

QUARTERLY REPORT

FINANCIAL YEAR 2022

Unaudited Interim Consolidated Financial Statements
Q2 2022

ENERGIA GROUP LIMITED
www.energiagroup.com



CONTENTS

Key Facts and Figures	04
Management Report	08
Summary of Financial Performance	22
Consolidated Income Statement	36
Consolidated Statement of Other Comprehensive Income	38
Consolidated Balance Sheet	39
Consolidated Statement of Changes in Equity	41
Consolidated Statement of Cash Flows	42
Notes to the Consolidated Financial Statements	44
Appendix	68

KEY FACTS & FIGURES

Underlying Business Results¹

€m
33.9

Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	19.1	12.8	34.7	19.9
Flexible Generation	51.1	16.5	69.4	29.9
Customer Solutions	(36.3)	18.4	(42.7)	35.8
	33.9	47.7	61.4	85.6

Capital expenditure

Second Quarter 2022 - €17.6m (2021 - €12.5m)

First Half 2022 - €25.1m (2021 - €17.1m)



€m
17.6

IFRS Results²

Revenue

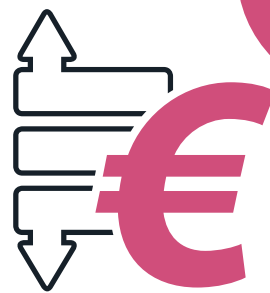
Second Quarter 2022 - €713.4m (2021 - €408.4m)

First Half 2022 - €1,247.6m (2021 - €760.9m)



€m
713.4

€m
26.6



Operating profit

Second Quarter 2022 - €26.6m (2021 - €45.8m)

First Half 2022 - €57.8m (2021 - €81.3m)

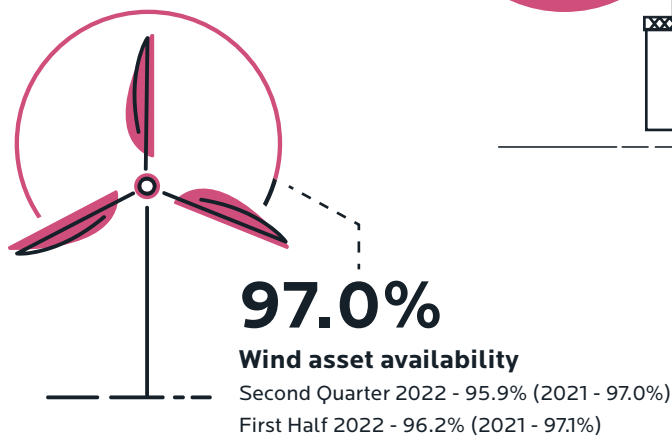
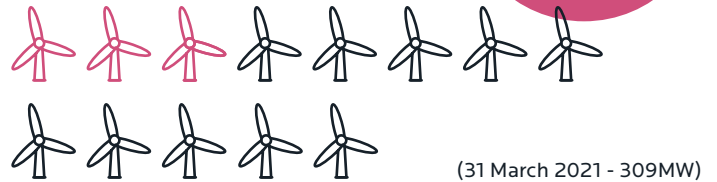
¹ Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 2.

² Before exceptional items and certain remeasurements.

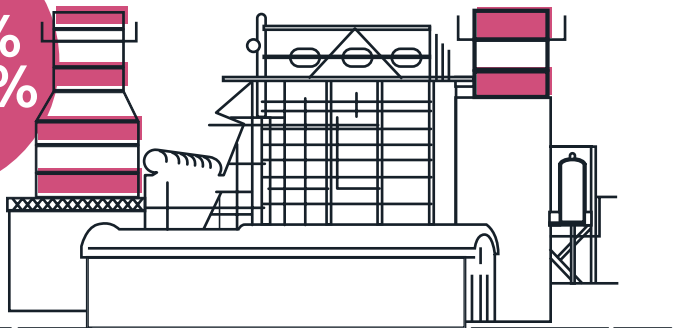
Operational Facts



Wind generation assets in operation at 30 September 2021



94.9%
100.0%



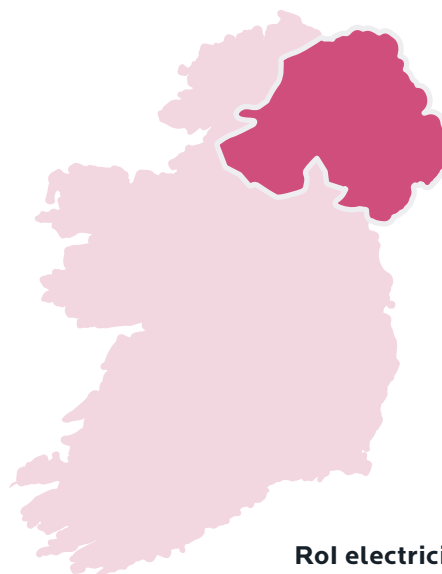
Huntstown CCGT 1 & 2 asset availability

Huntstown 1 - Second Quarter 2022 - 99.2% (2021 - 94.9%)
 First Half 2022 - 99.6% (2021 - 97.5%)
 Huntstown 2 - Second Quarter 2022 - nil% (2021 - 100.0%)
 First Half 2022 - nil% (2021 - 99.8%)

NI electricity sales volume

Second Quarter 2022 - 0.7TWh (2021 - 0.7TWh)
 First Half 2022 - 1.4TWh (2021 - 1.3TWh)

740,200
Residential customer sites supplied
 (31 March 2021 - 729,500)



TWh 0.7

TWh 1.2

Rol electricity sales volume

Second Quarter 2022 - 1.2TWh (2021 - 1.0TWh)
 First Half 2022 - 2.4TWh (2021 - 1.9TWh)



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 September 2021 (Second Quarter 2022) and the six months ended 30 September 2021 (First Half 2022) including comparatives for the three months ended 30 September 2020 (Second Quarter 2021) and the 6 months ended 30 September 2020 (First Half 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 Half 2022 there were no changes to the principal activities of the Group's businesses.

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,281MW 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 337,800 customer sites in the RoI and 494,200 customer sites in Northern Ireland through its two retail brands, Energia and Power NI respectively.

Wholesale Prices & I-SEM Market

For the First Half 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 together with a number of other thermal generators and low wind generation. As shown in Fig. 1 below, these combined factors have contributed to average I-SEM prices in the First Half 2022 of €125/MWh (2021 - €32/MWh). Gas prices were on average 83p/therm (2021 - 17p/therm) and carbon prices were on average €54/TCO₂ (2021 - €24/TCO₂).

The higher I-SEM market prices throughout First Half 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.

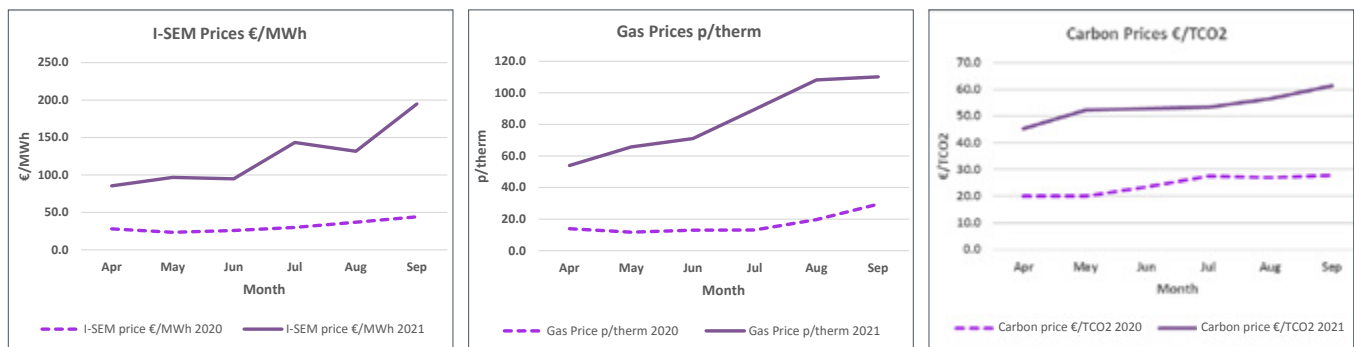


Figure 1

A significant contributor to the higher I-SEM market prices and the adverse impact on the Group financial performance for the First Half 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 Half 2022. An update on the replacement of the Huntstown 2 transformer (with the plant returning to service on 23 October 2021) and further detail on the financial performance for First Half 2022, including an update on the business interruption insurance claim (c.€24m accrued for in the Second Quarter 2022 results), is provided in the Business and Financial Review sections below.

