

ENERGIA GROUP LIMITED

QUARTERLY REPORT

FINANCIAL YEAR 2023

Unaudited Interim Consolidated
Financial Statements

Q1 2023

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KEY FACTS & FIGURES

Underlying Business Results¹

Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	46.7	15.6
Flexible Generation	50.9	18.3
Customer Solutions	(28.4)	(6.4)
	69.2	27.5



**Capital expenditure for
First Quarter 2023**
(2022 - €7.5m)



IFRS Results²

**Revenue for First
Quarter 2023**
(2022 - €534.2m)



**Operating profit before
exceptional items and
certain remeasurements
for First Quarter 2023**
(2022 - €31.2m)

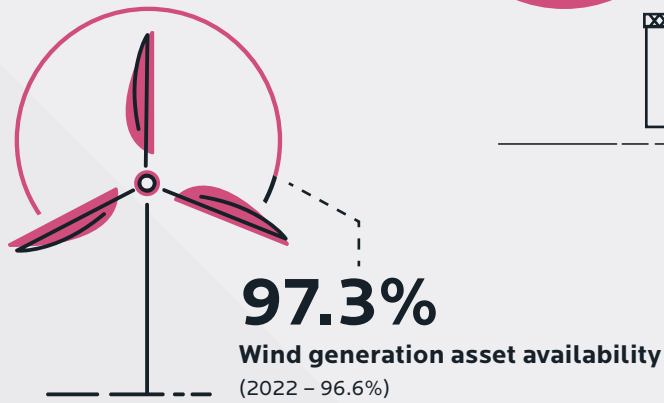
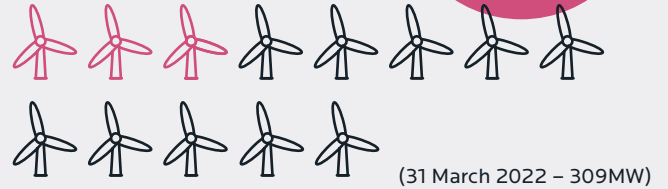
¹ Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 2.

² Before exceptional items and certain remeasurements.

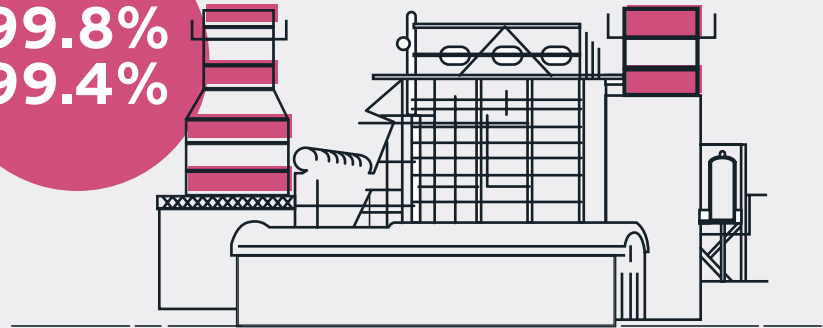
Operational Facts



Wind generation assets
operational at 30 June 2022



99.8%
99.4%



Huntstown CCGT asset availability

(2022 - 100.0%)
(2022 - nil%)

TWh
0.6

NI electricity sales
(2022 - 0.7TWh)

746,700
Residential customer sites supplied
(31 March 2022 - 730,800)



TWh
1.2

RoI electricity sales
(2022 - 1.2TWh)

MANAGEMENT REPORT



MANAGEMENT REPORT

The Director of Energia Group Limited (EGL) presents the condensed interim consolidated financial statements for EGL for the three months ended 30 June 2022 (First Quarter 2023) including comparatives for the three months ended 30 June 2021 (First Quarter 2022). 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 2022, the Group is a leading integrated Irish energy business with substantial businesses in both the RoI and Northern Ireland. During First Quarter 2023 there were no changes to the principal activities of the Group’s businesses.

At 30 June 2022 the Renewables business owned and operated 309MW of wind assets and purchased electricity from 1,271MW of renewable generation capacity throughout Ireland.

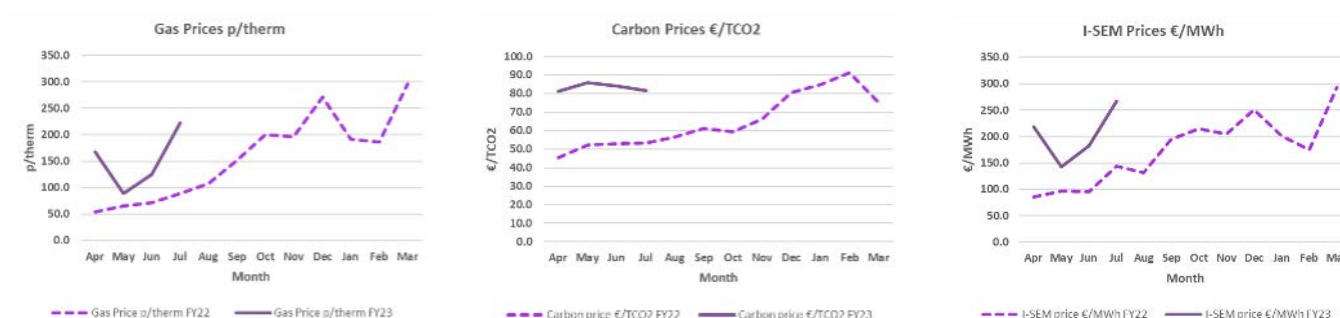
The Flexible Generation business owns and operates 747MW of conventional generation assets in the RoI and procures power under contract with 600MW of conventional generation assets in Northern Ireland.

The Customer Solutions business supplies electricity and gas to 327,100 customer sites in the RoI and 508,800 customer sites in Northern Ireland through its two retail brands, Energia and Power NI.

Energy Markets

While the most challenging and unprecedented energy crisis is ongoing, the commodity markets for gas and carbon continued to experience sustained periods of volatility and high prices in First Quarter 2023. Higher gas and carbon prices have resulted in higher Integrated Single Electricity Market (I-SEM) prices for electricity when compared to the same period last year. As shown in Figure 1 below, average gas prices for First Quarter 2023 were 127p/therm (2022 – 64p/therm) and carbon prices were on average €84/TCO₂ (2022 – €50/TCO₂) resulting in average I-SEM prices of €181/MWh (2022 – €92/MWh).

Figure 1 Commodity and I-SEM prices



The Group's financial performance remained strong in First Quarter 2023, notwithstanding the backdrop of continued high and volatile commodity prices, reflecting the integrated benefit and complementary nature of the Group's operating segments.

