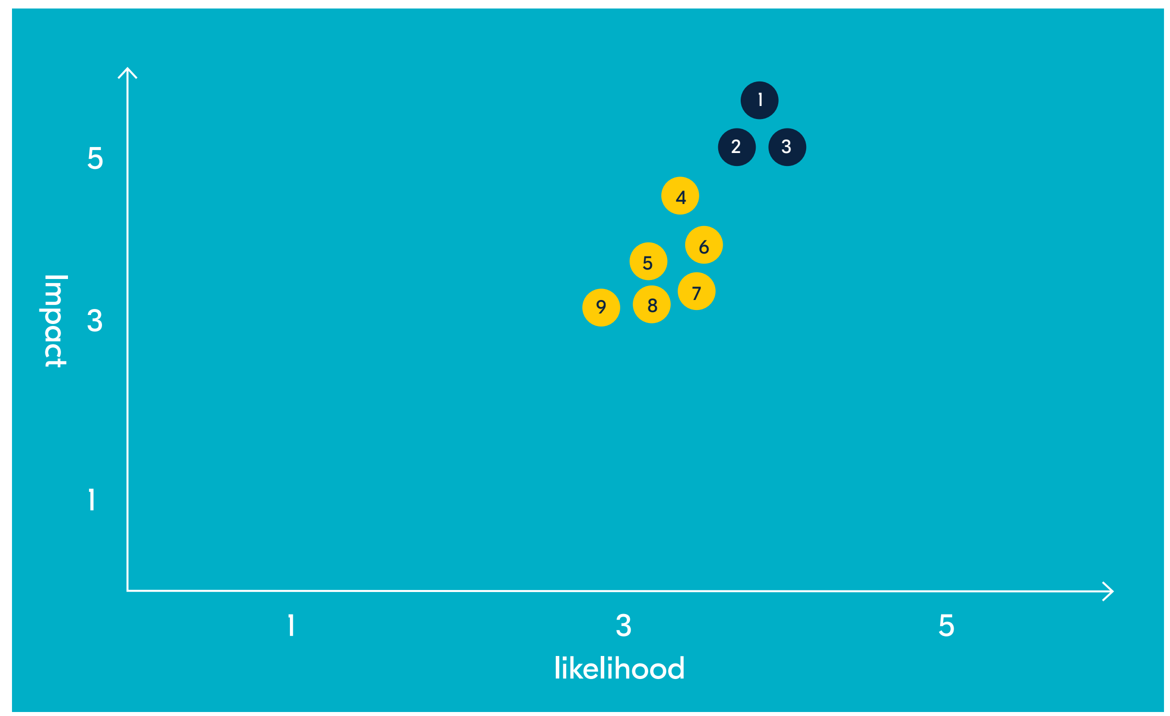
External Risk is the risk to the Group of potentially failing to meet its strategic objectives following significant changes to the external environment in which it operates.

Ledwill Park
Kilcock, Co. Kildare

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

Our risk category	Risk or uncertainty and potential impact	Risk rating change
External risk	● 1. Adverse Macroeconomic Conditions	↓
	● 2. Adverse changes to government policy and regulations	←→
	● 3. Mortgage Availability and Affordability	↓
Operational risk	● 4. Availability and increased cost of materials and labour	←→
	● 5. Inadequate Project Management	↓
	● 6. Insufficient health and safety procedures	←→
	● 7. Employee development and retention	←→
Reputational risk	● 8. Data protection and cyber security	←→
	● 9. Decline in Product Quality	←→

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



Key: ● High Risk ● Medium Risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
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 a decline in consumer confidance.	The Group aims to maintain a reasonable but limited stock of land (c.5 years). The Group avoids any longer exposure through strict land acquisition policies. 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.	↓
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 and the make-up of any new governments 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.	↔
External risk	**Mortgage Availability and Affordability** Glenveagh understands that affordable mortgage finance is a crucial funding source for buyers in the residential property market in Ireland. Constraints on the availability and cost of mortgage financing may have an adverse impact on sales of the Group's homes due to a potential decline in customer demand and ultimately the profitability of the Group.	Management and the Board continuously monitor Central Bank of Ireland 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's strategy can facilitate the adjustment of delivery velocity if required.	↓

Table legend: No change to risk rating ↔ Increased 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 homes. If the Group is unable to control its costs or pass on any increase in costs to the purchasers of the Group's homes, 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 overreliance on any one supplier. The Group engages in financial planning and continuously monitors and reviews the budget versus actual costings.	↔
Operational risk	**Inadequate Project Management** Inadequate oversight of the cost and delivery of development projects adversely affects expected return on investment.	The Group has fixed cost contracts in place with sub-contractors and suppliers where possible. The Group employs highly experienced and qualified 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 Group have implemented a new organisational structure within the Commercial department to correctly structure the department to ensure oversight of all costs as the business matures in line with the business plan. The Group have implemented an integrated ERP system which provides improved commercial reporting, automated payment and sub-contractor accrual functions. The system eliminates manual processes and provides for real time reporting for more accurate decision making at a project, sub project, element and cost object level.	↓

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.	A dedicated Health & Safety Officer is appointed and in place for every 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 Grad A Safe-T certificate which is the industry Health & Safety auditing standard. There is adequate insurance cover in place to deal with any claims that may arise from claims due to injury.	↔
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 & 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. The Group has implemented a performance management and appraisal process which includes open channels of communication and feedback and development plans for employees. The Group has introduced a Graduate Programme across all departments to develop and ensure progression within the business for all employees The Group is developing a succession plan to ensure continuity of quality service and knowledge retention. The Group ensures that all staff have access to relevant internal and external training.	↔

Table legend: No change to risk rating ↔ Increased risk rating ↑ New risk

Our risk category	Risk or uncertainty and potential impact	Key Mitigating Considerations	Risk rating change
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. 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 implemented sensitive data password protection and all such information is stored in secure locations.	↔
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 implemented 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 an experienced and professional support team in place. The Group has a dedicated customer service after-sales team.	↔

ESG Report

As the business has gown since IPO, we have continued to develop our environmental, social and governance (ESG) agenda. Our commitment to the highest standards of corporate governance is detailed in the Governance section of this report and set out below is an update on other areas of priority which demonstrates our focus on building the business in a sustainable and responsible way.

People

- Retaining talent
- Equal opportunities
- Diversity and inclusion

In a market of full employment and skill shortages in the construction industry Glenveagh are acutely focused on attracting and retaining talent. We have developed a competency framework to support the hiring and development of staff and have put in place formalised career paths to attract and retain key talent. Glenveagh has formalised training and CPD programmes to enable employees to achieve their highest potential and contribute to the Group's future success including:

- the Glenveagh Graduate Programme with 18 graduate attendees from across the business in 2020;
- the introduction of a Leadership Development Programme for senior and middle management; and
- internally designed Technical Construction Training Programmes for our site teams.

We reward people fairly and have very competitive benefit and reward packages ensuring the commitment and retention of employees. These include health insurance, life assurance, a defined contribution pension scheme and a Save As You Earn share purchase programme allowing employees to share in the success of the Group. We continuously strive towards enhancing our employee value proposition.

Glenveagh have a strong gender balance ratio compared to the industry average (Glenveagh 19% female, Industry average 5.5% (CIF Women in Construction Industry Report 2018)). Glenveagh works closely with the Construction Industry Federation (CIF) on initiatives to encourage female participation in the industry. Glenveagh was a sponsor at the CIF's "International Women's Day Conference" in 2019 and will be again in 2020.

Glenveagh Diversity Information

Headcount breakdown	Female	65
	Male	277
Headcount site and office	Female Office	54
	Male Office	80
	Female Site	11
	Male Site	197
Average salary	Female	€48,666
	Male	€63,433
Average Age	Female	36
	Male	40

At Glenveagh we encourage an inclusive culture, where employees have a voice and feel valued. Glenveagh held Diversity Day in 2019 and provided Diversity and Inclusion Workshops for all managers. We will again be carrying out Diversity and Inclusion training in 2020 and have signed up to the CIF Diversity Charter in 2020.

To ensure our employees' health and wellness in the workplace, each year we put together a wellness calendar which includes a range of health initiatives and programmes that are rolled out throughout the year. This includes mental wellbeing initiatives, health checks and awareness programmes, training to support wellbeing and guest speakers on relevant issues. Glenveagh also provide a 24-hour Employee Assistance Programme service to all employees.

"Health and safety is the first item on our Board's agenda and drives an element of all senior management's remuneration. We have already achieved various awards for health and safety initiatives. Health and safety will always be to the forefront of the business."

(Stephen Garvey, CEO)

Health & Safety Led

- At the core of what we do
- NISO - High Commended Award
- IOSH - T Cert Grade A

In Glenveagh creating homes safely is at the core of what we do. 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. Senior management involvement is the cornerstone of health and safety in Glenveagh. Here at Glenveagh we 'Walk the talk' and it is senior management being visible on site that sets the standard and lead on safety.

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 manual handling and Safe Pass and Plant safety (CSCS). When we identify an area of competency that we need to increase or supplement, staff are provided with the appropriate level of training.

Planning is the key to the success of health and safety in Glenveagh and this is best demonstrated through our daily site white board meetings at which a safe plan of action for the day's activities is agreed.

Glenveagh are also investing in technology to assist with our health and safety initiatives. TAG is a biometric time and attendance software that ensures only pre-qualified and competent people are allowed access to sites. The person gaining access to the site has to have their certification and induction up to date and reflected in TAG before the software will allow them access. Additionally, this software allows Glenveagh to de-risk health and safety onsite by controlling who is onsite at any point in time and provides data to be able to assess resources to ensure only people that need to be onsite are provided access.

The progress Glenveagh has made and the efforts we have gone to from a health and safety perspective have been recognised in 2019. In our second full year of operations Glenveagh were awarded a "Highly Commended" certificate by the National Irish Safety Organisation at the 28th Annual Occupational Safety Awards 2019. In addition, we were also awarded Safe T-cert grade A in 2019 by the Construction Industry Federation. Being recognised for our health and safety policies and procedures indicates the strong progress we have made in the context of the number of sites we have open. However, Glenveagh recognises the need to constantly strive for the highest standards of health and safety and are focussed on embedding an attitude of 'we can always do more' from a health and safety perspective.

"Safety is just massive with Glenveagh. It's just something that we all adhere to and we're all tuned into. It's good onsite but we're always trying to find a better way of doing things all the time with Glenveagh's help."

(John Keenan - Director, Keenan Timber Frame)

Case Study

White Board Meeting

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. Every supervisor on site must attend these meetings. The objective of the meetings is to identify the hazards and risks associated with each area of work on the site. Examples of the topics discussed include:

- Interaction with sub-contractors
- Alterations to scaffolding
- Safeguarding of excavation and deliveries
- Crane setup

The white board sessions are also an opportunity for any other challenges or concerns to be brought forward by supervisors and addressed.

"Every morning on site we would have white board meetings where all trades would come together and discuss what was happening during the day in terms of what each trade is doing. We would all be co-ordinated together to make sure safety is at the top of the list. Everybody would be made aware of what is going on around the site in terms of machinery moving around and what is the highest risk for that day. I think it is very important because once employees are safe and understand what they're doing I think everything works better."

(Alan Cribben - MD, Alan Cribben Electrical Ltd.)

Customer Focused

- Access to housing
- Innovative and sustainable design
- Customer service

The customer is core to our business, be that retail or institutional. At Glenveagh we are committed to constantly evolving to deliver best in class product. The customer is central to our integrated planning and design approach. As part of this approach we consider what our customers' ask is and what their needs are in terms of:

- Public and private open space;
- Fit and finish;
- Layout;
- Natural surroundings; and
- Leveraging existing infrastructure

We deliver best in class after sales service, maintenance plans and meaningful warranties for our clients providing further piece of mind with the sale of our product

Our design principles are based on affordability. We are focused not only on designing a residential unit or scheme that complies with regulatory rules but we also consider affordability in the locality in the context of the macroprudential rules.

At Glenveagh we are committed to placemaking for our customers. We consider the architecture and bio-diversity of the surrounding environment to ensure we are representing this appropriately in our schemes. Our aim is to ensure our schemes fit in with the natural surrounding environment whilst leveraging public open space and the existing infrastructure.

Community Matters

- Public Infrastructure
- Community Initiatives
- Strong transport links/park and cycle

As part of our commitment to placemaking Glenveagh contributes to and provides public infrastructure as part of our development process. This may include playgrounds, access roads, public amenity areas, or financial contributions towards infrastructure etc. We believe it is both responsible and necessary that public infrastructure is a component of our construction methodology during our placemaking process.

Public infrastructure can be very broad in definition allowing us to take a holistic approach to understanding the needs and requirements specific to each and every development with respect to the surrounding environment, public infrastructure, and amenity. 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. As part of the placemaking process when considering our development we initiate a significant process of understanding where existing public infrastructure is located (public parks, transport links, retail business, schools, play facilities, etc.). During this process we build in links and permeability to infrastructure nodes while also, if required, providing elements of the infrastructure ourselves if a deficit exists.

As part of our sustainable approach and engaging with the community we consider sustainable infrastructure provision as part of our normal development process on every scheme, ie EV charging points, cycle lanes, connection to pubic cycle lanes, walking permeability, etc.

Cluain Adain
Navan, Co. Meath

Environmental Priorities

- NZEB buildings
- Energy demand supplied from renewable energy
- Construction waste recycled or reused

Glenveagh are constantly innovating our design, operations and materials principles to push further beyond current building regulation to ensure our environmental agenda is central to all developments in the business. For example, we are now focused on "beyond-NZEB (Nearly Zero Energy Building)" standards in the product we are delivering. The key to us building to this standard is attention to detail during the design and construction process and the use of renewable technologies in our homes, for example heat pumps.

We use heat pumps as standard as a renewable source of energy production in our homes. This is an environmentally sustainable form of energy generation while also offering a convenient system of heating the home for our consumers. The holistic approach we take to our overall development process to include our insulation measures, air tightness detailing and quality of materials results in our homes deriving their considerably reduced energy demand solely from a renewable generator, the heat pump.