High commodity prices and low thermal plant availability have continued to be experienced through October and November 2021. We expect the impact of higher I-SEM market prices on the Group's Customer Solutions business in the Third Quarter 2022 to be mitigated by the return to service of the Huntstown 2 plant (from 23 October 2021), the benefit of higher prices to the Group's Renewables business and higher tariffs.

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 September 2021 (with €210.7m cash and cash equivalents excluding project finance cash (31 March - €178.6m)) and has undrawn committed revolving credit facilities of €89.7m and is therefore well positioned to manage the current trading environment of higher I-SEM market prices and COVID-19.

¹ €40.0m dividend was paid to the parent undertaking on 5 November 2021.

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:

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
EBITDA	19.1	12.8	34.7	19.9
Capital expenditure	3.8	7.2	4.0	8.1

Renewables EBITDA (pre-exceptional items and certain remeasurements) for Second Quarter 2022 increased to €19.1m (2021 - €12.8m) primarily reflecting higher contributions from the renewable PPAs (due to higher prices (energy and Renewable Obligation Certificate (ROC)) and higher ROC sales volumes partly offset by lower wind volumes) partly offset by lower wind generation assets EBITDA (reflecting lower wind generation volumes partly offset by higher prices for NI assets) and increased costs of development projects.

Renewables EBITDA (pre-exceptional items and certain remeasurements) for First Half 2022 increased to €34.7m (2021 - €19.9m) primarily reflecting higher contributions from the renewable PPAs (due to higher prices (energy and ROC) and higher ROC sales volumes partly

offset by lower wind volumes) and higher wind generation assets EBITDA (reflecting higher prices for NI assets and the First Half 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.

Renewables capital expenditure for Second Quarter 2022 decreased to €3.8m (2021 - €7.2m) and for First Half 2022 decreased to €4.0m (2021 - €8.1m) primarily due to lower capital expenditure in respect of development projects (including the Derrysallagh windfarm commissioned July 2020).

Operational performance

KPIs	Second Quarter 2022	Second Quarter 2021	First Half 2022	First Half 2021
Onshore wind generation assets				
Wind generation capacity in operation in the Rol and Northern Ireland				
- average during the period (MW)	309	307	309	292
- at end of period (MW)	309	309	309	309
Availability (%)	95.9	97.0	96.2	97.1
Wind factor (%)	11.4	20.2	14.8	19.5
Renewable PPA portfolio				
Contracted renewable generation capacity in operation in the Rol and Northern Ireland				
- average during the period (MW)	1,282	1,285	1,282	1,288
- at end of period (MW)	1,281	1,285	1,281	1,285

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 Second Quarter 2022 was 309MW (2021 - 307MW) and during First Half 2022 was 309MW (2021 - 292MW) with 30 September 2021 operating capacity of 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 for Second Quarter 2022 was 95.9% (2021 - 97.0%) with a wind factor of 11.4% (2021 - 20.2%). Availability for First Half 2022 was 96.2% (2021 - 97.1%) with a wind factor of 14.8% (2021 - 19.5%).

Distributions of €10.6m were made in the First Half 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 Second Quarter 2022 was 1,282MW (2021 - 1,285MW) and during First Half 2022 was 1,282MW (2021 - 1,288MW) with 30 September 2021 operating capacity of 1,281MW (31 March 2021 - 1,284MW) of which the Northern Ireland operating capacity was 682MW (31 March 2021 - 599MW) and the Rol operating capacity was 599MW (31 March 2021 - 685MW).

Bioenergy assets

Commissioning of the bioenergy plant at Huntstown in Dublin 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.

In 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. In November 2021, the Group initiated an appeal of the decision with the Planning Appeals Commission and an outcome is awaited.

Solar

The Group has two consented solar projects, Glenamoy and Darthogue, totalling 67MW, in the RoI 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 Darthogue 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 Pleanála. The Group submitted its response to the appeal in September 2021.

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 RoI.

Hydrogen

The Group is procuring an electrolyser to produce hydrogen from renewable electricity at the Long Mountain wind farm. Civil works continued during Second Quarter 2022 and commissioning of a temporary electrolyser is targeted for Second Half 2022.

Onshore wind development assets

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. Final signed licences were issued in September 2021 and the Group has commenced public consultations for both projects and the procurement process for geophysical and geotechnical surveys.

Outlook

Development is ongoing for the Group's pipeline of wind and solar projects across Ireland.

The table below summarises the portfolio of renewable projects excluding offshore wind and hydrogen production at 30 September 2021:

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	8
Solar				
- Rol	-	-	212	212
	309	4	458	771

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



Six year-old Aoife McCabe was sent to ask school children's questions about wind energy for our Global Wind Day 2021 video filmed at Meenadreen wind farm.

Flexible Generation

Overview

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

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

Financial performance

KPIs	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
EBITDA	51.1	16.5	69.4	29.9
Capital expenditure	10.7	1.5	15.3	2.6

Flexible Generation EBITDA for Second Quarter 2022 increased to €51.1m (2021 - €16.5m) and for First Half 2022 increased to €69.4m (2021 - €29.9m) primarily reflecting higher Huntstown 1 margins due to higher availability and higher prices (driven by higher commodities and lower availability of other thermal plants and low wind generation) together with the accrual of the business interruption insurance claim for the Huntstown 2 transformer outage for the First Half 2022 and higher PPB contribution (reflecting partial recognition of the forecast full year gain share) partly offset by the zero availability outage impact of Huntstown 2.

Flexible Generation capital expenditure for Second Quarter 2022 increased to €10.7m (2021 - €1.5m) and for First Half 2022 increased to €15.3m (2021 - €2.6m) primarily reflecting capital expenditure in respect of the 50MW battery storage project.

Operational performance

KPIs	Second Quarter 2022	Second Quarter 2021	First Half 2022	First Half 2021
Huntstown CCGTs				
Availability (%)				
- Huntstown 1	99.2	94.9	99.6	97.5
- Huntstown 2	-	100.0	-	99.8
Unconstrained utilisation (%)				
- Huntstown 1	90.7	90.6	91.3	88.8
- Huntstown 2	-	84.6	-	56.2
Incremental impact of constrained utilisation (%)				
- Huntstown 1	(13.4)	(15.0)	(13.4)	(12.2)
- Huntstown 2	-	(32.3)	-	(12.1)

Huntstown 1 availability for Second Quarter 2022 was 99.2% (2021 - 94.9%) and for First Half 2022 was 99.6% (2021 - 97.5%).

Huntstown 1 unconstrained utilisation for Second Quarter 2022 was 90.7% (2021 - 90.6%) and for First Half 2022 was 91.3% (2021 - 88.8%). The incremental impact of constrained utilisation for Huntstown 1 in Second Quarter 2022 was 13.4% constrained off (2021 - 15.0%) and for First Half 2022 was 13.4% constrained off (2021 - 12.2%).

Huntstown 2 availability for Second Quarter 2022 was nil% (2021 - 100.0%) and for First Half 2022 was nil% (2021 - 99.8%) and unconstrained utilisation for Second Quarter 2022 was nil% (2021 - 84.6%) and for First Half 2022 was nil% (2021 - 56.2%) reflecting the plant being on outage since 29 January 2021 as detailed below.

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 was procured and arrived at the Huntstown site in September 2021. Following successful installation and commissioning, including some final commissioning procedures associated with the March 2021 planned outage, the Huntstown 2 plant returned to service on 23 October 2021. The Group has insurance in place intended to cover both property damage and business interruption to the Group (including the Group's retail operations) in respect of the Huntstown plant. Insurers have confirmed that the transformer failure was an insurable event. 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 business interruption element for the Huntstown plant in respect of the period up to 30 September 2021 is approximately €24m (fully accrued in the Second Quarter 2022 results).

An initial interim payment on account in respect of the property damage and business interruption impact for the period to 30 June 2021 was paid to Huntstown in October.

Capacity auctions

The T-1 auction for the 2022/23 capacity year was held in October 2021. On 3 November 2021 SEMO published provisional results which confirmed that Huntstown 1 had been awarded a reliability option for the 2022/23 capacity year. The auction clearing price was €46,150/MW. The Group's 50MW battery storage project in Belfast was also successful in the auction and was awarded a reliability option for the 2022/23 capacity year at €46,150/MW.