The higher I-SEM market prices in First Quarter 2023 have once again notably impacted the EBITDA of the Group's Customer Solutions business (which is outlined in more detail in the Business Review section below) however, as there is no explicit Contract for Difference (CfD) between the Huntstown plants and the Customer Solutions businesses and due to the segmental presentation of the Renewable PPAs (which are specifically attributable to the Customer Solutions businesses), this was offset by higher EBITDA for the Group's Renewables and Flexible Generation businesses which have benefitted from the higher I-SEM market prices.

Notwithstanding the financial performance in First Quarter 2023, uncertainty remains over the future impact of high commodity prices and increasing inflation on the Group's businesses and customers. Management continues to monitor and assess developments in the

wider energy market, influenced by geopolitical circumstances (including any regulatory changes that may arise), and the potential impact on the Group's businesses.

The Group continues to have strong liquidity, with €393.5m of cash and cash equivalents (excluding project finance cash) and undrawn committed revolving credit facilities of €112.2m at 30 June 2022 and is therefore well positioned to manage the current trading environment of higher commodity and I-SEM market prices.

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 developing a further pipeline of wind 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:

	First Quarter 2023 €m	First Quarter 2022 €m
EBITDA	46.7	15.6
Capital expenditure	11.5	0.2

Renewables EBITDA (pre-exceptional items and certain remeasurements) increased to €46.7m (2022 – €15.6m) primarily reflecting higher contributions from the renewable PPAs (due to higher energy prices and higher wind volumes) together with higher wind generation assets EBITDA (reflecting higher energy prices

benefiting NI assets and higher wind volumes across the portfolio).

Net capital expenditure increased to €11.5m (2022 - €0.2m) primarily reflecting capital expenditure on development projects (notably including the commencement of construction of the Drumlin project).

Operational performance

KPIs	First Quarter 2023	First Quarter 2022
Onshore wind generation assets		
Wind generation capacity in operation in the RoI and NI		
- average during the period (MW)	309	309
- at end of period (MW)	309	309
Availability (%)	97.3	96.6
Wind factor (%)	24.4	18.2
Renewable PPA portfolio		
Contracted renewable generation capacity in operation in the RoI and NI		
- average during the period (MW)	1,272	1,282
- at end of period (MW)	1,271	1,282

Onshore operational wind generation assets

The Group owns onshore wind farm assets across the RoI and Northern Ireland. The average onshore wind generation capacity in operation during the First Quarter 2023 was 309MW (2022 - 309MW) and at 30 June 2022, total generation capacity was 309MW (31 March 2022 – 309MW). This comprised 136MW (31 March 2022 – 136MW) of operating wind generation capacity in the RoI and 173MW (31 March 2022 – 173MW) of operating wind generation capacity in NI.

Renewable assets availability was 97.3% (2022 – 96.6%) with a wind factor of 24.4% (2022 – 18.2%).

Distributions¹ of €28.8m were made in the First Quarter 2023 (2022 - €10.6m) from the 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).

¹ Distributions from wholly owned wind generation assets are eliminated on Group consolidation

The average contracted generation capacity in operation during the First Quarter 2023 was 1,272MW (31 March 2022 – 1,282MW) with 30 June 2022 operating capacity of 1,271MW (31 March 2022 – 1,282MW) of which the RoI operating capacity was 594MW (31 March 2022 – 599MW) and the Northern Ireland operating capacity was 677MW (31 March 2022 - 683MW).

Solar

The Group has consented solar projects in the RoI for which it has submitted planning applications to increase the scale of these projects. In addition, the Group is progressing a number of further greenfield solar development opportunities in the RoI. The current pipeline of in-development solar projects is 433MW.

Hydrogen

The Group continues to progress its hydrogen production project at the Long Mountain wind farm. Civil works are largely complete and commissioning of the electrolyser remains targeted for Third Quarter 2023.

Onshore wind development assets

The Group continues to progress the development of its onshore wind pipeline projects (267MW under construction and in development) and expects to enter into Corporate PPAs for such development projects.

In May 2021 the Group completed the acquisition of Drumlins Park Limited (Drumlin), a 49MW wind farm development project in County Monaghan and also in May 2022 entered into a turbine supply agreement for the project. Construction commenced during the quarter and commissioning is expected in 2024. The project will be underpinned by a Corporate PPA with a blue-chip counterparty.

Offshore wind

The Group has foreshore licences to carry out preliminary surveys in order to investigate the feasibility of offshore wind generation at sites in the North Celtic Sea and the South Irish Sea and public consultation processes are ongoing for both projects. Geophysical and geotechnical surveys commenced in April 2022.

Outlook

The Group continues to develop its pipeline of wind and solar projects across Ireland. The table below summarises the portfolio of renewable projects excluding offshore wind and hydrogen production:

MW	Operating	Under Construction	In Development	Total
Onshore wind generation assets				
- NI	173	-	52	225
- RoI	136	49	166	351
	309	49	218	576
Solar				
- RoI	-	-	433	433
	309	49	651	1,009

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

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

	First Quarter 2023 €m	First Quarter 2022 €m
EBITDA	50.9	18.3
Capital expenditure	17.5	4.6

Flexible Generation EBITDA (pre-exceptional items and certain remeasurements) increased to €50.9m (2022 – €18.3m) primarily reflecting higher Huntstown 2 availability and utilisation (due to the plant being on outage in the prior year) and higher margins for both plants (associated with higher commodity prices and outages of other thermal plant), partly offset by higher operating costs.

Net capital expenditure increased to €17.5m (2022 - €4.6m) primarily reflecting initial capital expenditure on the data centre (primarily in respect of the purchase of land) together with capital expenditure on the 50MW battery storage project in NI.

Operational performance

KPIs	First Quarter 2023	First Quarter 2022
Huntstown CCGTs		
Availability (%)		
- Huntstown 1	99.8	100.0
- Huntstown 2	99.4	-
Unconstrained utilisation (%)		
- Huntstown 1	64.3	92.0
- Huntstown 2	79.4	-
Incremental impact of constrained utilisation (%)		
- Huntstown 1	1.8	(13.6)
- Huntstown 2	(11.4)	-

Huntstown 1 availability was 99.8% (2022 – 100.0%). Huntstown 2 availability was 99.4% (2022 – nil%) reflecting the plant being on outage in the prior year.

Huntstown 1 unconstrained utilisation was 64.3% (2022 – 92.0%). Huntstown 2 unconstrained utilisation was 79.4% (2022 – nil%).

The incremental impact of constrained utilisation for Huntstown 1 was 1.8% constrained on (2022 – 13.6% constrained off). The incremental impact of constrained utilisation for Huntstown 2 was 11.4% constrained off (2022 – nil%).

