

ENERGIA GROUP LIMITED
www.energiagroup.com

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Q2 2021

QUARTERLY REPORT

Financial Year 2021

energia group



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KEY FACTS & FIGURES

Underlying Business Results¹

€m
47.7

Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	12.8	14.4	19.9	27.1
Flexible Generation	16.5	7.7	29.9	16.9
Customer Solutions	18.4	14.7	35.8	29.4
	47.7	36.8	85.6	73.4

Capital expenditure

Second Quarter 2020 - €12.5m (2020 - €17.4m)

First Half 2021 - €17.1m (2020 - €29.0m)



€m
12.5

IFRS Results²

Revenue

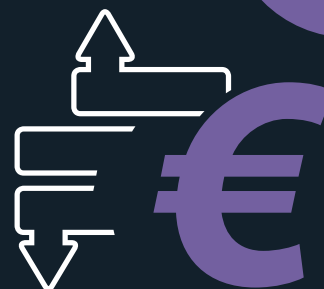
Second Quarter 2020 - €408.4m (2020 - €419.9m)

First Half 2021 - €760.9m (2020 - €861.8m)



€m
408.4

€m
45.8



Operating profit

Second Quarter 2020 - €45.8m (2020 - €27.3m)

First Half 2021 - €81.3m (2020 - €60.5m)

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

² Before exceptional items and certain remeasurements.

Operational Facts

878



**Employee numbers
at 30 September 2020**
(31 March 2020 - 848)

**Wind generation assets
in operation at 30 September 2020**



(31 March 2020 - 277MW)

MW
309

**94.9%
100.0%**



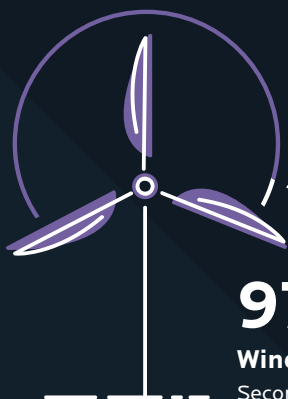
Huntstown CCGT 1 & 2 asset availability

Huntstown 1 - Second Quarter 2021 - 94.9% (2020 - 55.2%)

First Half 2021 - 97.5% (2020 - 77.3%)

Huntstown 2 - Second Quarter 2021 - 100.0% (2020 - 100.0%)

First Half 2021 - 99.8% (2020 - 84.4%)



97.0%

Wind asset availability

Second Quarter 2021 - 97.0% (2020 - 98.2%)

First Half 2021 - 97.1% (2020 - 97.4%)

NI electricity sales volume

Second Quarter 2021 - 0.7TWh (2020 - 0.7TWh)

First Half 2021 - 1.3TWh (2020 - 1.5TWh)

687,000

Residential customer sites supplied

(31 March 2020 - 669,000)



TWh
0.7

TWh
1.0



RoI electricity sales volume

Second Quarter 2021 - 1.0TWh (2020 - 1.0TWh)

First Half 2021 - 1.9TWh (2020 - 2.1TWh)

MANAGEMENT REPORT

MANAGEMENT REPORT

The Director of Energia Group Limited (EGL) presents the condensed interim consolidated financial statements for EGL for the 3 months ended 30 September 2020 (Second Quarter 2021) and the 6 months ended 30 September 2020 (First Half 2021) including comparatives for the three months ended 30 September 2019 (Second Quarter 2020) and the 6 months ended 30 September 2019 (First Half 2020). All references in this document to 'Group' denote Energia Group Limited and its subsidiary undertakings and to 'Company' denote Energia Group Limited, the parent company. The principal activity of the Company is that of a holding company.

Business Model and Principal Activities

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

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,285MW of renewable generation capacity throughout Ireland. In addition, the Renewables business is currently constructing a 4MW bioenergy anaerobic digestion facility in Dublin.

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

The Customer Solutions business supplies electricity and gas to 282,900 customer sites in the RoI and 494,100 customer sites in Northern Ireland through its two retail brands, Energia and Power NI respectively.

COVID-19

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

The Group's operations have continued throughout the periods of restrictions in Ireland and Northern Ireland and have proved to be resilient while meeting the challenges faced to date and no employees have been furloughed or made redundant. The Group has continued to support the communities in which it operates and which have been impacted by COVID-19.

In the initial period of the national lockdowns in Ireland and Northern Ireland, and through the First Quarter 2021, the Group experienced a reduction in demand for electricity in the I-SEM market (average 7.5% reduction in market demand). During the Second Quarter 2021, the demand for electricity had recovered to levels slightly above the same period last year. With further tightening of restrictions in both Ireland and Northern Ireland from October 2020, demand for electricity is expected to reduce albeit not to levels experienced in the initial lockdown. For

October 2020 market demand was on average 1% above last year, with November 2020 reducing to 2.6% below last year.

With the continuation of Irish and UK government financial support for homes and businesses, management remains of the view that it is still too early to predict the full potential financial impact from COVID-19 on the Group. The Group has strong liquidity at 30 September 2020 with €199.4m¹ of cash and cash equivalents excluding project finance cash (31 March 2020 - €190.8m) and has

undrawn committed revolving credit facilities of €107.2m (31 March 2020 - €91.0m) and is therefore well positioned to manage the potential impact of COVID-19.