Glenveagh understands that we are uniquely positioned to be a leader in environmental sustainability for the construction industry in Ireland. To achieve this we embed in the business greater awareness and training, accountability and responsibility in our actions and measuring and reporting of our progress to ensure sustainable environmental targets are achieved. Environmental practices being implemented in 2020 including the implementation of ISO 14001 that specifies requirements for an effective environmental management system and ISO 45001 related to Occupational Health and Safety. Carbon reduction projects including a strategy to move towards electric vehicle usage within the business, associated mileage reduction and establishing a baseline for carbon footprint. In addition, Glenveagh work with accredited waste recycling services to ensure that our targets for reduction in landfill and increase in recycling targets are achieved.

Supply Chain

- Sustainable offsite manufacturing
- Material certification
- Supply payment terms reflect sub-contractor partnership mentality

Materials suppliers

Glenveagh takes a partnership approach with our supply chain through emphasising the ability to provide suppliers with a clear roadmap of annual targets and multi-phase projects. This gives suppliers the confidence and line of sight to allow them to scale their business in a stable and secured way.

To mitigate the effect of restricted credit within the system we have taken the decision to centrally procure a large majority of the high value items required for the construction process such as heat pumps, sanitary ware, insulation and plasterboard so as minimise the administration for sub-contractors.

There are many advantages of maintaining a substantial approved supplier base from ensuring healthy competition during our procurement process with a view to minimising cost price inflation to facilitating our scale and having the ability of opening multiple sites simultaneously. In addition to ensuring that the best price is achieved Glenveagh also focuses on ensuring the suppliers we partner with are only suppliers that are aligned with our values and our sustainability agenda.

Our substantial approved subcontractor base and the utilisation of our MEAT (Most Economical Advantageous Tender) analysis ensures that we achieve this Utilising our MEAT analysis process we ensure that we are assessing a range of competencies of suppliers including:

- health and safety;
- resources and ability to meet program;
- product and materials sourcing; and
- quality standards

Our ability to bulk buy and enter into long term agreements has multiple benefits:

- higher quality material at a very competitive price ultimately providing a better product for our clients;
- ability to accurately control material costs for the duration of projects by minimising material inflation;
- assist in streamlining operations for our suppliers by reducing the number of spares they may have to carry and coordinating deliveries ultimately driving better value; and
- ultimately we can maintain and manage a sustainable supply chain as we grow.

By centralising our procurement, we get the benefit of a portfolio focused procurement strategy and avoid a silo approach from each site. We can ensure consistency on-site by standardising the products reducing coordination issues, and streamlining training requirements. We can coordinate and manage logistics ensuring just in time deliveries and minimise our carbon footprint by mitigating against multiple deliveries. With a view to growing our supplier network and providing local employment where possible we work with local suppliers.

"They are very competent at what they do. They adopt a very professional attitude and we enjoy a close working partnership with, their procurement team and site personnel. When we have that knowledge of the 20 sites and more to come it allows us to also achieve economies of scale so that we can deliver cost savings. When you're dealing with one procurement team you build close working relationships, and an understanding of each others work practices, requirements and style."

(Rory O'Hanlon – MD, Davies Ltd, Grafton Group)

Bellingsmore
Kilmartin, Co. Dublin

Case Study

Our Subcontractor Partners

Our multi phase approach to projects gives sub-contractors the confidence to scale their business as they have line of sight of our annual targets and deliveries. Our centralised procurement approach reduces the credit risk and provides security to subcontractors to plan and grow their own businesses.

Knowing that Glenveagh has the ability to pay, and pay on time, gives our subcontractors the security to plan and grow their own businesses. This mitigates against subcontractors requiring expensive sources of finance like invoice discounting and helps to ensure that our partners not only meet but exceed our requirements including Health, Safety, Environment, Program, and Quality.

Our subcontractors now understand the Glenveagh Way. These are our standardised processes and procedures that we utilise across our sites including:

- site set up;
- health safety and environmental requirements;
- procurement and valuations processes; and
- logistics planning and coordination meetings.

By ensuring consistency across our sites our expectations and requirements are clearly set out and our required standards achieved.

By utilising our value proposition we have and continue to attract a significant number of competent sub contractors. In the period from October 2018 to December 2019 alone we have been able to add 191 partners to our tendering process.

"When I first started in 2014 it was myself and another engineer so working with Glenveagh the last couple of years has allowed me to grow, has allowed me to employee people. When I'm planning with Glenveagh, I'm planning not just for this year, but next year and the following year and a lot of the projects I would be working on would be three year programmes because there are only so many houses you can deliver in a year on a particular site. So for me there's safety when I'm talking about employing somebody I say here's the project and this is a three year project so if you stay with me I know we're ok for the next couple of years from a financial point of view."

(Paul McGrail — Director, Paul McGrail Consultant Engineers)

Our Subcontractors want to work for Glenveagh

New Subcontractor Additions

Top Packages on Site	Commentary
Infrastructure	Increasing number of subcontractors available for each package offered
Sub-structure	
Super-structure	Track record now established by high performing cohort
Timber-frame	
Mechanical	No single contractor reliance
Electrical	

Flight of contractors to Glenveagh makes new site openings easier and reduces CPI

Taylor Hill
Balbriggan, Co. Dublin

Quality

For more on
customer testimonial
See page 27

"We looked around at quite a number of places, different developments and different sized houses and we just kept coming back to this because of the quality of build."

Shay and Thelma Kearney
(Customers at Cois Glaisin)

Governance

John Mulcahy
Chairman

Introduction from the Chairman

Proby Place
Blackrock, Dublin

Dear Shareholders,

I am pleased to present the Corporate Governance Report for 2019, our second full year of operations at Glenveagh.

The Board remains committed to ensuring that Glenveagh meets the highest standards of corporate governance.

The Board remains committed to ensuring that Glenveagh meets the highest standards of corporate governance. We have closely monitored the developments in corporate governance following the publication of the new 2018 UK Corporate Governance Code (the "Code") and we have given detailed consideration to the adjustments that were required within our governance structures to meet the changes introduced by the Code from 1 January 2019.

In this Corporate Governance Report we describe how we have applied the principles and provisions of 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 recognises that, in addition to its own activities, 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 and the Remuneration and Nomination Committee are set out at pages 62-67 and 68-85 respectively, providing details of each committee's membership and activities during the year.

As previously announced, there were a number of changes to the executive leadership of the Group and to the membership of the Board during the course of 2019. Justin Bickle stepped down from his role as Chief Executive Officer of the Group and resigned from the Board in August 2019. Justin was succeeded as Chief Executive Officer by Stephen Garvey, previously the Chief Operating Officer and a Co-Founder of the Group. Justin and Stephen worked closely with the Board and the Group's senior management team in the following months to ensure a smooth transition.

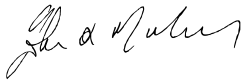
Early in 2019, we announced that Caleb Kramer had informed the Board of his intention to retire as a Non-Executive Director and confirmed that he would not seek re-election at the AGM. Mr Kramer had been appointed to the Board at IPO pursuant to the relationship agreement then in place between the Group and Oaktree Capital Management. The Remuneration and Nomination Committee commenced the process, assisted by the engagement of independent executive search firm Korn Ferry, to identify and select suitable candidates with the stated intention of appointing at least one new independent Non-Executive Director during the year. Following a considered appointment process, we were delighted to welcome Pat McCann and Cara Ryan to the Board in September 2019.

We later announced the appointment of an additional Executive Director to the Board, our Chief Financial Officer Michael Rice. Michael has been engaged as the Group's Chief Financial Officer since IPO in October 2017 and has responsibility for the Group's finance, commercial, treasury and IT functions. He has proved to be a valuable addition to the Board since his appointment in November 2019.

One of my responsibilities as your Chairman is to ensure that the Board is performing effectively. There are now eight members of the Board, including myself, and we are comprised of three executives and five independent non-executives. Each member contributes a combination of skills, experience and knowledge to the Board and provides constructive challenge, strategic guidance and specialist advice to management. The positive impact of the addition of new members to the Board in 2019 and the increased effectiveness of the updated structure and composition of the Board were reflected in the results of our second annual self-evaluation. Further detail in relation to the review process and outcomes can be found at page 60.

The Board is grateful for the support of our shareholders and we will continue to engage regularly with you to ensure that we understand your views on governance and performance against strategy. We particularly appreciate the feedback received from a number of our large shareholders during the Remuneration and Nomination Committee's consultation on remuneration policy and plans for 2020, which is set out in more detail in the Committee's report on pages 68 to 85, and the strong turnout from shareholders at our first Investor Day held in January 2020.

Together with my colleagues on the Board, I am looking forward to the continued growth of our business in 2020 and I would like to thank all of our colleagues across the Group for their contribution to the significant progress made in 2019.



John Mulcahy
Chairman

Corporate Governance Report

The Corporate Governance Report, in conjunction with the Audit and Risk Committee Report and the Remuneration and 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 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-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 delivery.

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

In addition, the Chairman and Senior Independent Director are also available to meet with shareholders on request, should they have any issues or concerns that cannot be resolved through the usual IR 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 IR & Strategy, all of which assists the Board in understanding and taking account of the view of shareholders.

Annual General Meeting

The Annual General Meeting 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 Chairmen 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.

The AGM will be held on 19 May 2020 at Herbert Park Hotel, Ballsbridge, Dublin 4.

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 the introduction of the new Code, the Board gave detailed consideration to its existing stakeholder engagement structures and identified key actions to further develop meaningful, two-way dialogue with the Group's workforce.

During 2019, the Board assessed and reviewed the engagement activities already taking place within the business through the externally facilitated Great Place to Work Trust Index Employee Survey and Culture Audit. Following careful consideration, the Board elected to designate a Non-Executive Director as responsible for gathering the views of the workforce, noting that the existing workforce-led Great Place to Work employee committee would provide a complementary mechanism through which the new Workforce Engagement Director would effectively engage with the workforce.

Following her appointment as Workforce Engagement Director, Cara Ryan worked with the Company Secretary and the Head of HR to develop a method for connecting the pre-existing Great Place to Work Committee's engagement activity with decision-making in the boardroom. The employee-led Great Place to Work Committee is composed of workforce representatives from across the Group's office locations and sites and it meets on a regular basis throughout each calendar year to review the results of the annual Great Place to Work survey and develop proposals to management to address key themes arising from the survey. As Workforce Engagement Director, Cara Ryan 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.

The Board recognises the importance of 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 2020.

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 Officer

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

Senior Independent Director

Lady Barbara Judge is the Senior Independent Director of the Group. She 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. She is also responsible for leading the annual performance review of the Chairman.

Non-Executive Directors

Of the eight Board members, five 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 Chief Executive Officer 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 remains willing and available to assume additional responsibilities, as required. There also continues to be a clear division of responsibilities between the Chairman and the CEO. 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 independence of Robert Dix and Pat McCann, given that Robert Dix is currently a Non-Executive Director of Dalata Hotel Group plc where Pat McCann serves as 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 is satisfied that Robert Dix and Pat McCann have demonstrated objectivity and autonomy in both character and judgement, irrespective of their pre-existing relationship, 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 2019, the Board held seven formal Board meetings with one additional full-day session covering strategy and training.

The table below provides details of the attendance record for all Board meetings held in 2019.

	Meetings held while a Director	Meetings Attended	Attendance Record
John Mulcahy	7	7	100%
Stephen Garvey	7	7	100%
Lady Barbara Judge	7	7	100%
Richard Cherry	7	7	100%
Robert Dix	7	7	100%
Cara Ryan	2	2	100%
Pat McCann	2	2	100%
Michael Rice	1	1	100%

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 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

There were a number of changes to the membership of the Board in 2019, including the resignations of Justin Bickle and Caleb Kramer and the appointments of Pat McCann, Cara Ryan and Michael Rice.

The Board is now comprised of eight Directors: three Executive Directors, including the Executive Chairman, and five independent Non-Executive Directors. During 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 the current 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 86 to 88.

Appointments to the Board

The Remuneration and 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 Remuneration and Nomination Committee are independent Non-Executive Directors and the details of its nomination activities in 2019 are set out in the Committee Chairman's report at pages 68 to 85.

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.

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 81.

All Directors will submit themselves for re-election at the 2020 AGM.

Board Diversity

The Board has adopted a Board Diversity Policy, intended to assist the Board, through the Remuneration and 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 Remuneration and Nomination Committee review 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%. Female employees accounted for 25% of the senior management, as defined by the Code, and 11% of senior management direct reports. Further details on diversity within the Group can be found on page 44 .

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 live 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.

In 2019 the Board held a full-day group strategy and training session, designed to address topics of strategic importance to the Group. Presenters on the day included external advisors from the Group's broker and corporate law firm as well as the internal heads of department for Construction, Sales and Land Acquisition.

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 evaluation on an annual basis.

The annual review process for 2019 was conducted internally and followed the approach and findings of the previous year's review. Led by the Chairman and the Company Secretary, the annual review was conducted by way of a comprehensive questionnaire developed specifically for the Board and carefully structured and designed to enable the Directors to identify any areas for potential improvement in the processes of the Board and its Committees.

The evaluation process began with the issue of questionnaires to Directors for their consideration and comment, with appropriate time provided for completion. All Directors were also asked to complete a self-evaluation questionnaire. Following the completion of questionnaires, the Chairman met with Directors on a one-on-one basis, inviting them to evaluate and comment on the operation of the Board and its committees. The Chairman and Company Secretary then met to discuss the results of the evaluation process and a report was submitted to the Board setting out the principal issues raised and proposing appropriate actions for 2020.

As part of the annual Board evaluation process, the independent Non-Executive Directors met with Lady Barbara Judge as Senior Independent Director to review the performance of the Chairman during the year. Lady Judge later met with the Chairman to communicate the feedback from that meeting and she formally reported to the Board on the outcome of the Chairman's performance evaluation.

Having considered the results of the 2019 Board evaluation in their totality, the Directors are satisfied with the effectiveness of the Board and its Committees, and with the performance and contribution of the Chairman and the individual Directors.

The Board will conduct its first externally facilitated annual review process for the year ending 31 December 2020.

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 2019 is set out in the Committee Chairman's report on pages 62 to 67.

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 in the Group's Risk Management Report on pages 36 to 43.

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 & 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 and Nomination Committee

The Board has established a Remuneration and Nomination Committee comprised entirely of independent Non-Executive Directors.