Data centre

The Group is progressing the development of a proposed data centre at its Huntstown campus in Dublin adjacent to the CCGT plants. The proposed data centre has a grid connection offer and the Group has completed the acquisition of the lands necessary for the site. In April 2022 planning consent for the proposed

data centre was received from Fingal County Council however, in May 2022, the decision was appealed and the planning application will now be considered by An Bord Pleanála. The existing Huntstown CCGTs will continue to supply electricity to the national grid, while the data centre will be sustainably managed and net zero carbon operation of the facility is intended to be achieved through the Group's investment in new renewable electricity generation projects.

Storage

Construction works on the Group's 50MW battery storage project in Belfast progressed well during the quarter and commissioning of the project remains on track for the Third Quarter 2023.

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 NI and supplies electricity to business and residential customers.



Financial performance

	First Quarter 2023 €m	First Quarter 2022 €m
EBITDA	(28.4)	(6.4)
Capital expenditure	4.2	2.7

Customer Solutions EBITDA (pre-exceptional items and certain remeasurements) decreased to €28.4m loss (2022 - €6.4m) primarily reflecting lower Energia electricity and gas margins (reflecting higher commodity and energy prices (from which the Renewables and Flexible Generation businesses have benefited) and higher operating costs, partly offset by increases in

tariffs), partly offset by favourable Power NI non-residential electricity margins (reflecting tariff increases partly offset by lower volumes).

Net capital expenditure increased to €4.2m (2022 - €2.7m) primarily reflecting increased expenditure in respect of IT projects.

Operational performance

KPIs	At 30 June 2022	At 31 March 2022
Customer sites (number)		
Rol		
- Residential electricity	206,200	197,000
- Residential gas	70,400	68,100
	276,600	265,100
- Non-residential electricity	47,100	48,000
- Non-residential gas	3,400	3,500
	50,500	51,500
Total Rol	327,100	316,600
NI		
- Residential electricity	470,100	465,700
- Non-residential electricity	38,700	38,700
Total NI	508,800	504,400

Energy sales	First Quarter 2023	First Quarter 2022
RoI		
- Electricity sales (TWh)	1.2	1.2
- Gas sales (million therms)	19.0	20.8
NI		
- Electricity sales (TWh)	0.6	0.7
Complaints (number)		
Complaints to the CRU in the RoI	6	2
Complaints to the CCNI in NI	2	2

Residential electricity and gas customer sites in the RoI were 276,600 at 30 June 2022 (31 March 2022 – 265,100).

Non-residential electricity customer sites in the RoI were 47,100 at 30 June 2022 (31 March 2022 – 48,000). Non-residential gas customer sites in the RoI were 3,400 at 30 June 2022 (31 March 2022 – 3,500).

Residential customer numbers in Northern Ireland were 470,100 at 30 June 2022 (31 March 2022 – 465,700). Non-residential customer numbers in Northern Ireland were 38,700 at 30 June 2022 (31 March 2022 – 38,700).

Total electricity sales volumes in the RoI were 1.2TWh (2022 – 1.2TWh) and in Northern Ireland were 0.6TWh (2022 – 0.7TWh). RoI gas sales volumes were 19.0m therms (2022 – 20.8m therms).

During the period, the Group received 6 complaints (2022 – 2) which were referred to the CRU and 2 complaints (2022 – 2) which were referred to the CCNI.

Tariffs

In response to higher wholesale costs outlined previously, both Energia and Power NI increased tariffs during the First Quarter 2023. In March 2022 Energia announced electricity and gas increases of 15% effective from 25 April 2022 and in May 2022 Power NI announced an increase of 27.5% in its electricity tariff effective from 1 July 2022.

Both Energia and Power NI will continue to monitor wholesale prices and their implications for tariffs going forward.

Outlook

The Group continues to invest in 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



SUMMARY OF FINANCIAL PERFORMANCE

Revenue

Revenue from continuing operations increased to €944.4m (2022 - €534.2m).

The breakdown by business is as follows:

	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	85.5	53.2
Flexible Generation (based on regulated entitlement)	361.1	116.6
Customer Solutions (based on regulated entitlement)	470.0	345.6
Adjustment for over-recovery	26.9	17.3
Inter business elimination	0.9	1.5
Total revenue from continuing operations	944.4	534.2

Revenue from the Renewables business increased to €85.5m (2022 - €53.2m) primarily reflecting higher energy prices, higher volumes and higher ROC sales.

Flexible Generation revenue increased to €361.1m (2022 - €116.6m) primarily reflecting higher Huntstown 2 revenue due to the plant being on outage for the full quarter in the prior year, together with higher utilisation and energy prices for the Ballylumford plant under contract with PPB and higher Huntstown 1 revenue reflecting higher energy prices partly offset by lower utilisation.

Customer Solutions revenue increased to €470.0m (2022 - €345.6m) primarily due to higher non-residential electricity revenue

(reflecting higher prices), higher non-residential and residential gas revenue (reflecting higher prices and tariffs partly offset by lower volumes) and higher residential electricity revenue (reflecting higher tariffs partly offset by lower volumes).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €26.9m (2022 - €17.3m) and at 30 June 2022 the cumulative over-recovery against regulated entitlement was €92.7m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Operating Costs

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) increased to €848.3m (2022 - €489.4m). The breakdown is as follows:

	First Quarter 2023 €m	First Quarter 2022 €m
Energy costs	807.7	457.1
Employee costs	14.8	12.2
Other operating charges	25.8	20.1
Total pre-exceptional items and certain remeasurements	848.3	489.4

Energy costs increased to €807.7m (2022 - €457.1m) primarily reflecting higher energy prices, higher availability of Huntstown 2 (due to the plant being on outage in the prior year), higher utilisation of the Ballylumford plant, higher renewable PPA costs (including ROC costs associated with higher volumes), partly offset by lower residential electricity volumes, lower non-residential and residential gas volumes and lower utilisation of Huntstown 1.

Employee costs increased to €14.8m (2022 - €12.2m) reflecting an increase in staff numbers associated with the underlying growth of the Group's businesses including future development projects being undertaken together with increased costs in respect of the increase in inflation.

Other operating charges increased to €25.8m (2022 - €20.1m) primarily reflecting higher operating costs for Flexible Generation and higher Customer Solutions costs.