Final auction results are expected to be confirmed by 10 December 2021.

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

Construction works for the Group's 50MW battery storage project in Belfast continued during Second Quarter 2022. It is targeted to complete construction and commissioning of the battery storage project by 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.



The new Huntstown 2 transformer successfully commissioned

Customer Solutions

Overview

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



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



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

Financial performance

KPIs	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
EBITDA	(36.3)	18.4	(42.7)	35.8
Capital expenditure	3.1	3.8	5.8	6.4

Customer Solutions EBITDA for Second Quarter 2022 decreased to €36.3m loss (2021 - €18.4m profit) and for First Half 2022 decreased to €42.7m loss (2021 - €35.8m profit) primarily reflecting lower Energia electricity and gas margins (reflecting higher commodity and energy prices (for which Huntstown and the Renewables businesses have benefitted from)), lower Power NI non-residential electricity margins and higher operating costs.

As outlined above, there is no CfD in place for the Energia Customer Solutions business with the thermal or renewables businesses however both businesses do provide a hedge for the Group, substantially offsetting the lower performance of the Customer Solutions business.

Capital expenditure for Second Quarter 2022 decreased to €3.1m (2021 - €3.8m) and for First Half 2022 decreased to €5.8m (2021 - €6.4m) primarily reflecting lower expenditure in respect of IT projects.

Operational performance

KPIs	At 30 September 2021	At 31 March 2021
Customer sites (number)		
RoI		
- Residential electricity	213,100	204,200
- Residential gas	73,800	72,600
	286,900	276,800
- Non-residential electricity	47,200	49,400
- Non-residential gas	3,700	3,800
	50,900	53,200
Total ROI	337,800	330,000
Northern Ireland		
- Residential electricity	453,300	452,700
- Non-residential electricity	40,900	41,200
Total Northern Ireland	494,200	493,900

Energy sales RoI	Second Quarter 2022	Second Quarter 2021	First Half 2022	First Half 2021
- Electricity sales (TWh)	1.2	1.0	2.4	1.9
- Gas sales (million therms)	14.8	15.5	35.6	33.0
Northern Ireland				
- Electricity sales (TWh)	0.7	0.7	1.4	1.3
Complaints (number)				
Complaints to the CRU in the RoI	2	2	2	3
Complaints to the CCNI in Northern Ireland	-	-	1	1

Residential electricity and gas customer sites in the RoI increased to 286,900 at 30 September 2021 (31 March 2021 - 276,800) reflecting the continued growth in these markets.

Non-residential electricity customer sites in the RoI were 47,200 at 30 September 2021 (31 March 2021 - 49,400). Non-residential gas customer sites in the RoI were 3,700 at 30 September 2021 (31 March 2021 - 3,800).

Residential customer numbers in Northern Ireland were 453,300 at 30 September 2021 (31 March 2021 - 452,700). Non-residential customer numbers in Northern Ireland were 40,900 at 30 September 2021 (31 March 2021 - 41,200).

Total electricity sales volumes in the RoI for Second Quarter 2022 were 1.2TWh (2021 - 1.0TWh) and during First Half 2022 were 2.4TWh (2021 - 1.9TWh). Total electricity sales in Northern Ireland for Second Quarter 2022 were 0.7TWh (2021 - 0.7TWh) and for First Half 2022 were 1.4TWh (2021 - 1.3TWh).

RoI gas sales volumes in Second Quarter 2022 were 14.8m therms (2021 - 15.5m therms) and for First Half 2022 were 35.6m therms (2021 - 33.0m therms).

During the Second Quarter 2022 the Group received two complaints (2021 - two) and two complaints for First Half 2022 (2021 - three) which were referred to the CRU. During the Second Quarter 2022, the Group received no complaints (2021 - nil) and one complaint for the First Half 2022 (2021 - one) which were referred to the Consumer Council in Northern Ireland (CCNI).

Tariffs

As outlined in the Wholesale Prices and 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 Half 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.

In 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. In May 2021, Power NI announced a 6.9% increase to its residential electricity tariff. The Power NI tariff increase, agreed with the UR, was effective from 1 July 2021. Furthermore, in June 2021 Energia announced a second tariff increase of 9.7% for both electricity and gas effective from 8 July 2021 and then in September 2021 a third tariff increase of 15.7% for electricity and 18.5% for gas effective from 18 October 2021. Power NI has also recently agreed a second tariff increase with the UR and from 1 January 2022 will increase its residential electricity tariff by 21.4%.

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

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	109.3	66.2	162.5	102.4
Flexible Generation (based on regulated entitlement)	201.6	87.3	318.2	158.6
Customer Solutions (based on regulated entitlement)	387.3	245.8	732.9	484.6
Adjustment for over-recovery	7.1	12.1	24.4	23.0
Inter-business elimination	8.1	(3.0)	9.6	(7.7)
Total revenue from continuing operations	713.4	408.4	1,247.6	760.9

Second Quarter 2022

Total revenue from continuing operations increased to €713.4m (2021 - €408.4m).

Revenue from the Renewables business increased to €109.3m (2021 - €66.2m) primarily reflecting higher ROC sales and higher energy prices partly offset by lower wind volumes.

Flexible Generation revenue increased to €201.6m (2021 - €87.3m) primarily reflecting higher Huntstown 1 revenue driven by higher energy prices and higher plant availability, higher utilisation of the Ballylumford plant partly offset by the zero availability outage impact for Huntstown 2 (partly offset by the business interruption insurance revenue recognised).

Customer Solutions revenue increased to €387.3m (2021 - €245.8m) primarily due to higher non-residential electricity revenue (reflecting higher volumes and prices) and higher residential revenue (reflecting higher customer numbers, volumes and higher tariffs for Energia and Power NI).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €7.1m (2021 - €12.1m) and at 30 September 2021 the combined cumulative over-recovery against regulated entitlement was €55.4m. The over-recovery of regulated entitlement reflects the phasing of tariffs.



Power NI volunteers helping out at the Antrim Foodbank

First Half 2022

Total revenue from continuing operations increased to €1,247.6m (2021 - €760.9m).

Revenue from the Renewables business increased to €162.5m (2021 - €102.4m) primarily reflecting higher ROC sales and higher energy prices partly offset by lower volumes (including the First Half 2022 benefit of the Derrysallagh wind farm which was commissioned in July 2020).

Flexible Generation revenue increased to €318.2m (2021 - €158.6m) primarily reflecting higher Huntstown 1 revenue driven by higher energy prices and higher plant availability and higher utilisation of the Ballylumford plant partly offset by the zero availability outage impact for Huntstown 2 (partly offset by the business interruption insurance revenue recognised).

Customer Solutions revenue increased to €732.6m (2021 - €484.6m) primarily due to higher non-residential electricity revenue (reflecting higher volumes (with last year notably impacted by COVID-19) and higher prices) and higher residential revenue (reflecting higher customer numbers, volumes and higher tariffs for Energia and Power NI).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €24.4m (2021 - €23.0m) and at 30 September 2021 the combined cumulative over-recovery against regulated entitlement was €55.4m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Energy costs	640.1	319.4	1,097.2	592.4
Employee costs	12.7	10.9	24.9	22.0
Other operating charges	19.6	18.3	39.7	37.9
Total pre-exceptional items and certain remeasurements	672.4	348.6	1,161.8	652.3

Second Quarter 2022

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) increased to €672.4m (2021 - €348.6m). The breakdown is as follows:

Energy costs increased to €640.1m (2021 - €319.4m) primarily reflecting higher energy prices, higher non-residential and residential sales volumes, increased utilisation of the Ballylumford plant and higher ROC costs, associated with higher ROC sales volumes partly offset by the zero availability outage impact of Huntstown 2.

Employee costs increased to €12.7m (2021 - €10.9m) 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 €19.6m (2021 - €18.3m) primarily reflecting higher Customer Solutions operating costs (with the prior year period benefitting from lower costs associated with COVID-19) and higher operating costs for the Renewables businesses.

First Half 2022

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) increased to €1,161.8m (2021 - €652.3m). The breakdown is as follows:

Energy costs increased to €1,097.2m (2021 - €592.4m) 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, increased utilisation of the Ballylumford plant and higher ROC costs (associated with higher sales volumes) partly offset by the zero availability outage impact of Huntstown 2.