The Remuneration and Nomination 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 and Nomination Committee in its assessment, development and application of the Group's executive remuneration policy is set out in the Committee's Report on pages 68 to 85.

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 79.

Robert Dix
Chairman
Audit and Risk Committee

Audit and Risk Committee Report

On behalf of the Committee, I am pleased to present the Audit and Risk Committee Report for the financial year ended 31 December 2019.

The Company has had a significant year of growth and the Committee has continued to focus its efforts on assisting the Board by proactively managing its core areas of responsibility. This activity has been outlined in detail on page 64 and is summarised below.

In March, the Committee reviewed the Director's statements on compliance, viability and going concern from the 2018 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 August.

In June, the Committee received a comprehensive presentation from the Group insurance broker on the Group insurance programme to satisfy the Committee that the insurance policies in place remained appropriate in the context of our current growth and future objectives.

As part of the June and December meetings the Committee received presentations from and reviewed the findings of internal audit in relation their reviews of Project Management, IT security and change management and Health and Safety.

In December, the Committee sought a presentation from management on the successful ERP system implementation during Q4 and a wider IT update to satisfy the Committee that IT controls and security remains effective within the Group.

With regard to the half year and year end financial statements, the Committee is 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 judgement 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 65. The underlying valuation models for inventory are thoroughly scrutinised by the external auditors with no disagreement in judgements used by the Company being reported.

The risk register and the principal risks and uncertainties faced by the Group outlined in the Risk Management 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.

I am pleased to conclude that the Audit and Risk Committee has met its obligations for 2019 and is looking forward to further developing the Group's risk management framework to respond to the opportunities and challenges that 2020 will bring as the Group continues to deliver on its strategic objectives and 5 year plan.

Robert Dix
Chairman
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, including its interim management statements, annual and half-yearly reports, and any other formal announcement relating to its financial performance reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor
- Review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy
- Review the adequacy and effectiveness of the Group's internal controls including the systems established to identify, assess, manage and monitor risks and receive reports from management on the effectiveness of these, including the conclusions of any testing carried out by internal or external auditors and other assurance providers
- Review the principal risks identified in the annual report and the statements on the Group's internal controls and risk management framework
- 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
- Other responsibilities of the Audit and Risk Committee are set out in detail 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, Conflicts of interest, Whistleblowing and Fraud
(iii) Internal Audit
(iv) External Audit
(v) Committee Effectiveness

Audit and Risk Committee Composition

During 2019, the Audit and Risk Committee comprised three independent non-executive Directors; Robert Dix (Chairman), Richard Cherry and Lady Barbara Judge. The biographies of these Directors can be found on pages 86 to 88.

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 Chairman 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 four occasions during the financial year and there was full attendance by all Committee members. 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 Chairman.

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
Robert Dix	4/4	2017
Richard Cherry	4/4	2017
Lady Barbara Judge	4/4	2017

Activities

2019 has been a year of significant growth 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 5-year 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 36 to 43. 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 2019	
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. During the financial year, the Committee reviewed and recommended the Group's 2018 Annual Report and the financial statements for the half year ended 30 June 2019 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 2019 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 received a presentation from the Group's insurance broker on the Group insurance programme to satisfy the Committee that the insurance policies in place remained appropriate in the context of our current growth and future objectives. The Committee also sought a presentation from management on the successful ERP system implementation during Q4 and a wider IT update to satisfy itself that IT controls and security remain strong within the Group.
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 2020.
External Audit	The Committee met representatives from the external auditor throughout the financial year both with and without management present. During 2019, the Committee reviewed KPMG's reports on the 2018 audit and their interim review for the six months ended 30 June 2019. It also reviewed and approved KPMG's audit plan in respect of the audit for the year ended 31 December 2019.

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 2019 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 and profit recognition The carrying value of the Group's inventory was €840.5m at 31 December 2019 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 financial year end 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 judgement 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. The exercise indicated no evidence of impairment and therefore no adjustment to the carrying value was required at 31 December 2019.	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 considered the financial year end approach to the inventory carrying value review and discussed same with management. It also considered the external auditor's findings in respect of the carrying value review which supported management's assertion that no impairment was required. 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 2019.

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 project management, IT security and change management and Health and Safety. The Committee has also approved the planned programme of work for 2020.

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 2019.

During the year, the Committee was informed of lead audit partner Ruaidhri Gibbons's intention to step down following the completion of the 2019 half year review, to be replaced by Michael Gibbons. This transition took place in Q3 ahead of the year end audit.

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. In order 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 at in respect of services provided by KPMG in the financial year are analysed in the table below:

	€ '000
Audit fees	120
Non-audit fees	
Interim review fees	15
Tax services fees	50
Total	**185**

At the end of the financial year, non-audit fees paid to KPMG represented 54% 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 which will apply to the Group from 2020 onwards 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.

Barnhall Meadows
Leixlip, Co. Kildare

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.

Richard Cherry
Chairman,
Remuneration and Nomination Committee

Remuneration & Nomination Committee Report

Dear Shareholder,

I am pleased to present the Remuneration and Nomination Committee report for the financial year ended 31 December 2019 which provides a summary of the activities of the Committee during the financial year.

2019 was a year of significant change at Board level for Glenveagh. The Committee's work during the year included agreeing the appropriate remuneration package for Stephen Garvey in his new role as Chief Executive Officer and the resignation arrangements for his predecessor, Justin Bickle. The Committee also recommended the appointment of Michael Rice (Chief Financial Officer), to the Board, and identified and recommended to the Board the appointment of two new Non-Executive Directors, Pat McCann and Cara Ryan.

To ensure ongoing alignment with Glenveagh's strategy, regulatory developments and the views of leading investors, during the year the Committee undertook a detailed review of the Remuneration Policy for the Executive Directors with the assistance of external advisers. The outcome of this review is set out below.

The Committee is confident that the changes to the Remuneration Policy and the way it will be implemented in 2020 results in an approach to executive remuneration which is appropriate from an external perspective, taking into account practice at other comparable companies and the views of Glenveagh's major shareholders. The Committee also believes that pay for the Executive Directors is appropriate in the context of remuneration practices across the Company more broadly, both in terms of pay levels and incentive structures.

2019 Performance

2019 has been another year where the Group has outperformed our IPO targets and continued to focus on increasing our operational scale. Glenveagh is now benefiting from efficiencies and has the platform in place to maximise returns for our shareholders by focusing on achieving our increased output guidance and monetising our landbank.

Incentive Outcomes for 2019

In light of the above performance, the Committee has agreed annual bonus payments between 72% and 75% of the maximum available opportunity for the Executive Directors for 2019. This reflects the Directors' achievements against challenging performance targets across a range of financial and non-financial metrics.

Details of the bonus targets in place for the year and the level of achievement against them are set out on page 82 with the Committee providing greater levels of information this year to reflect governance best practice).

Review of the Remuneration Policy

The Committee's intention in reviewing the Remuneration Policy was to ensure that Glenveagh has appropriate structures in place to incentivise and reward management in the next phase of the Group's development, while also being cognisant of corporate governance best practice and the views of investors. After developing a series of proposals for the revised Policy, the Committee conducted a consultation exercise with major shareholders and leading proxy advisers and was pleased with the broad support received from those consulted on the direction of travel.

Full details of the new Remuneration Policy are included in this Report on pages 75 to 79. The Policy continues to include a mix of fixed and variable remuneration, with incentives provided through short and long-term schemes. The key changes to the previous approach are explained below:

- The existing annual bonus scheme works well in incentivising outperformance against various key performance indicators, and so its basic structure has been retained. However, the amount payable for target performance has been reduced from 70% of the maximum (67% for the Executive Chairman) to 50%, recognising general shareholders views on this issue. We have also introduced appropriate recovery provisions to give the Committee the ability to claw back bonuses if required in specific circumstances. Bonuses will continue to be 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.
- The Long-Term Incentive Plan (LTIP) is now explicitly included within the Remuneration Policy, taking into account the participation of the CFO in this plan. The CFO received LTIP awards prior to his appointment to the Board and he will continue to receive regular annual awards going forward. The performance metrics for the 2020 award (which differ from the approach adopted in the past to ensure continued alignment with Glenveagh's strategy) are set out below. Due to the ongoing participation of the other Executive Directors in the Founder Share Scheme (which was established prior to Glenveagh's IPO), they will not receive LTIP awards in 2020. As the Founder Share Scheme moves towards the end of its life, the Committee will give further consideration to the best long-term incentive opportunities to provide to the Executive Chairman and the CEO. Any proposals will be the subject of consultation with major shareholders at the relevant time.
- From 2020, Executive Directors granted LTIP awards will be required to retain any shares that vest for a minimum period of at least two years following vesting (other than shares which are sold to pay tax). This is in line with the provisions of the 2018 UK Corporate Governance Code and the views of many leading shareholders.
- Consistent with standard practice for companies of Glenveagh's size, the Committee has introduced a requirement for Executive Directors to build a shareholding equivalent in value to 200% of basic salary. Taken together with the other changes set out above, this significantly strengthens the alignment between Executive Directors and shareholders. As such, and recognising that the new LTIP holding period continues to apply for awards held by any leavers, the Committee has decided not to go further at this stage and has not introduced an additional requirement for shares to be held for a set period of time following termination of employment. However, this matter will be kept under review as market practice and investor expectations continue to develop.
- The Policy permits Executive Directors to receive an annual Company pension contribution up to a level of 15% of basic salary, with contributions above 5% depending on the extent of the individual's personal contributions. These arrangements are consistent with those in place for senior executives below Board level and are also in line with the wider market. However, the Committee recognises that investors are increasingly keen on pension provision for Executive Directors to be aligned with that of the wider workforce, and this issue will therefore be kept under review as it relates to the existing Directors. That said, for any new Executive Director, the Policy specifies that their contribution rate will be set in line with the rate attributable to the majority of the wider workforce.

Cluain Adain
Clonmagadden, Navan

- The Founder Share Scheme is no longer considered part of the formal Remuneration Policy. The Scheme reflects the rights of the Founder Shares as a specific class of shares in the share capital of the Company, as set out in Glenveagh's Memorandum and Articles of Association. The Remuneration and Nomination Committee does not have the ability to amend these rights. As such, the Committee believes that the Founder Share Scheme is not a long-term incentive scheme in the conventional sense and should not be treated as part of the Remuneration Policy. The Scheme will continue to run its course and details of its operation – including any shares converted in accordance with the terms and conditions of the Scheme – will be included in future Remuneration and Nomination Committee Reports. Full details of the current status of the Scheme are set out on page 85 of this year's report.

Other Committee Activity in 2019

In addition to the review of the Directors' Remuneration Policy, during 2019 the Committee considered in detail the remuneration policies and incentive schemes in place for colleagues across Glenveagh more broadly.

Over the course of the year, the Committee placed particular focus on Board development and succession planning. As part of its nomination duties, the Committee undertook a formal and rigorous recruitment process to identify additional independent Non-Executive Directors with the necessary skills and experience to strengthen the Board's composition as the Group continues to scale its operations. The Committee also supported the Board Chairman in ensuring that succession requirements were carefully considered in the appointment of a new Chief Executive Officer and a new Executive Director during the year. Further details in relation to the Committee's nominations activity in 2019 are set out at page 72.

In carrying out its duties during the year, the Committee met and consulted with specialist external advisers, members of the Executive Committee and members of the wider management team on a number of occasions.

Remuneration for 2020

Full details of the operation of the Remuneration Policy for 2020 are set out later in this Report. In brief, there are no changes to the basic salaries of the Executive Directors or any other aspect of their fixed remuneration. The annual bonus scheme will operate in a similar fashion as in 2019, albeit with a reduction in the amount payable for target performance (as noted above). The performance metrics used in 2019 – which remain central to the achievement of Glenveagh's strategic goals in the short-term – will continue to apply. The Committee acknowledges that some shareholders have expressed a preference for a return on capital employed metric to be included in the bonus scheme, and this will be kept under review for future years.

For the LTIP, the Committee will grant an award to the CFO at a level of 100% of his basic salary. For half of this award, performance conditions based on absolute total shareholder return (TSR) will apply. TSR directly aligns rewards for management with the returns to Glenveagh shareholders and is a reflection of the success or otherwise of Glenveagh's chosen strategic path. For the other half, targets based on growth in Glenveagh's earnings per share (EPS) will be introduced. This is an important measure of profitability which acts as a gauge of how well Glenveagh has followed through on its targeted growth strategy across the different business segments. It also ensures that a meaningful proportion of the LTIP relates to a parameter over which the CFO (and other LTIP participants) has direct line of sight. The specific targets for both the TSR and the EPS metrics are set out on page 83 and 84. As noted above, the Executive Chairman and the CEO will not receive an LTIP grant in 2020.

Following the appointment of two new independent Non-Executive Directors in late 2019, the Committee will continue to oversee the induction of the newest members of the Board during 2020. Throughout the year, the Committee will ensure that effective succession planning for the Board and senior management is developed further, building on the progress made during 2019. The Committee will also have an active role in the first externally facilitated annual Board evaluation in 2020.

2018 UK Corporate Governance Code

Glenveagh is 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 Directors. The Policy for 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. Second, the pension contribution rate for existing Executive Directors is not aligned with the rate for the wider workforce. The Committee's position in respect of these matters is set out above. In addition, the Code provision requiring the chair of the remuneration committee to have served on a remuneration committee for at least 12 months prior to appointment as chair was published subsequent to my appointment as Chair of Glenveagh's Remuneration and Nomination Committee. Although I had not served on a remuneration committee prior to becoming Chair of the Committee, I had extensive experience in my previous executive role of dealing with a range of remuneration matters across a large housebuilding company. I have now chaired the Remuneration and Nomination Committee at Glenveagh for over two years.

AGM

The Committee is continuing to actively monitor the transposition into Irish law of the EU Shareholder Rights Directive, which will require Glenveagh to provide shareholders with a specific vote on the Remuneration Policy. In advance of the introduction of this requirement, and in line with the approach already taken by some other listed Irish companies, we have decided to voluntarily present the new Policy to shareholders by way of an advisory vote at the AGM to be held on 19 May 2020. In addition, we will also ask shareholders to approve a separate advisory vote on the Remuneration and Nomination Committee Report at the AGM, continuing our previous practice.