Management remains vigilant and will continue to take appropriate steps to protect staff, customers and the Group's businesses.

¹ €239.4m of cash and cash equivalents at 30 September 2020 less payment of the dividend deferred from 31 March 2020 of €40.0m which was paid to the parent undertaking on 1 October 2020



Power NI Community Response Fund supporting local initiatives in response to the COVID-19 pandemic

BUSINESS REVIEWS

Renewables

Overview

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

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

Financial performance

The Renewables financial KPIs are shown below:

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
EBITDA	12.8	14.4	19.9	27.1
Capital expenditure	7.2	4.4	8.1	10.7

EBITDA (pre-exceptional items and certain remeasurements) for Second Quarter 2021 decreased to €12.8m (2020 – €14.4m) primarily reflecting lower contributions from renewable PPAs (due to lower market prices including lower Renewable Obligation Certificate (ROC) prices and lower wind volumes) and increased costs of development projects with wind generation assets EBITDA in line with prior year (reflecting the commissioning of the Derrysallagh wind farm (July 2020) offset by lower wind factors and lower market prices).

EBITDA (pre-exceptional items and certain remeasurements) for First Half 2021 decreased to €19.9m (2020 – €27.1m) primarily reflecting lower contributions from renewable PPAs (due to lower market prices, lower ROC sales and lower wind

volumes), increased costs of development projects and lower wind generation assets EBITDA (reflecting lower output and lower market prices partly offset by the additional capacity from the commissioning of Derrysallagh).

Capital expenditure for Second Quarter 2021 increased to €7.2m (2020 – €4.4m) primarily reflecting higher capital expenditure in relation to the recently commissioned Derrysallagh wind farm, partly offset by lower capital expenditure in respect of the bioenergy assets.

Capital expenditure for First Half 2021 decreased to €8.1m (2020 – €10.7m) primarily due to lower capital expenditure in respect of the bioenergy assets, partly offset by higher capital expenditure in relation to the recently commissioned Derrysallagh wind farm.

Operational performance

KPIs	Second Quarter 2021	Second Quarter 2020	First Half 2021	First Half 2020
Onshore wind generation assets				
Wind generation capacity in operation in the RoI and Northern Ireland				
- average during the period (MW)	307	277	292	277
- at end of period (MW)	309	277	309	277
Availability (%)	97.0	98.2	97.1	97.4
Wind factor (%)	20.2	20.8	19.5	21.2
Renewable PPA portfolio				
Contracted renewable generation capacity in operation in the RoI and Northern Ireland				
- average during the period (MW)	1,285	1,275	1,288	1,275
- at end of period (MW)	1,285	1,274	1,285	1,274

Onshore wind generation assets

The Group owns onshore wind farm assets across the RoI and Northern Ireland. The average onshore wind generation capacity in operation during the Second Quarter 2021 was 307MW (2020 - 277MW) and during First Half 2021 was 292MW (2020 - 277MW) with 30 September 2020 operating capacity of 309MW (31 March 2020 - 277MW). This comprised 136MW (31 March 2020 - 104MW) of operating wind generation capacity in the RoI and 173MW (31 March 2020 - 173MW) of operating wind generation capacity in Northern Ireland.

Renewable assets availability for Second Quarter 2021 was 97.0% (2020 - 98.2%) with a wind factor of 20.2% (2020 - 20.8%). Availability for First Half 2021 was 97.1% (2020 - 97.4%) with a wind factor of 19.5% (2020 - 21.2%).

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 2021 was 1,285MW (2020 - 1,275MW) and during First Half 2021 was 1,288MW (2020 - 1,275MW) with 30 September 2020 operating capacity of 1,285MW (31 March 2020 - 1,268MW) of which the Northern Ireland operating capacity was 686MW (31 March 2020 - 682MW) and the RoI operating capacity was 599MW (31 March 2020 - 586MW).

Bioenergy assets

The Group continues to develop its bioenergy assets.

The bioenergy plant at Huntstown in Dublin is a state of the art 4.0MW anaerobic digestion facility which will process up to 100,000 tonnes of organic municipal waste from the Dublin region and is expected to produce up to c.32GWh of green renewable electricity on an annual basis. Huntstown Bioenergy Limited has entered into a long-term fuel supply agreement to supply the majority of the organic waste required for the plant over 10 years at fixed prices. Construction of the plant is substantially complete and the commissioning phase is continuing. Commercial operation is targeted by the end of Financial Year 2021, subject to commissioning delays including those due to COVID-19.

Solar

The Group has continued to progress the development of its solar projects. The Group has two consented solar projects, Glenamoy and Darthogue, in the RoI and during the period, planning applications to increase the scale of these projects were submitted. The Group is also exploring a number of further greenfield solar development opportunities.

Hydrogen

The Group has secured Interreg and Office for Low Emission Vehicles (OLEV) grant funding for an electrolyser, to produce hydrogen from renewable electricity at the Long Mountain wind farm, and a fuelling station to be located in Belfast. The OLEV funding will also support Translink (Northern Ireland's public transport provider) with the purchase of a number of double deck hydrogen buses.

