

ENERGIA GROUP LIMITED
www.energiagroup.com

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Q3 2021

QUARTERLY REPORT

Financial Year 2021

energia group



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KEY FACTS & FIGURES

Underlying Business Results¹

€m
51.0

Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	23.3	18.1	43.2	45.2
Flexible Generation	8.4	13.8	38.3	30.7
Customer Solutions	19.3	18.4	55.1	47.8
	51.0	50.3	136.6	123.7

Capital expenditure

Third Quarter 2021 - €13.2m (2020 - €21.1m)

Nine Months 2021 - €30.3m (2020 - €50.1m)



€m
13.2

€m
50.6

IFRS Results²

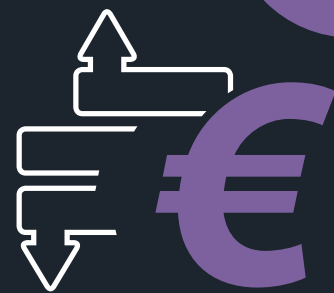
Revenue

Third Quarter 2021 - €532.0m (2020 - €536.9m)

Nine Months 2021 - €1,292.9m (2020 - €1,398.7m)



€m
532.0



Operating profit

Third Quarter 2021 - €50.6m (2020 - €46.2m)

Nine Months 2021 - €131.9m (2020 - €106.7m)

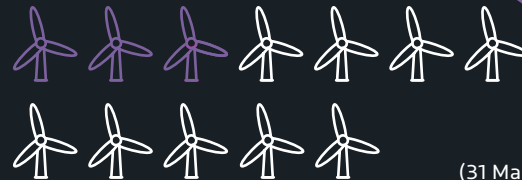
¹ Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 2.

² Before exceptional items and certain remeasurements.

Operational Facts



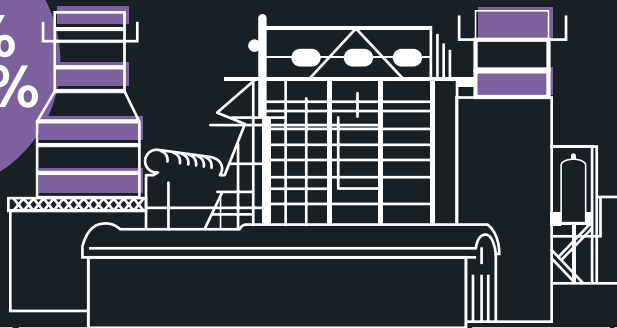
Wind generation assets in operation at 31 December 2020



(31 March 2020 - 277MW)

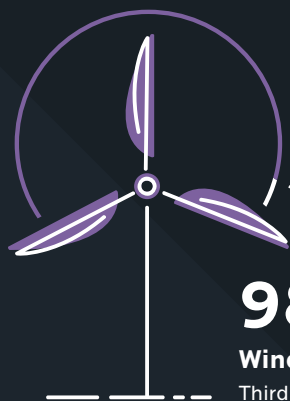


**36.7%
100.0%**



Huntstown CCGT 1 & 2 asset availability

Huntstown 1 - Third Quarter 2021 - 36.7% (2020 - 95.7%)
 Nine Months 2021 - 76.2% (2020 - 80.2%)
 Huntstown 2 - Third Quarter 2021 - 100.0% (2020 - 96.1%)
 Nine Months 2021 - 99.9% (2020 - 88.4%)



98.4%

Wind asset availability

Third Quarter 2021 - 98.4% (2020 - 98.6%)
 Nine Months 2021 - 97.5% (2020 - 97.8%)

NI electricity sales volume

Third Quarter 2021 - 0.9TWh (2020 - 1.0TWh)
 Nine Months 2021 - 2.2TWh (2020 - 2.5TWh)

702,700
Residential customer sites supplied
(31 March 2020 - 669,000)



RoI electricity sales volume

Third Quarter 2021 - 1.1TWh (2020 - 1.1TWh)
 Nine Months 2021 - 3.0TWh (2020 - 3.2TWh)

MANAGEMENT REPORT

MANAGEMENT REPORT

The Director of Energia Group Limited (EGL) presents the condensed interim consolidated financial statements for EGL for the 3 months ended 31 December 2020 (Third Quarter 2021) and the 9 Months ended 31 December 2020 (Nine Months 2021) including comparatives for the three months ended 31 December 2019 (Third Quarter 2020) and the 9 months ended 31 December 2019 (Nine Months 2020). All references in this document to 'Group' denote Energia Group Limited and its subsidiary undertakings and to 'Company' denote Energia Group Limited, the parent company. The principal activity of the Company is that of a holding company.

Business Model and Principal Activities

As disclosed in detail within the Annual Report 2020, the Group is a leading integrated Irish energy business with substantial businesses in both the RoI and Northern Ireland. During Nine Months 2021 there were no changes to the principal activities of the Group's businesses.

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,284MW of renewable generation capacity throughout Ireland. In addition, the Renewables business is currently constructing a 4MW bioenergy anaerobic digestion facility in Dublin.

The Flexible Generation business owns and operates 747MW of conventional generation assets in the RoI and procures power under contract with 600MW of conventional generation assets in Northern Ireland.

The Customer Solutions business supplies electricity and gas to 306,500 customer sites in the RoI and 492,100 customer sites in Northern Ireland through its two retail brands, Energia and Power NI respectively.

COVID-19

During First Nine Months 2021 the Group's priority continued to focus on the health and safety of its staff and customers whilst contributing to the efforts of the Irish and UK Governments in ensuring that consumers continue to have access to energy and essential services.

The Group's businesses have proved to be resilient in meeting the challenges of operating during the COVID-19 pandemic and delivering on strategic development projects while at the same time continuing to support the communities in which they operate.

Through the First Quarter 2021, the Group experienced a reduction in demand for electricity in the I-SEM market (average 7.5% reduction in market demand). However, the demand for electricity in the Second Quarter 2021 and the Third Quarter 2021 had largely recovered to levels slightly above the same period last year. Despite further tightening of restrictions in both Ireland and Northern Ireland from late December 2020, demand for electricity since has remained broadly consistent with the same period last year.

The Group's financial performance has remained strong during the periods of restrictions in Ireland and Northern Ireland however, management remains vigilant and will continue to take appropriate steps to protect the Group's businesses from the potential financial impact of COVID-19.

The Group has strong liquidity at 31 December 2020 with €177.2m of cash and cash equivalents excluding project finance cash (31 March 2020 - €190.8m) and has undrawn committed revolving credit facilities of €114.5m (31 March 2020 - €91.0m) and is therefore well positioned to manage the potential impact of COVID-19.



South Belfast Foodbank Manager meets Energia Group CEO Ian Thom to receive a festive donation

BUSINESS REVIEWS

Renewables

Overview

The Group owns and operates a generation portfolio comprising onshore wind assets across the RoI and Northern Ireland. In addition, the Group is in the advanced stages of constructing a 4MW bioenergy plant in the RoI as well as developing a further pipeline of wind, bioenergy and solar projects across Ireland.

The Group also purchases electricity under long-term off-take Power Purchase Agreement (PPA) contracts with third party renewable generators and the Group's owned renewable assets through its Customer Solutions businesses.

Financial performance

The Renewables financial KPIs are shown below:

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
EBITDA	23.3	18.1	43.2	45.2
Capital expenditure	7.2	13.1	15.3	23.8

Renewables EBITDA (pre-exceptional items and certain remeasurements) for Third Quarter 2021 increased to €23.3m (2020 - €18.1m) primarily reflecting higher wind generation assets EBITDA (reflecting the commissioning of the Derrysallagh wind farm together with higher wind factors and higher market prices including the benefit of Renewable Obligation Certificate (ROC) prices) and higher contributions from renewable PPAs (due to higher market prices including ROC prices and higher PPA volumes partly offset by lower ROC sales volumes) partly offset by increased costs of development projects.

Renewables EBITDA (pre-exceptional items and certain remeasurements) for Nine Months 2021 decreased to €43.2m (2020 - €45.2m) primarily reflecting increased costs of development projects and lower contributions from renewable PPAs

(reflecting lower ROC sales volumes and lower market prices (including ROC prices)), partly offset by higher wind generation assets EBITDA (reflecting additional capacity from the commissioning of Derrysallagh partly offset by lower market prices (including ROC prices)).

Renewables capital expenditure for Third Quarter 2021 decreased to €7.2m (2020 - €13.1m) primarily reflecting lower capital expenditure in relation to the recently commissioned Derrysallagh wind farm.

Renewables capital expenditure for Nine Months 2021 decreased to €15.3m (2020 - €23.8m) primarily reflecting lower capital expenditure in respect of the bioenergy assets, partly offset by higher capital expenditure in relation to the recently commissioned Derrysallagh wind farm.

Operational performance

KPIs	Third Quarter 2021	Third Quarter 2020	Nine Months 2021	Nine Months 2020
Onshore wind generation assets				
Wind generation capacity in operation in the Rol and Northern Ireland				
- average during the period (MW)	309	277	297	277
- at end of period (MW)	309	277	309	277
Availability (%)	98.4	98.6	97.5	97.8
Wind factor (%)	31.6	29.7	23.7	24.1
Renewable PPA portfolio				
Contracted renewable generation capacity in operation in the Rol and Northern Ireland				
- average during the period (MW)	1,285	1,270	1,287	1,273
- at end of period (MW)	1,284	1,269	1,284	1,269

Onshore wind generation assets

The Group owns onshore wind farm assets across the Rol and Northern Ireland. The average onshore wind generation capacity in operation during the Third Quarter 2021 was 309MW (2020 - 277MW) and during Nine Months 2021 was 297MW (2020 - 277MW) with 31 December 2020 operating capacity of 309MW (31 March 2020 - 277MW). This comprised 136MW (31 March 2020 - 104MW) of operating wind generation capacity in the Rol and 173MW (31 March 2020 - 173MW) of operating wind generation capacity in Northern Ireland.

Renewable assets availability for Third Quarter 2021 was 98.4% (2020 - 98.6%) with a wind factor of 31.6% (2020 - 29.7%). Availability for Nine Months 2021 was 97.5% (2020 - 97.8%) with a wind factor of 23.7% (2020 - 24.1%).

Distributions of €8.1m were made in the Nine Months 2021 (2020 - €11.0m) from the wholly owned wind generation assets.

