

QUARTERLY REPORT

FINANCIAL YEAR 2022

Unaudited Interim Consolidated Financial Statements
Q1 2022

ENERGIA GROUP LIMITED
www.energiagroup.com



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KEY FACTS & FIGURES

Underlying Business Results¹

Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	15.6	7.1
Flexible Generation	18.3	13.4
Customer Solutions	(6.4)	17.4
	27.5	37.9

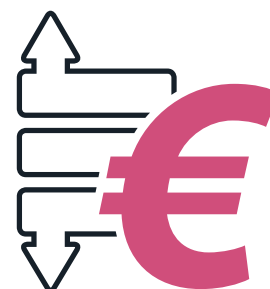


Capital expenditure
(First Quarter 2021 - €4.6m)



IFRS Results²

Revenue
(First Quarter 2021 - €352.5m)



Operating profit
(First Quarter 2021 - €35.5m)

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

² Before exceptional items and certain remeasurements.

MW
309

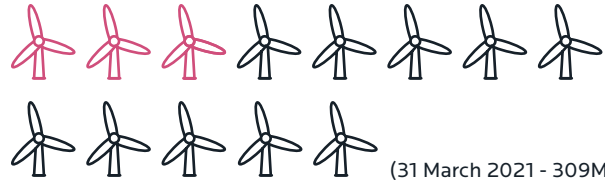
Operational Facts

922



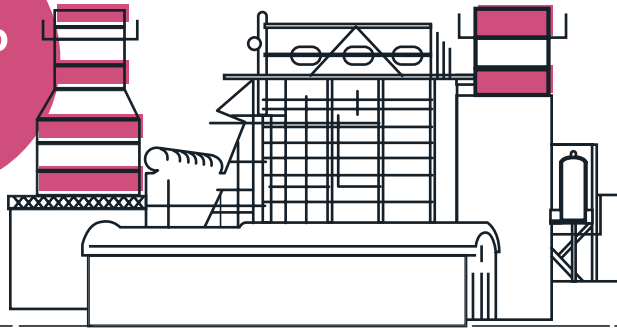
**Employee numbers
at 30 June 2021**
(31 March 2021 - 916)

**Wind generation assets
operational at 30 June 2021**

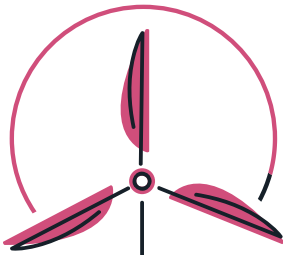


(31 March 2021 - 309MW)

**100%
nil%**



Huntstown CCGT asset availability
(First Quarter 2021 - 100% / 99.6%)



96.6%

**Wind generation
assets availability**
(First Quarter 2021 - 97.1%)

TWh
0.7

NI electricity sales
(First Quarter 2021 - 0.6TWh)

739,900

**Residential customer
sites supplied**
(30 March 2021 - 729,500)



TWh
1.2

Rol electricity sales
(First Quarter 2021 - 0.9TWh)



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 2021 (First Quarter 2022) including comparatives for the three months ended 30 June 2020 (First Quarter 2021). 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 2021, the Group is a leading integrated Irish energy business with substantial businesses in both the RoI and Northern Ireland. During First Quarter 2022 there were no changes to the principal activities of the Group's businesses.

At 30 June 2021 the Renewables business owned and operated 309MW of wind assets and purchased electricity from 1,282MW 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 339,400 customer sites in the RoI and 493,100 customer sites in Northern Ireland through its two retail brands, Energia and Power NI.

Wholesale Prices & I-SEM market

For the First Quarter 2022 I-SEM market prices have been significantly influenced by high wholesale commodity prices combined with the impact of long-term outages of thermal plants, including Huntstown 2, BGE's Whitegate and ESB's Dublin Bay and low wind generation. As shown in Fig. 1 below, these combined factors have contributed to average I-SEM prices in the First Quarter 2022 of €92/MWh (2021 - €26/MWh). Gas prices were on average 64p/therm (2021 - 13p/therm) and carbon prices were on average €50/TCO₂ (2021 - €26/TCO₂).

The higher I-SEM market prices throughout First Quarter 2022 have notably impacted the EBITDA of the Group's Customer Solutions business (which is more fully detailed in the Business Review section below) however, as there is no Contract for Difference (CfD) between the Group's generation and customer retail businesses, this was partially offset by higher EBITDA for the Huntstown 1 plant and the Group's Renewables business which have benefitted from the higher I-SEM market prices.

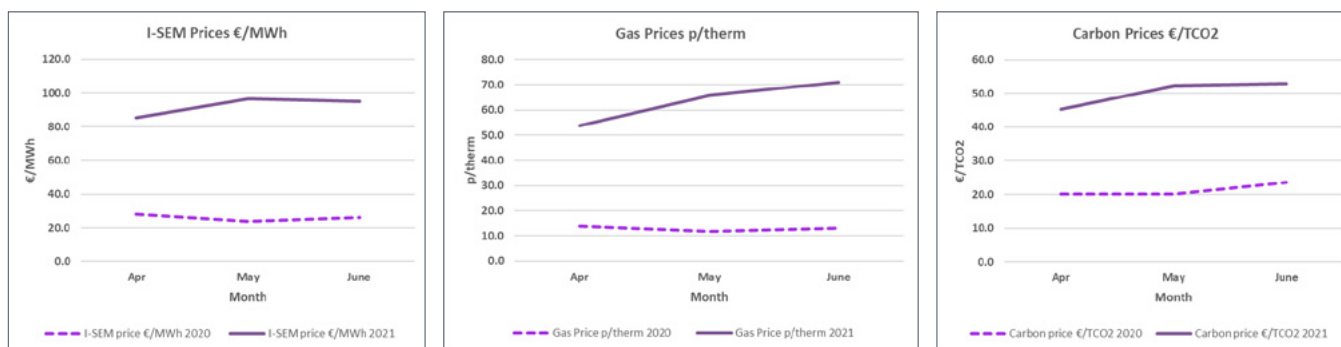


Figure 1

A significant contributor to the higher I-SEM market prices and the adverse impact on the Group financial performance for the First Quarter 2022 was the forced outage at the Huntstown 2 plant. Had the Huntstown 2 plant been available, it's contribution would have substantially offset the overall reduction in Group EBITDA in First Quarter 2022. An update on the progress to replace the Huntstown 2 transformer and further detail on the financial performance for First Quarter 2022, including an anticipated business interruption insurance interim payment on account (not accrued for in the First Quarter 2022 results), is provided in the Business and Financial Review sections below.