Group EBITDA

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

	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	46.7	15.6
Flexible Generation	50.9	18.3
Customer Solutions	(28.4)	(6.4)
Group pro-forma EBITDA	69.2	27.5
Over - recovery of regulated entitlement	26.9	17.3
EBITDA	96.1	44.8

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

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €69.2m (2022 – €27.5m) primarily reflecting an increase in EBITDA in the Flexible Generation and Renewables businesses, partly offset by a decrease in EBITDA in Customer Solutions business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) increased to €46.7m (2021 – €15.6m) primarily reflecting higher contributions from the renewable PPAs (due to higher energy prices and higher wind volumes) together with higher wind generation assets EBITDA (reflecting higher energy prices benefiting NI assets and higher wind volumes across the portfolio).

Flexible Generation EBITDA (pre-exceptional items and certain remeasurements) increased

to €50.9m (2022 – €18.3m) primarily reflecting higher Huntstown 2 availability and utilisation (due to the plant being on outage in the prior year) and higher margins for both plants (associated with higher commodity prices and outages of other thermal plant), partly offset by higher operating costs.

Customer Solutions EBITDA (pre-exceptional items and certain remeasurements) decreased to €28.4m loss (2022 – €6.4m) primarily reflecting lower Energia electricity and gas margins (reflecting higher commodity and energy prices (from which the Renewables and Flexible Generation businesses have benefited) and higher operating costs, partly offset by increases in tariffs), partly offset by favourable Power NI non-residential electricity margins (reflecting tariff increases partly offset by lower volumes).

Depreciation

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

	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	7.6	7.1
Flexible Generation	4.3	2.3
Customer Solutions	4.2	4.2
Total depreciation	16.1	13.6

Depreciation and amortisation was €16.1m (2022 – €13.6m) primarily reflecting higher depreciation in the Flexible Generation and Renewables businesses.

Group operating profit

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

	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	39.1	8.5
Flexible Generation	46.6	16.0
Customer Solutions	(32.6)	(10.6)
Total Operating Profit	53.1	13.9

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) increased to €53.1m (2022 - €13.9m) primarily reflecting higher operating profit

in the Renewables and Flexible Generation businesses, partly offset by increased operating losses in the Customer Solutions business.

Exceptional items and certain remeasurements

Exceptional items and certain remeasurements were a €10.6m credit (2022 - €7.2m).

The breakdown by business is as follows:

	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	2.7	(0.9)
Customer Solutions	7.9	8.1
Total Exceptional Items and Certain Remeasurements	10.6	7.2

Exceptional items in the Renewables business were a €2.7m credit (2022 - €0.9m cost) reflecting €2.2m certain remeasurements relating to the recognition of fair value of derivatives (2022 - €0.3m cost) and €0.5m fair value adjustment to contingent consideration (2022 - €nil). There were no exceptional acquisitions costs (2022 - €0.6m).

Exceptional items in the Customer Solutions business were a €7.9m credit (2022 - €8.1m)

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) decreased to €10.3m (2022 - €10.8m) 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) was €10.7m (2022 – €1.7m). 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:

	First Quarter 2023 €m	First Quarter 2022 €m
Group pro-forma EBITDA¹	69.2	27.5
Net movement in security deposits	7.7	0.5
Changes in working capital ²	24.6	7.8
Over recovery of regulated entitlement	26.9	17.3
Exceptional acquisition costs	-	(0.6)
Foreign exchange translation	(1.0)	1.2
Cash flow from operating activities	127.4	53.7
Net capital expenditure ³	(33.2)	(7.5)
Cash flow before acquisitions, disposals, interest and tax	94.2	46.2

¹ Includes EBITDA of project financed renewable assets of €20.4m (2022 - €9.3m)

² Includes changes in working capital of project financed renewable assets of €8.9m decrease (2022 – €1.0m decrease) and net expenditure from the sale and purchases of other intangibles of €15.5m for First Quarter 2023 (2022 - €2.5m)

³ Includes capital expenditure on project financed renewable assets of €11.5m (2022 - €0.2m) and intangible asset (software and customer acquisition costs) expenditure of €3.8m (2022 - €2.0m)

Group cash flow from operating activities increased to €127.4m (2022 - €53.7m) primarily reflecting an increase in EBITDA of €41.7m from €27.5m to €69.2m, a decrease in working capital of €24.6m (2022 - €7.8m), higher over-recovery of regulated entitlement of €26.9m (2022 - €17.3m) and a decrease in security deposits of €7.7m (2022 - €0.5m).

Net movement in security deposits

The net movement in security deposits was a €7.7m decrease (2022 – €0.5m). As at 30 June 2022 there were €34.2m of security deposits in place.

Changes in working capital

Working capital decreased by €24.6m (2022 – €7.8m decrease) primarily reflecting a decrease in trade and other receivables (primarily reflecting a decrease in hedge debtors, a seasonal decrease in sales volumes and proceeds from the Huntstown 2 outage insurance claim), an increase in emissions liability (which is settled in December reflecting higher carbon prices and volumes), an increase in the ROC obligation creditor and an increase in payments received on account (associated with the RoI government energy rebate scheme), partly offset by a decrease in other trade

payables and accruals (primarily reflecting a decrease in hedge creditors together with the seasonal decrease in sales volumes and a decrease in commodity prices relative to March 2022) and an increase in ROC assets.

Over recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €26.9m (2022 - €17.3m) and at 30 June 2022 the

cumulative over-recovery against regulated entitlement was €92.7m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Capital Expenditure

Net capital expenditure in respect of tangible fixed assets and intangible software assets increased to €33.2m (2022 - €7.5m). The breakdown by business is as follows:

Period to 30 June	First Quarter 2023 €m	First Quarter 2022 €m
Renewables	11.5	0.2
Flexible Generation	17.5	4.6
Customer Solutions	4.2	2.7
Total Capital Expenditure	33.2	7.5

Renewables capital expenditure increased to €11.5m (2022 - €0.2m) primarily reflecting capital expenditure on development projects (notably including the commencement of construction of the Drumlin project).

Flexible Generation capital expenditure increased to €17.5m (2022 - €4.6m) primarily reflecting initial capital expenditure on the data centre (primarily in respect of the purchase of land) and together with capital expenditure on the 50MW battery storage project in NI.

Customer Solutions capital expenditure increased to €4.2m (2022 - €2.7m) primarily reflecting increased expenditure in respect of IT projects.

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) was €1.6m (2022 - €1.2m).

Dividends

No dividends were paid in First Quarter 2023 (2022 - €nil).

Acquisition of subsidiary undertakings

There were no acquisition of subsidiary undertakings costs in the First Quarter 2023 (2022 - €27.1m) with the prior year reflecting the acquisition of Drumlins Park.