Renewable PPA portfolio

The Group's renewable PPA portfolio primarily consists of off-take contracts with third party owned wind farms alongside wind generation assets in which the Group has an equity interest. The Group, via its Customer Solutions business, has entered into contracts with developers under which it has agreed to purchase the long-term output of a number of wind farm projects and with generators from other renewable sources (e.g. anaerobic digestion and biomass technologies).

The average contracted generation capacity in operation during the Third Quarter 2021 was 1,285MW (2020 - 1,270MW) and during Nine Months 2021 was 1,287MW (2020 - 1,273MW) with 31 December 2020 operating capacity of 1,284MW (31 March 2020 - 1,268MW) of which the Northern Ireland operating capacity was 685MW (31 March 2020 - 682MW) and the Rol operating capacity was 599MW (31 March 2020 - 586MW).

Bioenergy assets

The Group continues to develop its bioenergy assets.

The bioenergy plant at Huntstown in Dublin is a state of the art 4.0MW anaerobic digestion facility which will process up to 100,000 tonnes of organic municipal waste from the Dublin region and is expected to produce up to c.32GWh of green renewable electricity on an annual basis. Construction of the plant is substantially complete however the commissioning phase continues to experience a number of delays, including those due to COVID-19, and commercial operation is not now expected to complete by the end of Financial Year 2021.

Solar

The Group has two consented solar projects, Glenamoy and Darthogue, totalling 32MW in the RoI for which it has submitted planning applications to increase the scale of these projects. During the period, planning consent was received for a first phase extension to the Darthogue site for an additional 47MW of capacity. The Group is also exploring a number of further greenfield solar development opportunities.

Hydrogen

The Group has secured Interreg and Office for Low Emission Vehicles (OLEV) grant funding for an electrolyser, to produce hydrogen from renewable electricity at the Long Mountain wind farm, and a fuelling station to be located in Belfast. During the period, delivery of hydrogen from third party suppliers commenced to enable commissioning of Translink's buses however delivery of the electrolyser and fuelling station has been delayed as a result of the COVID-19 pandemic. Commissioning of a temporary electrolyser and the fuelling station is targeted for First Quarter 2022.

Corporate PPAs

Two of the Group's proposed onshore wind farm development projects (Coolberrin 21MW and Crossmore 15MW) had been successful in securing support under the RoI Renewable Electricity Support Scheme (RESS) in the first competitive auction during 2020. Subsequent to the auction, the Group intends to enter into Corporate PPAs for both of these wind farm development projects.

Planning approval for the overhead line connection to the Coolberrin wind farm has been over-ruled by An Bord Pleanála (the independent body that decides on appeals on planning decisions in the RoI). The Group is legally challenging the refusal of planning permission for the overhead line connection and on 26 November 2020 leave was granted to judicially review this decision.

Offshore wind

The Group has applied to the Department of Housing, Planning and Local Government (DHPLG) for foreshore licences which give permission to carry out preliminary surveys to investigate the feasibility of offshore wind generation at sites in the North Celtic Sea and the South Irish Sea. The applications were submitted in August 2019 and October 2019 respectively and public consultations have been completed. In October 2020 the DHPLG introduced a prioritisation process for the consideration of foreshore licence applications. The Group is legally challenging the decision by the Minister to establish this priority order for foreshore licences and on 18 January 2021 leave was granted to judicially review this decision.

Outlook

The Group is in the final stages of construction and commissioning of its 4MW bioenergy plant in Dublin. Development is ongoing for the Group's pipeline of wind and solar projects across Ireland together with the proposed bioenergy plant at Giant's Park in Belfast.

The table below summarises the portfolio of renewable projects excluding offshore wind and hydrogen production at 31 December 2020:

MW	Operating	Under Construction	In Development	Total
Onshore wind generation assets				
- NI	173	-	52	225
- Rol	136	-	131	267
	309	-	183	492
Bioenergy Assets				
- NI	-	-	4	4
- Rol	-	4	-	4
	-	4	4	8
Solar				
- Rol	-	-	79	79
	309	4	266	579

The Group continues to assess a number of other opportunities to acquire and develop further renewable development projects.



Ennergia Group are proud to be a part of the arrival of three new Hydrogen Fuel Cell Buses in Northern Ireland

Flexible Generation

Overview

The Group owns and operates two CCGT plants at the Huntstown site in north Dublin. Huntstown 1, a 343MW CCGT plant was commissioned in November 2002 and Huntstown 2, a 404MW CCGT plant adjacent to Huntstown 1, was commissioned in October 2007.

In addition, the Group's PPB business administers 600MW of contracted generation capacity from the Ballylumford Power Station in Northern Ireland. This legacy contract runs to September 2023 and is cancellable by the Utility Regulator (UR) with six months' notice.

Financial performance

KPIs	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
EBITDA	8.4	13.8	38.3	30.7
Capital expenditure	1.3	2.5	3.9	11.5

EBITDA for Third Quarter 2021 decreased to €8.4m (2020 - €13.8m) primarily reflecting lower availability and utilisation of Huntstown 1 and higher maintenance costs (due to the major outage in Huntstown 1), partly offset by higher utilisation and availability of Huntstown 2, favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience) and favourable revaluation of distillate stock (reflecting an increase in oil prices).

EBITDA for Nine Months 2021 increased to €38.3m (2020 - €30.7m) primarily reflecting higher availability and utilisation of Huntstown 2 (due to the outage in the prior year), favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience) and favourable revaluation of distillate stock (reflecting an

increase in oil prices), partly offset by lower availability and utilisation of Huntstown 1 and higher maintenance costs (due to the major outage).

Flexible Generation capital expenditure for Third Quarter 2021 decreased to €1.3m (2020 - €2.5m) and for Nine Months 2021 decreased to €3.9m (2020 - €11.5m) primarily due to lower capital expenditure in respect of Huntstown 1 due to the outage in the prior year.

Operational performance

KPIs	Third Quarter 2021	Third Quarter 2020	Nine Months 2021	Nine Months 2020
Huntstown CCGTs				
Availability (%)				
- Huntstown 1	36.7	95.7	76.2	80.2
- Huntstown 2	100.0	96.1	99.9	88.4
Unconstrained utilisation (%)				
- Huntstown 1	30.1	83.5	76.7	87.9
- Huntstown 2	56.3	6.7	52.1	2.5
Incremental impact of constrained utilisation (%)				
- Huntstown 1	16.7	(13.2)	(5.1)	(22.1)
- Huntstown 2	(3.7)	22.4	(5.1)	46.8

Huntstown 1 availability for Third Quarter 2021 was 36.7% (2020 – 95.7%) and for Nine Months 2021 was 76.2% (2020 – 80.2%) reflecting a 57 day planned major outage which commenced in October 2020 and was successfully completed in December 2020.

Huntstown 2 availability for Third Quarter 2021 was 100% (2020 – 96.1%) and for Nine Months 2021 was 99.9% (2020 – 88.4%). The prior year lower availability reflects 28 days of a 42 day planned outage which commenced in March 2019 and was successfully completed in April 2019.

During the period, planning also continued for the 45 day major scheduled outage at Huntstown 2 which commenced on 1 March 2021. However, a fault has been separately identified on the Huntstown 2 main generator transformer which has resulted in the plant not being available to the market since 29 January 2021. A number of options for return to service are currently being assessed and, depending on the option agreed, the plant could remain out of service for all of Financial Year 2022.

Huntstown 1 unconstrained utilisation for Third Quarter 2021 was 30.1% (2020 – 83.5%) and for Nine Months 2021 was 76.7% (2020 – 87.9%). The incremental impact of constrained utilisation for Huntstown 1 in Third Quarter 2021 was 16.7% constrained on (2020 – 13.2% constrained off) and for Nine Months 2021 was 5.1% constrained off (2020 – 22.1%).

Huntstown 2 unconstrained utilisation for Third Quarter 2021 was 56.3% (2020 – 6.7%) and for Nine Months 2021 was 52.1% (2020 – 2.5%). The incremental impact of constrained utilisation for Huntstown 2 in Third Quarter 2021 was 3.7% constrained off (2020 – 22.4% constrained on) and for Nine Months 2021 was 5.1% constrained off (2020 – 46.8% constrained on).

Capacity Auctions

The T-4 auction for the 2024/25 capacity year was held in January 2021. On 10 February 2021, the Single Electricity Market Operator (“SEMO”) published provisional results which confirmed that both Huntstown plants had been awarded reliability options for the 2024/25 capacity year. The auction clearing price was €47,820/MW. Final auction results are expected to be confirmed on 12 March 2021.

On 22 December 2020 SEMO confirmed that it will run a T-1 auction in October 2021 for the 2022/23 capacity year. Huntstown 1 does not yet have a reliability option for the 2022/23 capacity year and is expected to participate in this upcoming auction.

Data Centre

The Group is in preliminary stages of developing a data centre at its Huntstown campus in Dublin adjacent to the CCGT plants.

Storage

The Group has continued to progress the development of its battery storage projects in the period.

Outlook

The Group continues to assess a number of flexible generation, energy storage and behind the meter projects in line with its strategy to grow the business in a manner which supports its renewable asset portfolio and product offerings to customers



Customer Solutions

Overview

The Group's Customer Solutions business operates under the Energia and Power NI brands.



Energia supplies electricity and natural gas to business and residential customers in the RoI.



Power NI is the regulated electricity supplier in Northern Ireland and supplies electricity to business and residential customers.

Financial performance

KPIs	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
EBITDA	19.3	18.4	55.1	47.8
Capital expenditure	4.7	5.5	11.1	14.8

EBITDA for Third Quarter 2021 increased to €19.3m (2020 – €18.4m) primarily reflecting higher Energia non-residential electricity margins and lower operating costs, partly offset by lower gas margins.

EBITDA for Nine Months 2021 increased to €55.1m (2020 – €47.8m) primarily reflecting higher Energia residential and non-residential electricity margins (including higher customer numbers)

and lower operating costs, partly offset by lower gas margins and lower Power NI non-residential margins (due to lower volumes).

Customer Solutions capital expenditure for Third Quarter 2021 was €4.7m (2020 - €5.5m) and for Nine Months 2021 was €11.1m (2020 - €14.8m) primarily reflecting lower expenditure in respect of IT projects.