The fuelling station and the electrolyser have been delayed due to the COVID-19 pandemic however commissioning is targeted to commence by the end of Financial Year 2021.

RoI Renewable Electricity Support Scheme (RESS)

The first competitive auction under the RoI RESS scheme was run during July 2020. The final auction results published on 10 September 2020 confirmed the provisional results that two of the Group's proposed onshore wind farm development projects (Coolberrin 21MW and Crossmore 15MW) had been successful in securing support under the RESS scheme.

Subsequent to the RESS auction, planning approval for the overhead line connection to the Coolberrin wind farm was over-ruled by An Bord Pleanála (the independent body that decides on appeals on planning decisions in the RoI). The Group has made an application to judicially review this decision.

Outlook

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

The table below summarises the portfolio of renewable projects excluding offshore wind and hydrogen production at 30 September 2020:

MW	Operating	Under Construction	In Development	Total
Onshore wind generation assets				
- NI	173	-	52	225
- Rol	136	-	131	267
	309	-	183	492
Bioenergy Assets				
- NI	-	-	4	4
- Rol	-	4	-	4
	-	4	4	8
Solar				
- Rol	-	-	32	32
	309	4	219	532

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

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Energy Partner**

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VIRTUAL *Homeshow*



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 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
EBITDA	16.5	7.7	29.9	16.9
Capital expenditure	1.5	8.9	2.6	9.0

EBITDA for Second Quarter 2021 increased to €16.5m (2020 – €7.7m) primarily reflecting higher availability of Huntstown 1 (due to the outage in the prior year), higher combined unconstrained utilisation of the Huntstown plants and lower maintenance costs (due to the outage in the prior year for Huntstown 1) partly offset by adverse distillate revaluation (reflecting a decrease in oil prices in the Second Quarter 2021).

Capital expenditure for Second Quarter 2021 decreased to €1.5m (2020 - €8.9m) and for First Half 2021 decreased to €2.6m (2020 - €9.0m) primarily due to lower capital expenditure in respect of Huntstown 1 due to the outage in the prior year.

EBITDA for First Half 2021 increased to €29.9m (2020 – €16.9m) primarily reflecting higher combined availability and unconstrained utilisation of the Huntstown plants (due to the outages in the prior year), lower maintenance costs (associated with the outages in the prior year) and favourable distillate revaluation (reflecting an increase in oil prices in the First Half 2021).

Operational performance

KPIs	Second Quarter 2021	Second Quarter 2020	First Half 2021	First Half 2020
Huntstown CCGTs				
Availability (%)				
- Huntstown 1	94.9	55.2	97.5	77.3
- Huntstown 2	100.0	100.0	99.8	84.4
Unconstrained utilisation (%)				
- Huntstown 1	90.6	82.9	88.8	90.7
- Huntstown 2	84.6	-	56.2	-
Incremental impact of constrained utilisation (%)				
- Huntstown 1	(15.0)	(28.9)	(12.2)	(27.7)
- Huntstown 2	(32.3)	59.5	(12.1)	61.1

Huntstown 1 availability for Second Quarter 2021 was 94.9% (2020 - 55.2%) and for First Half 2021 was 97.5% (2020 - 77.3%). The prior year lower availability reflects a 43 day planned outage which commenced in August 2019 and was successfully completed in September 2019.

Huntstown 2 availability for Second Quarter 2021 was 100.0% (2020 - 100.0%) and for First Half 2020 was 99.8% (2020 - 84.4%). The prior year lower availability reflects 28 days of a total 42 day planned outage which commenced in March 2019 and was successfully completed in April 2019.

Huntstown 1 unconstrained utilisation for Second Quarter 2021 was 90.6% (2020 - 82.9%) and for First Half 2021 was 88.8% (2020 - 90.7%). The incremental impact of constrained utilisation for Huntstown 1 in Second Quarter 2021 was 15.0% constrained off (2020 - 28.9%) and for First Half 2021 was 12.2% constrained off (2020 - 27.7%).

Huntstown 2 unconstrained utilisation for Second Quarter 2021 was 84.6% (2020 - nil) and for First Half 2021 was 56.2% (2020 - nil). The incremental impact of constrained utilisation for Huntstown 2

in Second Quarter 2021 was 32.3% constrained off (2020 - 59.5% constrained on) and for First Half 2021 was 12.1% constrained off (2020 - 61.1% constrained on).

Planned outage work at Huntstown 1 in the period included the successful completion of a five day minor outage on 25 July 2020 and the commencement of a 63 day major outage on 2 October 2020. The major outage is progressing in line with plan and is nearing completion. Planning has also continued for the 45 day major scheduled outage at Huntstown 2 which is expected to commence in Q4 2021.

Storage

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

Outlook

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

Customer Solutions

Overview

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



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



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

Financial performance

KPIs	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
EBITDA	18.4	14.7	35.8	29.4
Capital expenditure	3.8	4.1	6.4	9.3

EBITDA for Second Quarter 2021 increased to €18.4m (2020 – €14.7m) primarily reflecting higher Energia residential and non-residential margins (including higher Energia residential customer numbers and volumes (electricity and gas)) and lower Customer Solutions operating costs, partly offset by lower Energia non-residential electricity volumes and lower Power NI non-residential margins (due to lower volumes).