High commodity prices, low thermal plant availability and low wind generation have continued to be experienced through July and August 2021. Higher I-SEM market prices (at levels higher than First Quarter 2022) are therefore expected to impact the Group's results for Second Quarter 2022 (notably the Customer Solutions business) to the extent not mitigated by anticipated insurance proceeds in respect of the business interruption claim for losses arising as a result of the Huntstown 2 transformer fault.

COVID-19

The Group's businesses and dedicated teams continued to meet the challenges of operating during the COVID-19 pandemic while prioritising the health & safety of staff and customers and ensuring that consumers continued to have access to energy and essential services.

Some uncertainty continues to remain over the potential future impact of COVID-19 related factors on the Group's businesses and the delivery of its development projects. Management remains vigilant and continues to monitor and assess developments and the potential future impact the pandemic may have on the Group's businesses.

The Group has strong liquidity at 30 June 2021 (with €191.5m cash and cash equivalents excluding project finance cash) and has undrawn committed revolving credit facilities of €100.4m and is therefore well positioned to manage the potential impact of COVID-19.

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 2022 €m	First Quarter 2021 €m
EBITDA	15.6	7.1
Capital expenditure	0.2	0.9

Renewables EBITDA (pre-exceptional items and certain remeasurements) increased to €15.6m (2021 - €7.1m) primarily reflecting higher contributions from the renewable PPAs (due to higher prices partly offset by lower wind volumes) and higher wind generation assets EBITDA (reflecting higher prices for NI assets and the First Quarter 2022 impact of the Derrysallagh windfarm, which was commissioned July 2020, partly offset by lower wind volumes), partly offset by increased costs of development projects.

Net capital expenditure decreased to €0.2m (2021 - €0.9m).

Operational performance

KPIs	First Quarter 2022	First Quarter 2021
Onshore wind generation assets		
Wind generation capacity in operation in the Rol and Northern Ireland		
- average during the period (MW)	309	277
- at end of period (MW)	309	277
Availability (%)	96.6	97.1
Wind factor (%)	18.2	18.6
Renewable PPA portfolio		
Contracted renewable generation capacity in operation in the Rol and Northern Ireland		
- average during the period (MW)	1,282	1,258
- at end of period (MW)	1,282	1,258

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 First Quarter 2022 was 309MW (2021 - 277MW) and at 30 June 2021, total generation capacity was 309MW (31 March 2021 - 309MW). This comprised 136MW (31 March 2021 - 136MW) of operating wind generation capacity in the Rol and 173MW (31 March 2021 - 173MW) of operating wind generation capacity in Northern Ireland.

Renewable assets availability was 96.6% (2021 - 97.1%) with a wind factor of 18.2% (2021 - 18.6%).

Distributions of €10.6m were made in the First Quarter 2022 (2021 - €5.0m) 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).

The average contracted generation capacity in operation during the First Quarter 2022 was 1,282MW (2021 - 1,258MW) with 30 June 2021 operating capacity of 1,282MW (31 March 2021 - 1,284MW) of which the Rol operating capacity was 599MW (31 March 2021 - 599MW) and the Northern Ireland operating capacity was 683MW (31 March 2021 - 685MW).

Bioenergy assets

Construction of the bioenergy plant at Huntstown in Dublin is substantially complete however the commissioning phase continues to experience significant delays and the EPC contractor has not yet been able to demonstrate that the plant is capable of meeting the technical and performance parameters required.

On 25 August 2021, Belfast City Council's Planning Committee refused the Group's application for planning permission in respect of its proposed bioenergy plant at Giant's Park in Belfast. The Group is currently considering its options in relation to this decision.

Solar

The Group has two consented solar projects, Glenamoy and Dathogue, totalling 79MW in the Rol for which it has submitted planning applications to increase the scale of these projects. In July 2021, planning consent was received for a first phase extension to the Dathogue site for an additional 70MW of capacity. In August 2021, Meath County Council's decision to grant planning permission was appealed and the case will now be considered by An Bord Pleanala.

The Group is also exploring a number of further greenfield solar development opportunities and in August 2021, planning consent was received for 75MW of capacity at the Group's Fieldstown solar project in the Rol.

Hydrogen

The Group intends to commission an electrolyser, to produce hydrogen from renewable electricity at the Long Mountain wind farm. Civil works have commenced and commissioning of a temporary electrolyser is targeted for Second Half 2022.

Onshore wind development assets

On 27 May 2021, the Group completed the acquisition of Drumlins Park Limited (Drumlin), a 49MW wind farm development project in County Monaghan.

The Group continues to progress the development of its onshore wind pipeline projects (242MW) and expects to enter into Corporate PPAs for such development projects.

Offshore wind

In July 2021 the Group received draft 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. The draft licences are currently undergoing review before finalisation and issue.

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
- Rol	136	-	190	326
	309	-	242	551
Bioenergy Assets				
- NI	-	-	4	4
- Rol	-	4	-	4
	-	4	4	8
Solar				
- Rol	-	-	224	224
	309	4	470	783

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



Energia Group agrees to supply hydrogen to Translink to power the first hydrogen double decker buses in 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

	First Quarter 2022 €m	First Quarter 2021 €m
EBITDA	18.3	13.4
Capital expenditure	4.6	1.1

EBITDA increased to €18.3m (2021 - €13.4m) primarily reflecting higher Huntstown 1 utilisation (driven by low availability of other thermal plants (including Huntstown 2) and low wind generation) and higher prices (as noted above) partly offset by lower availability and utilisation of Huntstown 2 (due to the ongoing transformer outage), lower distillate revaluation benefit and higher operating costs.