Operational performance

KPIs	At 31 December 2020	At 31 March 2020
Customer sites (number)		
RoI		
- Residential electricity	183,200	155,700
- Residential gas	68,700	59,800
	251,900	215,500
- Non-residential electricity	50,700	45,300
- Non-residential gas	3,900	4,100
	54,600	49,400
Total ROI	306,500	264,900
Northern Ireland		
- Residential electricity	450,800	453,500
- Non-residential electricity	41,300	44,400
Total Northern Ireland	492,100	497,900

Energy sales RoI	Third Quarter 2021	Third Quarter 2020	Nine Months 2021	Nine Months 2020
- Electricity sales (TWh)	1.1	1.1	3.0	3.2
- Gas sales (million therms)	28.8	28.9	61.8	63.6
Northern Ireland				
- Electricity sales (TWh)	0.9	1.0	2.2	2.5
Complaints (number)				
Complaints to the CRU in the RoI	-	-	3	2
Complaints to the CCNI in Northern Ireland	2	1	3	1

Residential electricity and gas customer sites in the RoI were 251,900 at 31 December 2020 (31 March 2020 - 215,500).

Non-residential electricity customer sites in the RoI were 50,700 at 31 December 2020 (31 March 2020 - 45,300). Non-residential gas customer sites in the RoI were 3,900 at 31 December 2020 (31 March 2020 - 4,100).

Residential customer numbers in Northern Ireland were 450,800 at 31 December 2020 (31 March 2020 - 453,500). Non-residential customer numbers in Northern Ireland were 41,300 at 31 December 2020 (31 March 2020 - 44,400).

Total electricity sales volumes in the RoI for Third Quarter 2021 were 1.1TWh (2020 - 1.1TWh) and during Nine Months 2021 were 3.0TWh (2020 - 3.2TWh). Total electricity sales in Northern Ireland for Third Quarter 2021 were 0.9TWh (2020 - 1.0TWh) and for Nine Months 2021 were 2.2TWh (2020 - 2.5TWh).

RoI gas sales volumes in Third Quarter 2021 were 28.8m therms (2020 - 28.9m therms) and for Nine Months 2021 were 61.8m therms (2020 - 63.6m therms).

Sales volumes include estimates for non-half hourly metered customers and reflect estimates for the reduction in customer usage as a result of COVID-19. Estimates will be updated with actual market resettlement data in M+4 and M+13, at which stage the impact of COVID-19 to customer usage will be clearer.

During the Third Quarter 2021, the Group received no complaints (2020 - nil) and 3 complaints for Nine Months 2021 (2020 - 2) which were referred to the CRU.

During the Third Quarter 2021, the Group received 2 complaints (2020 - 1) and 3 complaints for the Nine Months 2021 (2020 - 1) which were referred to the Consumer Council in Northern Ireland (CCNI).

RoI Smart Metering

The Commission for Regulation of Utilities (CRU) is co-ordinating the National Smart Metering Programme in the RoI which will see traditional analogue meters in customer premises being replaced with modern smart meters. ESB Networks commenced the replacement of meters in Autumn 2019 and will continue to replace 500,000 meters per annum until 2024. On 15 February 2021, Energia successfully implemented the changes to its systems required in order to offer smart services to its customers. The market go-live for offering smart services to customers was on 1 March 2021.

Outlook

The Group continues to progress its development of innovative, enhanced and differentiated product offerings to customers in line with its strategy. Digitalisation will remain a strong focus, and work will continue on a range of initiatives in the 'new energy' space.

SUMMARY OF FINANCIAL PERFORMANCE

A woman in a light-colored top is standing in a meeting room, pointing at a whiteboard. The room has a wall with several sticky notes and a table with papers in the foreground. The image is overlaid with a dark blue gradient.

SUMMARY OF FINANCIAL PERFORMANCE

Revenue

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	62.0	55.2	164.4	169.2
Flexible Generation (based on regulated entitlement)	88.6	105.8	247.2	274.4
Customer Solutions (based on regulated entitlement)	366.9	369.4	851.5	934.7
Adjustment for over-recovery	13.7	10.5	36.7	24.6
Inter-business elimination	0.8	(4.0)	(6.9)	(4.2)
Total revenue from continuing operations	532.0	536.9	1,292.9	1,398.7

Third Quarter 2021

Total revenue from continuing operations decreased to €532.0m (2020 - €536.9m).

Revenue from the Renewables business increased to €62.0m (2020 - €55.2m) primarily reflecting higher revenue from the commissioning of Derrysallagh wind farm, higher market prices including ROC prices and higher output partly offset by lower ROC sales volumes.

Flexible Generation revenue decreased to €88.6m (2020 - €105.8m) primarily reflecting lower availability and utilisation of Huntstown 1 (due to the planned major outage) and lower utilisation of the Ballylumford plant, partly offset by higher availability and utilisation of Huntstown 2 and favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience).

Customer Solutions revenue decreased to €366.9m (2020 - €369.4m) primarily due to lower non-residential revenue (reflecting lower electricity sales volumes, partly offset by higher prices), partly offset by higher residential revenue (reflecting higher customer numbers and higher electricity sales volumes, partly offset by lower prices).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €13.7m (2020 - €10.5m) and at 31 December 2020 the combined cumulative over-recovery against regulated entitlement was €31.6m. The over-recovery of regulated entitlement reflects the phasing of tariffs.



The 'LAD TALK' project in Belfast's Sandy Row receives funding from Power NI Brighter Communities

Nine Months 2021

Total revenue from continuing operations decreased to €1,292.9m (2020 - €1,398.7m).

Revenue from the Renewables business decreased to €164.4m (2020 - €169.2m) primarily reflecting lower ROC sales volumes and lower market prices including ROC prices, partly offset by higher revenue from the commissioning of Derrysallagh wind farm (July 2020).

Flexible Generation revenue decreased to €247.2m (2020 - €274.4m) primarily reflecting lower prices, lower utilisation of the Ballylumford plant and lower availability and utilisation of Huntstown 1, partly offset by higher availability and utilisation of Huntstown 2 and favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience).

Customer Solutions revenue decreased to €851.5m (2020 - €934.7m) primarily due to lower non-residential revenue (reflecting lower electricity sales volumes and lower energy prices), partly offset by higher residential revenue (reflecting higher customer numbers and volumes, partly offset by lower energy prices).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €36.7m (2020 - €24.6m) and at 31 December 2020 the combined cumulative over-recovery against regulated entitlement was €31.6m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Energy costs	431.5	445.0	1,023.9	1,155.5
Employee costs	11.7	10.8	33.7	31.8
Other operating charges	24.1	20.3	62.0	63.1
Total pre-exceptional items and certain remeasurements	467.3	476.1	1,119.6	1,250.4

Third Quarter 2021

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €467.3m (2020 - €476.1m). The breakdown is as follows:

Energy costs decreased to €431.5m (2020 - €445.0m) primarily reflecting lower utilisation of the Ballylumford plant and lower utilisation of Huntstown 1, lower non-residential sales volumes and favourable distillate revaluation for the Huntstown plants partly offset by higher utilisation of Huntstown 2 and higher residential sales volumes.

Employee costs increased to €11.7m (2020 - €10.8m) reflecting an increase in staff numbers associated with the underlying growth of the Group's businesses including future development projects being undertaken.

Other operating charges increased to €24.1m (2020 - €20.3m) primarily reflecting higher maintenance costs for Huntstown 1 associated with the outage and higher operating costs for the Renewables businesses with increased costs of development projects, partly offset by lower Customer Solutions operating costs.

Nine Months 2021

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €1,119.6m (2020 - €1,250.4m). The breakdown is as follows:

Energy costs decreased to €1,023.9m (2020 - €1,155.5m) primarily reflecting lower non-residential sales volumes, lower energy prices, lower utilisation of the Ballylumford plant, lower utilisation of Huntstown 1 and favourable distillate revaluation for the Huntstown plants.

Employee costs increased to €33.7m (2020 - €31.8m) primarily due to the same reasons as described above for Third Quarter 2021.

Other operating charges decreased to €62.0m (2020 - €63.1m) primarily reflecting lower Customer Solutions operating costs, partly offset by higher maintenance costs for Huntstown 1 associated with the outage and higher operating costs for the Renewables businesses with increased costs of development projects.

Group EBITDA

The following table shows the Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) by business:

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	23.3	18.1	43.2	45.2
Flexible Generation	8.4	13.8	38.3	30.7
Customer Solutions	19.3	18.4	55.1	47.8
Group pro-forma EBITDA	51.0	50.3	136.6	123.7
Over-recovery of regulated entitlement	13.7	10.5	36.7	24.6
EBITDA	64.7	60.8	173.3	148.3

All of the above amounts are pre-exceptional items and certain remeasurements as shown in note 2 to the accounts

Third Quarter 2021

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €51.0m (2020 – €50.3m) primarily reflecting an increase in EBITDA in the Renewables and Customer Solutions businesses, partly offset by a reduction in the Flexible Generation business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) increased to €23.3m (2020 – €18.1m) primarily reflecting higher wind generation assets EBITDA (reflecting the commissioning of the Derrysallagh wind farm together with higher wind factors and higher market prices including the benefit of ROC prices) and higher contributions from renewable PPAs (due to higher market prices including ROC prices and higher PPA volumes partly offset by lower ROC sales volumes) partly offset by increased costs of development projects.

Flexible Generation EBITDA decreased to €8.4m (2020 – €13.8m) primarily reflecting lower availability and utilisation of Huntstown 1 and higher maintenance costs (due to the major outage in Huntstown 1), partly offset by higher utilisation and availability of Huntstown 2, favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience) and favourable revaluation of distillate stock (reflecting an increase in oil prices).

Customer Solutions EBITDA increased to €19.3m (2020 – €18.4m) primarily reflecting higher Energia non-residential electricity margins and lower Customer Solutions operating costs, partly offset by lower gas margins.

Nine Months 2021

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €136.6m (2020 - €123.7m) primarily reflecting an increase in EBITDA in the Flexible Generation and Customer Solutions businesses, partly offset by a reduction in the Renewables business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) decreased to €43.2m (2020 - €45.2m) primarily reflecting increased costs of development projects and lower contributions from renewable PPAs (reflecting lower ROC sales volumes and lower market prices (including ROC prices)), partly offset by higher wind generation assets EBITDA (reflecting the additional capacity from the commissioning of Derrysallagh, partly offset by lower market prices (including ROC prices)).