EBITDA for First Half 2021 increased to €35.8m (2020 - €29.4m) primarily reflecting higher Energia residential and non-residential electricity margins (including higher residential customer numbers) and lower operating costs partly offset by lower Power NI non-residential margins (due to lower volumes).

Capital expenditure for Second Quarter 2021 decreased to €3.8m (2020 - €4.1m) and for First Half 2021 decreased to €6.4m (2020 - €9.3m) primarily reflecting lower expenditure in respect of IT projects.

Operational performance

KPIs	At 30 September 2020	At 31 March 2020
Customer sites (number)		
RoI		
- Residential electricity	169,300	155,700
- Residential gas	65,100	59,800
	234,400	215,500
- Non-residential electricity	44,500	45,300
- Non-residential gas	4,000	4,100
	48,500	49,400
Total ROI	282,900	264,900
Northern Ireland		
- Residential electricity	452,600	453,500
- Non-residential electricity	41,500	44,400
Total Northern Ireland	494,100	497,900

Energy sales RoI	Second Quarter 2021	Second Quarter 2020	First Half 2021	First Half 2020
- Electricity sales (TWh)	1.0	1.0	1.9	2.1
- Gas sales (million therms)	15.5	14.6	33.0	34.7
Northern Ireland				
- Electricity sales (TWh)	0.7	0.7	1.3	1.5
Complaints (number)				
Complaints to the CRU in the RoI	2	4	3	9
Complaints to the CCNI in Northern Ireland	-	-	1	-

Residential electricity and gas customer sites in the RoI increased to 234,400 at 30 September 2020 (31 March 2020 - 215,500) reflecting the continued growth in these markets.

Non-residential electricity customer sites in the RoI were 44,500 at 30 September 2020 (31 March 2020 - 45,300). Non-residential gas customer sites in the RoI were 4,000 at 30 September 2020 (31 March 2020 - 4,100).

Residential customer numbers in Northern Ireland were 452,600 at 30 September 2020 (31 March 2020 - 453,500). Non-residential customer numbers in Northern Ireland were 41,500 at 30 September 2020 (31 March 2020 - 44,400).

Total electricity sales volumes in the RoI for Second Quarter 2021 were 1.0TWh (2020 - 1.0TWh) and during First Half 2021 were 1.9TWh (2020 - 2.1TWh). Total electricity sales in Northern Ireland for Second Quarter 2021 were 0.7TWh (2020 - 0.7TWh) and for First Half 2021 were 1.3TWh (2020 - 1.5TWh).

RoI gas sales volumes in Second Quarter 2021 were 15.5m therms (2020 - 14.6m therms) and for First Half 2021 were 33.0m therms (2020 - 34.7m therms).

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

During the Second Quarter 2021, the Group received two complaints (2020 - four) and three complaints for First Half 2021 (2020 - nine) which were referred to the CRU. During the Second Quarter 2021, the Group received no complaints (2020 - nil) and one complaint for the First Half 2021 (2020 - nil) which were referred to the Consumer Council in Northern Ireland (CCNI).

RoI Smart Metering

The Commission for Regulation of Utilities ("CRU") is co-ordinating the National Smart Metering Programme in the ROI which will see traditional analogue meters in customer premises being replaced with modern smart meters. ESB Networks commenced the replacement of meters in Autumn 2019 and will continue to replace 500,000 meters per annum until 2024. Energia, as a supplier of electricity in the ROI, has continued to work on its systems in order to ensure readiness for go-live.

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.



Data received
Today, 07:15



All figures are illustrative and based on a standard tariff rate.

Last Weeks Summary

Lowest Usage

Monday
£0.93

Highest Usage

Sunday
£1.48

Week Day

£1.21

↑ £0.19

on the previous week

VS

Weekend

£1.41

↑ £0.26

on the previous weekend

Night-time Usage

Last week

£1.91

Previous week

£2.07

SUMMARY OF FINANCIAL PERFORMANCE

A woman in a light-colored top is standing and presenting in a meeting room. She is holding a laptop and pointing towards a whiteboard. The wall behind her is covered with many sticky notes. In the foreground, the back of a person's head and shoulders are visible, looking towards the presenter.

SUMMARY OF FINANCIAL PERFORMANCE

Revenue

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	66.2	64.8	102.4	114.0
Flexible Generation (based on regulated entitlement)	87.3	72.3	158.6	168.6
Customer Solutions (based on regulated entitlement)	245.8	278.9	484.6	565.3
Adjustment for over-recovery	12.1	4.0	23.0	14.1
Inter-business elimination	(3.0)	(0.1)	(7.7)	(0.2)
Total revenue from continuing operations	408.4	419.9	760.9	861.8

Second Quarter 2021

Total revenue from continuing operations decreased to €408.4m (2020 - €419.9m).

Revenue from the Renewables business increased to €66.2m (2020 - €64.8m) primarily reflecting the commissioning of the Derrysallagh wind farm (July 2020), partly offset by lower market prices including lower ROC prices and lower volumes.