Net debt

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

	30 June 2022 €m	31 March 2022 €m
Investments	1.3	1.4
Cash and cash equivalents	445.6	420.9
Senior secured notes	(606.5)	(611.5)
Senior revolving credit facility	-	(59.3)
Project finance facilities	(330.2)	(333.6)
Interest accruals	(11.5)	(2.1)
Total net debt	(501.3)	(584.2)

The Group's net debt decreased by €82.9m from €584.2m at 31 March 2022 to €501.3m at 30 June 2022 primarily reflecting a €59.3m repayment of the senior revolving credit facility and higher cash and cash equivalents, partly offset by higher interest accruals. Net debt at 30 June 2022 includes project finance net debt of €280.9m (31 March 2022 - €280.6m). Excluding project financed net debt, net debt was €220.4m (31 March 2022 - €303.6m).

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 30 June 2022, the Group had letters of credit issued out of the Senior revolving credit facility of €242.1m resulting in undrawn committed facilities of €112.2m (31 March 2022 - €109.0m). Cash drawings under the Senior revolving credit facility of €59.3m were repaid in April 2022 and there were no cash drawings under the facility at 30 June 2022 (31 March 2022 - €59.3m).

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

At 30 June 2022, there was €52.1m (31 March 2022 - €53.0m) 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 and consolidated financial statements for the year ended 31 March 2022.

Defined benefit pension surplus

The pension surplus in the Group's defined benefit scheme under International Accounting Standard (IAS) 19 was €5.0m at 30 June 2022 (31 March 2022 – €5.1m).

Outlook

While the most challenging and unprecedented energy crisis is ongoing, the commodity markets for gas and carbon continued to experience sustained periods of volatility and high prices in First Quarter 2023. Higher gas and carbon prices have resulted in higher I-SEM market prices for electricity. Commodity prices are expected to remain highly volatile in the short to medium term and while the Group is vertically integrated, the extreme volatility is expected to continue to impact segmental financial performance. It is expected that the benefit of higher I-SEM market prices to the Group's Renewables and Flexible Generation businesses is offset by the negative impact of higher prices on the Group's Customer Solutions businesses to the extent that such higher prices are not recovered through tariffs. Furthermore, higher commodity prices are expected to continue to impact liquidity and could result in an increased requirement to provide additional collateral to the I-SEM market and with the Group's gas supply counterparties.

In addition there is potential increased uncertainty over the recoverability of trade receivables (in particular for the Customer Solutions business) however, as noted in the accounts for the year ended 31 March 2022, the Group had notably increased its provisions for expected credit losses reflecting the impact of increased commodities on customer bills.

The Group continues to have strong liquidity, with €393.5m of cash and cash equivalents (excluding project finance cash) and undrawn committed revolving credit facilities of €112.2m at 30 June 2022 and is therefore well positioned to manage the current trading environment of higher commodity and I-SEM market prices.

Directorship changes

Ronald Schweizer resigned as a director of the Company on 29 July 2022 and Dustin Schiavi was appointed as a director of the Company on 29 July 2022.

Dustin Schiavi is a representative of I Squared Capital. Since joining I Squared Capital in February 2021 as Head of Fund Accounting, Dustin is responsible for the management of the fund finance function. He is a Certified Public Accountant with 15 years' experience in financial services focusing on Private Equity and Hedge Funds. Prior to joining I Squared Capital, Dustin served as Deputy Chief Financial Officer at Fortress Investment Group where he managed the Credit Lending Private Equity and Credit Hedge Funds accounting team. Dustin began his career at PricewaterhouseCoopers where he worked in their alternative investment audit practice.

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED INCOME STATEMENT

for the three month period ended 30 June 2022

		Results before exceptional items and certain remeasurements First Quarter 2023 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Quarter 2023 Unaudited €m	Total First Quarter 2023 Unaudited €m	Results before exceptional items and certain remeasurements First Quarter 2022 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Quarter 2022 Unaudited €m	Total First Quarter 2022 Unaudited €m
Continuing operations	Notes						
Revenue	2	944.4	-	944.4	534.2	-	534.2
Operating (costs) / income	4	(864.4)	10.6	(853.8)	(503.0)	7.2	(495.8)
Operating profit	2	80.0	10.6	90.6	31.2	7.2	38.4
Finance costs	6	(10.5)	-	(10.5)	(10.8)	-	(10.8)
Finance income	6	0.2	-	0.2	-	-	-
Net finance costs		(10.3)	-	(10.3)	(10.8)	-	(10.8)
Profit before tax		69.7	10.6	80.3	20.4	7.2	27.6
Taxation	7	(10.6)	(2.5)	(13.1)	(1.7)	(1.5)	(3.2)
Profit for the period		59.1	8.1	67.2	18.7	5.7	24.4

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the three month period ended 30 June 2022

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Profit for the period	67.2	24.4
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(18.6)	(4.8)
Net gain on cash flow hedges	47.6	142.0
Gain on cash flow hedges transferred from equity to income statement	(55.0)	(31.3)
Income tax effect	(1.5)	(19.5)
	(8.9)	91.2
Other comprehensive (expense) / income for the period, net of taxation	(27.5)	86.4
Total comprehensive income for the period	39.7	110.8

CONSOLIDATED BALANCE SHEET

as at 30 June 2022

ASSETS	Notes	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Non-current assets:			
Property, plant and equipment		621.7	606.8
Intangible assets		669.3	681.6
Right-of-use assets	17	25.0	25.7
Derivative financial instruments	14	116.2	83.1
Net employee defined benefit asset		5.0	5.1
Deferred tax assets		24.3	25.3
		1,461.5	1,427.6
Current assets:			
Intangible assets		84.8	79.6
Inventories		4.6	4.7
Trade and other receivables	10	288.0	451.1
Derivative financial instruments	14	807.0	871.2
Other current financial assets	9	35.5	43.5
Cash and cash equivalents	11	445.6	420.9
		1,665.5	1,871.0
TOTAL ASSETS		3,127.0	3,298.6

LIABILITIES	Notes	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Current liabilities:			
Trade and other payables	12	(595.3)	(728.2)
Income tax payable		(8.1)	(4.4)
Financial liabilities	13	(47.3)	(94.2)
Deferred income		(0.4)	(0.2)
Derivative financial instruments	14	(111.0)	(139.9)
		(762.1)	(966.9)
Non-current liabilities:			
Financial liabilities	13	(950.7)	(962.9)
Derivative financial instruments	14	(10.0)	(9.5)
Deferred income		(2.2)	(2.3)
Deferred tax liabilities		(164.0)	(158.7)
Provisions		(29.7)	(29.7)
		(1,156.6)	(1,163.1)
TOTAL LIABILITIES		(1,918.7)	(2,130.0)
NET ASSETS		1,208.3	1,168.6
Equity			
Share capital		-	-
Share premium		767.4	783.2
Retained earnings		(214.0)	(301.0)
Capital contribution reserve		2.7	2.7
Hedge reserve		668.5	681.4
Foreign currency translation reserve		(16.3)	2.3
TOTAL EQUITY		1,208.3	1,168.6