Flexible Generation EBITDA increased to €38.3m (2020 - €30.7m) primarily reflecting higher availability and utilisation of Huntstown 2 (due to the outage in the prior year), favourable reassessment of I-SEM market resettlement provisions (reflecting a number of market system fixes implemented and additional resettlement experience) and favourable revaluation of distillate stock (reflecting an increase in oil prices), partly offset by lower availability and utilisation of Huntstown 1 and higher maintenance costs (due to the major outage).

Customer Solutions EBITDA increased to €55.1m (2020 - €47.8m) primarily reflecting higher Energia residential and non-residential electricity margins (including higher customer numbers) and lower operating costs, partly offset by lower gas margins and lower Power NI non-residential margins (due to lower volumes).



Depreciation

The Group's depreciation and amortisation by business is summarised as follows:

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	7.3	6.3	21.0	18.8
Flexible Generation	3.6	5.1	11.2	13.6
Customer Solutions	3.2	3.2	9.2	9.2
Total Depreciation	14.1	14.6	41.4	41.6

Depreciation and amortisation for Third Quarter 2021 was €14.1m (2020 - €14.6m) and for Nine Months was €41.4m (2020 - €41.6m) primarily reflecting higher depreciation for the Renewables business (associated with the commissioning of wind farms), partly offset by lower depreciation for the Flexible Generation business.

Group operating profit

The Group's operating profit by business is summarised as follows:

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	16.0	11.8	22.2	26.4
Flexible Generation	4.8	8.7	27.1	17.1
Customer Solutions	16.1	15.2	45.9	38.6
Total Operating Profit	36.9	35.7	95.2	82.1

Third Quarter 2021

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) for Third Quarter 2021 increased to €36.9m (2020 - €35.7m) primarily reflecting a higher operating profit in the Renewables and Customer Solutions businesses, partly offset by a lower operating profit in the Flexible Generation business.

Nine Months 2021

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) for Nine Months 2021 increased to €95.2m (2020 - €82.1m) primarily reflecting a higher operating profit in the Flexible Generation and Customer Solutions businesses, partly offset by a lower operating profit in the Renewables business.

Exceptional items and certain remeasurements

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	(0.2)	(0.2)	0.2	(0.8)
Flexible Generation	-	(0.1)	-	(0.1)
Customer Solutions	2.2	(2.4)	7.8	(3.0)
Total Exceptional Items and Certain Remeasurements	2.0	(2.7)	8.0	(3.9)

Third Quarter 2021

Exceptional items and certain remeasurements were a €2.0m credit (2020 - €2.7m cost). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.2m cost (2020 - €0.2m) reflecting certain remeasurements relating to the recognition of fair value of derivatives of €0.6m (2020 - nil) partly offset by a fair value adjustment to contingent consideration of €0.4m (2020 - nil). The prior year cost of €0.2m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Flexible Generation business were €nil (2020 - €0.1m). The prior year cost of €0.1m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €2.2m credit (2020 - €2.4m cost) reflecting certain remeasurements relating to the recognition of fair value of derivatives.

Nine Months 2021

Exceptional items and certain remeasurements were a €8.0m credit (2020 - €3.9m cost). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.2m credit (2020 - €0.8m cost) reflecting a fair value adjustment to contingent consideration of €1.3m (2020 - nil), partly offset by certain remeasurements relating to the recognition of fair value of derivatives of €1.1m (2020 - nil). The prior year cost of €0.8m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Flexible Generation business were €nil (2020 - €0.1m). The prior year cost of €0.1m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €7.8m credit (2020 - €3.9m cost) primarily reflecting certain remeasurements relating to the recognition of fair value of derivatives.

Further information is outlined in note 5 to the accounts.

Net finance costs

Net finance costs (pre-exceptional items and certain remeasurements) for Third Quarter 2021 decreased from €19.7m to €13.8m and for Nine Months 2021 decreased from €36.1m to €32.1m primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year.

Tax charge

The total tax charge (pre-exceptional items and certain remeasurements) for Third Quarter 2021 was €5.4m (2020 - €4.7m) and for Nine Months 2021 was €13.8m (2020 - €9.4m). A detailed analysis of the tax charge is outlined in note 7 to the accounts.

Cash flow before acquisitions, disposals, interest and tax

Group cash flow before acquisitions, disposals, interest and tax of continuing operations is summarised as follows:

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Group pro-forma EBITDA¹	51.0	50.3	136.6	123.7
Defined benefit pension charge less contributions paid	(0.1)	(0.6)	(0.1)	(1.3)
Net movement in security deposits	1.6	(2.4)	(2.6)	(3.5)
Changes in working capital ²	(69.8)	(37.1)	(110.0)	(37.4)
Over-recovery of regulated entitlement	13.7	10.5	36.7	24.6
Foreign exchange translation	(1.9)	(3.0)	1.3	0.1
Exceptional items	-	(0.3)	-	(0.9)
Share-based payment	-	-	-	0.1
Cash flow from operating activities	(5.5)	17.4	61.9	105.4
Net capital expenditure ³	(13.2)	(21.1)	(30.3)	(50.1)
Cash flow before acquisitions, disposals, interest and tax	(18.7)	(3.7)	31.6	55.3

¹ Includes EBITDA of project financed renewable assets for Third Quarter 2021 of €14.9m (2020 - €11.1m); Nine Months €28.0m (2020 - €26.6m)

² Includes changes in working capital of project financed renewable assets for Third Quarter 2021 of €3.2m increase (2020 - €3.8m); Nine Months 2021 €5.7m increase (2020 - €1.7m) and net expenditure from the sale and purchases of other intangibles of €49.1m for Third Quarter 2021 (2020 - €34.1m); Nine Months 2021 expenditure of €43.2m (2020 - €15.2m)

³ Includes capital expenditure on project financed renewable assets for Third Quarter 2021 of €7.2m (2020 - €12.4m); Nine Months 2021 €15.3m (2020 - €23.1m) and intangible asset (software and customer acquisition costs) expenditure for Third Quarter 2021 of €4.4m (2020 - €5.3m); Nine Months 2021 €10.7m (2020 - €12.7m)

Group cash flow from operating activities for Third Quarter 2021 decreased to a €5.5m outflow (2020 - €174m inflow) primarily reflecting a higher increase in working capital of €69.8m (2020 - €37.1m), partly offset by a decrease in security deposits of €1.6m (2020 - €2.4m increase) and a higher over-recovery of regulated entitlement of €13.7m (2020 - €10.5m).

Group cash flow from operating activities for Nine Months 2021 decreased to €61.9m (2020 - €105.4m) primarily reflecting a higher increase in working capital of €110.0m (2020 - €374m) an increase in EBITDA from €123.7m to €136.6m and a higher over-recovery of regulated entitlement of €36.7m (2020 - €24.6m).

Net movement in security deposits

The net movement in security deposits for Third Quarter 2021 was a €1.6m decrease (2020 - €2.4m increase) and for Nine Months 2021 was an increase of €2.6m (2020 - €3.5m). As at 31 December 2020 there were €13.7m (31 March 2020 - €11.1m) of security deposits in place.

Changes in working capital

Working capital for Third Quarter 2021 increased by €69.8m (2020 - €37.1m) primarily due to an increase in trade and other receivables (reflecting the seasonal increase in sales volumes and higher customer numbers), an increase in the REFIT debtor for renewable PPAs, an increase in net emissions assets (with the annual purchase of carbon credits), favourable reassessment of I-SEM market resettlement provisions and an increase in ROC

assets, partly offset by an increase in trade payables and accruals (reflecting the seasonal increase in sales, settlement timing differences and an increase in gas prices) and an increase in ROC liabilities.

Working capital for Nine Months 2021 increased by €110.0m (2020 - €374m) primarily reflecting a reduction in the PSO creditor in PPB, an increase in the REFIT debtor for renewable PPAs, an increase in emissions assets (with the annual purchase of carbon credits), favourable reassessment of I-SEM market resettlement provisions, an increase in ROC assets and a decrease in ROC liabilities (reflecting the settlement of the annual obligation), partly offset by a decrease in trade and other receivables.

Over-recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement in Third Quarter 2021 by €13.7m (2020 - €10.5m) and in Nine Months 2021 by €36.7m (2020 - €24.6m) and at 31 December 2020 the joint combined over-recovery against regulated entitlement was €31.6m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Capital expenditure

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Renewables	7.2	13.1	15.3	23.8
Flexible Generation	1.3	2.5	3.9	11.5
Customer Solutions	4.7	5.5	11.1	14.8
Total Capital Expenditure	13.2	21.1	30.3	50.1

Net capital expenditure in respect of tangible fixed assets and intangible software assets for Third Quarter 2021 decreased to €13.2m (2020 - €21.1m) and for Nine Months 2021 decreased to €30.3m (2020 - €50.1m).

Renewables capital expenditure for Third Quarter 2021 decreased to €7.2m (2020 - €13.1m) primarily reflecting lower capital expenditure in relation to the recently commissioned Derrysallagh wind farm.

Renewables capital expenditure for Nine Months 2021 decreased to €15.3m (2020 - €23.8m) primarily reflecting lower capital expenditure in respect of the bioenergy assets, partly offset by higher capital expenditure in relation to the recently commissioned Derrysallagh wind farm.

Flexible Generation capital expenditure for Third Quarter 2021 decreased to €1.3m (2020 - €2.5m) and for Nine Months 2021 decreased to €3.9m (2020 - €11.5m) primarily due to lower capital expenditure in respect of Huntstown 1 due to the outage in the prior year.

Customer Solutions capital expenditure for Third Quarter 2021 was €4.7m (2020 - €5.5m) and for Nine Months 2021 was €11.1m (2020 - €14.8m) primarily reflecting lower expenditure in respect of IT projects.

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) in Third Quarter 2021 was €1.0m (2020 - €1.0m) and for Nine Months 2021 was €22.8m (2020 - €22.0m).

Dividends

The dividend deferred from 31 March 2020 of €40.0m was paid to the parent undertaking on 1 October 2020 (2020 - €nil).

Acquisition of subsidiary undertakings

Acquisition of subsidiary undertakings of €0.1m (2020 - €53.6m) reflects the acquisition of Crossmore as discussed further in note 10.