Flexible Generation revenue increased to €87.3m (2020 - €72.3m) primarily reflecting higher availability and utilisation of the Huntstown plants (due to the planned outage of Huntstown 1 in the prior year) and higher utilisation of the Ballylumford plant partly offset by lower prices.

Customer Solutions revenue decreased to €245.8m (2020 - €278.9m) primarily due to lower non-residential revenue (reflecting lower electricity sales volumes, lower energy prices and lower gas prices), partly offset by higher residential revenue (reflecting higher customer numbers and volumes, partly offset by lower prices).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €12.1m (2020 - €4.0m) and at 30 September 2020 the combined cumulative over-recovery against regulated entitlement was €17.9m. The over-recovery of regulated entitlement reflects the phasing of tariffs.



First Half 2021

Total revenue from continuing operations decreased to €760.9m (2020 - €861.8m).

Revenue from the Renewables business decreased to €102.4m (2020 - €114.0m) primarily reflecting lower ROC sales, lower prices and lower volumes, partly offset by higher revenue from the commissioning of the Derrysallagh wind farm (July 2020).

Flexible Generation revenue decreased to €158.6m (2020 - €168.6m) primarily reflecting lower prices, partly offset by higher availability and utilisations of the Huntstown plants.

Customer Solutions revenue decreased to €484.6m (2020 - €565.3m) primarily due to lower non-residential revenue (reflecting lower electricity sales volumes and lower energy prices), partly offset by higher residential revenue (reflecting higher customer numbers and volumes, partly offset by lower energy prices).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €23.0m (2020 - €14.1m) and at 30 September 2020 the combined cumulative over-recovery against regulated entitlement was €17.9m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Energy costs	319.4	345.9	592.4	710.5
Employee costs	10.9	10.6	22.0	21.0
Other operating charges	18.3	22.6	37.9	42.8
Total pre-exceptional items and certain remeasurements	348.6	379.1	652.3	774.3

Second Quarter 2021

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €348.6m (2020 - €379.1m). The breakdown is as follows:

Energy costs decreased to €319.4m (2020 - €345.9m) primarily reflecting lower non-residential sales volumes and lower energy prices, partly offset by higher utilisation of the Huntstown plants, higher utilisation of the Ballylumford plant and adverse distillate revaluation for the Huntstown plants.

Employee costs increased to €10.9m (2020 - €10.6m) 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 decreased to €18.3m (2020 - €22.6m) primarily reflecting lower maintenance costs for the Huntstown plant (primarily due to the prior year outage for Huntstown 1) and lower Customer Solutions operating costs partly offset by higher operating costs for the Renewables businesses with increased costs of development projects.

First Half 2021

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €652.3m (2020 - €774.3m). The breakdown is as follows:

Energy costs decreased to €592.4m (2020 - €710.5m) primarily reflecting lower non-residential sales volumes, lower energy prices and favourable distillate revaluation for the Huntstown plants, partly offset by higher utilisation of the Huntstown plants.

Employee costs increased to €22.0m (2020 - €21.0m) primarily due to the same reasons as described above for Second Quarter 2021.

Other operating charges decreased to €37.9m (2020 - €42.8m) primarily reflecting lower maintenance costs for the Huntstown plants (associated with the prior year outages) and lower Customer Solutions operating costs partly offset by higher operating costs for the Renewables businesses with increased costs of development projects.

Group EBITDA

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

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	12.8	14.4	19.9	27.1
Flexible Generation	16.5	7.7	29.9	16.9
Customer Solutions	18.4	14.7	35.8	29.4
Group pro-forma EBITDA	47.7	36.8	85.6	73.4
Over-recovery of regulated entitlement	12.1	4.0	23.0	14.1
EBITDA	59.8	40.8	108.6	87.5

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

Second Quarter 2021

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €47.7m (2020 – €36.8m) primarily reflecting an increase in EBITDA in the Flexible Generation and Customer Solutions businesses, partly offset by a reduction in the Renewables business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) decreased to €12.8m (2020 – €14.4m) primarily reflecting lower contributions from renewable PPAs (due to lower energy market prices including lower ROC prices and lower wind volumes) and increased costs of development projects with wind generation assets EBITDA in line with prior year (reflecting the commissioning of the Derrysallagh wind farm (July 2020) offset by lower wind factors and lower market prices).

Flexible Generation EBITDA increased to €16.5m (2020 – €7.7m) primarily reflecting higher availability of Huntstown 1 (due to the outage in the prior year), higher combined unconstrained utilisation of the Huntstown plants and lower maintenance costs (due to the outage in the prior year for Huntstown 1) partly offset by adverse distillate revaluation (reflecting a decrease in oil prices in the Second Quarter 2021).

Customer Solutions EBITDA increased to €18.4m (2020 – €14.7m) primarily reflecting higher Energia residential and non-residential margins (including higher Energia residential customer numbers and volumes (electricity and gas)) and lower Customer Solutions operating costs, partly offset by lower Energia non-residential electricity volumes and lower Power NI non-residential margins (due to lower volumes).

First Half 2021

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €85.6m (2020 – €73.4m) primarily reflecting an increase in EBITDA in the Flexible Generation and Customer Solutions businesses, partly offset by a reduction in the Renewables business.