The financial statements were approved by the Board and authorised for issue on 7 September 2022.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three month period ended 30 June 2022

	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 2021	-	775.9	(404.9)	42.4	30.7	(5.7)	438.4
Exchange adjustment	-	(6.4)	6.6	(0.4)	0.2	-	-
Profit for the period	-	-	24.4	-	-	-	24.4
Other comprehensive income / (expense)	-	-	-	-	91.2	(4.8)	86.4
Total comprehensive (expense) / income	-	(6.4)	31.0	(0.4)	91.4	(4.8)	110.8
At 30 June 2021	-	769.5	(373.9)	42.0	122.1	(10.5)	549.2
At 1 April 2022	-	783.2	(301.0)	2.7	681.4	2.3	1,168.6
Exchange adjustment	-	(15.8)	19.8	-	(4.0)	-	-
Profit for the period	-	-	67.2	-	-	-	67.2
Other comprehensive expense	-	-	-	-	(8.9)	(18.6)	(27.5)
Total comprehensive (expense) / income	-	(15.8)	87.0	-	(12.9)	(18.6)	39.7
At 30 June 2022	-	767.4	(214.0)	2.7	668.5	(16.3)	1,208.3

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three month period ended 30 June 2022

	Notes	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Cash generated from operations before working capital movements	15	96.1	44.2
Working capital adjustments:			
Decrease / (Increase) in inventories		0.1	(0.4)
Decrease in trade and other receivables		160.6	22.7
Decrease in security deposits		7.7	0.5
Decrease in trade and other payables		(120.6)	(12.0)
Effects of foreign exchange		(1.0)	1.2
		142.9	56.2
Interest received		0.1	-
Interest paid		(1.7)	(1.2)
		(1.6)	(1.2)
Income tax paid		(3.1)	(1.2)
Net cash flows from operating activities		138.2	53.8

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the three month period ended 30 June 2022

	Notes	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Investing activities			
Purchase of property, plant and equipment		(29.4)	(5.5)
Purchase of intangible assets		(51.1)	(37.0)
Proceeds from sale of intangible assets		31.8	32.5
Disposal of subsidiary, net of cash disposed		(0.2)	(0.2)
Acquisition of subsidiaries		-	(27.1)
Receipt of government grants		0.2	0.2
Net cash flows used in investing activities		(48.7)	(37.1)
Financing activities			
Repayment of borrowings		(59.3)	(1.6)
Payment of lease liabilities		(0.8)	(0.7)
Net cash flows from financing activities		(60.1)	(2.3)
Net increase in cash and cash equivalents		29.4	14.4
Net foreign exchange difference		(4.7)	(0.7)
Cash and cash equivalents at 1 April	11	420.9	216.5
Cash and cash equivalents at 30 June	11	445.6	230.2

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 2022.

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

At 30 June 2022 the Renewables business owned and operated 309MW of wind assets and purchased electricity from 1,276MW of renewable generation capacity throughout Ireland;

(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

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Renewables	85.5	53.2
Flexible Generation	361.1	116.6
Customer Solutions	470.0	345.6
Inter-group eliminations	0.9	1.5
Group	917.5	516.9
Adjustment for over-recovery	26.9	17.3
Total	944.4	534.2

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

(b) Operating Profit

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Segment Pro-Forma EBITDA		
Renewables	46.7	15.6
Flexible Generation	50.9	18.3
Customer Solutions	(28.4)	(6.4)
Group Pro-Forma EBITDA	69.2	27.5
Adjustment for over-recovery	26.9	17.3
Group EBITDA	96.1	44.8
Depreciation / amortisation		
Renewables	(7.6)	(7.1)
Flexible Generation	(4.3)	(2.3)
Customer Solutions	(4.2)	(4.2)
Group depreciation and amortisation	(16.1)	(13.6)
Operating profit / (loss) pre-exceptional items and certain remeasurements		
Renewables	39.1	8.5
Flexible Generation	46.6	16.0
Customer Solutions	(32.6)	(10.6)
Group Pro-Forma operating profit	53.1	13.9
Adjustment for over-recovery	26.9	17.3
Operating profit pre exceptional items and certain remeasurements	80.0	31.2
Exceptional items and certain remeasurements		
Renewables	2.7	(0.9)
Customer Solutions	7.9	8.1
Group operating profit post exceptional items and certain remeasurements	90.6	38.4
Finance cost	(10.5)	(10.8)
Finance income	0.2	-
	(10.3)	(10.8)
Profit on ordinary activities before tax	80.3	27.6

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 First Quarter 2023:

First Quarter 2023	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	467.7	467.7
Electricity generation	85.2	361.1	-	446.3
Other	0.3	-	2.3	2.6
Inter-group eliminations	-	3.1	(2.2)	0.9
Group	85.5	364.2	467.8	917.5
Adjustment for over - recovery	-	19.7	7.2	26.9
Total revenue from contracts with customers	85.5	383.9	475.0	944.4

The Group primarily offers standard payment terms to customers of 14 days from date of invoice.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the First Quarter 2022:

First Quarter 2022	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	343.4	343.4
Electricity generation	52.9	116.6	-	169.5
Other	0.3	-	2.2	2.5
Inter-group eliminations	-	3.6	(2.1)	1.5
Group	53.2	120.2	343.5	516.9
Adjustment for over / (under) - recovery	-	17.6	(0.3)	17.3
Total revenue from contracts with customers	53.2	137.8	343.2	534.2

3.1 Disaggregated revenue information (contd.)

Geographical markets:	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
UK	365.0	227.5
Rol	579.4	306.7
Total revenue from contracts with customers	944.4	534.2
Timing of revenue recognition:		
Transferred over time	911.1	504.2
Transferred at a point in time	33.3	30.0
Total revenue from contracts with customers	944.4	534.2

Trade receivables arising from contracts with customers are disclosed in note 10.