Employee costs increased to €24.9m (2021 - €22.0m) primarily 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 €39.7m (2021 - €37.9m) primarily reflecting higher Customer Solutions operating costs (with last year benefitting from lower costs associated with COVID-19, partly offset by lower bad debt costs) and higher operating costs for the Renewables businesses with increased development costs.

Group EBITDA

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

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	19.1	12.8	34.7	19.9
Flexible Generation	51.1	16.5	69.4	29.9
Customer Solutions	(36.3)	18.4	(42.7)	35.8
Group pro-forma EBITDA	33.9	47.7	61.4	85.6
Over-recovery of regulated entitlement	7.1	12.1	24.4	23.0
EBITDA	41.0	59.8	85.8	108.6

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

Second Quarter 2022

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) decreased to €33.9m (2021 - €47.7m) primarily reflecting an increase in EBITDA in the Flexible Generation and the Renewables businesses partly offset by a reduction in the Customer Solutions business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) for Second Quarter 2022 increased to €19.1m (2021 - €12.8m) primarily reflecting higher contributions from the renewable PPAs (due to higher prices (energy and ROC) and higher ROC sales volumes partly offset by lower wind volumes) partly offset by lower wind generation assets EBITDA (reflecting lower wind generation volumes partly offset by higher prices for NI assets) and increased costs of development projects.

Flexible Generation EBITDA for Second Quarter 2022 increased to €51.1m (2021 - €16.5m) primarily reflecting higher Huntstown 1 margins due to higher availability and higher prices (driven by higher commodities and lower availability of other thermal plants and low wind generation) together with the accrual of the business interruption insurance claim for the Huntstown 2 transformer outage for the First Half 2022 and higher PPB contribution (reflecting partial recognition of the forecast full year gain share) partly offset by the zero availability outage impact of Huntstown 2.

Customer Solutions EBITDA for Second Quarter 2022 decreased to €36.3m loss (2021 - €18.4m profit) primarily reflecting lower Energia electricity and gas margins (reflecting higher commodity and energy prices (for which Huntstown 1 and the Renewables businesses have benefitted from)), lower Power NI non-residential electricity margins and higher operating costs.

First Half 2022

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) decreased to €61.4m (2021 - €85.6m) primarily reflecting an increase in EBITDA in the Flexible Generation and the Renewables businesses, partly offset by a reduction in Customer Solutions business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) for First Half 2022 increased to €34.7m (2021 - €19.9m) primarily reflecting higher contributions from the renewable PPAs (due to higher prices (energy and ROC) and higher ROC sales volumes, partly offset by lower wind volumes) and higher wind generation assets EBITDA (reflecting higher prices for NI assets and the First Half 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 for First Half 2022 increased to €69.4m (2021 - €29.9m) primarily reflecting higher Huntstown 1 margins due to higher availability and higher prices (driven by higher commodities and lower availability of other thermal plants and low wind generation) together with the accrual of the business interruption insurance claim for the Huntstown 2 transformer outage for the First Half 2022, partly offset by the zero availability outage impact of Huntstown 2 and higher PPB contribution (reflecting partial recognition of the forecast full year gain share).

Customer Solutions EBITDA for First Half 2022 decreased to €42.7m loss (2021 - €35.8m profit) primarily reflecting lower Energia electricity and gas margins (reflecting higher commodity and energy prices (for which Huntstown 1 and the Renewables businesses have benefitted from)), lower Power NI electricity margins and higher operating costs.

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Depreciation

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

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	7.6	7.3	14.7	13.7
Flexible Generation	2.4	3.8	4.7	7.6
Customer Solutions	4.4	2.9	8.6	6.0
Total Depreciation	14.4	14.0	28.0	27.3

Depreciation and amortisation for Second Quarter 2022 was €14.4m (2021 - €14.0m) and for First Half 2022 was €28.0m (2021 - €27.3m).

Group operating profit

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

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	11.5	5.5	20.0	6.2
Flexible Generation	48.7	12.7	64.7	22.3
Customer Solutions	(40.7)	15.5	(51.3)	29.8
Total Operating Profit	19.5	33.7	33.4	58.3

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) for Second Quarter 2022 decreased to €19.5m (2021 - €33.7m) and for First Half 2022 decreased to €33.4m (2021 - €58.3m) 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

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	1.1	0.1	0.2	0.4
Customer Solutions	65.7	5.5	73.8	5.6
Total Exceptional Items and Certain Remeasurements	66.8	5.6	74.0	6.0

Second Quarter 2021

Exceptional items and certain remeasurements were a €66.8m credit (2021 - €5.6m). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €1.1m credit (2021 - €0.1m) reflecting a fair value adjustment to contingent consideration of €0.5m (2021 - €0.3m) and certain remeasurements relating to the recognition of fair value of derivatives of €0.7m (2021 - €0.2m cost) partly offset by €0.1m cost (2021 - €nil) associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €65.7m credit (2021 - €5.5m) reflecting certain remeasurements relating to the recognition of fair value of derivatives.

First Half 2021

Exceptional items and certain remeasurements were a €74.0m credit (2021 - €6.0m). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.2m credit (2021 - €0.4m) reflecting a fair value adjustment to contingent consideration of €0.5m (2021 - €0.9m) and certain remeasurements relating to the recognition of fair value of derivatives of €0.4m (2021 - €0.5m cost) partly offset by €0.7m cost (2021 - €nil) associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €73.8m credit (2021 - €5.6m credit) primarily reflecting certain remeasurements relating to the recognition of fair value of derivatives.

Further information is outlined in note 5 to the accounts.

Net finance costs

Net finance costs (pre-exceptional items and certain remeasurements) for Second Quarter 2022 decreased from €11.9m to €11.4m primarily reflecting lower amortisation charges and the impact of foreign exchange movements in the period compared to the same period last year, partly offset by lower capitalised interest.

Net finance costs (pre-exceptional items and certain remeasurements) for First Half 2022 increased from €18.3m to €22.2m primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year and lower capitalised interest.

Tax charge

The total tax charge (pre-exceptional items and certain remeasurements) for Second Quarter 2022 was €6.2m (2021 - €4.9m) and for First Half 2022 was €7.9m (2021 - €8.4m). A detailed analysis of the tax charge is outlined in note 7 to the accounts.

Cash flow before acquisitions, disposals, interest and tax

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

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Group pro-forma EBITDA¹	33.9	47.7	61.4	85.6
Defined benefit pension charge less contributions paid	(0.8)	-	(0.8)	-
Net movement in security deposits	(0.8)	(3.7)	(0.3)	(4.2)
Changes in working capital ²	21.8	(3.4)	29.6	(40.2)
Over-recovery of regulated entitlement	7.1	12.1	24.4	23.0
Exceptional items	(0.1)	-	(0.7)	-
Foreign exchange translation	-	(0.4)	1.2	3.2
Cash flow from operating activities	61.1	52.3	114.8	67.4
Net capital expenditure ³	(17.6)	(12.5)	(25.1)	(17.1)
Cash flow before acquisitions, disposals, interest and tax	43.5	39.8	89.7	50.3

¹ Includes EBITDA of project financed renewable assets for Second Quarter 2022 of €6.6m (2021 - €7.1m); First Half €15.9m (2021 - €13.1m)

² Includes changes in working capital of project financed renewable assets for Second Quarter 2022 of €2.9m decrease (2021 - €3.2m increase); First Half 2022 €3.9m decrease (2021 - €2.5m increase) and net proceeds from the sale and purchases of other intangibles of €32.9m for Second Quarter 2022 (2021 - €26.7m); First Half 2022 €30.4m (2021 - €5.9m)

³ Includes capital expenditure on project financed renewable assets for Second Quarter 2022 of €3.8m (2021 - €7.2m); First Half 2022 €4.0m (2021 - €8.1m) and intangible asset (software and customer acquisition costs) expenditure for Second Quarter 2022 of €2.7m (2021 - €3.6m); First Half 2022 €4.7m (2021 - €6.3m)

Group cash flow from operating activities for Second Quarter 2022 increased to €61.1m (2021 - €52.3m) primarily reflecting a decrease in working capital of €21.8m (2021 - €3.4m increase) partly offset by a decrease in EBITDA from €47.7m to €33.9m and a lower over-recovery of regulated entitlement of €7.1m (2021 - €12.1m).

Group cash flow from operating activities for First Half 2022 increased to €114.8 m (2021 - €67.4m) primarily reflecting a decrease in working capital of €29.6m (2021 - €40.2m increase) and a higher over-recovery of regulated entitlement of €24.4m (2021 - €23.0m), partly offset by a decrease in EBITDA from €85.6m to €61.4m.