Renewables EBITDA (pre-exceptional items and certain remeasurements) decreased to €19.9m (2020 – €27.1m) primarily reflecting lower contributions from renewable PPAs (due to lower market prices, lower ROC sales and lower wind volumes), increased costs of development projects and lower wind generation assets EBITDA (reflecting lower output and lower market prices partly offset by the additional capacity from the commissioning of Derrysallagh).

Flexible Generation EBITDA increased to €29.9m (2020 – €16.9m) primarily reflecting higher combined availability and unconstrained utilisation of the Huntstown plants (due to the outages in the prior year), lower maintenance costs (associated with the outages in the prior year) and favourable distillate revaluation (reflecting an increase in oil prices in the First Half 2021).

Customer Solutions EBITDA increased to €35.8m (2020 – €29.4m) primarily reflecting higher Energia residential and non-residential electricity margins (including higher residential customer numbers) and lower operating costs partly offset by lower Power NI non-residential margins (due to lower volumes).



Depreciation

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

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	7.3	6.2	13.7	12.5
Flexible Generation	3.8	4.2	7.6	8.5
Customer Solutions	2.9	3.1	6.0	6.0
Total Depreciation	14.0	13.5	27.3	27.0

Depreciation and amortisation for Second Quarter 2021 was €14.0m (2020 - €13.5m) and for First Half 2021 was €27.3m (2020 - €27.0m).

Group operating profit

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

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	5.5	8.2	6.2	14.6
Flexible Generation	12.7	3.5	22.3	8.4
Customer Solutions	15.5	11.6	29.8	23.4
Total Operating Profit	33.7	23.3	58.3	46.4

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) for Second Quarter 2021 increased to €33.7m (2020 - €23.3m) and for First Half 2021 increased to €58.3m (2020 - €46.4m) primarily

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

Exceptional items and certain remeasurements

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	0.1	(0.2)	0.4	(0.6)
Customer Solutions	5.5	1.5	5.6	(0.6)
Total Exceptional Items and Certain Remeasurements	5.6	1.3	6.0	(1.2)

Second Quarter 2021

Exceptional items and certain remeasurements were a €5.6m credit (2020 - €1.3m credit). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.1m credit (2020 - €0.2m cost) reflecting a fair value adjustment to contingent consideration of €0.3m (2020 - nil), partly offset by certain remeasurements relating to the recognition of fair value of derivatives of €0.2m (2020 - nil). The prior year cost of €0.2m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €5.5m credit (2020 - €1.5m credit) reflecting certain remeasurements relating to the recognition of fair value of derivatives.

First Half 2021

Exceptional items and certain remeasurements were a €6.0m credit (2020 - €1.2m cost). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.4m credit (2020 - €0.6m cost) reflecting a fair value adjustment to contingent consideration of €0.9m (2020 - nil), partly offset by certain remeasurements relating to the recognition of fair value of derivatives of €0.5m (2020 - nil). The prior year cost of €0.6m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €5.6m credit (2020 - €0.6m cost) primarily reflecting certain remeasurements relating to the recognition of fair value of derivatives.

Further information is outlined in note 5 to the accounts.

Net finance costs

Net finance costs (pre-exceptional items and certain remeasurements) for Second Quarter 2021 decreased from €12.6m to €11.9m primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year.

Net finance costs (pre-exceptional items and certain remeasurements) for First Half 2021 increased from €16.4m to €18.3m primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year and higher amortisation of financing charges.

Tax charge

The total tax charge (pre-exceptional items and certain remeasurements) for Second Quarter 2021 was €4.9m (2020 - €1.7m) and for First Half 2021 was €8.4m (2020 - €4.7m). A detailed analysis of the tax charge is outlined in note 7 to the accounts.

Cash flow before acquisitions, disposals, interest and tax

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

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Group pro-forma EBITDA¹	47.7	36.8	85.6	73.4
Defined benefit pension charge less contributions paid	-	(0.8)	-	(0.7)
Net movement in security deposits	(3.7)	(2.2)	(4.2)	(1.1)
Changes in working capital ²	(3.4)	(2.1)	(40.2)	(0.3)
Over-recovery of regulated entitlement	12.1	4.0	23.0	14.1
Exceptional items	-	(0.2)	-	(0.6)
Foreign exchange translation	(0.4)	(0.3)	3.2	3.1
Share-based payment	-	0.1	-	0.1
Cash flow from operating activities	52.3	35.3	67.4	88.0
Net capital expenditure ³	(12.5)	(17.4)	(171)	(29.0)
Cash flow before acquisitions, disposals, interest and tax	39.8	17.9	50.3	59.0

¹ Includes EBITDA of project financed renewable assets for Second Quarter 2021 of €71m (2020 - €77m); First Half €131m (2020 - €15.5m)

² Includes changes in working capital of project financed renewable assets for Second Quarter 2021 of €3.2m increase (2020 - €3.8m); First Half 2021 €2.5m increase (2020 - €2.1m decrease) and net proceeds from the sale and purchases of other intangibles of €26.7m for Second Quarter 2021 (2020 - €20.5m); First Half 2021 €5.9m (2020 - €18.9m)