4. OPERATING COSTS

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Operating costs are analysed as follows:		
Energy costs	807.7	457.1
Employee costs	14.8	12.2
Depreciation and amortisation	16.1	13.6
Other operating charges	25.8	20.1
Total pre-exceptional items and certain remeasurements	864.4	503.0
Exceptional costs and certain remeasurements		
Energy income	(10.1)	(7.8)
Other operating (income) / charges	(0.5)	0.6
Total exceptional income and certain remeasurements	(10.6)	(7.2)
Total operating costs	853.8	495.8

4.1 Depreciation and amortisation

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Depreciation	11.4	9.0
Amortisation of intangible assets	4.2	4.1
Amortisation of right-of-use assets	0.5	0.5
Total depreciation and amortisation	16.1	13.6

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Exceptional items in arriving at profit from continuing operations:		
Acquisition costs ¹	-	(0.6)
Release of contingent consideration ²	0.5	-
	0.5	(0.6)
Certain remeasurements in arriving at profit		
Net gain on derivatives at fair value through operating costs ³	10.1	7.8
	10.1	7.8
Exceptional items and certain remeasurements before taxation		
	10.6	7.2
Taxation on exceptional items and certain remeasurements	(2.5)	(1.5)
Exceptional items and certain remeasurements after taxation	8.1	5.7

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

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Fair valued derivatives through profit and loss	(2.5)	(1.5)
	(2.5)	(1.5)

¹ Exceptional acquisition costs of €nil (2022 - €0.6m) relate to costs associated with acquisitions whether successful or unsuccessful.

² Release of contingent consideration of €0.5m (2022 - €nil) relates to a fair value adjustment to contingent consideration for renewable generation development projects.

³ Net gain on derivatives at fair value through operating costs of €10.1m (2022 - €7.8m) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

6. FINANCE COSTS / INCOME

	Total First Quarter 2023 Unaudited €m	Total First Quarter 2022 Unaudited €m
Finance costs		
Interest on external bank loans and borrowings	(4.5)	(3.8)
Interest on senior secured notes	(6.7)	(6.6)
Total interest expense	(11.2)	(10.4)
Amortisation of financing charges	(0.7)	(1.1)
Unwinding of discount on decommissioning provision	(0.1)	(0.1)
Unwinding of discount on contingent consideration	(0.3)	(0.3)
Accretion of lease liability	(0.4)	(0.4)
Other finance charges	(0.1)	-
Total other finance charges	(1.6)	(1.9)
Net exchange gain on net foreign currency borrowings	2.1	1.2
Less interest capitalised in qualifying asset	0.2	0.3
Total finance costs	(10.5)	(10.8)
Finance income		
Interest income on bank deposits	0.2	-
Total finance income	0.2	-

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the First Quarter 2023 was 3.3% (First Quarter 2022 – 3.5%).

7. INCOME TAX

The major components of the tax charge for the periods ended 30 June 2022 and 30 June 2021 are:

Current tax:	Results before exceptional items and certain remeasurements First Quarter 2023 Unaudited €m	Exceptional items and certain remeasurements First Quarter 2023 Unaudited €m	Total First Quarter 2023 Unaudited €m	Results before exceptional items and certain remeasurements First Quarter 2022 Unaudited €m	Exceptional items and certain remeasurements First Quarter 2022 Unaudited €m	Total First Quarter 2022 Unaudited €m
Current tax (charge) / credit	(4.5)	(2.5)	(7.0)	2.6	(1.5)	1.1
Total current tax (charge) / credit	(4.5)	(2.5)	(7.0)	2.6	(1.5)	1.1
Deferred tax:						
Adjustments in respect of current period	(6.1)	-	(6.1)	(4.3)	-	(4.3)
Total deferred tax	(6.1)	-	(6.1)	(4.3)	-	(4.3)
Total taxation charge	(10.6)	(2.5)	(13.1)	(1.7)	(1.5)	(3.2)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment	
	First Quarter 2023 Unaudited €m	First Quarter 2022 U naudited €m
Renewables	14.4	2.6
Flexible Generation	17.3	8.2
Customer Solutions	0.1	0.7
Total	31.8	11.5

	Capital additions to intangible assets	
	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Renewables	38.5	38.1
Customer Solutions	4.4	2.1
Total	42.9	40.2

	Capital additions to right-of-use assets	
	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Customer Solutions	0.1	-
Total	0.1	-

9. OTHER FINANCIAL ASSETS

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	34.2	42.1
Short-term managed funds	1.3	1.4
Total other financial assets	35.5	43.5

10. TRADE AND OTHER RECEIVABLES

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Trade receivables (including unbilled consumption)	245.5	299.0
Contract assets (accrued income)	64.8	182.1
Prepayments	9.8	4.3
Other receivables	5.7	3.9
	325.8	489.3
Allowance for expected credit losses	(37.8)	(38.2)
	288.0	451.1

11. CASH AND CASH EQUIVALENTS

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Cash at bank and on hand	362.3	300.9
Short-term bank deposits	83.3	120.0
	445.6	420.9

12. TRADE AND OTHER PAYABLES

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Trade creditors	112.3	143.6
Other creditors	184.0	123.8
Contract liabilities (payments on account)	52.2	43.1
Tax and social security	16.4	13.8
Accruals	230.4	403.9
	595.3	728.2

13. FINANCIAL LIABILITIES

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Current financial liabilities:		
Senior revolving credit facility	-	59.3
Project financed bank facilities (NI)	11.0	11.1
Project financed bank facilities (RoI)	13.7	13.6
Project finance interest accruals	2.8	-
Senior secured notes interest payable	7.7	1.2
Other interest payable	1.0	0.9
Contingent consideration	9.4	6.5
Lease liability	1.7	1.6
Total current financial liabilities	47.3	94.2
Non-current financial liabilities:		
Senior secured notes €350m (2025)	347.0	346.8
Senior secured notes £225m (2024)	259.5	264.7
Project financed bank facilities (NI)	174.6	178.2
Project financed bank facilities (RoI)	130.9	130.7
Contingent consideration	7.3	10.4
Contingent liability	0.2	0.2
Lease liability	31.2	31.9
Total non-current financial liabilities	950.7	962.9
Total current and non-current financial liabilities	998.0	1,057.1

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.

At 30 June 2022, the Group had letters of credit issued out of the Senior revolving credit facility of €242.1m (31 March 2022 - €193.3m) resulting in undrawn committed facilities of €112.2m (31 March 2022 - €109.0m). There were no cash drawings under the Senior revolving credit facility at 30 June 2022 (31 March 2022 - €59.3m). Interest is charged under the Senior revolving credit facility at floating interest rates based on Sonia and Euribor.

Project financed bank facilities

The project financed bank loan facilities are repayable in semi-annual instalments to 2035 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 3.86% (2022 - 3.62%) on project financed bank facilities NI and 2.40% (2022 - 2.41%) on the project financed bank facilities Rol.