Net movement in security deposits

The net movement in security deposits for Second Quarter 2022 was a €0.8m increase (2021 - €3.7m) and for First Half 2022 was an increase of €0.3m (2021 - €4.2m). As at 30 September 2021 there were €11.6m (31 March 2021 - €11.3m) of security deposits in place.

Changes in working capital

Working capital for Second Quarter 2022 decreased by €21.8m (2021 - €3.4m increase) primarily reflecting a decrease in ROC assets, a decrease in the Renewable Energy Feed-In Tariff (REFIT) debtor for renewable PPAs resulting from higher market prices, an increase in trade and other payables (reflecting an increase in the emissions creditor (which is settled in December), the impact of higher prices, an increase in the Public Service Obligation (PSO) for PPB and settlement timing differences) partly offset by an increase in trade and other receivables (due to the recognition of the Huntstown 2 insurance claim, an increase in ROC debtors and the impact of higher prices) and a decrease in ROC liabilities (reflecting the

settlement of the annual ROC obligation).

Working capital for First Half 2022 decreased by €29.6m (2021 - €40.2m increase) primarily reflecting a decrease in ROC assets held, a decrease in the REFIT debtor for renewable PPAs, an increase in trade and other payables (reflecting an increase in the emissions creditor (which is settled in December), the impact of higher prices, an increase in the PSO for PPB and settlement timing differences) partly offset by an increase in trade and other receivables (due to the recognition of the Huntstown 2 insurance claim, an increase in ROC debtors and the impact of higher prices) and a decrease in ROC liabilities (reflecting the settlement of the annual ROC obligation).

Over-recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement in Second Quarter 2022 by €7.1m (2021 - €12.1m) and in First Half 2022 by €24.4m (2021 - €23.0m) and at 30 September 2021 the combined cumulative over-recovery against regulated entitlement was €55.4m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Capital expenditure

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Renewables	3.8	7.2	4.0	8.1
Flexible Generation	10.7	1.5	15.3	2.6
Customer Solutions	3.1	3.8	5.8	6.4
Total Capital Expenditure	17.6	12.5	25.1	17.1

Net capital expenditure in respect of tangible fixed assets and intangible software assets for Second Quarter 2022 increased to €17.6m (2021 - €12.5m) and for First Half 2022 increased to €25.1m (2021 - €17.1m).

Renewables capital expenditure for Second Quarter 2022 decreased to €3.8m (2021 - €7.2m) and for First Half 2022 decreased to €4.0m (2021 - €8.1m) primarily due to lower capital expenditure in respect of development projects (including the Derrysallagh windfarm commissioned July 2020).

Flexible Generation capital expenditure for Second Quarter 2022 increased to €10.7m (2021 - €1.5m) and for First Half 2022 increased to €15.3m (2021 - €2.6m) primarily reflecting capital expenditure in respect of the 50MW battery storage project.

Customer Solutions capital expenditure for Second Quarter 2022 decreased to €3.1m (2021 - €3.8m) and for First Half 2022 decreased to €5.8m (2021 - €6.4m) primarily reflecting lower expenditure in respect of IT projects.

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) in Second Quarter 2022 increased to €19.5m (2021 - €20.5m) and for First Half 2022 increased to €20.7m (2021 - €21.8m).

Dividends

No dividends were paid in the First Half 2022 (2021 - €nil). On 2 November 2021 the Board approved the payment of a €40.0m dividend to the parent undertaking which was subsequently paid on 5 November 2021.

Acquisition of subsidiary undertakings

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

Net debt

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

	30 September 2021 €m	31 March 2021 €m
Investments	1.3	1.4
Cash and cash equivalents	241.9	216.5
Senior secured notes	(605.8)	(607.5)
Project finance facilities	(342.0)	(353.3)
Interest accruals	(2.0)	(1.9)
Total net debt	(706.6)	(744.8)

The Group's net debt decreased by €38.2m from €744.8m at 31 March 2021 to €706.6m at 30 September 2021 primarily reflecting higher cash and cash equivalents and lower project finance facilities. Net debt at 30 September 2021 includes project finance net debt of €310.8m (31 March 2021 - €315.5m). Excluding project financed net debt, net debt was €395.8m (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 September 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €172.1m resulting in undrawn committed facilities of €89.7m (31 March 2021 - €109.2m). There were no cash drawings under the Senior revolving credit facility at 30 September 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 September 2021, there was €31.2m (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 September 2021 (31 March 2021 - €0.1m liability).

Outlook and financial impact of higher I-SEM Market Prices and COVID-19

As noted earlier, the Group has been impacted by high commodity prices, low availability of thermal plant in the First Half 2022 and low wind generation. High commodity prices and low thermal plant availability have continued to be experienced through October and November 2021. We expect the impact of higher I-SEM market prices on the Group's Customer Solutions business in the Third Quarter 2022 to be mitigated by the return to service of the Huntstown 2 plant (from 23 October 2021), the benefit of higher prices to the Group's Renewables business and higher tariffs. In addition, there is potential increased uncertainty over the recoverability of trade receivables (in particular for the Customer Solutions business) however the Group still retains its provisions for expected credit losses as a result of the COVID pandemic.

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.

The Group has strong liquidity at 30 September 2021 (with €210.7m¹ cash and cash equivalents excluding project finance cash) and has undrawn committed revolving credit facilities of €89.7m and is therefore well positioned to manage the current trading environment of higher I-SEM market prices and COVID-19.

¹ €40.0m dividend was paid to the parent undertaking on 5 November 2021.



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the three month period ended 30 September 2021

		Results before exceptional items and certain remeasurements Second Quarter 2022 Unaudited €m	Exceptional items and certain remeasurements (note 5) Second Quarter 2022 Unaudited €m	Total Second Quarter 2022 Unaudited €m	Results before exceptional items and certain remeasurements Second Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements (note 5) Second Quarter 2021 Unaudited €m	Total Second Quarter 2021 Unaudited €m
Continuing operations	Notes						
Revenue	2	713.4	-	713.4	408.4	-	408.4
Operating (costs) / income	4	(686.8)	66.8	(620.0)	(362.6)	5.6	(357.0)
Operating profit	2	26.6	66.8	93.4	45.8	5.6	51.4
Finance costs	6	(11.4)	-	(11.4)	(12.0)	-	(12.0)
Finance income	6	-	-	-	0.1	-	0.1
Net finance cost		(11.4)	-	(11.4)	(11.9)	-	(11.9)
Profit before tax		15.2	66.8	82.0	33.9	5.6	39.5
Taxation	7	(6.2)	(11.8)	(18.0)	(4.9)	(0.8)	(5.7)
Profit for the period		9.0	55.0	64.0	29.0	4.8	33.8

CONSOLIDATED INCOME STATEMENT

for the six month period ended 30 September 2021

		Results before exceptional items and certain remeasurements First Half 2022 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Half 2022 Unaudited €m	Total First Half 2022 Unaudited €m	Results before exceptional items and certain remeasurements First Half 2021 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Half 2021 Unaudited €m	Total First Half 2021 Unaudited €m
Continuing operations	Notes						
Revenue	2	1,247.6	-	1,247.6	760.9	-	760.9
Operating (costs) / income	4	(1,189.8)	74.0	(1,115.8)	(679.6)	6.0	(673.6)
Operating profit	2	57.8	74.0	131.8	81.3	6.0	87.3
Finance costs	6	(22.2)	-	(22.2)	(18.4)	-	(18.4)
Finance income	6	-	-	-	0.1	-	0.1
Net finance cost		(22.2)	-	(22.2)	(18.3)	-	(18.3)
Profit before tax		35.6	74.0	109.6	63.0	6.0	69.0
Taxation	7	(7.9)	(13.3)	(21.2)	(8.4)	(1.0)	(9.4)
Profit for the period		27.7	60.7	88.4	54.6	5.0	59.6

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the three and six month periods ended 30 September 2021