³ Includes capital expenditure on project financed renewable assets for Second Quarter 2021 of €7.2m (2020 - €4.4m); First Half 2021 €8.1m (2020 - €10.7m) and intangible asset (software and customer acquisition costs) expenditure for Second Quarter 2021 of €3.6m (2020 - €3.5m); First Half 2021 €6.3m (2020 - €7.4m)

Group cash flow from operating activities for Second Quarter 2021 increased to €52.3m (2020 - €35.3m) primarily reflecting an increase in EBITDA from €36.8m to €47.7m and a higher over-recovery of regulated entitlement of €12.1m (2020 - €4.0m), partly offset by a higher increase in security deposits of €3.7m (2020 - €2.2m).

Group cash flow from operating activities for First Half 2021 decreased to €67.4m (2020 - €88.0m) primarily reflecting a higher increase in working capital of €40.2m (2020 - €0.3m) and a higher increase in security deposits of €4.2m (2020 - €1.1m) partly offset by an increase in EBITDA from €73.4m to €85.6m and a higher over-recovery of regulated entitlement of €23.0m (2020 - €14.1m).

Net movement in security deposits

The net movement in security deposits for Second Quarter 2021 was a €3.7m increase (2020 - €2.2m) and for First Half 2021 was an increase of €4.2m (2020 - €1.1m). As at 30 September 2020 there were €15.3m (30 June 2020 - €11.6m) of security deposits in place.

Changes in working capital

Working capital for Second Quarter 2021 increased by €3.4m (2020 - €2.1m) primarily due to a decrease in ROC liabilities (reflecting the settlement of the annual ROC obligation), a decrease in trade payables and accruals primarily reflecting lower sales volumes (including the estimated impact of COVID-19), an increase in the Renewable Energy Feed-In Tariff (REFIT) debtor for renewable PPAs and an increase in ROC debtors, largely offset by a decrease in ROC assets and a decrease in trade and other receivables (primarily reflecting a decrease in sales volumes (including the estimated impact of COVID-19) and prices).

Working capital for First Half 2021 increased by €40.2m (2020 - €0.3m) primarily due to a decrease in trade payables and accruals (primarily reflecting the seasonal decrease in sales volumes (including the estimated impact of COVID-19) and prices, a reduction in the Public Service Obligation (PSO) creditor in PPB and settlement timing differences), a decrease in ROC liabilities (reflecting the settlement of the annual ROC obligation) and an increase in the REFIT debtor for renewable PPAs, largely offset by a decrease in trade and other receivables (primarily reflecting the seasonal decrease in sales volumes (including the estimated impact of COVID-19) and prices) and an increase in emissions liability.

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 2021 by €12.1m (2020 - €4.0m) and in First Half 2021 by €23.0m (2020 - €14.1m) and at 30 September 2020 the combined cumulative over-recovery against regulated entitlement was €17.9m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Capital expenditure

	Second Quarter 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Renewables	7.2	4.4	8.1	10.7
Flexible Generation	1.5	8.9	2.6	9.0
Customer Solutions	3.8	4.1	6.4	9.3
Total Capital Expenditure	12.5	17.4	17.1	29.0

Net capital expenditure in respect of tangible fixed assets and intangible software assets for Second Quarter 2021 decreased to €12.5m (2020 - €17.4m) and for First Half 2021 decreased to €17.1m (2020 - €29.0m).

Renewables capital expenditure for Second Quarter 2021 increased to €7.2m (2020 - €4.4m) primarily reflecting higher capital expenditure in relation to the recently commissioned Derrysallagh wind farm, partly offset by lower capital expenditure in respect of the bioenergy assets.

Renewables capital expenditure for First Half 2021 decreased to €8.1m (2020 - €10.7m) primarily due to lower capital expenditure in respect of the bioenergy assets, partly offset by higher capital expenditure in relation to the recently commissioned Derrysallagh wind farm.

Flexible Generation capital expenditure for Second Quarter 2021 decreased to €1.5m (2020 - €8.9m) and for First Half 2021 decreased to €2.6m (2020 - €9.0m) primarily due to lower capital expenditure in respect of Huntstown 1 due to the outage in the prior year.

Customer Solutions capital expenditure for Second Quarter 2021 decreased to €3.8m (2020 - €4.1m) and for First Half 2021 decreased to €6.4m (2020 - €9.3m) 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 2021 increased to €20.5m (2020 - €19.7m) and for First Half 2021 increased to €21.8m (2020 - €21.0m).

Dividends

No dividends were paid in the First Half 2021 (2020 - €nil). The dividend deferred from 31 March 2020 of €40.0m was paid to the parent undertaking on 1 October 2020.

Acquisition of subsidiary undertakings

Acquisition of subsidiary undertakings of €0.1m (2020 - €50.4m) reflects the acquisition of Crossmore as discussed further in note 10.