Net capital expenditure increased to €4.6m (2021 - €1.1m) primarily reflecting increased capital expenditure in respect of storage development projects.

Operational performance

KPIs	First Quarter 2022	First Quarter 2021
Huntstown CCGTs		
Availability (%)		
- Huntstown 1	100.0	100.0
- Huntstown 2	-	99.6
Unconstrained utilisation (%)		
- Huntstown 1	92.0	87.1
- Huntstown 2	-	27.8
Incremental impact of constrained utilisation (%)		
- Huntstown 1	(13.6)	(9.7)
- Huntstown 2	-	8.2

Huntstown 1 availability was 100.0% (2021 - 100.0%). Huntstown 2 availability was nil% (2021 - 99.6%) reflecting the plant being on outage since 29 January 2021 as detailed below.

Huntstown 1 unconstrained utilisation was 92.0% (2021 - 87.1%). Huntstown 2 unconstrained utilisation was nil% (2021 - 27.8%).

The incremental impact of constrained utilisation for Huntstown 1 was 13.6% constrained off (2021 - 9.7%). The incremental impact of constrained utilisation for Huntstown 2 was nil% (2021 - 8.2% constrained on).

On 29 January 2021, a fault was identified on the Huntstown 2 main generator transformer which has resulted in the plant not being available to the market. A new replacement transformer has been manufactured and is expected to arrive in Dublin shortly. It is targeted to complete the installation and commissioning of the new transformer, including some final commissioning procedures associated with

the March 2021 planned outage, and return the plant to service during Third Quarter 2022. The Group has insurance in place to cover both property damage and business interruption to the Group (including the Group's retail operations) in respect of the Huntstown plant. Following root cause analysis of the transformer failure, insurers have confirmed that the transformer failure was an insurable event and an initial interim payment on account has been approved. This interim payment on account is in respect of the property damage and business interruption impact to the Huntstown plant. While discussions are ongoing, the insurers have not yet confirmed that business interruption cover will be provided in respect of the impact to the Group's retail operations. The initial interim payment on account is being processed and the business interruption element for the Huntstown plant in respect of the period up to 30 June 2021 is c.€6m (and has not been accrued for in the First Quarter 2022 results).

Data centre

The Group is in preliminary stages of developing a data centre at its Huntstown campus in Dublin adjacent to the CCGT plants. In August 2021 the Group submitted an application for planning permission in respect of the proposed data centre.

Storage

During First Quarter 2022 the Group entered into an EPC contract and commenced construction works for its 50MW battery storage project in Belfast. It is targeted to complete construction and commissioning of the battery storage project by the end of 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.



Derrysallagh wind farm, County Sligo - February 2020

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

	First Quarter 2022 €m	First Quarter 2021 €m
EBITDA	(6.4)	17.4
Capital expenditure	2.7	2.6

EBITDA decreased to €6.4m loss (2021 - €17.4m profit) primarily reflecting lower Energia residential and non-residential electricity margins (reflecting higher energy costs for which Huntstown 1 and the Renewables businesses have benefitted from (as outlined above there is no CfD with the thermal or renewables businesses

however both businesses do provide a hedge for the Energia Customer Solutions business)) and higher operating costs.

Net capital expenditure increased to €2.7m (2021 - €2.6m).

Operational performance

KPIs	At 30 June 2021	At 31 March 2021
Customer sites (number)		
RoI		
- Residential electricity	212,900	204,200
- Residential gas	74,800	72,600
	287,700	276,800
- Non-residential electricity	48,000	49,400
- Non-residential gas	3,700	3,800
	51,700	53,200
Total ROI	339,400	330,000
Northern Ireland		
- Residential electricity	452,200	452,700
- Non-residential electricity	40,900	41,200
Total Northern Ireland	493,100	493,900
Energy sales	First Quarter 2022	First Quarter 2021
RoI		
- Electricity sales (TWh)	1.2	0.9
- Gas sales (million therms)	20.8	17.5
Northern Ireland		
- Electricity sales (TWh)	0.7	0.6
Complaints (number)		
Complaints to the CRU in the RoI	2	1
Complaints to the CCNI in Northern Ireland	2	1

Residential electricity and gas customer sites in the RoI were 287,700 at 30 June 2021 (31 March 2021 - 276,800).

Non-residential electricity customer sites in the RoI were 47,900 at 30 June 2021 (31 March 2021 - 49,400). Non-residential gas customer sites in the RoI were 3,700 at 30 June 2021 (31 March 2021 - 3,800).

Residential customer numbers in Northern Ireland were 452,200 at 30 June 2021 (31 March 2021 - 452,700). Non-residential customer numbers in Northern Ireland were 40,900 at 30 June 2021 (31 March 2021 - 41,200).

Total electricity sales volumes in the RoI were 1.2TWh (2021 - 0.9TWh) and in Northern Ireland were 0.7TWh (2021 - 0.6TWh). RoI gas sales volumes were 20.8m therms (2021 - 17.5m therms). Electricity and gas sales volumes in the comparative period (First Quarter 2021) were lower than First Quarter 2022 due to the impact of the COVID-19 pandemic on customer demand.

During the period, the Group received 2 complaints (2021 - 1) which were referred to the CRU and 2 complaints (2021 - 1) which were referred to the CCNI.

Tariffs

As outlined in the Wholesale Prices & I-SEM market section above the impact of higher I-SEM market prices as a result of high commodity prices, low availability of thermal generation and low wind generation has resulted in reduced financial performance for First Quarter 2022 relative to the prior year. However, the effect of higher I-SEM market prices primarily impacted the Group's Customer Solutions business.

As a result both Energia and Power NI announced tariff increases in response to higher wholesale costs.

On 5 March 2021 Energia announced residential tariff increases of 8.6% for electricity, 5.7% for gas and 7.4% for dual fuel customers effective from 5 April 2021. On 14 May 2021 Power NI announced a 6.9% increase to its residential electricity tariff. The Power NI tariff increase, agreed with the UR, is effective from 1 July 2021. Furthermore on 9 June 2021 Energia announced a second tariff increase of 9.7% for both electricity and gas effective from 8 July 2021.