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Profit for the period	64.0	33.8	88.4	59.6
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(1.0)	(0.4)	(5.8)	(15.3)
Net gain on cash flow hedges	574.3	13.3	716.3	16.9
(Gain) / loss on cash flow hedges transferred from equity to income statement	(116.6)	13.1	(147.9)	27.2
Income tax effect	(79.1)	(4.1)	(98.6)	(4.1)
	378.6	22.3	469.8	40.0
	377.6	21.9	464.0	24.7
Items that will not be reclassified to profit or loss:				
Remeasurement (loss) / gain on defined benefit scheme	(0.8)	0.1	(0.8)	(0.1)
	(0.8)	0.1	(0.8)	(0.1)
Other comprehensive income for the period, net of taxation	376.8	22.0	463.2	24.6
Total comprehensive income for the period	440.8	55.8	551.6	84.2

CONSOLIDATED BALANCE SHEET

as at 30 September 2021

ASSETS	Notes	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Non-current assets:			
Property, plant and equipment		584.1	582.5
Intangible assets		671.2	654.7
Right-of-use assets	18	25.5	26.5
Derivative financial instruments	15	70.7	8.0
Deferred tax assets		29.5	27.4
		1,381.0	1,299.1
Current assets:			
Intangible assets		40.7	84.9
Inventories		5.0	4.5
Trade and other receivables	11	304.7	264.8
Derivative financial instruments	15	722.8	63.7
Other current financial assets	9	12.9	12.7
Cash and cash equivalents	12	241.9	216.5
		1,328.0	647.1
TOTAL ASSETS		2,709.0	1,946.2

CONSOLIDATED BALANCE SHEET (continued)

as at 30 September 2021

LIABILITIES	Notes	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Current liabilities:			
Trade and other payables	13	(419.3)	(392.4)
Income tax payable		(9.6)	(1.6)
Financial liabilities	14	(35.5)	(27.8)
Deferred income		(2.5)	(2.2)
Derivative financial instruments	15	(92.4)	(18.0)
		(559.3)	(442.0)
Non-current liabilities:			
Financial liabilities	14	(964.2)	(985.5)
Derivative financial instruments	15	(20.0)	(15.4)
Net employee defined benefit liabilities		-	(0.1)
Deferred tax liabilities		(143.3)	(32.6)
Provisions		(32.2)	(32.2)
		(1,159.7)	(1,065.8)
TOTAL LIABILITIES		(1,719.0)	(1,507.8)
NET ASSETS		990.0	438.4
Equity			
Share capital		-	-
Share premium		768.6	775.9
Retained earnings		(309.6)	(404.9)
Capital contribution reserve		42.0	42.4
Hedge reserve		500.5	30.7
Foreign currency translation reserve		(11.5)	(5.7)
TOTAL EQUITY		990.0	438.4

The financial statements were approved by the Board and authorised for issue on 30 November 2021.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six month period ended 30 September 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	-	(18.9)	20.6	(2.1)	0.4	-	-
Profit for the period	-	-	59.6	-	-	-	59.6
Other comprehensive (expense) / income	-	-	(0.1)	-	40.0	(15.3)	24.6
Total comprehensive (expense) / income	-	(18.9)	80.1	(2.1)	40.4	(15.3)	84.2
At 30 September 2020	-	727.6	(409.9)	38.7	(25.2)	(46.5)	284.7
At 1 April 2021	-	775.9	(404.9)	42.4	30.7	(5.7)	438.4
Exchange adjustment	-	(7.3)	7.7	(0.4)	-	-	-
Profit for the period	-	-	88.4	-	-	-	88.4
Other comprehensive (expense) / income	-	-	(0.8)	-	469.8	(5.8)	463.2
Total comprehensive (expense) / income	-	(7.3)	95.3	(0.4)	469.8	(5.8)	551.6
At 30 September 2021	-	768.6	(309.6)	42.0	500.5	(11.5)	990.0

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three and six month periods ended 30 September 2021

	Notes	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Cash generated from operations before working capital movements	16	40.1	59.8	84.3	108.6
Working capital adjustments:					
(Increase) / decrease in inventories		(0.1)	0.6	(0.5)	(0.4)
(Increase) / decrease in trade and other receivables		(65.2)	(2.3)	(42.5)	50.4
Increase in security deposits		(0.8)	(3.7)	(0.3)	(4.2)
Increase / (decrease) in trade and other payables		54.2	(28.4)	42.2	(96.1)
Effects of foreign exchange		-	(0.4)	1.2	3.2
		28.2	25.6	84.4	61.5
Interest received		-	-	-	0.1
Interest paid		(19.5)	(20.5)	(20.7)	(21.9)
		(19.5)	(20.5)	(20.7)	(21.8)
Income tax paid		(2.3)	(0.2)	(3.5)	(0.5)
Net cash flows from operating activities		6.4	4.9	60.2	39.2

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

for the three and six month periods ended 30 September 2021

	Notes	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Investing activities					
Purchase of property, plant and equipment		(14.9)	(8.9)	(20.4)	(10.8)
Purchase of intangible assets		(47.5)	(39.2)	(84.5)	(78.1)
Proceeds from sale of intangible assets		77.7	62.3	110.2	77.7
Disposal of subsidiary, net of cash disposed		-	-	(0.2)	(0.2)
Receipt of government grants		-	0.8	0.2	0.8
Acquisition of subsidiaries		-	-	(27.1)	(0.1)
Net cash flows from / (used in) investing activities		15.3	15.0	(21.8)	(10.7)
Financing activities					
Proceeds from issue of borrowings		-	11.7	-	49.7
Repayment of borrowings		(9.0)	(15.1)	(10.6)	(15.1)
Issue costs of new long term loans		-	(0.3)	-	(1.4)
Payment of lease liabilities		(0.7)	(0.7)	(1.4)	(1.2)
Net cash flows (used in) / from financing activities		(9.7)	(4.4)	(12.0)	32.0
Net increase in cash and cash equivalents		12.0	15.5	26.4	60.5
Net foreign exchange difference		(0.3)	0.1	(1.0)	(3.2)
Cash and cash equivalents at period start	12	230.2	262.5	216.5	220.8
Cash and cash equivalents at period end	12	241.9	278.1	241.9	278.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 30 September 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

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,281MW 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

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Renewables	109.3	66.2	162.5	102.4
Flexible Generation	201.6	87.3	318.2	158.6
Customer Solutions	387.3	245.8	732.9	484.6
Inter-group eliminations	8.1	(3.0)	9.6	(7.7)
Group	706.3	396.3	1,223.2	737.9
Adjustment for over-recovery	7.1	12.1	24.4	23.0
Total	713.4	408.4	1,247.6	760.9

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

(b) Operating Profit

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Segment Pro-Forma EBITDA				
Renewables	19.1	12.8	34.7	19.9
Flexible Generation	51.1	16.5	69.4	29.9
Customer Solutions	(36.3)	18.4	(42.7)	35.8
Group Pro-Forma EBITDA	33.9	47.7	61.4	85.6
Adjustment for over-recovery	7.1	12.1	24.4	23.0
Group EBITDA	41.0	59.8	85.8	108.6
Depreciation/amortisation				
Renewables	(7.6)	(7.3)	(14.7)	(13.7)
Flexible Generation	(2.4)	(3.8)	(4.7)	(7.6)
Customer Solutions	(4.4)	(2.9)	(8.6)	(6.0)
Group depreciation and amortisation	(14.4)	(14.0)	(28.0)	(27.3)
Operating profit pre-exceptional items and certain remeasurements				
Renewables	11.5	5.5	20.0	6.2
Flexible Generation	48.7	12.7	64.7	22.3
Customer Solutions	(40.7)	15.5	(51.3)	29.8
Group Pro-Forma operating profit	19.5	33.7	33.4	58.3
Adjustment for over-recovery	7.1	12.1	24.4	23.0
Operating profit pre exceptional items and certain remeasurements	26.6	45.8	57.8	81.3
Exceptional items and certain remeasurements				
Renewables	1.1	0.1	0.2	0.4
Customer Solutions	65.7	5.5	73.8	5.6
Group operating profit post exceptional items and certain remeasurements	93.4	51.4	131.8	87.3
Finance cost	(11.4)	(12.0)	(22.2)	(18.4)
Finance income	-	0.1	-	0.1
	(11.4)	(11.9)	(22.2)	(18.3)
Profit on ordinary activities before tax	82.0	39.5	109.6	69.0

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 Second Quarter 2022 and Second Quarter 2021:

Second Quarter 2022 Unaudited	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	385.1	385.1
Electricity generation	109.2	201.6	-	310.8
Other	0.1	-	2.2	2.3
Inter-group eliminations	-	10.1	(2.0)	8.1
Group	109.3	211.7	385.3	706.3
Adjustment for over-recovery	-	5.8	1.3	7.1
Total revenue from contracts with customers	109.3	217.5	386.6	713.4