Net debt

The Group's net debt is summarised in the following table:

	31 December 2020 €m	31 March 2020 €m
Investments	1.4	1.4
Cash and cash equivalents	219.3	220.8
Senior secured notes	(594.4)	(596.3)
Project finance facilities	(370.5)	(338.0)
Interest accruals	(11.0)	(2.2)
Total net debt	(755.2)	(714.3)

The Group's net debt increased by €40.9m from €714.3m at 31 March 2020 to €755.2m at 31 December 2020 primarily reflecting higher project finance net debt of €370.5m (31 March 2020 - €338.0m) and higher interest accruals of €11.0m (2020 - €2.2m). Net debt at 31 December 2020 includes project finance net debt of €331.3m (31 March 2020 - €308.2m). Excluding project financed net debt, net debt was €423.9m (31 March 2020 - €406.1m).

Treasury

The Group is financed through a combination of retained earnings, medium-term bond issuance and both medium-term and long-term bank facilities. Liquidity, including short-term working capital requirements, is managed through committed Senior revolving credit bank facilities together with available cash resources. The Group continues to keep its capital structure under review and may from time to time undertake certain transactions such as financing transactions, acquisitions and disposals which affect its capital structure. The Group may also from time to time repurchase its Senior secured notes, whether through tender offers, open market purchases, private purchases or otherwise.

At 31 December 2020, the Group had letters of credit issued out of the Senior revolving credit facility of €136.7m resulting in undrawn committed facilities of €114.5m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 31 December 2020 (31 March 2020 - €nil).

During the period the Group has met all required financial covenants in the Senior revolving credit facility and project finance facilities.

At 31 December 2020, there was €42.1m (31 March 2020 - €30.0m) of restricted cash in the project financed wind farms which is subject to bi-annual distribution debt service requirements.

There have been no other significant changes in the Group's exposure to interest rate, foreign currency, commodity and credit risks. A discussion of these risks can be found in the Risk Management and Principal Risks and Uncertainties section of the Annual Report 2020.

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under International Accounting Standard (IAS) 19 was €nil at 31 December 2020 (31 March 2020 - €nil).

Outlook and financial impact of COVID-19

As noted earlier and in the annual report and consolidated financial statements for the year ended 31 March 2020, it is still too early to predict the full potential financial impact of COVID-19 on the performance of the Group. With the continuation of Irish and UK government financial support for homes and businesses, it remains unclear how customer behaviour may change, what the potential longer-term impact on the economy might be and what impact COVID-19 related delays may have on the delivery of the Group's development projects. The Group has strong liquidity at 31 December 2020 with €177.2m of cash and cash equivalents excluding project finance cash (31 March 2020 - €190.8m) and has undrawn committed revolving credit facilities of €114.5m (31 March 2020 - €91.0m) and is therefore well positioned to manage the potential impact of COVID-19.

Further detail on the potential impacts of COVID-19 is provided in the Risk Management and Principal Risks and Uncertainties section of the annual report and consolidated financial statements for the year ended 31 March 2020.

CONSOLIDATED FINANCIAL STATEMENTS

A woman in a light-colored top is standing in a meeting room, pointing at a whiteboard. The wall behind her is covered with numerous sticky notes. The room is dimly lit, and the overall scene is overlaid with a dark blue tint.

CONSOLIDATED INCOME STATEMENT

for the three month period ended 31 December 2020

		Results before exceptional items and certain remeasurements Third Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements (note 5) Third Quarter 2021 Unaudited €m	Total Third Quarter 2021 Unaudited €m	Results before exceptional items and certain remeasurements Third Quarter 2020 Unaudited €m	Exceptional items and certain remeasurements (note 5) Third Quarter 2020 Unaudited €m	Total Third Quarter 2020 Unaudited €m
Continuing operations	Notes						
Revenue	2	532.0	-	532.0	536.9	-	536.9
Operating (costs) / income	4	(481.4)	2.0	(479.4)	(490.7)	(2.7)	(493.4)
Operating profit / (loss)	2	50.6	2.0	52.6	46.2	(2.7)	43.5
Finance costs	6	(13.8)	-	(13.8)	(20.0)	-	(20.0)
Finance income	6	-	-	-	0.3	-	0.3
Net finance cost		(13.8)	-	(13.8)	(19.7)	-	(19.7)
Profit / (loss) before tax		36.8	2.0	38.8	26.5	(2.7)	23.8
Taxation	7	(5.4)	-	(5.4)	(4.7)	0.4	(4.3)
Profit / (loss) for the period		31.4	2.0	33.4	21.8	(2.3)	19.5

CONSOLIDATED INCOME STATEMENT

for the nine month period ended 31 December 2020

		Results before exceptional items and certain remeasurements Nine Months 2021 Unaudited €m	Exceptional items and certain remeasurements (note 5) Nine Months 2021 Unaudited €m	Total Nine Months 2021 Unaudited €m	Results before exceptional items and certain remeasurements Nine Months 2020 Unaudited €m	Exceptional items and certain remeasurements (note 5) Nine Months 2020 Unaudited €m	Total Nine Months 2020 Unaudited €m
Continuing operations	Notes						
Revenue	2	1,292.9	-	1,292.9	1,398.7	-	1,398.7
Operating (costs) / income	4	(1,161.0)	8.0	(1,153.0)	(1,292.0)	(3.9)	(1,295.9)
Operating profit / (loss)	2	131.9	8.0	139.9	106.7	(3.9)	102.8
Finance costs	6	(32.2)	-	(32.2)	(36.7)	-	(36.7)
Finance income	6	0.1	-	0.1	0.6	-	0.6
Net finance cost		(32.1)	-	(32.1)	(36.1)	-	(36.1)
Share of loss in associate		-	-	-	(0.2)	-	(0.2)
Profit on sale of associate		-	-	-	-	4.1	4.1
Profit before tax		99.8	8.0	107.8	70.4	0.2	70.6
Taxation	7	(13.8)	(1.0)	(14.8)	(9.4)	0.2	(9.2)
Profit for the period		86.0	7.0	93.0	61.0	0.4	61.4

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the three and nine month periods ended 31 December 2020

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Profit for the period	33.4	19.5	93.0	61.4
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	8.9	31.9	(6.4)	13.3
Net gain / (loss) on cash flow hedges	47.0	(20.4)	63.9	(44.0)
Transferred (gain) / loss from equity to income statement on cash flow hedges	(3.9)	4.2	23.3	9.0
Share of associate net gain on cash flow hedges	-	-	-	0.1
Income tax effect	(6.4)	2.3	(10.5)	4.9
	36.7	(13.9)	76.7	(30.0)
	45.6	18.0	70.3	(16.7)
Items that will not be reclassified to profit or loss:				
Remeasurement gain / (loss) on defined benefit scheme	0.1	(0.6)	-	(1.5)
Income tax effect	-	0.1	-	0.2
	0.1	(0.5)	-	(1.3)
Other comprehensive income / (expense) for the period, net of taxation	45.7	17.5	70.3	(18.0)
Total comprehensive income for the period	79.1	37.0	163.3	43.4

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

ASSETS	Notes	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Non-current assets:			
Property, plant and equipment		558.1	568.5
Intangible assets		624.7	630.1
Right-of-use assets		26.2	25.3
Derivative financial instruments	15	7.0	2.5
Deferred tax assets		19.3	33.4
		1,235.3	1,259.8
Current assets:			
Intangible assets		103.2	68.0
Inventories		3.5	2.7
Trade and other receivables	11	232.9	219.4
Derivative financial instruments	15	54.2	23.4
Other current financial assets	9	15.1	12.5
Cash and cash equivalents	12	219.3	220.8
Income tax recoverable		-	0.1
		628.2	546.9
TOTAL ASSETS		1,863.5	1,806.7

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2020

LIABILITIES	Notes	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Current liabilities:			
Trade and other payables	13	(380.3)	(439.7)
Income tax payable		(4.1)	-
Financial liabilities	14	(48.2)	(35.6)
Deferred income		(1.8)	(0.7)
Derivative financial instruments	15	(171)	(67.0)
Dividends payable		-	(40.0)
		(451.5)	(583.0)
Non-current liabilities:			
Financial liabilities	14	(977.4)	(949.6)
Derivative financial instruments	15	(28.4)	(37.5)
Deferred tax liabilities		(20.1)	(14.6)
Provisions		(22.3)	(21.5)
		(1,048.2)	(1,023.2)
TOTAL LIABILITIES		(1,499.7)	(1,606.2)
NET ASSETS		363.8	200.5
Equity			
Share capital		-	-
Share premium		737.6	746.5
Retained earnings		(387.4)	(490.0)
Capital contribution reserve		39.8	40.8
Hedge reserve		11.4	(65.6)
Foreign currency translation reserve		(37.6)	(31.2)
TOTAL EQUITY		363.8	200.5

The financial statements were approved by the Board and authorised for issue on 10 March 2021.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine month period ended 31 December 2020

	Share capital €m	Share premium €m	Retained earnings €m	Capital contribution reserve €m	Hedge reserve €m	Foreign currency translation reserve €m	Total equity €m
At 1 April 2019	-	766.6	(571.7)	83.0	(13.9)	(16.1)	247.9
Exchange adjustment	-	13.8	(15.3)	1.4	0.1	-	-
Profit for the period	-	-	61.4	-	-	-	61.4
Other comprehensive (expense) / income	-	-	(1.3)	-	(30.0)	13.3	(18.0)
Total comprehensive income / (expense)	-	13.8	44.8	1.4	(29.9)	13.3	43.4
Share-based payment	-	-	0.1	-	-	-	0.1
At 31 December 2019	-	780.4	(526.8)	84.4	(43.8)	(2.8)	291.4
At 1 April 2020	-	746.5	(490.0)	40.8	(65.6)	(31.2)	200.5
Exchange adjustment	-	(8.9)	9.6	(1.0)	0.3	-	-
Profit for the period	-	-	93.0	-	-	-	93.0
Other comprehensive income / (expense)	-	-	-	-	76.7	(6.4)	70.3
Total comprehensive (expense) / income	-	(8.9)	102.6	(1.0)	77.0	(6.4)	163.3
At 31 December 2020	-	737.6	(387.4)	39.8	11.4	(37.6)	363.8