Both Energia and Power NI continue to monitor wholesale prices, including the impact on wholesale electricity prices as a result of the current long-term outages of the Huntstown 2 and BGE's Whitegate generation plants.

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 €534.2m (2021 - €352.5m). The breakdown by business is as follows:

	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	53.2	36.2
Flexible Generation (based on regulated entitlement)	116.6	71.3
Customer Solutions (based on regulated entitlement)	345.6	238.8
Adjustment for over-recovery	17.3	10.9
Inter business elimination	1.5	(4.7)
Total revenue from continuing operations	534.2	352.5

Revenue from the Renewables business increased to €53.2m (2021 - €36.2m) primarily reflecting higher ROC sales and higher energy prices, partly offset by lower volumes (including the First Quarter 2022 benefit of the Derrysallagh wind farm which was commissioned in July 2020).

Flexible Generation revenue increased to €116.6m (2021 - €71.3m) primarily reflecting higher energy prices and higher utilisation for Huntstown 1 partly offset by lower availability for Huntstown 2 due to the ongoing transformer outage and lower availability for the Ballylumford plant.

Customer Solutions revenue increased to €345.6m (2021 - €238.8m) primarily due to higher non-residential electricity revenue reflecting higher volumes (reflecting higher volumes (with last year notably impacted by COVID-19) and prices) and higher residential revenue (reflecting higher customer numbers and volumes and higher tariffs for Energia).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €17.3m (2021 - €10.9m) and at 30 June 2021 the cumulative over-recovery against regulated entitlement was €48.4m. 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 €489.4m (2021 - €303.7m). The breakdown is as follows:

	First Quarter 2022 €m	First Quarter 2021 €m
Energy costs	457.1	273.0
Employee costs	12.2	11.1
Other operating charges	20.1	19.6
Total pre-exceptional items and certain remeasurements	489.4	303.7

Energy costs increased to €457.1m (2021 - €273.0m) primarily reflecting higher energy prices, higher non-residential and residential sales volumes (with last year notably impacted by COVID-19), higher utilisation of Huntstown 1 and higher ROC costs associated with higher sales volumes partly offset by lower availability of Huntstown 2 due to the ongoing transformer outage and lower availability for the Ballylumford plant.

Employee costs increased to €12.2m (2021 - €11.1m) 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 €20.1m (2021 - €19.6m) primarily reflecting higher operating costs for the Renewables businesses with increased development costs, higher operating costs for the Flexible Generation and Customer Solutions businesses with last year benefiting from lower costs associated with COVID 19 partly offset by lower bad debt costs for the Customer Solutions businesses.

Group EBITDA

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

	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	15.6	7.1
Flexible Generation	18.3	13.4
Customer Solutions	(6.4)	17.4
Group pro-forma EBITDA	27.5	37.9
Over-recovery of regulated entitlement	17.3	10.9
EBITDA	44.8	48.8

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) decreased to €27.5m (2021 - €37.9m) primarily reflecting a decrease in EBITDA in Customer Solutions business, partly offset by increase in EBITDA in the Renewables and Flexible Generation businesses.

Renewables EBITDA (pre-exceptional items and certain remeasurements) increased to €15.6m (2021 - €7.1m) primarily reflecting higher contributions from the renewable PPAs (due to higher prices partly offset by lower wind volumes) and higher wind generation assets EBITDA (reflecting higher prices for NI assets and the First Quarter 2022 impact of the Derrysallagh windfarm which was commissioned July 2020 partly offset by lower wind volumes), partly offset by increased costs of development projects.

Flexible Generation EBITDA increased to €18.3m (2021 - €13.4m) primarily reflecting higher Huntstown 1 utilisation (driven by lower availability of other plants and low wind generation) and higher prices partly offset by lower availability and utilisation of Huntstown 2 (due to the ongoing transformer outage), lower distillate revaluation benefit and higher operating costs.

Customer Solutions EBITDA decreased to €6.4m loss (2021 - €17.4m profit) primarily reflecting lower Energia residential and non-residential electricity margins (reflecting higher energy costs for which Huntstown 1 and the Renewables businesses have benefitted from), and higher operating costs.

Depreciation

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

	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	7.1	6.4
Flexible Generation	2.3	3.8
Customer Solutions	4.2	3.1
Total Depreciation	13.6	13.3

Depreciation and amortisation was €13.6m (2021 - €13.3m) primarily reflecting higher depreciation in the Customer Solutions and Renewables businesses partly offset by lower depreciation in the Flexible Generation business.

Group operating profit

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

	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	8.5	0.7
Flexible Generation	16.0	9.6
Customer Solutions	(10.6)	14.3
Total Operating Profit	13.9	24.6

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) decreased to €13.9m (2021 - €24.6m) primarily reflecting lower operating profit in the Customer

Solutions business, partly offset by higher operating profit in the Renewables and Flexible Generation businesses.

Exceptional items and certain remeasurements

Exceptional items and certain remeasurements were a €7.2m credit (2021 - €0.4m).
The breakdown by business is as follows:

	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	(0.9)	0.3
Customer Solutions	8.1	0.1
Total Exceptional Items and Certain Remeasurements	7.2	0.4

Exceptional items in the Renewables business was a €0.9m cost (2021 - €0.3m credit) reflecting €0.6m (2021 - €nil) of costs associated with acquisitions whether successful or unsuccessful and €0.3m certain remeasurements relating to the recognition of fair value of derivatives (2021 - €0.3m credit).