Second Quarter 2021 Unaudited	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	245.7	245.7
Electricity generation	65.1	87.3	-	152.4
Other	1.1	-	0.1	1.2
Inter-group eliminations	-	(2.9)	(0.1)	(3.0)
Group	66.2	84.4	245.7	396.3
Adjustment for over-recovery	-	8.1	4.0	12.1
Total revenue from contracts with customers	66.2	92.5	249.7	408.4

3.1 Disaggregated revenue information (continued)

Set out below is the disaggregation of the Group's revenue from contracts with customers for the First Half 2022 and First Half 2021:

First Half 2022 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	728.5	728.5
Electricity generation	162.1	318.2	-	480.3
Other	0.4	-	4.4	4.8
Inter-group eliminations	-	13.7	(4.1)	9.6
Group	162.5	331.9	728.8	1,223.2
Adjustment for over-recovery	-	23.4	1.0	24.4
Total revenue from contracts with customers	162.5	355.3	729.8	1,247.6

First Half 2021 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	484.1	484.1
Electricity generation	101.0	158.6	-	259.6
Other	1.4	-	0.5	1.9
Inter-group eliminations	-	(7.5)	(0.2)	(7.7)
Group	102.4	151.1	484.4	737.9
Adjustment for over-recovery	-	12.9	10.1	23.0
Total revenue from contracts with customers	102.4	164.0	494.5	760.9

3.1 Disaggregated revenue information (continued)

Geographical markets:	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
UK	327.0	180.5	554.5	325.8
RoI	386.4	227.9	693.1	435.1
Total revenue from contracts with customers	713.4	408.4	1,247.6	760.9
Timing of revenue recognition:				
Transferred over time	623.0	369.6	1,127.2	708.5
Transferred at a point in time	90.4	38.8	120.4	52.4
Total revenue from contracts with customers	713.4	408.4	1,247.6	760.9

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

4. OPERATING COSTS

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Operating costs are analysed as follows:				
Energy costs	640.1	319.4	1,097.2	592.4
Employee costs	12.7	10.9	24.9	22.0
Depreciation and amortisation	14.4	14.0	28.0	27.3
Other operating charges	19.6	18.3	39.7	37.9
Total pre-exceptional items and certain remeasurements	686.8	362.6	1,189.8	679.6
Exceptional items and certain remeasurements:				
Energy income	(66.4)	(5.3)	(74.2)	(5.1)
Other operating (income) / charges	(0.4)	(0.3)	0.2	(0.9)
Total exceptional items and certain remeasurements	(66.8)	(5.6)	(74.0)	(6.0)
Total operating costs	620.0	357.0	1,115.8	673.6

4.1 Depreciation and amortisation

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Depreciation	9.7	10.5	18.7	20.4
Amortisation of intangible assets	4.2	3.0	8.3	5.9
Amortisation of right-of-use assets	0.5	0.5	1.0	1.0
Total depreciation and amortisation	14.4	14.0	28.0	27.3

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Exceptional items in arriving at profit from continuing operations:				
Release of contingent consideration ¹	0.5	0.3	0.5	0.9
Acquisition costs ²	(0.1)	-	(0.7)	-
	0.4	0.3	(0.2)	0.9
Certain remeasurements in arriving at profit				
Net gain on derivatives at fair value through operating costs ³	66.4	5.3	74.2	5.1
	66.4	5.3	74.2	5.1
Exceptional items and certain remeasurements before taxation	66.8	5.6	74.0	6.0
Taxation on exceptional items and certain remeasurements	(11.8)	(0.8)	(13.3)	(1.0)
Exceptional items and certain remeasurements after taxation	55.0	4.8	60.7	5.0

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

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Fair valued derivatives through profit & loss	(11.8)	(0.8)	(13.3)	(1.0)
	(11.8)	(0.8)	(13.3)	(1.0)

¹ Release of contingent consideration for Second Quarter 2022 of €0.5m (2021 - €0.3m) and First Half 2022 of €0.5m (2021 - €0.9m) relates to a fair value adjustment to contingent consideration for renewable generation development projects.

² Exceptional acquisition costs for Second Quarter 2022 of €0.1m (2021 - €nil) and First Half 2022 of €0.7m (2021 - €nil) relates to costs associated with acquisitions whether successful or unsuccessful.

³ Net gain on derivatives at fair value through operating costs for Second Quarter 2022 of €66.4m (2021 - €5.3m) and for First Half 2022 of €74.2m (2021 - €5.1m) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

6. FINANCE COSTS / INCOME

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2021 Unaudited €m	First Half 2021 Unaudited €m
Finance costs				
Interest on external bank loans and borrowings	(3.7)	(4.0)	(7.5)	(8.0)
Interest on senior secured notes	(6.6)	(6.5)	(13.2)	(13.0)
Total interest expense	(10.3)	(10.5)	(20.7)	(21.0)
Amortisation of financing charges	(0.8)	(1.3)	(1.9)	(1.9)
Unwinding of discount on decommissioning provision	(0.1)	-	(0.1)	(0.1)
Unwinding of discount on contingent consideration	(0.3)	(0.3)	(0.6)	(0.6)
Accretion of lease liability	(0.3)	(0.3)	(0.7)	(0.7)
Other finance charges	(0.1)	(0.4)	(0.2)	(0.4)
Total other finance charges	(1.6)	(2.3)	(3.5)	(3.7)
Net exchange gain on net foreign currency borrowings	0.3	-	1.5	4.8
Less interest capitalised in qualifying asset	0.2	0.8	0.5	1.5
Total finance costs	(11.4)	(12.0)	(22.2)	(18.4)
Finance income				
Interest income on bank deposits	-	0.1	-	0.1
Total finance income	-	0.1	-	0.1

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the Second Quarter 2022 was 3.5% (2021 - 5.6%) and in First Half 2022 was 3.5% (2021 - 5.6%).

7. INCOME TAX

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

	Results before exceptional items and certain remeasurements Second Quarter 2022 Unaudited €m	Exceptional items and certain remeasurements Second Quarter 2022 Unaudited €m	Total Second Quarter 2022 Unaudited €m	Results before exceptional items and certain remeasurements Second Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements Second Quarter 2021 Unaudited €m	Total Second Quarter 2021 Unaudited €m
Current tax:						
Current tax charge	(0.6)	(11.8)	(12.4)	(0.8)	(0.8)	(1.6)
Total current tax charge	(0.6)	(11.8)	(12.4)	(0.8)	(0.8)	(1.6)
Deferred tax:						
Adjustments in respect of current period	(5.6)	-	(5.6)	(4.1)	-	(4.1)
Total deferred tax	(5.6)	-	(5.6)	(4.1)	-	(4.1)
Total taxation charge	(6.2)	(11.8)	(18.0)	(4.9)	(0.8)	(5.7)

	Results before exceptional items and certain remeasurements First Half 2022 Unaudited €m	Exceptional items and certain remeasurements First Half 2022 Unaudited €m	Total First Half 2022 Unaudited €m	Results before exceptional items and certain remeasurements First Half 2021 Unaudited €m	Exceptional items and certain remeasurements First Half 2021 Unaudited €m	Total First Half 2021 Unaudited €m
Current tax:						
Current tax credit / (charge)	2.0	(13.3)	(11.3)	(1.7)	(1.0)	(2.7)
Total current tax credit / (charge)	2.0	(13.3)	(11.3)	(1.7)	(1.0)	(2.7)
Deferred tax:						
Adjustments in respect of current period	(9.9)	-	(9.9)	(6.7)	-	(6.7)
Total deferred tax	(9.9)	-	(9.9)	(6.7)	-	(6.7)
Total taxation charge	(7.9)	(13.3)	(21.2)	(8.4)	(1.0)	(9.4)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment			
	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Renewables	2.6	8.4	5.2	13.1
Flexible Generation	7.9	1.5	16.1	2.2
Customer Solutions	0.4	0.2	1.1	0.2
Total	10.9	10.1	22.4	15.5

	Capital additions to intangible assets			
	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Renewables	28.1	30.0	66.2	56.9
Customer Solutions	2.3	3.5	4.4	5.5
Total	30.4	33.5	70.6	62.4

9. OTHER FINANCIAL ASSETS

	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	11.6	11.3
Short-term managed funds	1.3	1.4
Total other financial assets	12.9	12.7

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in First Half 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 Half 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 Half 2022.