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 2019, the changes to the Remuneration Policy, or any other relevant matters.

Richard Cherry
Chairman,
Remuneration and Nomination Committee

Roles and Responsibilities

The principal responsibilities and duties of the Committee include:

- Assessing the effectiveness and performance of the Board and each of its Committees including consideration of the balance of skills, experience, independence and knowledge of the Group on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness;
- Where necessary, making recommendations to the Board based on the above considerations;
- Considering succession planning for Directors and members of senior management, including the identification and assessment of potential Board candidates, and making recommendations to the Board for its approval;
- Preparing job specifications for the appointment of a Chairman, Senior Independent Non-Executive Director; and other Non-Executive Directors;
- 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), Robert Dix and Lady Barbara Judge. The biographies of these Directors can be found on page 87.

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 nine occasions during the financial year ended 31 December 2019. 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	9/9	2017
Robert Dix	9/9	2017
Lady Barbara Judge	9/9	2017

Board Nomination Activities

Board Composition
Arising from the results of the first annual Board evaluation, conducted at the end of 2018, the Committee gave detailed consideration to the size and structure of the Board in the first half of 2019. The Committee reviewed the existing make up of skills and experience on the Board and identified key attributes and skills for the appointment of additional independent Non-Executive Directors in 2019.

Following Justin Bickle's decision to step down from his role as Chief Executive Officer of the Group and resign from the Board in August 2019, the Committee placed particular focus in the latter half of 2019 on ensuring the appropriate balance of Executive Directors and senior management representation on the Board, culminating in the appointment of the Group CFO, Michael Rice, to the Board.

The Board is now comprised of eight Directors: three Executive Directors, including the Executive Chairman, and five independent Non-Executive Directors. The Committee is satisfied that the Board is of an appropriate size for the requirements of the business and that the current composition provides a suitable balance of skills and experience, although this will continue to be reviewed on an ongoing basis.

Non-Executive Director Appointments
Having considered in detail the skills and capabilities that would be required from new Non-Executive Directors to strengthen the Board and assist the Group in achieving its strategic objectives, the Committee engaged independent executive search firm Korn Ferry to support the process of identifying and shortlisting suitable candidates. Reflecting on the skills and expertise that each potential candidate would bring to the Board, the Committee then selected candidates to invite to interview.

The interview process comprised an initial interview with the Committee, with two candidates then selected to proceed to further interviews with the Board Chairman and the Executive Directors. The interview process culminated in the Committee formally recommending the appointments of Pat McCann and Cara Ryan to the Board. On the Board's approval, Pat McCann and Cara Ryan were appointed as Non-Executive Directors with effect from 1 September 2019.

Robert Dix is a Non-Executive Director of Dalata Hotel Group plc where Pat McCann serves as Chief Executive, and both currently act as Non-Executive Directors at The Quinn Property Group. Robert Dix deferred the decision to recommend Pat McCann's appointment to his fellow Committee members, and he abstained from voting on the appointment at the Board. The Committee, and the Board, were aware of this relationship on appointing Pat McCann 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. Further details in relation to the Board's consideration of Non-Executive Director independence is set out at page 59 of the Corporate Governance Report.

Biographies for Pat McCann and Cara Ryan are set out at page 88.

Succession Planning
The Committee is cognisant of the role of effective succession planning in governance and in ensuring that the Group mitigates 'key people' risk. During 2019 the Committee supported the Board Chairman in reviewing and enacting succession plans for the role of CEO and in recommending the promotion of the CFO to Executive Director.

In addition to planning for the succession of Executive Directors, the Committee engages with the Executive Directors on succession planning for senior management roles below Board level and encourages the alignment of succession planning and remuneration arrangements with Group strategy.

Re-Election of Directors
The contribution and commitment of all Directors is reviewed on an annual basis as part of the wider Board evaluation.

As part of the annual review process, all Directors are asked to complete self-evaluation questionnaires, assessing their own skills and expertise and this analysis is reviewed in detail to determine whether the collective skills and experience of the Directors are appropriate to meet the needs of the Group.

The Committee will work closely with the Board Chairman to consider the outcomes of the annual Board evaluation for 2019 and ensure that any necessary actions are taken during the course of 2020.

Full details of the annual Board evaluation process are set out at page 60 of the Corporate Governance Report.

The Board will recommend the formal election to office of those new Directors appointed in 2019 and the re-election of all other Directors at the 2020 AGM.

Other Activities

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

Activity in 2019	
Topic	**Description of activity**
Annual Bonus	The Committee formally assessed performance against the targets set for the 2018 annual bonus scheme, agreeing bonus payments as disclosed in last year's report. Later in 2019, the Committee also undertook an initial review of performance against the targets for the 2019 annual bonus and considered the targets to apply for the 2020 scheme, taking into account Glenveagh's key financial and non-financial KPIs.
Long Term Incentive Plan (LTIP)	The Committee approved the granting of LTIP awards to certain members of the senior management team during 2019, having considered the appropriate employee population and performance conditions for these awards.
Review of AGM voting	The Committee considered the outcome of the 2019 AGM vote on the Remuneration & Nomination Committee Report and the issues raised by certain shareholders.
Appointment of independent advisers	Following a formal tender process, Korn Ferry were appointed as the Committee's independent advisers on executive remuneration matters.
Review of Remuneration Policy and Shareholder Consultation	The Committee undertook a detailed review of the Executive Directors' Remuneration Policy, with the assistance of the new independent external advisers. Among other things, this considered developments in market practice, the views of investors and the appropriate incentives required for the next stage of Glenveagh's development. The Committee consulted major shareholders and proxy advisers on the outcome of the review.
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.

Diversity

During 2019, the Group adopted a Board Diversity Policy designed to assist the Board, through the Committee, in achieving optimum Board and Committee composition. It is the Group's policy to develop over time the diversity of its Board without compromising the calibre of new Directors. All Board appointments are made on merit and with regard to the skills and experience that the Board requires to be effective.

The Committee will review 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.

The Committee recognises the value of diversity in its ongoing review of Board composition and in succession planning. All candidates are considered on merit and against objective criteria, having due regard to the benefits of diversity of experience, skills, background and gender.

The Board Diversity Policy is published on the Group website.

Details of the gender balance of those in senior management within the Group, and their direct reports, are provided at page 60 of the Corporate Governance Report.

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 obtained independent advice from external remuneration consultants, Mercer, in relation to market trends, comparator benchmarking, developments in remuneration policies and practice and governance best practice. Following a formal tender process, the Committee appointed Korn Ferry as its new advisers during the year to provide support in developing and implementing a new Remuneration Policy. Both Mercer and 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.

As noted above, a separate practice within Korn Ferry provided support to the Committee during the year in identifying potential candidates for appointment to the Board as new Non-Executive Directors. The Committee is entirely comfortable that the advice it received from Korn Ferry on executive remuneration matters was independent and robust.

Remuneration Policy

The following table outlines the key details of the Executive Directors' Remuneration Policy, applicable from the 2020 financial year onwards. In designing this 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.

A summary of the key changes to the Remuneration Policy are set out in the statement from the Committee Chairman on pages 68 to 71.

At the AGM to be held on 19 May 2020, shareholders will be asked to approve the new Remuneration Policy by way of a separate advisory resolution.

Element/Purpose	Operation	Maximum Opportunity
Base Salary		
To attract and retain high calibre individuals	Base salaries are 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.

Element/Purpose	Operation	Maximum Opportunity
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 based on the budget and strategic plan process carried out in Q3/Q4 every year. Appropriate details of the specific targets will be included on a retrospective basis in the Remuneration and Nomination 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 performance and ensure alignment with the interests of Glenveagh 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 (see page 85). 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 2020 are set out on pages 83 and 84. 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.

Element/Purpose	Operation	Maximum Opportunity
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

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 to apply to the 2020 bonus scheme and the LTIP award to be granted in 2020 are set out on pages 83 to 84.

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 69, 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 12-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

The Remuneration and Nomination Committee has oversight of the remuneration arrangements for other senior executives in Glenveagh and 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.

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. For 2020, 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 the consultation exercise undertaken as part of the recent policy review process).

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 and Nomination 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 his duties at Glenveagh) and can retain the fees in respect of such appointment.

Remuneration Policy for Non-Executive Directors

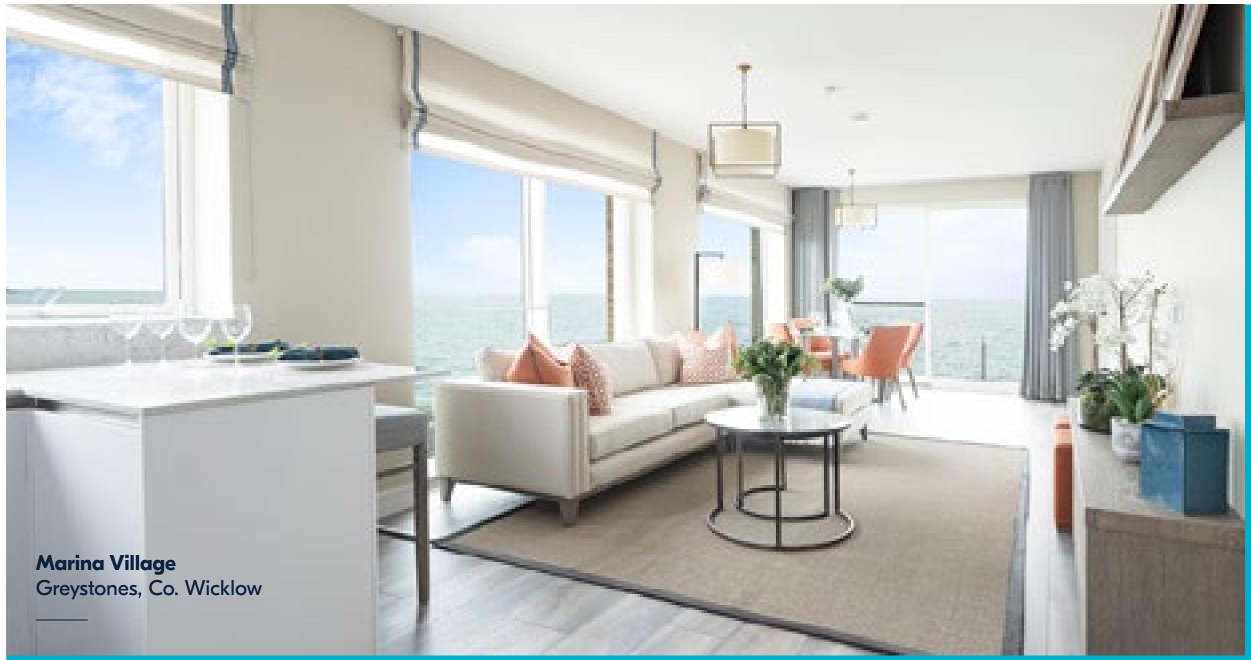
Non-Executive Directors (NEDs) have letters of appointment which set out their duties and responsibilities. The appointments are initially for a three-year term but are terminable on one month's notice.

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 Committee and the Remuneration and Nomination Committee.

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

Name	Role	€
Lady Barbara Judge	Senior Independent Non- Executive Director	90,000
Robert Dix	Chairman, Audit & Risk Committee	75,000
Richard Cherry	Chairman, Remuneration & Nomination Committee	75,000
Pat McCann	Non-Executive Director	60,000
Cara Ryan	Non-Executive Director	60,000

There has been no change in the fees payable to NEDs since appointment and no change is proposed for 2020. 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.



Marina Village
Greystones, Co. Wicklow

Blackrock Villas
Blackrock, Cork

Annual Remuneration Report for 2019

The following table illustrates remuneration awarded to Directors for the financial year ended 31 December 2019:

Name	Salary/Fees[1]		Annual Bonuses[2]		Benefits[3]		Employer Pension Contributions[4]		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	€	€	**€**	€	**€**	€	**€**	€	**€**	€
Executive Directors										
John Mulcahy	**300,000**	300,000	**162,096**	100,500	**18,500**	18,500	**-**	-	**480,596**	419,000
Stephen Garvey	**383,333**	350,000	**286,881**	175,000	**22,725**	21,901	**57,500**	17,500	**750,439**	564,401
Michael Rice [5]	**52,500**	-	**39,375**	-	**168**	-	**7,875**	-	**99,918**	-
Justin Bickle [6]	**675,000***	450,000	**336,773**	225,000	**22,000**	22,000	**22,500**	22,500	**1,056,273**	719,500
Non-Executive Directors										
Robert Dix	**75,000**	75,000	**-**	-	**-**	-	**-**	-	**75,000**	75,000
Richard Cherry	**75,000**	75,000	**-**	-	**-**	-	**-**	-	**75,000**	75,000
Lady Barbara Judge	**90,000**	90,000	**-**	-	**-**	-	**-**	-	**90,000**	90,000
Pat McCann [7]	**20,000**	-	**-**	-	**-**	-	**-**	-	**20,000**	-
Cara Ryan [7]	**20,000**	-	**-**	-	**-**	-	**-**	-	**20,000**	-
Caleb Kramer [8]	**26,209**	60,000	**-**	-	**-**	-	**-**	-	**26,209**	60,000
Total	**1,717,042**	1,400,000	**825,125**	500,500	**63,393**	62,401	**87,875**	40,000	**2,693,435**	2,002,901

* Includes €450,000 related to salary and €225,000 related to payment in lieu of notice

1. Amounts reflect salaries in respect of Executive Directors and Directors' fees in respect of Non-Executive Directors.
2. Annual Bonuses relate to bonuses paid to Executive Directors as explained on page 82.
3. Benefits largely relate to car allowances and health insurance provided to Executive Directors in accordance with their employment contracts.
4. Only Executive Directors are eligible to receive pension contributions. Non-Executive Directors do not receive pension contributions.
5. Michael Rice was appointed to the Board on 1 November 2019. Payments disclosed in the table above relate to period served as a Director.
6. Justin Bickle resigned from the Board on 23 August 2019 but remained an employee of the Company until 16 January 2020. Payments disclosed include his salary as an employee for the entirety of 2019 in addition to a payment in lieu of his contractual notice period. Further details in respect of the resignation arrangements for Justin Bickle are set out below.
7. Pat McCann and Cara Ryan were appointed to the Board on 1 September 2019.
8. Caleb Kramer resigned from the Board on 7 June 2019.