Exceptional items in the Customer Solutions business were a €8.1m credit (2021 - €0.1m) 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) increased to €10.8m (2021 - €6.4m) 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 €1.7m (2021 - €3.5m). 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 2022 €m	First Quarter 2021 €m
Group pro-forma EBITDA¹	27.5	37.9
Net movement in security deposits	0.5	(0.5)
Changes in working capital ²	7.8	(36.8)
Over-recovery of regulated entitlement	17.3	10.9
Exceptional acquisition costs	(0.6)	-
Foreign exchange translation	1.2	3.6
Cash flow from operating activities	53.7	15.1
Net capital expenditure ³	(7.5)	(4.6)
Cash flow before acquisitions, disposals, interest and tax	46.2	10.5

¹ Includes EBITDA of project financed renewable assets of €9.3m (2021 - €6.0m)

² Includes changes in working capital of project financed renewable assets of €1.0m decrease (2021 - €0.7m) and net expenditure from the sale and purchases of other intangibles of €2.5m for First Quarter 2022 (2021 - €20.8m)

³ Includes capital expenditure on project financed renewable assets of €0.2m (2021 - €0.9m) and intangible asset (software and customer acquisition costs) expenditure of €2.0m (2021 - €2.7m)

Group cash flow from operating activities increased to €53.7m (2021 - €15.1m) primarily reflecting a decrease in working capital of €7.8m (2021 - €36.8m increase) and a decrease in security deposits of €0.5m (2021 - €0.5m increase), partly offset by a decrease in EBITDA of €10.4m from €37.9m to €27.5m and a higher over-recovery of regulated entitlement of €17.3m (2021 - €10.9m).

Net movement in security deposits

The net movement in security deposits was a €0.5m decrease (2021 - €0.5m increase). As at 30 June 2021 there were €10.8m of security deposits in place.

Changes in working capital

Working capital decreased by €7.8m (2021 - €36.8m increase) primarily reflecting a decrease in the Renewable Energy Feed-In Tariff (REFIT) debtor for renewable PPAs, a decrease in trade and other receivables (primarily reflecting the

seasonal decrease in sales volumes), an increase in the emissions creditor (which is settled in December and reflects higher carbon prices) and an increase in the ROC obligation creditor partly offset by a decrease in trade payables and accruals (primarily reflecting the seasonal decrease in sales volumes and settlement timing differences).

Over-recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €17.3m (2021 - €10.9m) and at 30 June 2021 the cumulative over-recovery against regulated entitlement was €48.4m. 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 €7.5m (2021 - €4.6m). The breakdown by business is as follows:

Period to 30 June	First Quarter 2022 €m	First Quarter 2021 €m
Renewables	0.2	0.9
Flexible Generation	4.6	1.1
Customer Solutions	2.7	2.6
Total Capital Expenditure	7.5	4.6

Renewables capital expenditure decreased to €0.2m (2021 - €0.9m).

Flexible Generation capital expenditure increased to €4.6m (2021 - €1.1m) primarily reflecting increased capital expenditure in respect of storage development projects.

Customer Solutions capital expenditure increased to €2.7m (2021 - €2.6m).

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) was €1.2m (2021 - €1.3m).

Dividends

No dividends were paid in First Quarter 2022 (2021 - €nil).

Acquisition of subsidiary undertakings

Acquisition of subsidiary undertakings of €27.1m (2021 - €0.1m) reflects the acquisition of Drumlins Park as discussed further in note 10.

Net debt

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

	30 June 2021 €m	31 March 2021 €m
Investments	1.4	1.4
Cash and cash equivalents	230.2	216.5
Senior secured notes	(605.7)	(607.5)
Project finance facilities	(350.8)	(353.3)
Interest accruals	(11.2)	(1.9)
Total net debt	(736.1)	(744.8)

The Group's net debt decreased by €8.7m from €744.8m at 31 March 2021 to €736.1m at 30 June 2021 primarily reflecting higher cash and cash equivalents and lower project finance facilities, partly offset by higher interest accruals. Net debt at 30 June 2021 includes project finance net debt of €314.9m (31 March 2021 - €315.5m). Excluding project financed net debt, net debt was €421.2m (31 March 2021 - €429.3m).

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 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €160.7m resulting in undrawn committed facilities of €101.4m (31 March 2021 - €109.2m). There were no cash drawings under the Senior revolving credit facility at 30 June 2021 (31 March 2021 - €nil).

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

At 30 June 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €161.7m resulting in undrawn committed facilities of €100.4m (31 March 2021 - €109.2m). There were no cash drawings under the Senior revolving credit facility at 30 June 2021 (31 March 2021 - €nil).

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

At 30 June 2021, there was €38.7m (31 March 2021 - €37.9m) 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 2021.

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under International Accounting Standard (IAS) 19 was nil at 30 June 2021 (31 March 2021 - €0.1m liability).

Outlook and financial impact of COVID-19

As noted earlier, the Group has been impacted by high commodity prices, low availability of thermal plant in the First Quarter 2022 and low wind generation. With key plant (including Huntstown 2) expected to remain on outage through to the Third Quarter 2022, the Group remains exposed to such market conditions, notwithstanding the anticipated insurance proceeds in respect of the business interruption claim for losses arising as a result of the Huntstown 2 transformer fault. In addition some uncertainty remains over the potential future impact of COVID-19 related factors on the Group's businesses and the delivery of its development projects. The Group has strong liquidity at 30 June 2021 (with €191.5m cash and cash equivalents excluding project finance cash) and has undrawn committed revolving credit facilities of €100.4m 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 2021.





CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the three month period ended 30 June 2021

		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	Results before exceptional items and certain remeasurements First Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements (Note 5) First Quarter 2021 Unaudited €m	Total First Quarter 2021 Unaudited €m
Continuing operations	Notes						
Revenue	2	534.2	-	534.2	352.5	-	352.5
Operating (costs) / income	4	(503.0)	7.2	(495.8)	(317.0)	0.4	(316.6)
Operating profit	2	31.2	7.2	38.4	35.5	0.4	35.9
Finance costs	6	(10.8)	-	(10.8)	(6.4)	-	(6.4)
Profit before tax		20.4	7.2	27.6	29.1	0.4	29.5
Taxation	7	(1.7)	(1.5)	(3.2)	(3.5)	(0.2)	(3.7)
Profit for the period		18.7	5.7	24.4	25.6	0.2	25.8

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the three month period ended 30 June 2021

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Profit for the period	24.4	25.8
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(4.8)	(14.9)
Net gain on cash flow hedges	142.0	3.6
(Gain) / loss on cash flow hedges transferred from equity to income statement	(31.3)	14.1
Income tax effect	(19.5)	-
	91.2	17.7
	86.4	2.8
Items that will not be reclassified to profit or loss:		
Remeasurement loss on defined benefit scheme	-	(0.2)
Income tax effect	-	-
	-	(0.2)
Other comprehensive income for the period, net of taxation	86.4	2.6
Total comprehensive income for the period	110.8	28.4