Contingent consideration

Contingent consideration of €16.7m (31 March 2022 - €16.9m) 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 €9.4m expected to be paid in 2022/23 and the remaining €7.3m paid by 2026/27.

Contingent liability

Contingent liability of €0.2m (31 March 2022 - €0.2m) relates to the acquisition of renewable development projects 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.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	0.9	3.2
Commodity swap contracts	880.3	928.1
Interest rate swap contracts	177	7.8
Total derivatives at fair value through other comprehensive income	898.9	939.1
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	1.1	0.7
Commodity swap contracts	23.2	14.5
Total derivatives at fair value through profit and loss	24.3	15.2
Total derivative financial assets	923.2	954.3
Total non-current	116.2	83.1
Total current	807.0	871.2

Derivative financial liabilities

	30 June 2022 Unaudited €m	31 March 2022 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(5.6)	(2.3)
Commodity swap contracts	(103.4)	(132.6)
Interest rate swap contracts	(1.5)	(3.6)
Total derivatives at fair value through other comprehensive income	(110.5)	(138.5)
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(1.0)	(0.4)
Commodity swap contracts	(9.5)	(10.5)
Total derivatives at fair value through profit and loss	(10.5)	(10.9)
Total derivative financial liability	(121.0)	(149.4)
Total non-current	(10.0)	(9.5)
Total current	(111.0)	(139.5)

Fair Values

As indicated in note 3(d) in the consolidated financial statements for the year ended 31 March 2022 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:

	30 June 2022		31 March 2022	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Level 1				
Non-current liabilities				
Senior secured notes (2024 and 2025)	(606.5)	(553.5)	(611.5)	(589.6)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(174.6)	(174.6)	(178.2)	(178.2)
Project financed bank facilities (RoI)	(130.9)	(130.9)	(130.7)	(130.7)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(7.3)	(7.3)	(10.4)	(10.4)
Financial liabilities (contingent liability)	(0.2)	(0.2)	(0.2)	(0.2)
Financial liabilities (lease liability)	(31.2)	(31.2)	(31.9)	(31.9)
Current liabilities				
Senior revolving credit facility	-	-	(59.3)	(59.3)
Financial liabilities (contingent consideration)	(9.4)	(9.4)	(6.5)	(6.5)
Financial liabilities (lease liability)	(1.7)	(1.7)	(1.6)	(1.6)

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 (RoI), project financed bank facilities (NI) 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 (RoI) and project financed bank facilities (NI) are a close approximation to their carrying value given that they bear interest at floating rates based on Euribor and Sonia respectively.

The fair value of contingent consideration is considered by the Director 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 €16.7m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate.

The fair value of the lease liability is considered by the Director 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 €32.9m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate.

15. NOTES TO GROUP CASH FLOW STATEMENT

	First Quarter 2023 Unaudited €m	First Quarter 2022 Unaudited €m
Operating activities		
Profit before tax from continuing operations	80.3	27.6
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	11.4	9.0
Amortisation of intangible assets	4.2	4.1
Amortisation of right-of-use assets	0.5	0.5
Derivatives at fair value through income statement	(10.1)	(7.8)
Net finance costs	10.3	10.8
Release of contingent consideration	(0.5)	-
Cash generated from operations before working capital movements	96.1	44.2

16. 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 2021	216.5	1.4	(25.3)	(937.4)	(744.8)
Net increase in cash and cash equivalents	14.4	-	-	-	14.4
Repayments of borrowings	-	-	1.6	-	1.6
Increase in interest accruals	-	-	(9.3)	-	(9.3)
Amortisation	-	-	(0.8)	(0.3)	(1.1)
Reclassifications	-	-	0.7	(0.7)	-
Translation difference	(0.7)	-	0.1	3.7	3.1
At 30 June 2021	230.2	1.4	(33.0)	(934.7)	(736.1)

At 1 April 2022	420.9	1.4	(86.1)	(920.4)	(584.2)
Net increase in cash and cash equivalents	29.4	-	-	-	29.4
Repayment of borrowings	-	-	59.3	-	59.3
Increase in interest accruals	-	-	(9.5)	-	(9.5)
Amortisation	-	-	(0.4)	(0.3)	(0.7)
Reclassifications	-	-	0.2	(0.2)	-
Translation difference	(4.7)	(0.1)	0.3	8.9	4.4
At 30 June 2022	445.6	1.3	(36.2)	(912.0)	(501.3)

17. 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.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

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 2022	25.6	0.1	25.7
Exchange adjustment	(0.3)	-	(0.3)
Additions	0.1	-	0.1
Amortisation	(0.5)	-	(0.5)
As at 30 June 2022	24.9	0.1	25.0

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 2022	(33.5)
Exchange adjustment	0.3
Additions	(0.1)
Accretion of lease liability	(0.4)
Payments	0.8
As at 30 June 2022	(32.9)
Current	(1.7)
Non-current	(31.2)

18. CAPITAL COMMITMENTS

At 30 June 2022 the Group had contracted future capital expenditure in respect of tangible fixed assets of €55.1m (31 March 2022 - €15.0m) and intangible fixed assets of €3.2m (2022 - €3.6m).

19. DISTRIBUTIONS MADE AND PROPOSED

No dividends have been paid or declared for the First Quarter 2023 (2022 - €nil).

20. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the First Quarter 2023 do not differ significantly from those in the consolidated financial statements for the year ended 31 March 2022.

21. 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, the timing of outages and other seasonal effects.

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

APPENDIX (UNAUDITED)

APPENDIX (UNAUDITED)

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:

	First Quarter 2023 €m	First Quarter 2022 €m
Group pro-forma EBITDA	69.2	27.5
Less EBITDA from project financed renewable assets	(20.4)	(9.3)
Pro-forma EBITDA for the Senior Secured Notes Restricted Group	48.8	18.2

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) increased to €48.8m (2022 – €18.2m) primarily reflecting

an increase in EBITDA from Flexible Generation and Renewable PPA contracts, partly offset by a decrease in the Customer Solutions business.

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:

	30 June 2022 €m	31 March 2022 €m
Investments	1.3	1.4
Cash and cash equivalents	393.5	367.9
Senior secured notes €350m (2025)	(347.0)	(346.8)
Senior secured notes £225m (2024)	(259.5)	(264.7)
Senior revolving credit facility	-	(59.3)
Interest accruals - Senior secured notes	(7.7)	(1.2)
Other interest accruals	(1.0)	(0.9)
Pro-forma Net Debt for the Senior Secured Notes Restricted Group	(220.4)	(303.6)



energia group

Energia Group Limited
www.energiagroup.com



Registered office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Registered Number: 192375