Resignation Arrangements for Justin Bickle

Justin Bickle stepped down from his role as Group CEO and resigned as a Director of the Board with effect from 23 August 2019. He was immediately succeeded as CEO by Stephen Garvey, though he continued to be employed by the Group during a transition period on his existing terms and conditions.

In recognition of his continuation in service during the transition period, Justin Bickle remained eligible for his full performance related bonus payment in respect of financial year 2019, in accordance with the terms of his employment agreement.

Justin Bickle's employment with the Group ceased on the expiry of the transition period, with effect from 16 January 2020. He was paid in lieu of his contractual entitlement to six months' notice. No ex gratia termination payments were paid to Justin Bickle in connection with his ceasing employment with the Group.

Justin Bickle is a holder of Founder Shares, awarded to him as a Co-Founder of the Group prior to admission to trading on the Irish and London Stock Exchanges on 13 October 2017. As a Founder Shareholder, Justin Bickle remains entitled to participate in the Founder Share Scheme. Where the performance conditions are met, a corresponding portion of his Founder Shares will automatically convert into Ordinary Shares. No new or additional Founder Shares have been or will be created and any future conversion of Founder Shares will not involve any new issuance of shares, rather an automatic re-designation of existing shares that he has held as a Founder Shareholder since 2017. Further details in relation to the Founder Share Scheme are provided at page 85 of this report.

Base Salary

The salaries paid to the Executive Directors for the financial year ended 31 December 2019 are set out in the table above. Stephen Garvey's annual salary was increased from €350,000 to €450,000 on his appointment as CEO on 23 August 2019, to align his salary with that paid to his predecessor, Justin Bickle.

The CFO, Michael Rice, was appointed to the Board on 1 November 2019 and his annual salary is €315,000.

The base salaries of Executive Directors will remain unchanged for the 2020 financial year.

Annual Bonus

2019 Outcome

The Executive Directors participated in an annual bonus scheme for 2019 with performance measured against a mix of financial (60%) and non-financial (40%) performance conditions. The specific financial target ranges and the extent to which they were met are set out in the table below:

Metric	Weight	% Payable	Targets	Performance Achieved	Bonus Award
Revenue	20%	Threshold 40%	€249.6m	€284.6m	78%
		Max 100%	€305.0m		
EBITDA	20%	Threshold 40%	€25.7m	€31.9m	85%
		Max 100%	€33.6m		
EBITDA margin	20%	Threshold 40%	9.3%	11.2%	77%
		Max 100%	12.1%		
Health & Safety	20%	Threshold 40%	70% Audit Score	75%	70%
		Max 100%	80%+ Audit Score		
Customer Satisfaction	20%	Threshold 40%	80% Survey Score	84%	64%
		Max 100%	90%+ Survey Score		

Taking this into account, the total bonus award was determined by the Committee to be 75% of the maximum opportunity for Justin Bickle, Stephen Garvey and Michael Rice and 72% for John Mulcahy. This resulted in the following bonus payments to the Executive Directors which were paid in cash.

Name	Role	Bonus Payment €'000	Bonus payment as % of maximum opportunity
John Mulcahy	Executive Chairman	162	72%
Stephen Garvey	CEO	287	75%
Michael Rice*	CFO	39	75%
Justin Bickle	Former CEO	337	75%

* Relates to period served as an Executive Director

2020 Bonus Arrangements

For 2020, the annual bonus scheme will continue to operate in the same manner as in 2019, with a 60%/40% split between financial and non-financial metrics. The performance metrics will remain the same:

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

The specific performance targets are currently considered commercially sensitive. 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 2020 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)

Michael Rice is the only Executive Director who participates in the LTIP. He received awards under the plan in October 2017 and April 2019, prior to his appointment to the Board, as detailed in the table below.

Award date	Number of options	Grant date share price	Performance period	Date of vesting
13 Oct 2017	225,000	€1.00	13 Oct 2017 to 12 Oct 2020	12 Oct 2020
17 Apr 2019	200,893	€0.84	17 Apr 2019 to 16 Apr 2022	16 Apr 2022

Vesting of the awards set out in the table above is subject to a performance condition based on the satisfaction of absolute total shareholder return (TSR) targets over the three-year vesting period, as follows:

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%. In addition, any vesting of 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.

For 2020, the Committee intends to grant an LTIP award to the CFO at a level of 100% of basic salary. The Committee has decided to apply two performance conditions to this award, as 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.

The performance period for this award will be aligned with Glenveagh's financial years and will run for three years from 1 January 2020 to 31 December 2022.

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 have been 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.

In addition to the performance conditions as set out above, any vesting of 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 new Remuneration Policy (as set out in the table on pages 75 to 77), LTIP awards granted to Executive Directors from 2020 onwards will 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.

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 86 to 88. The table below sets out the interests of the Directors and Company Secretary in Ordinary Shares of the Group at 31 December 2019.

	Ordinary Shares		Founder Shares		Deferred Shares		Ordinary Shares under option	
Name	2019	2018	2019	2018	2019	2018	2019	2018
John Mulcahy	2,682,766	2,482,766	18,100,684	18,100,684	-	-		-
Stephen Garvey	13,261,329	13,061,329	81,453,077	81,453,077	-	-		-
Michael Rice	23,333	23,333	-	-	-	-	425,893*	225,000*
Lady Barbara Judge	109,880	109,880	-	-	-	-	-	-
Richard Cherry	1,371,069	1,166,666	-	-	-	-	-	-
Robert Dix	350,000	350,000	-	-	-	-	-	-
Cara Ryan	-	-	-	-	-	-	-	-
Pat McCann	70,000	-	-	-	-	-	-	-
Chloe McCarthy	-	-	-	-	-	-	142,381*	65,000*

* The exercise price of the ordinary shares under options detailed above is nil. The expiry date for the options granted during 2019 and prior to 2019 are 7 years from 16 April 2022 and 12 October 2020 respectively.

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[1] 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. As previously disclosed, 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. As a result, there was no conversation of Founder Shares into ordinary shares during 2019.

All new ordinary shares issued in respect of the conversion of Founder Shares are subject to a one-year lock-up period, with 50% of the new ordinary 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 2018	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.

1. 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.

Board of Directors

John Mulcahy (70)
Executive Chairman

Nationality: Irish
Date of Appointment:
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 (40)
CEO

Nationality: Irish
Date of Appointment:
9 August 2017

Stephen Garvey has over 20 years' experience in the construction and property industry. His experience includes working with many of the large Irish property developers, including Menolly Homes, Schelester properties, Glenman Corporation and McCabe Builders. In 2003, Stephen founded Bridgedale Homes Ltd, Glenveagh's predecessor company, which focused on constructing residential developments in the Greater Dublin Area. In his role as CEO of Bridgedale, he sourced and negotiated the acquisitions of development sites, secured external finance, formulated and implemented business plans for each project and managed the overall delivery of residential units. From 2014 to 2017, Stephen advised and managed on the acquisition of 2,101 units in the Irish residential development market on behalf of TIO RLF.

Michael Rice (37)
CFO

Nationality: Irish
Date of Appointment:
1 November 2019

Michael joined the Group in September 2017, having previously worked as Group Financial Controller in Kingspan Group plc. Michael has responsibility for the Group's finance, commercial and IT functions and has been instrumental in developing and implementing the Group's internal and external reporting framework. Michael has a Bachelor of Commerce degree and a Masters in Accounting from University College Dublin and is a Fellow of Chartered Accountants Ireland.

Lady Barbara Judge CBE (73)
Senior Independent Director

Nationality: Irish
Date of Appointment:
26 September 2017

Lady Barbara Judge CBE has 40 years' experience in the financial, legal and property industries. Lady Judge has previously served as chairman of the UK Pension Protection Fund, as a Commissioner of the U.S. Securities and Exchange Commission, as a director of Samuel Montagu & Co in Hong Kong and as founder and chairman of Private Equity Investor Plc. Lady Judge has significant experience in the real estate sector, including her previous positions on the boards of Quintain Estates and Development plc and Richard Ellis International (now CBRE). Lady Judge is a graduate of the University of Pennsylvania and received a Juris Doctor degree with honours from New York University Law School. She was appointed Commander of the Order of the British Empire in 2010.

Other Appointments:
- Chairman of Cifas.
- Chairman LoopUp.
- Chairman of the Astana Financial Services Authority

Committee Memberships:
- Member of the Audit and Risk Committee (2 years).
- Member of the Remuneration and Nomination Committee (2 years).

Robert Dix (67)
Independent Non-Executive Director & Chairman of the Audit and Risk Committee

Nationality: Irish
Date of Appointment:
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:
- Chairman of the Remuneration and Nomination Committee (2 years).
- Member of the Audit and Risk Committee (2 years).

Richard Cherry (58)
Independent Non-Executive Director & Chairman of the Remuneration and Nomination Committee

Nationality: British
Date of Appointment:
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:
- Chairman of the Remuneration and Nomination Committee (2 years).
- Member of the Audit and Risk Committee (2 years).

Pat McCann (68)
Independent Non-Executive Director

Nationality: Irish
Date of Appointment:
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 is currently President of Ibec. 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.

Cara Ryan (47)
Independent Non-Executive Director

Nationality: Irish
Date of Appointment:
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 & 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

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

€284.6m

Group revenue for the year ended 31 December 2019 was €284.6 million (2018: €84.2 million)

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 2019.

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, Cork, Limerick and Galway, 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 4, 8 and 12 respectively, which set out management's review of the Group's operations and financial performance in 2019 and the outlook for 2020. These are deemed to be incorporated into the Directors' Report.

Results and Dividends

Group revenue for the year ended 31 December 2019 was €284.6 million (2018: €84.2 million), gross profit was €51.5 million (2018: €15.3 million), profit after tax was €22.8 million (2018: loss of €3.9 million) and basic earnings per share of €0.03 (2018: loss per share of €0.01).

Glenveagh did not pay a dividend during the financial year ended 31 December 2019 (2018: €Nil).

As communicated at our Investor Day on 29 January 2020, the Group's strategy for maximising shareholder returns will include a targeted investment in suburban working capital. Accordingly no current proposal exists to pay a dividend or otherwise deploy any distributable reserves to shareholders but, in order to provide the flexibility to establish and implement a capital returns policy in due course, the Company has initiated the process of generating the necessary distributable reserves through the reduction of the share premium account of the Company.

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 in 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 86 to 88. 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 2020 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 and Nomination Committee Report on page 84.

Share Capital

The issued share capital of the Group as at 27 February 2020 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 83 and 84 of the Remuneration and Nomination Committee Report and in Note 15 to the consolidated financial statements.

Significant Shareholdings

As at 31 December 2019 and 27 February 2020, the Group has been notified of the following interests of 3% or more in its ordinary share capital:

		As at 31 December 2019		As at 27 February 2020	
	Shareholder	Ordinary Shares held	%	Ordinary Shares held	%
1	FIL Investment International	87,027,910	9.99	86,834,926	9.97
2	Rye Bay Capital	78,698,321	9.03	73,698,321	9.03
3	GIC	77,492,088	8.89	77,492,088	8.89
4	Oaktree Capital Mgt	55,250,000	6.34	55,250,000	6.34
5	Paradice Investment Mgt	47,857,210	5.49	47,267,338	5.42
6	Pelham Capital Mgt	45,497,440	5.22	45,497,440	5.22
7	Man GLG	40,018,455	4.59	43,432,327	4.98
8	Lazard	36,045,437	4.14	37,472,424	4.30
9	SAS Rue la Boétie	29,647,572	3.40	29,552,390	3.39
10	Credit Suisse Group	29,525,118	3.39	27,083,342	3.11
11	Kinney Asset Mgt	27,200,000	3.12	25,600,000	2.94
12	Ranger Global Real Estate Advisors	26,127,436	3.00	24,914,985	2.86

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 to Directors' remuneration and interests in the Remuneration and Nomination Committee Report on pages 68 to 85 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 and Nomination Committee will determine the extent to which unvested awards 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 risk and uncertainties faced, ,the Chairman's Letter on pages 4 to 6, the CEO's Review on pages 8 to 11, the CFO's Review on pages 12 to 14 and the Principal Risks and Uncertainties detailed at pages 40 to 43, 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 54 to 61 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. They 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 December 2019 and is based on forecasts undertaken by management of the relevant business functions. The plan reflects construction cost and house price inflationary assumptions which were reviewed at Board and management level. The underlying assumptions of the Group's strategic plan are subject to sensitivity analysis for scenarios that could reasonably materialise. The risk factors outlined in the Risk Management Report on pages 36 to 43 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 62 to 66.

Auditor

KPMG, Chartered Accountants, were appointed statutory auditor on 21 August 2017 and have been re-appointed annually since that date. Pursuant to section 383② 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 in 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 27 February 2020.

On behalf of the Board

Micheal Rice
Director

Stephen Garvey
Director

Semple Woods
Donabate, Co. Dublin

Access

"We are giving more people the opportunity of owning a new home - building where they want to live and at a price that is more affordable."

Financial Statements

Cluain Adain
Novan, Co. Meath

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 2019. 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 86 to 88 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 2019 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

27 February 2020

Independent Auditor's Report to the Members of Glenveagh Properties PLC

Report on the audit of the financial statements

Opinion

We have audited the Group and Company financial statements of Glenveagh Properties PLC ('the Group') for the year ended 31 December 2019 set out on pages 104 to 153, 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 and Company Cash Flow Statements and related notes, including the summary of significant accounting policies set out in note 8. 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*.