CONSOLIDATED BALANCE SHEET

As at 30 June 2021

ASSETS	Notes	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Non-current assets:			
Property, plant and equipment		583.3	582.5
Intangible assets		674.0	654.7
Right-of-use assets	18	25.9	26.5
Derivative financial instruments	15	18.5	8.0
Deferred tax assets		31.1	27.4
		1,332.8	1,299.1
Current assets:			
Intangible assets		90.0	84.9
Inventories		4.9	4.5
Trade and other receivables	11	239.6	264.8
Derivative financial instruments	15	188.3	63.7
Other current financial assets	9	12.2	12.7
Cash and cash equivalents	12	230.2	216.5
Income tax recoverable		0.6	-
		765.8	647.1
TOTAL ASSETS		2,098.6	1,946.2

LIABILITIES	Notes	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Current liabilities:			
Trade and other payables	13	(386.7)	(392.4)
Income tax payable		-	(1.6)
Financial liabilities	14	(40.8)	(27.8)
Deferred income		(2.4)	(2.2)
Derivative financial instruments	15	(31.5)	(18.0)
		(461.4)	(442.0)
Non-current liabilities:			
Financial liabilities	14	(977.3)	(985.5)
Derivative financial instruments	15	(18.3)	(15.4)
Net employee defined benefit liabilities		-	(0.1)
Deferred tax liabilities		(60.2)	(32.6)
Provisions		(32.2)	(32.2)
		(1,088.0)	(1,065.8)
TOTAL LIABILITIES		(1,549.4)	(1,507.8)
NET ASSETS		549.2	438.4
Equity			
Share capital		-	-
Share premium		769.5	775.9
Retained earnings		(373.9)	(404.9)
Capital contribution reserve		42.0	42.4
Hedge reserve		122.1	30.7
Foreign currency translation reserve		(10.5)	(5.7)
TOTAL EQUITY		549.2	438.4

The financial statements were approved by the Board and authorised for issue on 7 September 2021.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three month period ended 30 June 2021

	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 2020	-	746.5	(490.0)	40.8	(65.6)	(31.2)	200.5
Exchange adjustment	-	(19.2)	20.6	(2.1)	0.7	-	-
Profit for the period	-	-	25.8	-	-	-	25.8
Other comprehensive (expense) / income	-	-	(0.2)	-	17.7	(14.9)	2.6
Total comprehensive (expense) / income	-	(19.2)	46.2	(2.1)	18.4	(14.9)	28.4
At 30 June 2020	-	727.3	(443.8)	38.7	(47.2)	(46.1)	228.9
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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three month period ended 30 June 2021

	Notes	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Cash generated from operations before working capital movements	16	44.2	48.8
Working capital adjustments:			
Increase in inventories		(0.4)	(1.0)
Decrease in trade and other receivables		22.7	52.7
Decrease / (increase) in security deposits		0.5	(0.5)
Decrease in trade and other payables		(12.0)	(67.7)
Effects of foreign exchange		1.2	3.6
		56.2	35.9
Interest received		-	0.1
Interest paid		(1.2)	(1.4)
		(1.2)	(1.3)
Income tax paid		(1.2)	(0.3)
Net cash flows from operating activities		53.8	34.3

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the three month period ended 30 June 2021

	Notes	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Investing activities			
Purchase of property, plant and equipment		(5.5)	(1.9)
Purchase of intangible assets		(37.0)	(38.9)
Proceeds from sale of intangible assets		32.5	15.4
Disposal of subsidiary, net of cash disposed		(0.2)	(0.2)
Acquisition of subsidiaries		(27.1)	(0.1)
Receipt of government grants		0.2	-
Net cash flows used in investing activities		(37.1)	(25.7)
Financing activities			
Proceeds from issue of borrowings		-	38.0
Repayment of borrowings		(1.6)	-
Issue costs of new long-term loans		-	(1.1)
Payment of lease liabilities		(0.7)	(0.5)
Net cash flows from financing activities		(2.3)	36.4
Net increase in cash and cash equivalents		14.4	45.0
Net foreign exchange difference		(0.7)	(3.3)
Cash and cash equivalents at 1 April	12	216.5	220.8
Cash and cash equivalents at 30 June	12	230.2	262.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2021

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 2021.

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 2021 the Renewables business owned and operated 309MW of wind assets and purchased electricity from 1,282MW 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 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Renewables	53.2	36.2
Flexible Generation	116.6	71.3
Customer Solutions	345.6	238.8
Inter-group eliminations	1.5	(4.7)
Group	516.9	341.6
Adjustment for over-recovery	17.3	10.9
Total	534.2	352.5

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

(b) Operating Profit

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Segment Pro-Forma EBITDA		
Renewables	15.6	7.1
Flexible Generation	18.3	13.4
Customer Solutions	(6.4)	17.4
Group Pro-Forma EBITDA	27.5	37.9
Adjustment for over-recovery	17.3	10.9
Group EBITDA	44.8	48.8
Depreciation/amortisation		
Renewables	(7.1)	(6.4)
Flexible Generation	(2.3)	(3.8)
Customer Solutions	(4.2)	(3.1)
Group depreciation and amortisation	(13.6)	(13.3)
Operating profit / (loss) pre-exceptional items and certain remeasurements		
Renewables	8.5	0.7
Flexible Generation	16.0	9.6
Customer Solutions	(10.6)	14.3
Group Pro-Forma operating profit	13.9	24.6
Adjustment for over-recovery	17.3	10.9
Operating profit pre exceptional items and certain remeasurements	31.2	35.5
Exceptional items and certain remeasurements		
Renewables	(0.9)	0.3
Customer Solutions	8.1	0.1
Group operating profit post exceptional items and certain remeasurements	38.4	35.9
Finance cost	(10.8)	(6.4)
	(10.8)	(6.4)
Profit on ordinary activities before tax	27.6	29.5