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three and nine month periods ended 31 December 2020

	Notes	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Cash generated from operations before working capital movements	16	64.6	59.9	173.2	146.2
Working capital adjustments:					
(Increase) / decrease in inventories		(0.4)	0.1	(0.8)	0.6
Increase in trade and other receivables		(65.3)	(66.6)	(14.9)	(46.1)
Decrease / (increase) in security deposits		1.6	(2.4)	(2.6)	(3.5)
Increase / (decrease) in trade and other payables		45.0	63.5	(51.1)	23.3
Effects of foreign exchange		(1.9)	(3.0)	1.3	0.1
		43.6	51.5	105.1	120.6
Interest received		-	0.2	0.1	0.4
Interest paid		(1.0)	(1.2)	(22.9)	(22.4)
		(1.0)	(1.0)	(22.8)	(22.0)
Income tax paid		(1.1)	(0.9)	(1.6)	(3.8)
Net cash flows from operating activities		41.5	49.6	80.7	94.8

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

for the three and nine month periods ended 31 December 2020

	Notes	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Investing activities					
Purchase of property, plant and equipment		(8.8)	(15.9)	(19.6)	(37.5)
Purchase of intangible assets		(77.2)	(62.2)	(155.3)	(139.0)
Proceeds from sale of intangible assets		23.7	22.9	101.4	111.2
Disposal of subsidiary, net of cash disposed		-	-	(0.2)	(0.2)
Receipt of government grants		-	-	0.8	-
Acquisition of subsidiaries		-	(3.2)	(0.1)	(53.6)
Interest received from associate		-	-	-	0.3
Disposal of associate		-	-	-	6.5
Net cash flows used in investing activities		(62.3)	(58.4)	(73.0)	(112.3)
Financing activities					
Proceeds from issue of borrowings		0.4	1.9	50.1	26.5
Repayment of borrowings		-	-	(15.1)	(9.0)
Issue costs of new long term loans		-	-	(1.4)	(1.2)
Payment of lease liabilities		(0.7)	(0.9)	(1.9)	(1.9)
Dividend paid to parent undertaking		(40.0)	-	(40.0)	-
Net cash flows from financing activities		(40.3)	1.0	(8.3)	14.4
Net decrease in cash and cash equivalents		(61.1)	(7.8)	(0.6)	(3.1)
Net foreign exchange difference		2.3	5.8	(0.9)	2.3
Cash and cash equivalents at period start	12	278.1	197.8	220.8	196.6
Cash and cash equivalents at period end	12	219.3	195.8	219.3	195.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2020

1. BASIS OF PREPARATION

The condensed interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The accounting policies applied by the Group in these condensed interim consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2020.

2. SEGMENTAL ANALYSIS

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

(i) Renewables

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,284MW of renewable generation capacity throughout Ireland. In addition, the Renewables business is currently constructing a 4MW bioenergy anaerobic digestion facility in Dublin;

(ii) Flexible Generation

Consists of electricity generation from the Group's two Huntstown CCGT plants together with the administration of the contracted generation capacity from the Ballylumford power station in Northern Ireland under legacy generating unit agreements which were originally established in 1992 when the Northern Ireland electricity industry was restructured;

(iii) Customer Solutions

Consists of the competitive supply of electricity and gas to business and residential customers in the RoI through its brand Energia, together with the supply of electricity to residential and business customers in Northern Ireland through its brand Power NI.

The Group's Board monitors the operating results of its business units separately for the purpose of making decisions with regard to resource allocation and performance assessment. The measure of profit used by the Board is pro-forma EBITDA which is before exceptional items and certain remeasurements (arising from certain commodity and currency contracts which are not designated in hedge accounting relationships) and based on regulated entitlement (whereby the adjustment for over-recovery outlined in the segmental analysis below represents the amount by which the regulated businesses over-recovered against their regulated entitlement). The Board also monitors revenue on a regulated entitlement basis.

(a) Revenue by segment

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Renewables	62.0	55.2	164.4	169.2
Flexible Generation	88.6	105.8	247.2	274.4
Customer Solutions	366.9	369.4	851.5	934.7
Inter-group eliminations	0.8	(4.0)	(6.9)	(4.2)
Group	518.3	526.4	1,256.2	1,374.1
Adjustment for over-recovery	13.7	10.5	36.7	24.6
Total	532.0	536.9	1,292.9	1,398.7

The adjustment for over-recovery represents the amount by which the regulated businesses over-recovered against their regulated entitlement.

(b) Operating Profit

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Segment Pro-Forma EBITDA				
Renewables	23.3	18.1	43.2	45.2
Flexible Generation	8.4	13.8	38.3	30.7
Customer Solutions	19.3	18.4	55.1	47.8
Group Pro-Forma EBITDA	51.0	50.3	136.6	123.7
Adjustment for over-recovery	13.7	10.5	36.7	24.6
Group EBITDA	64.7	60.8	173.3	148.3
Depreciation/amortisation				
Renewables	(7.3)	(6.3)	(21.0)	(18.8)
Flexible Generation	(3.6)	(5.1)	(11.2)	(13.6)
Customer Solutions	(3.2)	(3.2)	(9.2)	(9.2)
Group depreciation and amortisation	(14.1)	(14.6)	(41.4)	(41.6)
Operating profit pre-exceptional items and certain remeasurements				
Renewables	16.0	11.8	22.2	26.4
Flexible Generation	4.8	8.7	27.1	17.1
Customer Solutions	16.1	15.2	45.9	38.6
Group Pro-Forma operating profit	36.9	35.7	95.2	82.1
Adjustment for over-recovery	13.7	10.5	36.7	24.6
Operating profit pre exceptional items and certain remeasurements	50.6	46.2	131.9	106.7
Exceptional items and certain remeasurements				
Renewables	(0.2)	(0.2)	0.2	(0.8)
Flexible Generation	-	(0.1)	-	(0.1)
Customer Solutions	2.2	(2.4)	7.8	(3.0)
Group operating profit post exceptional items and certain remeasurements	52.6	43.5	139.9	102.8
Finance cost	(13.8)	(20.0)	(32.2)	(36.7)
Finance income	-	0.3	0.1	0.6
	(13.8)	(19.7)	(32.1)	(36.1)
Share of loss in associate	-	-	-	(0.2)
Profit on sale of associate	-	-	-	4.1
Profit on ordinary activities before tax	38.8	23.8	107.8	70.6

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

3.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers for the Third Quarter 2021 and Third Quarter 2020:

Third Quarter 2021 Unaudited	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	366.8	366.8
Electricity generation	61.6	88.6	-	150.2
Other	0.4	-	0.1	0.5
Inter-group eliminations	-	0.9	(0.1)	0.8
Group	62.0	89.5	366.8	518.3
Adjustment for over-recovery	-	11.9	1.8	13.7
Total revenue from contracts with customers	62.0	101.4	368.6	532.0

Third Quarter 2020 Unaudited	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	369.2	369.2
Electricity generation	55.2	105.8	-	161.0
Other	-	-	0.2	0.2
Inter-group eliminations	-	(3.9)	(0.1)	(4.0)
Group	55.2	101.9	369.3	526.4
Adjustment for over-recovery	-	9.2	1.3	10.5
Total revenue from contracts with customers	55.2	111.1	370.6	536.9

3.1 Disaggregated revenue information (continued)

Set out below is the disaggregation of the Group's revenue from contracts with customers for the Nine Months 2021 and Nine Months 2020:

Nine Months 2021 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	850.9	850.9
Electricity generation	162.6	247.2	-	409.8
Other	1.8	-	0.6	2.4
Inter-group eliminations	-	(6.6)	(0.3)	(6.9)
Group	164.4	240.6	851.2	1,256.2
Adjustment for over-recovery	-	24.8	11.9	36.7
Total revenue from contracts with customers	164.4	265.4	863.1	1,292.9

Nine Months 2020 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	933.6	933.6
Electricity generation	169.2	274.4	-	443.6
Other	-	-	1.1	1.1
Inter-group eliminations	-	(3.9)	(0.3)	(4.2)
Group	169.2	270.5	934.4	1,374.1
Adjustment for over-recovery	-	18.2	6.4	24.6
Total revenue from contracts with customers	169.2	288.7	940.8	1,398.7

3.1 Disaggregated revenue information (continued)

Geographical markets:	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
UK	232.6	242.8	558.4	632.5
RoI	299.4	294.1	734.5	766.2
Total revenue from contracts with customers	532.0	536.9	1,292.9	1,398.7
Timing of revenue recognition:				
Transferred over time	508.0	516.1	1,216.5	1,313.0
Transferred at a point in time	24.0	20.8	76.4	85.7
Total revenue from contracts with customers	532.0	536.9	1,292.9	1,398.7

Trade receivables arising from contracts with customers are disclosed in note 11.

4. OPERATING COSTS

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Operating costs are analysed as follows:				
Energy costs	431.5	445.0	1,023.9	1,155.5
Employee costs	11.7	10.8	33.7	31.8
Depreciation, amortisation and impairment	14.1	14.6	41.4	41.6
Other operating charges	24.1	20.3	62.0	63.1
Total pre-exceptional items and certain remeasurements	481.4	490.7	1,161.0	1,292.0
Exceptional items and certain remeasurements:				
Energy (income) / costs	(1.6)	2.4	(6.7)	3.0
Other operating (income) / charges	(0.4)	0.3	(1.3)	0.9
Total exceptional items and certain remeasurements	(2.0)	2.7	(8.0)	3.9
Total operating costs	479.4	493.4	1,153.0	1,295.9

4.1 Depreciation and amortisation

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Depreciation	10.5	11.3	30.9	31.4
Amortisation of intangible assets	3.2	2.8	9.1	9.0
Amortisation of right-of-use assets	0.4	0.5	1.4	1.2
Total depreciation and amortisation	14.1	14.6	41.4	41.6

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Exceptional items in arriving at profit from continuing operations:				
Release of contingent consideration ¹	0.4	-	1.3	-
Acquisition costs ²	-	(0.3)	-	(0.9)
Profit on disposal of associate ³	-	-	-	4.1
	0.4	(0.3)	1.3	3.2
Certain remeasurements in arriving at profit				
Net profit / (loss) on derivatives at fair value through operating costs ⁴	1.6	(2.4)	6.7	(3.0)
	1.6	(2.4)	6.7	(3.0)
Exceptional items and certain remeasurements before taxation	2.0	(2.7)	8.0	0.2
Taxation on exceptional items and certain remeasurements	-	0.4	(1.0)	0.2
Exceptional items and certain remeasurements after taxation	2.0	(2.3)	7.0	0.4

The tax charge in the profit and loss account relating to exceptional items and certain remeasurements is:

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Fair valued derivatives through profit & loss	-	0.4	(1.0)	0.2
	-	0.4	(1.0)	0.2

¹ Release of contingent consideration for Third Quarter 2021 of €0.4m (2020 - €nil) and Nine Months 2021 of €1.3m (2020 - €nil) relates to a fair value adjustment to contingent consideration for renewable generation development projects.