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 2019 and of the Group's profit 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 period 3 years ended 31 December 2019. 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.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, 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:

Independent Auditor's Report to the Members of Glenveagh Properties PLC (continued)

Carrying value of Inventory €840.5 million (2018 - €719 million) and profit recognition.
Refer to page 62 (Audit and Risk Committee Report), page 115 (accounting policy for inventories) page 113 (accounting policy for expenditure) and pages 133 to 134 (financial disclosures - inventories)

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, direct labour costs and those overheads 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 relevant 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, direct labour costs and overheads 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: – We agreed a sample of forecast costs to purchase contracts, supplier agreements or tenders and other relevant documentation. – We evaluated the assumption in relation to forecast unit numbers to be constructed based on appropriate documentary support. – We compared the forecast sales prices against recent prices achieved for similar properties to support the validity of the estimated sales price in the forecast. – We enquired as to whether there were any site-specific factors which may indicate that an individual site could be impaired. – We evaluated the sensitivity of the development margin to a change in sales prices and costs and considered whether this indicated a risk of impairment of the inventory balance. – For sites in development, we compared actual unit sales and costs incurred to NRV estimates to ensure that NRV values 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 reasonable and supported the carrying value of inventory as at 31 December 2019, and the related disclosures in respect of work-in-progress to be appropriate.

Independent Auditor's Report to the Members of Glenveagh Properties PLC (continued)

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).

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 €4.8 million (2018: €4.4 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 (2018: €0.2 million). In addition, we applied a lower specific materiality level of €1.1 million for testing profit and loss items, representing approximately 0.4% 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 parent company financial statements as a whole was set at €4.3 million (2018: €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 (2018: €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.

We have nothing to report on going concern

We are required to report to you if:

» we have anything material to add or draw attention to in relation to the directors' statement in Note 7 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
» if the related statement under the Euronext Dublin and UK Listing Authority Listing Rules set out on page 92 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

Other information

The directors are responsible for 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 Update, Business Units, Risk Management Report, ESG Report, Corporate Governance Report, Audit and Risk Committee Report and Remuneration 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 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;
» in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Independent Auditor's Report to the Members of Glenveagh Properties PLC (continued)

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 on page 92 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.

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.

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 54 to 61, 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 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.

Independent Auditor's Report to the Members of Glenveagh Properties PLC (continued)

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 Companies Act 2014 also requires us to report to you if, in our opinion, the Company has not provided the information required by section 5② 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.

The Listing Rules of the Euronext Dublin and the UK Listing Authority require us to review:

- » the Directors' Statement, set out on pages 91 and 92, in relation to going concern and longer-term viability;
- » the part of the Corporate Governance Statement on pages 54 to 61 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.

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on pages 96 and 97, 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 parent 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 parent 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

Independent Auditor's Report to the Members of Glenveagh Properties PLC (continued)

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
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

27 February 2020

Consolidated statement of profit or loss and other comprehensive income

For the financial year ended 31 December 2019

	Note	2019 Before exceptional items €'000	2019 Exceptional items €'000	2019 Total €'000	2018 Before exceptional items €'000	2018 Exceptional items €'000	2018 Total €'000
Revenue	10	**284,637**	**-**	**284,637**	84,179	-	84,179
Cost of sales		**(233,150)**	**-**	**(233,150)**	(68,887)	-	(68,887)
Gross profit		**51,487**	**-**	**51,487**	15,292	-	15,292
Administrative expenses	11	**(21,005)**	**(1,125)**	**(22,130)**	(17,438)	(409)	(17,847)
Operating profit/(loss)		**30,482**	**(1,125)**	**29,357**	(2,146)	(409)	(2,555)
Finance expense	12	**(2,666)**	**-**	**(2,666)**	(1,414)	-	(1,414)
Profit/(loss) before tax	13	**27,816**	**(1,125)**	**26,691**	(3,560)	(409)	(3,969)
Income tax (charge)/credit	17	**(3,944)**	**93**	**(3,851)**	39		39
Profit/(loss) after tax attributable to the owners of the Company		**23,872**	**(1,032)**	**22,840**	(3,521)	(409)	(3,930)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income/(loss) for the year attributable to the owners of the Company				**22,840**			(3,930)
Basic earnings/(loss) per share (cents)	16			**2.62**			(0.53)
Diluted earnings/(loss) per share (cents)	16			**2.62**			(0.53)

Consolidated balance sheet

as at 31 December 2019

	Note	2019 €'000	2018 €'000
Assets			
Non-current assets			
Property, plant and equipment	18	**18,142**	11,497
Intangible assets	19	**944**	727
Deferred tax asset	17	**128**	208
Restricted cash	24	**1,500**	1,500
		20,714	13,932
Current assets			
Inventory	20	**840,487**	718,862
Trade and other receivables	21	**12,241**	14,507
Income tax receivable		**-**	340
Cash and cash equivalents	27	**93,224**	130,701
		945,952	864,410
Total assets		**966,666**	878,342
Equity			
Share capital	26	**1,052**	1,052
Share premium		**879,281**	879,281
Retained earnings		**(57,821)**	(80,661)
Share-based payment reserve		**44,035**	43,443
Total equity		**866,547**	843,115
Liabilities			
Non-current liabilities			
Trade and other payables	22	**-**	1,803
Lease liabilities	28	**319**	5
		319	1,808
Current liabilities			
Trade and other payables	22	**56,218**	33,386
Income tax payable		**3,737**	-
Loans and borrowings	23	**39,569**	-
Lease liabilities	28	**276**	33
		99,800	33,419
Total liabilities		**100,119**	35,227
Total liabilities and equity		**966,666**	878,342

Michael Rice
Director

Stephen Garvey
Director

27 February 2020

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 changes in equity

for the financial year ended 31 December 2018

	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 2018	667	200	666,381	47,548	(74,112)	640,684
Total comprehensive loss for the financial year						
Loss for the financial year	-	-	-	-	(3,930)	(3,930)
Other comprehensive income	-	-	-	-	-	-
	667	200	666,381	47,548	(78,042)	636,754
Transactions with owners of the Company						
Issue of ordinary shares for cash	185	-	212,900	-	-	213,085
Share issue costs	-	-	-	-	(7,131)	(7,131)
Conversion of Founder Shares to ordinary shares	19	(19)	-	(4,512)	4,512	-
Equity-settled share-based payments	-	-	-	407	-	407
	204	(19)	212,900	(4,105)	(2,619)	206,361
Balance as at 31 December 2018	871	181	879,281	43,443	(80,661)	843,115

Consolidated statement of cash flows

For the financial year ended 31 December 2019

	Note	2019 €'000	2018 €'000
Cash flows from operating activities			
Profit/(loss) for the financial year		**22,840**	(3,930)
Adjustments for:			
Depreciation and amortisation		**1,391**	235
Finance costs	*12*	**2,666**	1,414
Equity-settled share-based payment expense	*15*	**592**	407
Tax charge/(credit)	*17*	**3,851**	(39)
(Profit)/loss on disposal of property, plant and equipment	*18*	**(456)**	18
		30,884	(1,895)
Changes in:			
Inventories		**(118,605)**	(432,031)
Trade and other receivables		**(1,036)**	11,076
Trade and other payables		**21,346**	23,126
Cash used in operating activities		**(67,411)**	(399,724)
Interest paid		**(2,472)**	(1,218)
Tax refund/(paid)		**276**	(32)
Net cash used in operating activities		**(69,607)**	(400,974)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*18*	**(7,747)**	(10,622)
Acquisition of intangible assets	*19*	**(491)**	(564)
Cash acquired on acquisition		**-**	15
Proceeds from the sale of property, plant and equipment		**1,160**	-
Acquisition of subsidiary (net of cash acquired)		**-**	(13,663)
Net cash used in investing activities		**(7,078)**	(24,834)
Cash flows from financing activities			
Proceeds from issue of share capital		**-**	213,085
Issue costs paid		**-**	(7,131)
Proceeds from loans and borrowings		**120,000**	26,000
Repayment of loans and borrowings		**(80,000)**	(26,000)
Transaction costs related to loans and borrowings		**-**	(1,025)
Payment of lease liabilities		**(792)**	(216)
Net cash from financing activities		**39,208**	204,713
Net decrease in cash and cash equivalents		**(37,477)**	(221,095)
Cash and cash equivalents at the beginning of the year		**130,701**	351,796
Cash and cash equivalents at the end of the year		**93,224**	130,701

Notes to the consolidated financial statements

For the financial year ended 31 December 2019

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 2019. 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.

This is the Group's first set of annual financial statements in which IFRS 16 *Leases* has been applied. The related changes to significant accounting policies are described in Note 6. Other than the adoption of IFRS 16, there have been no other significant changes to the Group's accounting policies during the year.

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

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, apart from the estimation involved in 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.

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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

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.

6 Changes in significant accounting policies

The Group has initially adopted IFRS 16 *Leases* from 1 January 2019. A number of other new standards (IFRIC 23 *Uncertainty on Tax Treatments* and *Annual Improvements to IFRS 2015-2017*) are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

The Group has applied IFRS 16 using the modified retrospective approach, under which the right-of-use asset has been measured at an amount equal to the lease liability. Accordingly, the comparative information presented for 2018 has not been restated — i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policy are disclosed below. The Group's new accounting policy is included in Note 8.13. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

b) As a lessee

As a lessee, the Group leases assets including a property and motor vehicles. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and leases liabilities for most of these leases — i.e. these leases are on-balance sheet.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

6 Changes in significant accounting policies (continued)

b) As a lessee (continued)

For leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

i. Leases classified as operating leases under IAS 17

Previously, the Group classified property and certain motor vehicles as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019 (see Note 6(d)(i)). Right-of-use assets are measured at an amount equal to the lease liability. The Group applied this approach to all leases.

The Group tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

» did not recognise right-of-use assets and liabilities for lease for which the lease term ends within 12 months of the date of initial application;
» did not recognise right-of-use assets and liabilities for leases of low value assets;
» excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and,
» used hindsight when determining the lease term.

ii. Leases classified as finance leases under IAS 17

Previously, the Group leased certain motor vehicles and these leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and the lease liability under IAS 17 immediately before that date.

c) 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.

d) Impact on financial statements

(i) Impact on transition*

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below and further detail is provided in Note 28.

	1 January 2019 €'000
Right-of-use assets presented in Property, Plant and Equipment	**1,227**
Lease liabilities	**1,227**

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

6 Changes in significant accounting policies (continued)

d) Impact on financial statements (continued)

(i) Impact on transition* (continued)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The discount rate applied for all leases ranged between 2.5%-4%.

	1 January 2019 €'000
Operating lease commitment at 31 December 2018 disclosed in the Group's consolidated financial statements	1,305
Discounted using the incremental borrowing rate at 1 January 2019	1,248
Finance lease liabilities recognised as at 31 December 2018	38
Recognition exemption for leases with less than 12 month of lease term at transition	(59)
Lease liabilities recognised at 1 January 2019	**1,227**

*For the impact of IFRS 16 on profit or loss for the year and consolidated statement of cash flows, see Note 28. For the impact of IFRS 16 on segment information see Note 9.

7 Going concern

The Group has recorded a profit after tax of €22.8 million *(2018: loss of €3.9 million)*. The Group has a cash balance of €93.2 million *(2018: €130.7 million)* and has committed undrawn funds available of €85 million *(2018: €125 million)*. Having considered the Group's cash flow forecasts, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to prepare the 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 2019 (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. 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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

8 Significant accounting policies (continued)

8.4 Taxation (continued)

(ii) Deferred tax

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

Deferred tax is not recognised for:

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

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 2019 (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.

In the current financial year, redundancy and restructuring costs and costs associated with the cessation of the Hollystown Golf and Leisure Limited business are considered exceptional items (Note 11). The directors believe that separate presentation of these 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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

8 Significant accounting policies (continued)

8.9 Inventory (continued)

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

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

8.10 Financial instruments

Financial assets and financial liabilities

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

Classification of financial instruments

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

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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

8 Significant accounting policies (continued)

8.10 Financial instruments (continued)

Classification of financial instruments (continued)

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 losses 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.

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

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

8 Significant accounting policies (continued)

8.13 Leases (continued)

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

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.

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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

8 Significant accounting policies (continued)

8.13 Leases (continued)

Policy applicable from 1 January 2019 (continued)

i. As a lessee (continued)

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.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

8 Significant accounting policies (continued)

8.13 Leases (continued)

Policy applicable before 1 January 2019 (continued)

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 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.

8.15 Finance income and costs

The Group's finance income and finance costs include:

» Interest income
» Interest expense

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

9 Segmental information

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

In 2019, the Group was organised into two key reportable operating segments being Glenveagh Homes and Glenveagh Living. Internal reporting to the Chief Operating Decision Maker ("CODM") is provided on this basis. The CODM has been identified as the Executive Committee (as detailed in the Corporate Governance Report).

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

Glenveagh Homes

Glenveagh Homes develops and builds starter, mid-size, executive and high-end homes (both houses and apartments) for the residential market in Ireland, with a focus principally on the Greater Dublin Area, as well as the Cork, Limerick and Galway regions.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

9 Segmental information (continued)

Glenveagh Living

Glenveagh Living's strategic focus is on designing, developing and delivering residential solutions for institutional investors, social and affordable landlords, government entities and strategic landowners. Glenveagh Living intends to augment its operations with partnership arrangements to design, develop and deliver residential schemes for purchase by institutional investors, approved housing authorities and governmental and local authorities in Ireland. Glenveagh Living is also the Group's delivery platform for Private Rental Sector ("PRS") projects, which are residential projects that governmental authorities promote by offering a range of financial incentives, such as by granting guarantees and other financial risk sharing incentives, in order to increase the supply of properties in the build-to-rent market. Glenveagh Living develops residential schemes for private sector investors in PRS projects.

As outlined in the Strategy Update on pages 20 to 27, the Group's activities have been restructured from 2020 onwards into new operating segments being Suburban, Urban and Partnerships with internal reporting to the CODM being modified to reflect this new structure. As such, segmental information will be presented in line with this new structure and the requirements of IFRS 8 *Operating Segments* in future reporting periods.