11. TRADE AND OTHER RECEIVABLES

	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Trade receivables (including unbilled consumption)	230.3	209.6
Contract assets (accrued income)	64.2	60.2
Prepayments	11.1	4.5
Other receivables	23.0	14.5
	328.6	288.8
Allowance for expected credit losses	(23.9)	(24.0)
	304.7	264.8

12. CASH AND CASH EQUIVALENTS

	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Cash at bank and on hand	161.5	163.7
Short-term bank deposits	80.4	52.8
	241.9	216.5

13. TRADE AND OTHER PAYABLES

	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Trade creditors	147.5	84.9
Other creditors	79.3	53.6
Contract liabilities (payments on account)	39.9	36.1
Tax and social security	5.8	10.0
Accruals	146.8	207.8
	419.3	392.4

14. FINANCIAL LIABILITIES

	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Current financial liabilities:		
Project financed bank facilities (NI)	11.0	11.0
Project financed bank facilities (RoI)	11.8	12.4
Project finance interest accruals	-	0.1
Senior secured notes interest payable	1.2	1.2
Other interest payable	0.8	0.6
Contingent consideration	9.1	0.9
Lease liability	1.6	1.6
Total current financial liabilities	35.5	27.8
Non-current financial liabilities:		
Senior secured notes €350m (2025)	346.4	346.0
Senior secured notes £225m (2024)	259.4	261.5
Project financed bank facilities (NI)	181.3	188.0
Project financed bank facilities (RoI)	137.9	141.9
Contingent consideration	7.7	15.8
Lease liability	31.5	32.3
Total non-current financial liabilities	964.2	985.5
Total current and non-current financial liabilities	999.7	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.

At 30 September 2021, the Group had letters of credit issued out of the Senior revolving credit facility of €172.1m resulting in undrawn committed facilities of €89.7m (31 March 2021 - €109.2m). There were no cash drawings under the Senior revolving credit facility at 30 September 2021 (31 March 2021 - €nil). Interest is charged under the Senior revolving credit facility at floating interest rates based on Libor and Euribor.

14. FINANCIAL LIABILITIES (continued)

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 - 3.29%) on project financed bank facilities NI and 2.41% (2021 - 2.82%) on the project financed bank facilities Rol.

Contingent consideration

Contingent consideration of €16.8m (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 €9.1m expected to be paid in 2021/22 and the remaining €7.7m paid by 2024/25.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	30 September 2021 Unaudited €m	31 March 2021 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	4.4	7.8
Commodity swap contracts	671.8	58.9
Interest rate swap contracts	1.0	0.5
Total derivatives at fair value through other comprehensive income	677.2	67.2
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	0.2	0.5
Commodity swap contracts	116.1	4.0
Total derivatives at fair value through profit and loss	116.3	4.5
Total derivative financial assets	793.5	71.7
Total non-current	70.7	8.0
Total current	722.8	63.7

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Derivative financial liabilities

	30 September 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	(57.0)	(10.3)
Interest rate swap contracts	(15.4)	(19.6)
Total derivatives at fair value through other comprehensive income	(73.3)	(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	(38.7)	(1.4)
Total derivatives at fair value through profit and loss	(39.1)	(2.1)
Total derivative financial liability	(112.4)	(33.4)
Total non-current	(20.0)	(15.4)
Total current	(92.4)	(18.0)

Fair Values

As indicated in note 3(e) 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 September 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)	(605.8)	(616.6)	(607.5)	(622.7)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(181.3)	(181.3)	(188.0)	(188.0)
Project financed bank facilities (ROI)	(137.9)	(137.9)	(141.9)	(141.9)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(7.7)	(7.7)	(15.8)	(15.8)
Financial liabilities (lease liability)	(31.5)	(31.5)	(32.3)	(32.3)
Current liabilities				
Financial liabilities (contingent consideration)	(9.1)	(9.1)	(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 (NI), project financed bank facilities (ROI) and Senior revolving credit facility are determined by using discounted cash flows based on the Group's borrowing rate. The fair value of the Group's Senior secured notes are based on the quoted market price.

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

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

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair value of contingent consideration is considered to fall within the level 3 fair value hierarchy and is measured using the present value of the pay-out associated with earnouts set out in the relevant purchase agreement. The carrying value of €16.8m 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 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 €33.1m 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

	Second Quarter 2022 Unaudited €m	Second Quarter 2021 Unaudited €m	First Half 2022 Unaudited €m	First Half 2021 Unaudited €m
Operating activities				
Profit before tax from continuing operations	82.0	39.5	109.6	69.0
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation of property, plant and equipment	9.7	10.5	18.7	20.4
Amortisation of intangible assets	4.2	3.0	8.3	5.9
Amortisation of right-of-use assets	0.5	0.5	1.0	1.0
Derivatives at fair value through income statement	(66.4)	(5.3)	(74.2)	(5.1)
Net finance costs	11.4	11.9	22.2	18.3
Defined benefit less contributions paid	(0.8)	-	(0.8)	-
Release of contingent consideration	(0.5)	(0.3)	(0.5)	(0.9)
Cash generated from operations before working capital movements	40.1	59.8	84.3	108.6

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	60.5	-	-	-	60.5
Proceeds from issue of borrowings	-	-	-	(49.7)	(49.7)
Repayment of borrowings	-	-	15.1	-	15.1
Issue costs on new long-term loans	-	-	-	1.4	1.4
Decrease in interest accruals	-	-	0.6	-	0.6
Amortisation	-	-	(1.2)	(0.7)	(1.9)
Reclassifications	-	-	(17.6)	17.6	-
Translation difference	(3.2)	(0.1)	0.3	11.2	8.2
At 30 September 2020	278.1	1.3	(28.7)	(930.8)	(680.1)
At 1 April 2021	216.5	1.4	(25.3)	(937.4)	(744.8)
Net increase in cash and cash equivalents	26.4	-	-	-	26.4
Repayment of borrowings	-	-	10.6	-	10.6
Increase in interest accruals	-	-	(0.1)	-	(0.1)
Amortisation	-	-	(1.1)	(0.8)	(1.9)
Reclassifications	-	-	(8.9)	8.9	-
Translation difference	(1.0)	(0.1)	-	4.2	3.3
At 30 September 2021	241.9	1.3	(24.8)	(925.0)	(706.6)

18. LEASES

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

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

	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 April 2021	26.4	0.1	26.5
Amortisation	(1.0)	-	(1.0)
As at 30 September 2021	25.4	0.1	25.5

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	0.1
Accretion of lease liability	(0.7)
Payments	1.4
As at 30 September 2021	(33.1)
Current	1.6
Non-current	31.5

19. CAPITAL COMMITMENTS

At 30 September 2021 the Group had contracted future capital expenditure in respect of tangible fixed assets of €12.0m (31 March 2021 - €6.2m).

20. DISTRIBUTIONS MADE AND PROPOSED

No dividends were paid in the First Half 2022 (2021- €nil). On 2 November 2021 the Board approved the payment of a €40.0m dividend to the parent undertaking which was subsequently paid on 5 November 2021.

21. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the Second Quarter 2022 and First Half 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 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:

	Second Quarter 2022 €m	Second Quarter 2021 €m	First Half 2022 €m	First Half 2021 €m
Group pro-forma EBITDA	33.9	47.7	61.4	85.6
Less EBITDA from project financed renewable assets	(6.6)	(7.1)	(15.9)	(13.1)
Pro-forma EBITDA for the Senior secured notes Restricted Group	27.3	40.6	45.5	72.5

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

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) for Second Quarter 2022 decreased to €27.3m (2021 - €40.6m) primarily reflecting a decrease in Customer Solutions business, partly offset by an increase in EBITDA from the Renewable PPA contracts and Flexible Generation businesses.

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) for First Half 2022 decreased to €45.5m (2021 - €72.5m) primarily reflecting a decrease in 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 September 2021 €m	31 March 2021 €m
Investments	1.3	1.4
Cash and cash equivalents	210.7	178.6
Senior secured notes €350m (2025)	(346.4)	(346.0)
Senior secured notes £225m (2024)	(259.4)	(261.5)
Interest accruals - Senior secured notes	(0.8)	(1.2)
Other interest accruals	(1.2)	(0.6)
Pro-forma Net Debt for the Senior secured notes Restricted Group	(395.8)	(429.3)

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