² Exceptional acquisition costs for Third Quarter 2021 of €nil (2020 - €0.3m) and Nine Months 2021 of €nil (2020 - €0.9m) relates to costs associated with acquisitions whether successful or unsuccessful.

³ Profit on disposal of associate of €4.1m in the prior year relates to the net gain on disposal of the Group's minority interest in Eco Wind Power.

⁴ Net profit on derivatives at fair value through operating costs for Third Quarter 2021 of €1.6m (2020 - €2.4m loss) and for Nine Months 2021 of €6.7m (2020 - €3.0m loss) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

6. FINANCE COSTS / INCOME

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Finance costs				
Interest on external bank loans and borrowings	(3.7)	(4.1)	(11.7)	(12.3)
Interest on Senior secured notes	(6.5)	(6.6)	(19.5)	(19.6)
Total interest expense	(10.2)	(10.7)	(31.2)	(31.9)
Amortisation of financing charges	(0.5)	(0.5)	(2.4)	(1.5)
Unwinding of discount on decommissioning provision	(0.1)	(0.1)	(0.2)	(0.2)
Unwinding of discount on contingent consideration	(0.4)	(0.1)	(1.0)	(0.3)
Accretion of lease liability	(0.4)	(0.3)	(1.1)	(0.9)
Other finance charges	(0.1)	-	(0.5)	(0.2)
Total other finance charges	(1.5)	(1.0)	(5.2)	(3.1)
Net exchange (loss) / gain on net foreign currency borrowings	(2.9)	(9.0)	1.9	(3.3)
Less interest capitalised in qualifying asset	0.8	0.7	2.3	1.6
Total finance costs	(13.8)	(20.0)	(32.2)	(36.7)
Finance income				
Interest income on bank deposits	-	0.3	0.1	0.6
Total finance income	-	0.3	0.1	0.6

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the Third Quarter 2021 was 5.7% (Third Quarter 2020 - 5.5%) and in Nine Months 2021 was 5.5% (2020 - 5.0%).

7. INCOME TAX

The major components of the tax (charge) / credit for the periods ended 31 December 2020 and 31 December 2019 are:

	Results before exceptional items and certain remeasurements Third Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements Third Quarter 2021 Unaudited €m	Total Third Quarter 2021 Unaudited €m	Results before exceptional items and certain remeasurements Third Quarter 2020 Unaudited €m	Exceptional items and certain remeasurements Third Quarter 2020 Unaudited €m	Total Third Quarter 2020 Unaudited €m
Current tax:						
Current tax (charge) / credit	(3.1)	-	(3.1)	(1.5)	0.4	(1.1)
Total current tax (charge) / credit	(3.1)	-	(3.1)	(1.5)	0.4	(1.1)
Deferred tax:						
Adjustments in respect of current period	(2.3)	-	(2.3)	(3.2)	-	(3.2)
Total deferred tax	(2.3)	-	(2.3)	(3.2)	-	(3.2)
Total taxation (charge) / credit	(5.4)	-	(5.4)	(4.7)	0.4	(4.3)
	Results before exceptional items and certain remeasurements Nine Months 2021 Unaudited €m	Exceptional items and certain remeasurements Nine Months 2021 Unaudited €m	Total Nine Months 2021 Unaudited €m	Results before exceptional items and certain remeasurements Nine Months 2020 Unaudited €m	Exceptional items and certain remeasurements Nine Months 2020 Unaudited €m	Total Nine Months 2020 Unaudited €m
Current tax:						
Current tax (charge) / credit	(4.8)	(1.0)	(5.8)	(2.7)	0.2	(2.5)
Total current tax (charge) / credit	(4.8)	(1.0)	(5.8)	(2.7)	0.2	(2.5)
Deferred tax:						
Adjustments in respect of current period	(9.0)	-	(9.0)	(6.7)	-	(6.7)
Total deferred tax	(9.0)	-	(9.0)	(6.7)	-	(6.7)
Total taxation (charge) / credit	(13.8)	(1.0)	(14.8)	(9.4)	0.2	(9.2)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment			
	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Renewables	4.3	11.3	17.4	20.0
Flexible Generation	1.6	1.3	3.8	10.8
Customer Solutions	0.3	0.3	0.5	0.5
Total	6.2	12.9	21.7	31.3

	Capital additions to intangible assets			
	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Renewables	40.3	35.6	97.2	97.5
Flexible Generation	40.0	24.9	40.0	24.9
Customer Solutions	4.9	5.7	10.4	16.1
Total	85.2	66.2	147.6	138.5

	Capital additions to right-of-use assets			
	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Customer solutions	-	0.2	-	0.2
Total	-	0.2	-	0.2

9. OTHER FINANCIAL ASSETS

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	13.7	11.1
Short-term managed funds	1.4	1.4
Total other financial assets	15.1	12.5

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in Nine Months 2021

On 16 April 2020 the Group completed the acquisition of a 15MW wind farm development project in County Clare, RoI.

The acquisition contributes towards the Group's aim of growing its renewable generation business in Ireland.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of the wind farm acquired was:

	Fair value recognised on acquisitions in Nine Months 2021 €m
Assets	
Fixed assets - development costs	1.2
Right-of-use asset	2.7
	3.9
Liabilities	
Other payables	(1.3)
Lease liability	(2.7)
Total identifiable net liabilities at fair value	(0.1)
Intangible assets (development assets) arising on acquisition	0.5
Purchase consideration transferred	0.4
Purchase consideration is made up of:	
Cash	0.2
Contingent consideration	0.2
	0.4
Analysis of cash flows on acquisition:	
Cash	0.2
Discharge of liabilities	-
Net cash flows on acquisition	0.2

No transaction costs were expensed in the Nine Months 2021.

Contingent consideration

On acquisition of the wind farm contingent consideration of €0.2m was recognised and reflects the fair value of the maximum amount payable, with the minimum payable being €nil. Payment is contingent on grid route planning permission and is anticipated to be paid in 2021/22.

11. TRADE AND OTHER RECEIVABLES

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Trade receivables (including unbilled consumption)	178.0	197.9
Contract assets (accrued income)	62.6	30.2
Prepayments	3.8	3.9
Other receivables	12.5	11.3
	256.9	243.3
Allowance for expected credit losses	(24.0)	(23.9)
	232.9	219.4

12. CASH AND CASH EQUIVALENTS

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Cash at bank and on hand	114.2	144.0
Short-term bank deposits	105.1	76.8
	219.3	220.8

13. TRADE AND OTHER PAYABLES

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Trade creditors	71.8	119.6
Other creditors	64.5	58.6
Contract liabilities (payments on account)	36.0	33.2
Tax and social security	12.8	10.9
Accruals	195.2	217.4
	380.3	439.7

14. FINANCIAL LIABILITIES

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Current financial liabilities:		
Senior secured notes interest payable	7.6	1.1
Other interest payable	0.5	0.9
Project financed bank facilities (NI)	10.4	10.0
Project financed bank facilities (RoI)	16.8	13.7
Project finance interest accruals	2.9	0.2
Contingent consideration	7.9	7.7
Lease liability	2.1	2.0
Total current financial liabilities	48.2	35.6
Non-current financial liabilities:		
Senior secured notes €350m (2025)	345.9	345.3
Senior secured notes £225m (2024)	248.5	251.0
Project financed bank facilities (NI)	185.1	198.0
Project financed bank facilities (RoI)	158.2	116.3
Contingent consideration	8.4	9.0
Lease liability	31.3	30.0
Total non-current financial liabilities	977.4	949.6
Total current and non-current financial liabilities	1,025.6	985.2

The Senior secured notes (2024) are denominated in Sterling £225.0m (Sterling notes) and the Senior secured notes (2025) are denominated in Euro €350.0m (Euro notes). Interest, which is payable semi-annually, is charged at a fixed rate coupon of 4.75% for the Sterling notes and 4.0% for the Euro notes.

The Sterling notes are repayable in one instalment on 15 September 2024 and the Euro notes are repayable in one instalment on 15 September 2025. Both Senior secured notes (2024 and 2025) include an option for the period to 15 September 2020 to redeem annually up to 10% of the original principal at a redemption price of 103%.

14. FINANCIAL LIABILITIES (continued)

At 31 December 2020, the Group had letters of credit issued out of the Senior revolving credit facility of €136.7m resulting in undrawn committed facilities of €114.5m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 31 December 2020 (31 March 2020 - €nil). Interest is charged under the Senior revolving credit facility at floating interest rates based on Libor and Euribor.

Project financed bank facilities

The project financed bank loan facilities are repayable in semi-annual instalments to 2034 and are secured on a non-recourse basis over the assets and shares of the specific project finance companies. Interest on the project finance bank loan facilities has been predominantly fixed through interest rate swaps resulting in an effective rate of interest of 3.74% (2020 - 3.82%) on project financed bank facilities NI and 3.06% (2020 - 2.66%) on the project financed bank facilities Rol.