Segmental financial results

	2019 €'000	2018 €'000
Revenue		
Glenveagh Homes	**284,596**	84,115
Glenveagh Living	**41**	64
Revenue for reportable segments	**284,637**	84,179
Operating profit/(loss)		
Glenveagh Homes	**41,812**	6,311
Glenveagh Living	**(1,983)**	(1,306)
Operating profit for reportable segments	**39,829**	5,005
Reconciliation to results for the year		
Segment results – operating profit	**39,829**	5,005
Finance expense	**(2,666)**	(1,414)
Directors' remuneration	**(2,712)**	(2,003)
Corporate function payroll	**(3,631)**	(3,137)
Listing costs	**-**	(409)
Depreciation and amortisation	**(980)**	(34)
Professional fees	**(1,256)**	(845)
Share-based payment expense	**(592)**	(407)
Gain on sale of property, plant and equipment	**456**	-
Other corporate costs	**(1,757)**	(725)
Profit/(loss) before tax	**26,691**	(3,969)

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

9 Segmental information (continued)

Segment assets and liabilities

	2019 Glenveagh Homes €'000	2019 Glenveagh Living €'000	2019 Total €'000	2018 Glenveagh Homes €'000	2018 Glenveagh Living €'000	2018 Total €'000
Segment assets	**759,958**	**163,364**	**923,322**	632,503	130,324	762,827
Reconciliation to Consolidated Balance Sheet						
Deferred tax asset			**31**			71
Trade and other receivables			**338**			1,117
Cash and cash equivalents			**25,251**			106,650
Property, plant and equipment			**16,855**			7,677
Intangible assets			**869**			-
			966,666			878,342
Segment liabilities	**54,872**	**1,292**	**56,164**	30,708	2,660	33,368
Reconciliation to Consolidated Balance Sheet						
Trade and other payables			**4,386**			1,663
Interest accrual			**-**			196
Loans and Borrowings			**39,569**			-
			100,119			35,227

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

10 Revenue

	2019 €'000	2018 €'000
Residential property sales	**280,035**	78,971
Land sales	**4,300**	4,950
Income from property rental and other income	**302**	258
	284,637	84,179

All revenue is earned in the Republic of Ireland.

11 Exceptional items

In the current financial year, redundancy and restructuring costs and costs associated with the cessation of the Hollystown Golf and Leisure Limited ("HGL") business of €1.1 million have been classified as exceptional items in accordance with the Group's accounting policy set out at Note 8.6.

In the prior financial year, listing costs of €0.4 million relating to the Group's Firm Placing and Open Offer were classified as exceptional items in the prior financial year.

	2019 €'000	2018 €'000
Corporate and HGL redundancy costs	**817**	-
HGL closure costs	**308**	-
Listing costs	**-**	409
	1,125	409

12 Finance Expense

	2019 €'000	2018 €'000
Interest on secured bank loans	**2,634**	1,414
Finance cost on lease liabilities	**32**	-
	2,666	1,414

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

13 Statutory and other information

	2019 €'000	2018 €'000
Amortisation of intangible assets (Note 19)	**299**	61
Depreciation of property, plant and equipment (Note 18)*	**1,937**	645
Employment costs (Note 14)	**28,567**	19,885
(Profit)/loss on disposal of property, plant and equipment	**(456)**	18
Auditor's remuneration		
Audit of Group, Company and subsidiary financial statements**	**120**	120
Other assurance services	**15**	315
Tax advisory services	**18**	48
Tax compliance services	**32**	29
	185	512
Directors' remuneration		
Salaries, fees and other emoluments	**2,605**	1,963
Pension contributions	**88**	40
	2,693	2,003

* Includes €0.8 million (2018: €0.5 million) capitalised in inventory during the year ended 31 December 2019

** Included in the auditor's remuneration for the Group is an amount of €0.015 million *(2018: €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 313 *(Executive Committee: 4; Non-Executive Directors:4, Construction: 198; and Other: 107)*. (*2018: Executive Committee: 4; Non-Executive Directors: 4, Construction: 126; and Other: 66)*

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

14 Employment costs (continued)

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

	2019			2018
	Before Exceptional items €'000	Exceptional items €'000	Total €'000	Total €'000
Wages and salaries	**23,723**	**745**	**24,468**	16,998
Social welfare costs	**2,316**	**72**	**2,388**	1,685
Pension costs - defined contribution	**1,119**	**-**	**1,119**	795
Share-based payment expense (Note 15)	**592**	**-**	**592**	407
	27,750	**817**	**28,567**	19,885

€12.9 million (*2018: €7.3 million*) of employment costs were capitalised in inventory during the financial year.

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 second test period (which ran from 1 March 2019 until 30 June 2019), 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 year.

(b) LTIP

On 17 April 2019, the Remuneration and Nomination Committee approved the grant of 2,750,293 options to certain members of the management team 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 TSR across the vesting period. 25% of the award will vest once the 3-year annualised TSR reaches 6.25% per annum with the remaining options vesting on a pro rata basis up to 100% if TSR of 12.5% is achieved. The entire grant of options remain outstanding at 31 December 2019.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

15 Share-based payment arrangements (continued)

(b) LTIP (continued)

	Number of Options 2019	Number of Options 2018
LTIP options in issue at 1 January	**2,351,743**	1,588,500
Granted during the year	**2,750,293**	839,065
Forfeited during the year	**(416,236)**	(75,822)
LTIP options in issue at 31 December	**4,685,800**	2,351,743
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:

	2019 Tranche 1	2018 Tranche 1	2018 Tranche 2
Fair value at grant date	**€0.32**	**€0.48**	**€0.31**
Share price at grant date	€0.84	€1.16	€0.87
Valuation methodology	Monte Carlo	Monte Carlo	Monte Carlo
Exercise price	€0.001	€0.001	€0.001
Expected volatility	27.0%	34.3%	28.1%
Expected life	3 years	3 years	3 years
Expected dividend yield	0%	0%	0%
Risk free rate	-0.55%	-0.45%	-0.42%

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 €0.6 million (*2017: €0.04* million) in the consolidated statement of profit or loss in respect of options granted under the LTIP.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

15 Share-based payment arrangements (continued)

(c) SAYE Scheme

On 1 October 2019, the Remuneration and Nomination Committee approved the grant of 966,420 options to employees of the Group. Under the terms of the scheme, employees may save up to €500 per month from their net salaries for a fixed term of three or five years and at the end of the savings period they have the option to buy shares in the Company at a fixed exercise price.

Details of options outstanding and grant date fair value assumptions

	2019		2018	
	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	**341,640**	**150,000**	-	-
Granted during the financial year	**771,420**	**195,000**	356,040	150,000
Cancelled during the financial year	**(306,720)**	**(35,000)**	(14,400)	-
SAYE options in issue at 31 December	**806,340**	**310,000**	341,640	150,000

	2019		2018	
	3 Year	5 Year	3 Year	5 Year
Fair value at grant date	**€0.21**	**€0.21**	**€0.20**	**€0.23**
Share price at grant date	€0.75	€0.75	€1.03	€1.03
Valuation Methodology	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Exercise price	€0.60	€0.60	€1.00	€1.00
Expected volatility	27.5%	29.6%	26.8%	29.6%
Expected life	3 years	5 years	3 years	5 years
Expected dividend yield	0%	1.4%	0%	1.4%
Risk free rate	-0.82%	-0.78%	-0.14%	-0.42%

The weighted average exercise price of all options granted under the SAYE to date is €0.77.

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 €0.01 million 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 2019 (continued)

16 Earnings per share

a) Basic Earnings per share

The calculation of basic 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 2019 (*2018: 871,333,550*).

	2019	2018
Profit/(loss) for the financial year attributable to ordinary shareholders (€'000)	**22,840**	(3,930)
Weighted average number of shares for the financial year	**871,333,550**	745,664,898
Basic earnings/(loss) per share (cents)	**2.62**	(0.53)

	2019 No. of shares	2018 No. of shares
Reconciliation of weighted average number of shares (basic)		
Issued ordinary shares at beginning of financial year	**871,333,550**	667,049,000
Effect of Founder Shares Converted	**-**	7,545,229
Effect of shares issued for cash	**-**	71,070,669
	871,333,550	745,664,898

b) Diluted Earnings per share

	2019	2018
Profit/(loss) for the financial year attributable to ordinary shareholders (€'000)	**22,840**	(3,930)
Weighted average number of shares for the financial year	**871,333,550**	745,664,898
Diluted earnings/(loss) per share (cents)	**2.62**	(0.53)

	2019 No. of shares	2018* No. of shares
Reconciliation of weighted average number of shares (diluted)		
Weighted average number of ordinary shares (basic)	**871,333,550**	745,664,898
Effect of share options on issue**	**-**	-
	871,333,550	745,664,898

*The number of potentially issuable shares in the Group held under option or Founder Share arrangements at 31 December 2019 is 185,692,638 (*2018: 183,850,221*).

Notes to the consolidated financial statements
For the financial year ended 31 December 2019 (continued)

16 Earnings per share (continued)

b) Diluted Earnings per share (continued)

** Under IAS 33, Founders Shares and LTIP arrangements have an assumed test period ending on 31 December 2019. 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 2019, 1,116,340 options (*2018: 2,843,383)* 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.

17 Income tax

	2019			2018
	Before Exceptional items €'000	Exceptional items €'000	Total €'000	Total €'000
Current tax charge for the financial year	**3,864**	**(93)**	**3,771**	18
Deferred tax charge/(credit) for the financial year	**80**	**-**	**80**	(57)
Total income tax charge/(credit)	**3,944**	**(93)**	**3,851**	(39)

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.

	2019 €'000	2018 €'000
Profit/(loss) before tax for the financial year	**26,691**	(3,969)
Tax charge/(credit) at standard Irish income tax rate of 12.5%	**3,336**	(496)
Tax effect of:		
Income taxed at the higher rate of corporation tax	**222**	324
Non-deductible expenses – other	**230**	109
Other adjustments	**63**	24
Total income tax charge/(credit)	**3,851**	(39)

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

17 Income tax (continued)

Movement in deferred tax balances

	Balance at 1 January 2019 €'000	Recognised in profit or loss €'000	Balance at 31 December 2019 €'000
Tax losses carried forward	208	(80)	128
	208	**(80)**	**128**

The deferred tax asset accrues in Ireland and therefore has no expiry date. 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.

18 Property, plant and equipment

	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**

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (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 2018	-	331	1,161	57	1,549
Acquisitions through business combinations	-	-	62	-	62
Additions	7,713	417	2,136	356	10,622
Disposals	-	-	(18)	(6)	(24)
At 31 December 2018	**7,713**	**748**	**3,341**	**407**	**12,209**
Accumulated depreciation					
At 1 January 2018	-	(15)	(50)	(8)	(73)
Charge for the financial year	(36)	(74)	(452)	(83)	(645)
Disposals	-	-	2	4	6
At 31 December 2018	**(36)**	**(89)**	**(500)**	**(87)**	**(712)**
Net book value					
At 31 December 2018	**7,677**	**659**	**2,841**	**320**	**11,497**

The depreciation charge for the year includes €0.8 million (*2018: €0.5 million)* which was capitalised in inventory at 31 December 2019.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

19 Intangible assets

	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**

	Licence €'000	Computer Software €'000	Total €'000
Cost			
At 1 January 2018	-	145	145
Acquisitions through business combinations	149	-	149
Additions	-	564	564
At 31 December 2018	**149**	**709**	**858**
Accumulated amortisation			
At 1 January 2018	-	(70)	(70)
Charge for the year	-	(61)	(61)
At 31 December 2018	**-**	**(131)**	**(131)**
Net book value			
At 31 December 2018	**149**	**578**	**727**

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

20 Inventory

	2019 €'000	2018 €'000
Land held for development (i)	**647,513**	597,028
Development expenditure (ii)	**172,683**	100,964
Development rights (iii)	**20,291**	20,870
	840,487	718,862

€227.3 million (*2018: €66.6 million*) of inventory was recognised in 'cost of sales' during the year ended 31 December 2019.

(i) Significant development land acquisitions completed during the year

Maryborough Ridge, Cork

As at 31 December 2018, the Group had entered into an unconditional contract to acquire 24.34 acres of zoned land for residential development at Maryborough Ridge a development site at Douglas, Co. Cork for total consideration of €12.5 million (excluding fees and stamp duty). A deposit of €1.3 million was paid in 2018 and was recognised within trade and other receivables as at 31 December 2018. The transaction subsequently completed in February 2019 resulting in the transfer of the full amount to inventory.

Castleknock

As at 31 December 2018, the Group had contracted to acquire a development site at Carpenterstown Road, Castleknock, Co. Dublin for total consideration of €9.3 million (excluding fees and stamp duty). A deposit of €0.9 million was paid in 2018 and was recognised within trade and other receivables at 31 December 2018. The transaction subsequently completed in January 2019 resulting in the transfer of the full amount to inventory.

Project Arrow

In March 2019 the Group acquired two development sites located in Leixlip and Newbridge, Co. Kildare for total consideration of approximately €50 million (excluding fees and stamp duty).

Kilruddery, Co. Wicklow / Howth, Co. Dublin

In June 2019 the Group acquired two development sites for an aggregate consideration of approximately €24m (excluding fees and stamp duty) at Kilruddery, Bray Co. Wicklow and at Howth Co. Dublin.

Rathmullan Road, Drogheda, Co. Meath

In July 2019 the Group acquired a 30 acre site at Rathmullan Road, Drogheda, Co. Meath for total consideration of €7.4m (excluding fees and stamp duty).

(ii) Employment cost capitalised

€12.9 million of employment costs incurred during the year have been capitalised in inventory *(2018: €7.3 million).*

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

20 Inventory (continued)

(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. At 31 December 2019 an amount of €6.4 million *(2018: €6.9 million)* is included within inventory in line with the conditions of the licence agreement as outlined in Note 30.

21 Trade and other receivables

	2019 €'000	2018 €'000
Trade receivables	**3,412**	249
Other receivables	**2,482**	70
Prepayments	**393**	1,065
Unamortised transaction costs on debt facility	**-**	788
VAT recoverable	**-**	6,461
Construction bonds	**4,401**	3,377
Deposits for sites	**1,553**	2,497
	12,241	14,507

The carrying value of all financial assets and trade and other receivables is approximate to their fair value and are repayable on demand.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

22 Trade and other payables

	2019 €'000	2018 €'000
Trade payables	**7,455**	7,821
Payroll and other taxes	**2,755**	2,787
Inventory accruals	**22,017**	21,289
Other accruals	**5,709**	3,096
VAT payable	**18,282**	-
Interest accrual	**-**	196
	56,218	35,189
Non-current	**-**	1,803
Current	**56,218**	33,386
	56,218	35,189

The carrying value of all financial liabilities and trade and other payables is approximate to their fair value and are repayable on demand.