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 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

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 2021:

First Quarter 2021	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	238.4	238.4
Electricity generation	35.9	71.3	-	107.2
Other	0.3	-	0.4	0.7
Inter-group eliminations	-	(4.6)	(0.1)	(4.7)
Group	36.2	66.7	238.7	341.6
Adjustment for over-recovery	-	4.8	6.1	10.9
Total revenue from contracts with customers	36.2	71.5	244.8	352.5

Geographical markets:	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
UK	227.5	145.3
Rol	306.7	207.2
Total revenue from contracts with customers	534.2	352.5
Timing of revenue recognition:		
Transferred over time	504.2	338.9
Transferred at a point in time	30.0	13.6
Total revenue from contracts with customers	534.2	352.5

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

4. OPERATING COSTS

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Operating costs are analysed as follows:		
Energy costs	457.1	273.0
Employee costs	12.2	11.1
Depreciation and amortisation	13.6	13.3
Other operating charges	20.1	19.6
Total pre-exceptional items and certain remeasurements	503.0	317.0
Exceptional costs and certain remeasurements:		
Energy (income) / costs	(7.8)	0.2
Other operating charges / (income)	0.6	(0.6)
Total exceptional income and certain remeasurements	(7.2)	(0.4)
Total operating costs	495.8	316.6

4.1 Depreciation and amortisation

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Depreciation	9.0	9.9
Amortisation of intangible assets	4.1	2.9
Amortisation of right-of-use assets	0.5	0.5
Total depreciation and amortisation	13.6	13.3

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Exceptional items in arriving at profit from continuing operations:		
Acquisition costs ¹	(0.6)	-
Release of contingent consideration ²	-	0.6
	(0.6)	0.6
Certain remeasurements in arriving at profit		
Net gain / (loss) on derivatives at fair value through operating costs ³	7.8	(0.2)
	7.8	(0.2)
Exceptional items and certain remeasurements before taxation	7.2	0.4
Taxation on exceptional items and certain remeasurements	(1.5)	(0.2)
Exceptional items and certain remeasurements after taxation	5.7	0.2

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

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Fair valued derivatives through profit and loss	(1.5)	(0.2)
	(1.5)	(0.2)

¹ Exceptional acquisition costs of €0.6 (2021 - €nil) relate to costs associated with acquisitions whether successful or unsuccessful.

² Release of contingent consideration of €nil (2021 - €0.6m) 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 €7.8m (2021 - €0.2m loss) 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 2022 Unaudited €m	Total First Quarter 2021 Unaudited €m
Finance costs		
Interest on external bank loans and borrowings	(3.8)	(4.0)
Interest on senior secured notes	(6.6)	(6.5)
Total interest expense	(10.4)	(10.5)
Amortisation of financing charges	(1.1)	(0.6)
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)
Total other finance charges	(1.9)	(1.4)
Net exchange gain on net foreign currency borrowings	1.2	4.8
Less interest capitalised in qualifying asset	0.3	0.7
Total finance costs	(10.8)	(6.4)

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the First Quarter 2022 was 3.5% (First Quarter 2021 - 3.9%).

7. INCOME TAX

The major components of the tax charge for the periods ended 30 June 2021 and 30 June 2020 are:

	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	Results before exceptional items and certain remeasurements First Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements First Quarter 2021 Unaudited €m	Total First Quarter 2021 Unaudited €m
Current tax:						
Current tax credit / (charge)	2.6	(1.5)	1.1	(0.9)	(0.2)	(1.1)
Total current tax credit / (charge)	2.6	(1.5)	1.1	(0.9)	(0.2)	(1.1)
Deferred tax:						
Adjustments in respect of current period	(4.3)	-	(4.3)	(2.6)	-	(2.6)
Total deferred tax	(4.3)	-	(4.3)	(2.6)	-	(2.6)
Total taxation charge	(1.7)	(1.5)	(3.2)	(3.5)	(0.2)	(3.7)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment		Capital additions to intangible assets	
	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Renewables	2.6	4.7	38.1	26.9
Flexible Generation	8.2	0.7	-	-
Customer Solutions	0.7	-	2.1	2.0
Total	11.5	5.4	40.2	28.9

9. OTHER FINANCIAL ASSETS

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	10.8	11.3
Short-term managed funds	1.4	1.4
Total other financial assets	12.2	12.7

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in First Quarter 2022

On 27 May 2021, the Group completed the acquisition of the entire issued share capital of Drumlins Park Limited (Drumlin), a 49MW wind farm development project in County Monaghan.

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 First Quarter 2022 €m
Assets	
Fixed assets - development costs	0.6
	0.6
Liabilities	
Shareholder loan	(2.0)
Total identifiable net liabilities at fair value	(2.0)
Intangible assets (development assets) arising on acquisition	26.5
Purchase consideration transferred	25.1
Purchase consideration is made up of:	
Cash	25.1
	25.1
Analysis of cash flows on acquisition:	
Cash	25.1
Discharge of liabilities	(2.0)
Net cash flows on acquisition	27.1

Transaction costs of €0.6m were expensed in the First Quarter 2022.

11. TRADE AND OTHER RECEIVABLES

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Trade receivables (including unbilled consumption)	200.4	209.6
Contract assets (accrued income)	43.5	60.2
Prepayments	7.7	4.5
Other receivables	11.9	14.5
	263.5	288.8
Allowance for expected credit losses	(23.9)	(24.0)
	239.6	264.8

12. CASH AND CASH EQUIVALENTS

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Cash at bank and on hand	146.1	163.7
Short-term bank deposits	84.1	52.8
	230.2	216.5

13. TRADE AND OTHER PAYABLES

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Trade creditors	77.3	84.9
Other creditors	64.3	53.6
Contract liabilities (payments on account)	34.8	36.1
Tax and social security	14.4	10.0
Accruals	195.9	207.8
	386.7	392.4

14. FINANCIAL LIABILITIES

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Current financial liabilities:		
Project financed bank facilities (NI)	10.9	11.0
Project financed bank facilities (RoI)	10.9	12.4
Project finance interest accruals	2.8	0.1
Senior secured notes interest payable	7.8	1.2
Other interest payable	0.6	0.6
Contingent consideration	6.2	0.9
Lease liability	1.6	1.6
Total current financial liabilities	40.8	27.8
Non-current financial liabilities:		
Senior secured notes €350m (2025)	346.2	346.0
Senior secured notes £225m (2024)	259.5	261.5
Project financed bank facilities (NI)	186.1	188.0
Project financed bank facilities (RoI)	142.9	141.9
Contingent consideration	10.8	15.8
Lease liability	31.8	32.3
Total non-current financial liabilities	977.3	985.5
Total current and non-current financial liabilities	1,018.1	1,013.3

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.