Contingent consideration

Contingent consideration of €16.3m (31 March 2020 - €16.7m) relates to the acquisition of various renewable development projects (onshore wind, bioenergy and solar) and represents the present value of the maximum amount payable with the minimum amount payable being €nil. Payment is contingent on various project milestones being met, primarily the construction and commissioning of the plant, with €7.9m expected to be paid in 2021 and the remaining €8.4m paid by 2025/26.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	2.2	3.4
Commodity swap contracts	52.6	18.3
Total derivatives at fair value through other comprehensive income	54.8	21.7
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	0.4	0.6
Commodity swap contracts	6.0	3.6
Total derivatives at fair value through profit and loss	6.4	4.2
Total derivative financial assets	61.2	25.9
Total non-current	7.0	2.5
Total current	54.2	23.4

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Derivative financial liabilities

	31 December 2020 Unaudited €m	31 March 2020 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(1.3)	(1.6)
Commodity swap contracts	(9.8)	(66.8)
Interest rate swap contracts	(30.9)	(27.7)
Total derivatives at fair value through other comprehensive income	(42.0)	(96.1)
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(0.5)	(0.4)
Commodity swap contracts	(3.0)	(8.0)
Total derivatives at fair value through profit and loss	(3.5)	(8.4)
Total derivative financial liability	(45.5)	(104.5)
Total non-current	(28.4)	(37.5)
Total current	(17.1)	(67.0)

Fair Values

As indicated in note 3(e) in the consolidated financial statements for the year ended 31 March 2020 the Group uses the hierarchy as set out in IFRS 7 Financial Instruments: Disclosures for categorising financial instruments.

A summary of the fair values of the financial assets and liabilities of the Group together with their carrying values shown in the balance sheet and their fair value hierarchy is as follows:

	31 December 2020		31 March 2020	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Level 1				
Non-current liabilities				
Senior secured notes (2024 and 2025)	(594.4)	(610.2)	(596.3)	(558.5)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(185.1)	(185.1)	(198.0)	(198.0)
Project financed bank facilities (ROI)	(158.2)	(158.2)	(116.3)	(116.3)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(8.4)	(8.4)	(9.0)	(9.0)
Financial liabilities (lease liability)	(31.3)	(31.3)	(30.0)	(30.0)
Current liabilities				
Financial liabilities (contingent consideration)	(7.9)	(7.9)	(7.7)	(7.7)
Financial liabilities (lease liability)	(2.1)	(2.1)	(2.0)	(2.0)

The carrying value of cash, trade receivables, trade payables and other current assets and liabilities is equivalent to fair value due to the short-term maturities of these items. Contingent consideration is estimated as the present value of future cash flows disclosed at the market rate of interest at the reporting date. Derivatives are measured at fair value. There have been no transfers between hierarchy.

The fair value of the Group's project financed bank facilities (NI), project financed bank facilities (ROI) and Senior revolving credit facility are determined by using discounted cash flows based on the Group's borrowing rate. The fair value of the Group's Senior secured notes are based on the quoted market price.

The fair value of interest rate swaps, foreign exchange forward contracts, foreign exchange cross currency swaps and commodity contracts has been valued by calculating the present value of future cash flows, estimated using forward rates from third party market price quotations.

The fair value of the Group's project financed bank facilities (NI) and project financed bank facilities (ROI) are a close approximation to their carrying value given that they bear interest at floating rates based on Libor/Euribor.

The fair value of contingent consideration is considered to fall within the level 3 fair value hierarchy and is measured using the present value of the pay-out associated with earnouts set out in the relevant purchase agreement. The carrying value of €16.3m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair value of the lease liability is considered to fall within the level 3 fair value hierarchy and is measured using the present value of the future lease payments over the lease term.

The carrying value of €33.4m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate.

16. NOTES TO GROUP CASH FLOW STATEMENT

	Third Quarter 2021 Unaudited €m	Third Quarter 2020 Unaudited €m	Nine Months 2021 Unaudited €m	Nine Months 2020 Unaudited €m
Operating activities				
Profit before tax from continuing operations	38.8	23.8	107.8	70.6
Depreciation of property, plant and equipment	10.5	11.3	30.9	31.4
Amortisation of intangible assets	3.2	2.8	9.1	9.0
Amortisation of right-of-use assets	0.4	0.5	1.4	1.2
Derivatives at fair value through income statement	(1.6)	2.4	(6.7)	3.0
Net finance costs	13.8	19.7	32.1	36.1
Defined benefit charge less contributions paid	(0.1)	(0.6)	(0.1)	(1.3)
Release of contingent consideration	(0.4)	-	(1.3)	-
Share of loss in associates	-	-	-	0.2
Profit on disposal of associate	-	-	-	(4.1)
Share-based payments	-	-	-	0.1
Cash generated from operations before working capital movements	64.6	59.9	173.2	146.2

17. ANALYSIS OF NET DEBT

	Cash and cash equivalents €m	Short-term managed funds €m	Debt due within one year €m	Debt due after more than one year €m	Total €m
At 1 April 2019	196.6	1.5	(25.1)	(915.0)	(742.0)
Net increase in cash and cash equivalents	(3.1)	-	-	-	(3.1)
Proceeds from issue of borrowings	-	-	-	(26.5)	(26.5)
Repayment of borrowings	-	-	9.0	-	9.0
Issue costs on new long-term loans	-	-	1.2	-	1.2
Increase in interest accruals	-	-	(9.6)	-	(9.6)
Amortisation	-	-	(0.6)	(0.9)	(1.5)
Reclassifications	-	-	(9.6)	9.6	-
Translation difference	2.3	-	(0.1)	(8.4)	(6.2)
At 31 December 2019	195.8	1.5	(34.8)	(941.2)	(778.7)
At 1 April 2020	220.8	1.4	(25.9)	(910.6)	(714.3)
Net decrease in cash and cash equivalents	(0.6)	-	-	-	(0.6)
Proceeds from issue of borrowings	-	-	-	(50.1)	(50.1)
Repayment of borrowings	-	-	15.1	-	15.1
Issue costs on new long-term loans	-	-	-	1.4	1.4
Increase in interest accruals	-	-	(8.8)	-	(8.8)
Amortisation	-	-	(1.4)	(1.0)	(2.4)
Reclassifications	-	-	(17.3)	17.3	-
Translation difference	(0.9)	-	0.1	5.3	4.5
At 31 December 2020	219.3	1.4	(38.2)	(937.7)	(755.2)

18. LEASES

The Group has lease contracts for various items of land, buildings and motor vehicles used in its operations. Leases of land and buildings generally have lease terms between 5 and 25 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 April 2020	25.2	0.1	25.3
Acquisition of subsidiary	2.7	-	2.7
Remeasurement of right-of-use assets	(0.3)	-	(0.3)
Exchange adjustment	(0.1)	-	(0.1)
Amortisation	(1.4)	-	(1.4)
As at 31 December 2020	26.1	0.1	26.2

Set out below are the carrying amounts of lease liabilities included within financial liabilities (as disclosed in note 14) and the movements during the period:

	Lease liabilities €m
As at 1 April 2020	(32.0)
Acquisition of subsidiary	(2.7)
Effect of modification of lease liability	0.3
Exchange adjustment	0.2
Accretion of lease liability	(1.1)
Payments	1.9
As at 30 December 2020	(33.4)
Current	(2.1)
Non-current	(31.3)

19. CAPITAL COMMITMENTS

At 31 December 2020 the Group had contracted future capital expenditure in respect of tangible fixed assets of €8.9m (31 March 2020 - €12.9m).

20. DISTRIBUTIONS MADE AND PROPOSED

Dividends of €40.0m, at €9,950.25 per share, were declared during the year ended 31 March 2020 and were paid on 1 October 2020. These were included as a separate line item in the statement of financial position. There were no dividends paid during the Nine Months 2020.

21. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the Third Quarter 2021 and Nine Months 2021 do not differ significantly from those in the consolidated financial statements for the year ended 31 March 2020.

22. SEASONALITY OF OPERATIONS

Certain activities of the Group are affected by weather and temperature conditions and seasonal market price fluctuations. As a result of this, the amounts reported for the interim period may not be indicative of the amounts that will be reported for the full year due to seasonal fluctuations in customer demand for gas and electricity, the impact of weather on demand, renewable generation output and commodity prices, market changes in commodity prices and changes in retail tariffs. In the Customer Solutions Business supply, notable seasonal effects include the impact on customer demand of warmer temperatures in the first half of the financial year. In Flexible generation, there is the impact of lower customer demand on commodity prices, the weather impact on renewable generation and other seasonal effects.

The impact of temperature on customer demand for gas is more volatile than the equivalent demand for electricity.

APPENDIX

A woman in a light-colored top is standing in a meeting room, pointing towards a whiteboard. The wall behind her is covered with numerous sticky notes. The room is dimly lit, and the overall tone is professional and collaborative.

APPENDIX

The consolidated financial statements comprise the financial performance and position of the Group’s Senior secured notes Restricted Group and its renewable asset portfolio which are

separately project financed. The following sets out the unaudited reconciliations for pro-forma EBITDA and net debt for the Senior secured Restricted Group.

Pro-forma EBITDA for the Senior Secured Notes Restricted Group

The following table shows the reconciliation of Pro-forma EBITDA (pre-exceptional items and certain remeasurements) for the Senior secured notes Restricted Group:

	Third Quarter 2021 €m	Third Quarter 2020 €m	Nine Months 2021 €m	Nine Months 2020 €m
Group pro-forma EBITDA	51.0	50.3	136.6	123.7
Less EBITDA from project financed renewable assets	(14.9)	(11.1)	(28.0)	(26.6)
Pro-forma EBITDA for the Senior secured notes Restricted Group	36.1	39.2	108.6	97.1

All of the above amounts are pre-exceptional items and certain remeasurements

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) for Third Quarter 2021 decreased to €36.1m (2020 - €39.2m) primarily reflecting a decrease in EBITDA from the Flexible Generation business, partly offset by an increase in EBITDA from the Renewable PPA contracts and Customer Solutions business.

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) for Nine Months 2021 increased to €108.6m (2020 - €97.1m) primarily reflecting an increase in EBITDA from the Flexible Generation and Customer Solutions businesses, partly offset by a decrease in EBITDA from the Renewable PPA contracts.

Pro-forma Net Debt for the Senior Secured Notes Restricted Group

The following table shows the Pro-forma Net Debt for the Senior secured notes Restricted Group:

	31 December 2020 €m	31 March 2020 €m
Investments	1.4	1.4
Cash and cash equivalents	177.2	190.8
Senior secured notes €350m (2025)	(345.9)	(345.3)
Senior secured notes £225m (2024)	(248.5)	(251.0)
Interest accruals - Senior secured notes	(7.6)	(1.1)
Other interest accruals	(0.5)	(0.9)
Pro-forma Net Debt for the Senior secured notes Restricted Group	(423.9)	(406.1)

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