23 Loans and Borrowings

(a) Loans and borrowings

The Group is party to a Revolving Credit Facility for a total of €250 million (of which €125 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 2019, €40.0 million *(31 December 2018: €nil)* had been drawn on the facility. Pursuant to the RCF agreement, there is a fixed and floating charge in place over certain assets of the Group as continuing security for the discharge of any amounts drawn down.

	31 December 2019 €'000	31 December 2018 €'000
Revolving Credit Facility	**40,000**	-
Unamortised borrowing costs*	**(446)**	-
Interest accrued*	**15**	-
Total loans and borrowings	**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;
- The Group is required to maintain a minimum cash balance of €25.0 million throughout the term of the facility; and
- A minimum EBITDA to net interest coverage ratio.

*The Group had €Nil loans and borrowings at 31 December 2018 and accordingly the unamortised transaction costs asset was classified within trade and other receivables at that date. Interest accrued was classified within trade and other payables at 31 December 2018.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

23 Loans and Borrowings (continued)

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

		Cash flows				Non cash changes					
	Opening 2019 €'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	IFRS 16 – transition adjustment €'000	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 2019 (continued)

23 Loans and Borrowings (continued)

(c) Net (debt) / funds reconciliation

	31 December 2019 €'000	31 December 2018 €'000
Cash and cash equivalents	**93,224**	130,701
Loans and borrowings	**(39,569)**	-
Lease liabilities	**(595)**	(38)
Total net funds	**53,060**	130,663

(d) Lease Liabilities

Lease liabilities are payable as follows:

	31 December 2019		
	Present value of minimum lease payments €'000	Interest €'000	Future value of minimum lease payments €'000
Less than one year	**423**	**49**	**472**
Between one and two years	**102**	**2**	**104**
More than two years	**18**	**1**	**19**
	543	**52**	**595**

24 Restricted cash

The restricted cash balance relates to €1.5 million held in escrow until the completion of certain infrastructural works relating to the Group's residential development at Balbriggan, Co. Dublin. The estimated fair value of restricted cash as at 31 December 2019 is its carrying value.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

25 Subsidiaries

The subsidiary companies (all of which are resident in Ireland) and the percentage shareholdings held by Glenveagh Properties PLC, either directly or indirectly, at 31 December 2019 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
GL Partnership Opportunities II DAC	Property development	100%	1
Hollystown Golf & Leisure Limited	Golf Club operations	100%	2
GLL PRS HoldCo Limited	Dormant company	100%	1
GLL Partnership HoldCo Limited	Dormant company	100%	1
GLL HoldCo Limited	Dormant company	100%	1
Into the Future (South) Limited	Dormant company	100%	2
Feathermist Limited	Dormant company	100%	2
Braddington Developments Limited	Dormant company	100%	2
Bulwark Limited	Dormant company	100%	1

1 15 Merrion Square North, Dublin 2, D02 YN15
2 Block B, Maynooth Business Campus, Maynooth, Co. Kildare, W23W5X7

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

26 Share capital and share premium

(a) Authorised share capital

	2019 Number of shares	2019 €'000	2018 Number of shares	2018 €'000
Ordinary Shares of €0.001 each	1,000,000,000	1,000	1,000,000,000	1,000
Founder Shares of €0.001 each	200,000,000	200	200,000,000	200
Deferred Shares of €0.001 each	200,000,000	200	200,000,000	200
	1,400,000,000	**1,400**	**1,400,000,000**	**1,400**

(b) Issued share capital and share premium

	Number of shares	Share capital €'000	Share premium €'000
At 31 December 2019			
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**

	Number of shares	Share Capital €'000	Share premium €'000
At 31 December 2018			
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

	Ordinary shares '000	Founder shares '000	Share capital €'000	Share premium €'000
In respect of current year				
In issue at 1 January 2019	871,333	181,007	1,052	879,281
Issued for cash	-	-	-	-
Conversion of Founder Shares	-	-	-	-
	871,333	**181,007**	**1,052**	**879,281**

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

26 Share capital and share premium (continued)

(c) Reconciliation of shares in issue (continued)

	Ordinary shares '000	Founder shares '000	Share capital €'000	Share premium €'000
In respect of prior year				
In issue at 1 January 2018	667,049	200,000	867	666,381
Issued for cash	185,291	-	185	212,900
Conversion of Founder Shares	18,993	(18,993)	-	-
	871,333	**181,007**	**1,052**	**879,281**

(d) Rights of shares in issue

Ordinary Shares

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

Founder Shares

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

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

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

Following completion of the second test period (which ran from 1 March 2019 until 30 June 2019), 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

At an Extraordinary General Meeting of the Company held on 17 December 2019, the shareholders approved (subject to the approval of the High Court) an increase of the distributable reserves of the Company by the transfer of an amount of up to €700 million from the Company's share premium account to distributable reserves (namely retained earnings). This transfer will be reflected in the Group and Company financial statements once approved by the High Court.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

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).

Financial instruments: financial assets

	2019 €'000	2018 €'000
The consolidated financial assets can be summarised as follows:		
Trade receivables	**3,412**	249
Other receivables	**2,482**	70
Construction bonds	**4,401**	3,377
Deposits for sites	**1,553**	2,497
Cash and cash equivalents	**93,224**	130,701
Restricted cash (non-current)	**1,500**	1,500
Total financial assets	**106,572**	138,394

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

Financial instruments: financial liabilities

	2019 €'000	2018 €'000
Trade payables	**7,455**	7,821
Lease liabilities (2018: finance lease obligations)	**595**	38
Inventory accruals	**22,017**	21,289
Other accruals	**5,709**	3,096
Total financial liabilities	**35,776**	32,244

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

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

27 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

» market risk – the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

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

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash reserves to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring, unacceptable losses or risking damage to the Group's reputation. The Group's liquidity forecasts consider all planned development expenditure.

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

	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
Lease liabilities	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	-

	31 December 2018				
	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	38	42	36	6	-
Trade payables	7,821	7,821	7,821	-	-
Inventory accruals	21,289	23,713	23,713	-	-
Other accruals	3,096	672	672	-	-
Loans and borrowings*	-	2,920	1,252	1,252	416
	32,244	35,168	33,494	1,258	416

*Contracted cash flows on loans and borrowings in the prior year related to commitment fee payable on the RCF.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

27 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	2019 €'000	2018 €'000
Funds available		
Revolving credit facility* (undrawn committed)	85,000	125,000
Cash and cash equivalents	93,224	130,701
	178,224	255,701

*The Group's RCF contains a mechanism through which the committed amount can be increased up to €250.0 million. Under the terms of the Group's RCF, the Group is required to maintain a minimum cash balance of €25.0 million in cash and cash equivalents throughout the term of the facility.

The Group's RCF is subject to primary financial covenants calculated on a quarterly basis:

» A maximum net debt to net assets ratio;
» A minimum cash reserves limit; and
» A minimum EBITDA to net interest coverage ratio.

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 the prior year, 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 per cent.) plus 2.5%. €40 million *(2018: €nil)* had been drawn on the facility at 31 December 2019. The Group has an exposure to cash flow interest rate risk where there are changes in the EURIBOR rates.

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates (IBORs) with alternative rates.

IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR. Therefore, the Group believes the current market structure supports the valuation of our debt obligations as at 31 December 2019.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

27 Financial instruments and financial risk management (continued)

Financial risk management objectives and policies (continued)

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 lessee (IFRS 16)

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

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

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

i. Right-of-use assets

Right-of-use assets related to leased properties (that do not meet the definition of investment property) and motor vehicles are presented as property, plant and equipment (see Note 18).

	Property €'000	Motor Vehicles €'000	Total €'000
2019			
Balance at 1 January	**876**	**351**	**1,227**
Depreciation charge for the year	**(596)**	**(148)**	**(744)**
Additions to right-of-use assets	**-**	**90**	**90**
Balance at 31 December	**280**	**293**	**573**

ii. Amounts recognised in profit or loss

	2019 €'000
2019 – Leases under IFRS 16	
Interest on lease liabilities	**32**
Expenses relating to short-term leases	**80**
2018 – Operating leases under IAS 17	
Lease expense	771

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

28 Leases (continued)

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

iii. Amounts recognised in statement of cash flows

	2019 €'000
Total cash outflow on leases	**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.

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:

	2019 €'000	2018 €'000
Short-term employee benefits	**2,912**	2,357
Post-employment benefits	**116**	74
LTIP and SAYE share-based payment expense	**66**	50
	3,094	2,481

(ii) Other related party transaction

Prior year transaction

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 and Justin Bickle are directors) 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 Director's concluded that it remains appropriate.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

29 Related party transactions (continued)

(ii) Other related party transaction (continued)

Prior year transaction (continued)

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.

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 2019 relating to development land acquisitions:

Land acquisition subject to re-zoning

In the prior year, 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.

Maryborough Ridge, Cork

The Group entered into a licence agreement to develop a further 18.65 acres at the Maryborough Ridge site in 2018. At 31 December 2018 an amount of €6.9 million was recognised in inventory reflecting the initial licence fee paid and related stamp duty and acquisition costs. The remaining €6.1 million of the licence fee is payable in equal instalments in line with milestones outlined in the licence agreement which will bring the total consideration to approximately €13.0 million. During the year ended 31 December 2019, the first milestones were achieved resulting in the payment of €2.1m of the residual licence fee.

Under the terms of the licence agreement, the Group has committed to paying the vendor further variable amounts dependent on the number of units developed and unit sale prices achieved in excess of those contemplated in the licence agreement. As these commitments are based on uncertain future events, the Group has treated them as contingent consideration. The Group will reassess these commitments at each reporting date.

Notes to the consolidated financial statements

For the financial year ended 31 December 2019 (continued)

31 Subsequent events

No events have occurred subsequent to the reporting date that require disclosure in these financial statements.

32 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 loss after tax for the financial year was €1.1 million (for the period ended 31 December 2018: loss of €0.7 million).

33 Approved financial statements

The Board of directors approved the financial statements on 27 February 2020.

Company balance sheet
as at 31 December 2019

	Note	2019 €'000	2018 €'000
Assets			
Non-current assets			
Investments in subsidiaries	3	5,063	4,471
		5,063	4,471
Current assets			
Trade and other receivables	4	170	264
Amounts owed by subsidiaries	5	845,700	845,931
Cash and cash equivalents		1	447
		845,871	846,642
Total assets		850,934	851,113
Equity			
Share capital	7	1,052	1,052
Share premium		879,281	879,281
Retained earnings		(75,026)	(73,893)
Share-based payment reserve		44,035	43,443
		849,342	849,883
Liabilities			
Current liabilities			
Trade and other payables	6	1,592	1,230
Total liabilities		1,592	1,230
Total liabilities and equity		850,934	851,113

Company statement of changes in equity
for the financial year ended 31 December 2019

	Share Capital					
	Ordinary shares €'000	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
Balance as at 31 December 2019	871	181	879,281	44,035	(75,026)	849,342

Company statement of changes in equity

for the financial year ended 31 December 2018

	Share Capital					
	Ordinary shares €'000	Founder shares €'000	Share premium €'000	Share-based payment reserve €'000	Retained earnings €'000	Total equity €'000
Balance as at 1 January 2018	**667**	**200**	**666,381**	**47,548**	**(70,559)**	**644,237**
Total comprehensive loss for the financial year						
Loss for the financial year	-	-	-	-	(715)	(715)
Other comprehensive income	-	-	-	-	-	-
	667	**200**	**666,381**	**47,548**	**(71,274)**	**643,522**
Transactions with owners of the Company						
Issue of ordinary shares for cash	185	-	212,900	-	-	213,085
Share issue costs	-	-	-	-	(7,131)	(7,131)
Conversion of Founder Shares to ordinary shares	19	(19)	-	(4,512)	4,512	-
Equity-settled share-based payments	-	-	-	407	-	407
	204	**(19)**	**212,900**	**(4,105)**	**(2,619)**	**206,361**
Balance as at 31 December 2018	**871**	**181**	**879,281**	**43,443**	**(73,893)**	**849,883**

Notes to the Company financial statements

For the financial year ended 31 December 2019

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 loss for the financial year was €1.1 million. (*2018: €0.7 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 2019 (continued)

3 Investment in subsidiaries

	2019 €'000	2018 €'000
Investment in subsidiaries	**4,025**	4,025
Accumulated cost of share-based payments in respect of subsidiaries	**1,038**	446
	5,063	4,471

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

	2019 €'000	2018 €'000
VAT receivable	**35**	110
Prepayments and other receivables	**135**	154
	170	264

5 Amounts due from subsidiaries

	2019 €'000	2018 €'000
Amounts due from subsidiaries	**845,700**	845,931
	845,700	845,931

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

	2019 €'000	2018 €'000
Trade payables	**44**	146
Accruals	**1,476**	1,022
Payroll and other taxes	**72**	62
	1,592	1,230

Notes to the Company financial statements
For the financial year ended 31 December 2019 (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.

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	2019 €'000	2018 €'000
Gross profit	Statement of profit or loss	**51,487**	15,292
Revenue	Note 10	**284,637**	84,179
Gross margin percentage		**18.1%**	18.2%

2 Earnings before interest, tax, depreciation and amortisation (EBITDA) pre-exceptional items and related margin

An APM representing earnings before interest, tax, depreciation, amortisation 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. EBITDA margin pre-exceptional items represents this metric as a percentage of the Group's revenue.

	Financial statements reference	2019 €'000	2018 €'000
Depreciation - capitalised		**845**	524
Depreciation - expensed		**1,092**	121
Total depreciation	Note 18	**1,937**	645

		2019 €'000	2018 €'000
Operating profit/(loss)	Statement of profit or loss	**29,357**	(2,555)
Exceptional items	Note 11	**1,125**	409
Depreciation – expensed	As above	**1,092**	121
Amortisation	Note 19	**299**	61
EBITDA: pre-exceptional items		**31,873**	(1,964)
EBITDA margin pre-exceptional items		**11.2%**	(2.3%)

3 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.

4 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.

5 Adjusted EPS (AEPS)

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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John Mulcahy
Stephen Garvey
Michael Rice

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Lady Barbara Judge, CBE
Robert Dix
Richard Cherry
Pat McCann
Cara Ryan

Company Secretary

Chloe McCarthy

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Solicitor

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