14. FINANCIAL LIABILITIES (CONTINUED)

At 30 June 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €160.7m (31 March 2021 - €155.0m) resulting in undrawn committed facilities of €101.4m (31 March 2021 - €109.2m). There were no cash drawings under the Senior revolving credit facility at 30 June 2021 (31 March 2021 - €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 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 3.62% (2021 - 3.70%) on project financed bank facilities NI and 2.41% (2021 - 2.75%) on the project financed bank facilities Rol.

Contingent consideration

Contingent consideration of €17.0m (31 March 2021 - €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 €6.2m expected to be paid in 2021/22 and the remaining €10.8m paid by 2024/25.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	5.4	7.8
Commodity swap contracts	189.5	58.9
Interest rate swap contracts	0.2	0.5
Total derivatives at fair value through other comprehensive income	195.1	67.2
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	0.3	0.5
Commodity swap contracts	11.4	4.0
Total derivatives at fair value through profit and loss	11.7	4.5
Total derivative financial assets	206.8	71.7
Total non-current	18.5	8.0
Total current	188.3	63.7

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Derivative financial liabilities

	30 June 2021 Unaudited €m	31 March 2021 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(0.9)	(1.4)
Commodity swap contracts	(27.0)	(10.3)
Interest rate swap contracts	(20.1)	(19.6)
Total derivatives at fair value through other comprehensive income	(48.0)	(31.3)
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(0.4)	(0.7)
Commodity swap contracts	(1.4)	(1.4)
Total derivatives at fair value through profit and loss	(1.8)	(2.1)
Total derivative financial liability	(49.8)	(33.4)
Total non-current	(18.3)	(15.4)
Total current	(31.5)	(18.0)

Fair Values

As indicated in note 3(d) in the consolidated financial statements for the year ended 31 March 2021 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 2021		31 March 2021	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Level 1				
Non-current liabilities				
Senior secured notes (2024 and 2025)	(605.7)	(618.3)	(607.5)	(622.7)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(186.1)	(186.1)	(188.0)	(188.0)
Project financed bank facilities (ROI)	(142.9)	(142.9)	(141.9)	(141.9)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(10.8)	(10.8)	(15.8)	(15.8)
Financial liabilities (lease liability)	(31.8)	(31.8)	(32.3)	(32.3)
Current liabilities				
Financial liabilities (contingent consideration)	(6.2)	(6.2)	(0.9)	(0.9)
Financial liabilities (lease liability)	(1.6)	(1.6)	(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 Libor/Euribor.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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 €17.0m 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 €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

	First Quarter 2022 Unaudited €m	First Quarter 2021 Unaudited €m
Operating activities		
Profit before tax from continuing operations	27.6	29.5
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	9.0	9.9
Amortisation of intangible assets	4.1	2.9
Amortisation of right-of-use assets	0.5	0.5
Derivatives at fair value through income statement	(7.8)	0.2
Net finance costs	10.8	6.4
Release of contingent consideration	-	(0.6)
Cash generated from operations before working capital movements	44.2	48.8

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 2020	220.8	1.4	(25.9)	(910.6)	(714.3)
Net increase in cash and cash equivalents	45.0	-	-	-	45.0
Proceeds from issue of borrowings	-	-	-	(38.0)	(38.0)
Issue costs on new long-term loans	-	-	-	1.1	1.1
Increase in interest accruals	-	-	(9.3)	-	(9.3)
Amortisation	-	-	(0.4)	(0.2)	(0.6)
Reclassifications	-	-	(1.1)	1.1	-
Translation difference	(3.3)	-	0.4	11.5	8.6
At 30 June 2020	262.5	1.4	(36.3)	(935.1)	(707.5)
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
Repayment 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)

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.

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 2021	26.4	0.1	26.5
Exchange adjustment	(0.1)	-	(0.1)
Amortisation	(0.5)	-	(0.5)
As at 30 June 2021	26.8	0.1	25.9

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 2021	(33.9)
Exchange adjustment	0.2
Accretion of lease liability	(0.4)
Payments	0.7
As at 30 June 2021	(33.4)
Current	(1.6)
Non-current	(31.8)

19. CAPITAL COMMITMENTS

At 30 June 2021 the Group had contracted future capital expenditure in respect of tangible fixed assets of €8.2m (31 March 2021 - €6.2m).

20. DISTRIBUTIONS MADE AND PROPOSED

No dividends have been paid or declared for the First Quarter 2022 (2021 - €nil).

21. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the First Quarter 2022 do not differ significantly from those in the consolidated financial statements for the year ended 31 March 2021.

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, 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



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:

	First Quarter 2022 €m	First Quarter 2021 €m
Group pro-forma EBITDA	27.5	37.9
Less EBITDA from project financed renewable assets	(9.3)	(6.0)
Pro-forma EBITDA for the Senior secured notes Restricted Group	18.2	31.9

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) decreased to €18.2m (2021 - €31.9m) primarily reflecting a decrease

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

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 2021 €m	31 March 2021 €m
Investments	1.4	1.4
Cash and cash equivalents	191.5	178.6
Senior secured notes €350m (2025)	(346.2)	(346.0)
Senior secured notes £225m (2024)	(259.5)	(261.5)
Interest accruals - Senior secured notes	(7.8)	(1.2)
Other interest accruals	(0.6)	(0.6)
Pro-forma Net Debt for the Senior secured notes Restricted Group	(421.2)	(429.3)

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