Net debt

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

	30 September 2020 €m	31 March 2020 €m
Investments	1.3	1.4
Cash and cash equivalents	278.1	220.8
Senior secured notes	(590.8)	(596.3)
Project finance facilities	(367.1)	(338.0)
Interest accruals	(1.6)	(2.2)
Total net debt	(680.1)	(714.3)

The Group's net debt decreased by €34.2m from €714.3m at 31 March 2020 to €680.1m at 30 September 2020 primarily reflecting higher cash and cash equivalents, partly offset by higher project finance facilities. Net debt at 30 September 2020 includes project finance net debt of €328.5m (31 March 2020 - €308.2m). Excluding project financed net debt, net debt was €351.6m (31 March 2020 - €406.1m).

Treasury

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

At 30 September 2020, the Group had letters of credit issued out of the Senior revolving credit facility of €140.6m resulting in undrawn committed facilities of €107.2m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 30 September 2020 (31 March 2020 - €nil).

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

At 30 September 2020, there was €38.7m (31 March 2020 - €30.0m) of restricted cash in the project financed wind farms which is subject to bi-annual distribution debt service requirements.

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

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under International Accounting Standard (IAS) 19 was €nil at 30 September 2020 (31 March 2020 - €nil).

Outlook and financial impact of COVID-19

As noted earlier and in the annual report and consolidated financial statements for the year ended 31 March 2020, it is still too early to predict the full potential financial impact of COVID-19 on the performance of the Group. With the continuation of Irish and UK government financial support for homes and businesses, it remains unclear how customer behaviour may change, what the potential longer-term impact on the economy might be and what impact COVID-19 related delays may have on the delivery of the Group's development projects. The Group has strong liquidity at 30 September 2020 with €199.4m¹ of cash and cash equivalents excluding project finance cash (31 March 2020 - €190.8m) and has undrawn committed revolving credit facilities of €107.2m (31 March 2020 - €91.0m) and is therefore well positioned to manage the potential impact of COVID-19.

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

¹ €239.4m of cash and cash equivalents at 30 September 2020 less payment of the dividend deferred from 31 March 2020 of €40.0m which was paid to the parent undertaking on 1 October 2020

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the three month period ended 30 September 2020

		Results before exceptional items and certain remeasure- ments Second Quarter 2021 Unaudited €m	Exceptional items and certain remeasure- ments (note 5) Second Quarter 2021 Unaudited €m	Total Second Quarter 2021 Unaudited €m	Results before exceptional items and certain remeasure- ments Second Quarter 2020 Unaudited €m	Exceptional items and certain remeasure- ments (note 5) Second Quarter 2020 Unaudited €m	Total Second Quarter 2020 Unaudited €m
Continuing operations	Notes						
Revenue	2	408.4	-	408.4	419.9	-	419.9
Operating (costs) / income	4	(362.6)	5.6	(357.0)	(392.6)	1.3	(391.3)
Operating profit	2	45.8	5.6	51.4	27.3	1.3	28.6
Finance costs	6	(12.0)	-	(12.0)	(12.6)	-	(12.6)
Finance income	6	0.1	-	0.1	-	-	-
Net finance cost		(11.9)	-	(11.9)	(12.6)	-	(12.6)
Profit on sale of associate		-	-	-	(0.2)	4.1	4.1
Profit before tax		33.9	5.6	39.5	29.2	5.4	20.1
Taxation	7	(4.9)	(0.8)	(5.7)	(1.7)	(0.5)	(2.2)
Profit for the period		29.0	4.8	33.8	13.0	4.9	17.9

CONSOLIDATED INCOME STATEMENT

for the six month period ended 30 September 2020

		Results before exceptional items and certain remeasure- ments First Half 2021 Unaudited €m	Exceptional items and certain remeasure- ments (note 5) First Half 2021 Unaudited €m	Total First Half 2021 Unaudited €m	Results before exceptional items and certain remeasure- ments First Half 2020 Unaudited €m	Exceptional items and certain remeasure- ments (note 5) First Half 2020 Unaudited €m	Total First Half 2020 Unaudited €m
Continuing operations	Notes						
Revenue	2	760.9	-	760.9	861.8	-	861.8
Operating (costs) / income	4	(679.6)	6.0	(673.6)	(801.3)	(1.2)	(802.5)
Operating profit / (loss)	2	81.3	6.0	87.3	60.5	(1.2)	59.3
Finance costs	6	(18.4)	-	(18.4)	(16.7)	-	(16.7)
Finance income	6	0.1	-	0.1	0.3	-	0.3
Net finance cost		(18.3)	-	(18.3)	(16.4)	-	(16.4)
Share of loss in associates		-	-	-	(0.2)	-	(0.2)
Profit on sale of associate		-	-	-	-	4.1	4.1
Profit before tax		63.0	6.0	69.0	43.9	2.9	46.8
Taxation	7	(8.4)	(1.0)	(9.4)	(4.7)	(0.2)	(4.9)
Profit for the period		54.6	5.0	59.6	39.2	2.7	41.9

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the three and six month periods ended 30 September 2020

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Profit for the period	33.8	17.9	59.6	41.9
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(0.4)	5.8	(15.3)	(18.6)
Net gain / (loss) on cash flow hedges	13.3	(13.8)	16.9	(23.6)
Transferred loss from equity to income statement on cash flow hedges	13.1	2.6	27.2	4.8
Share of associates net gain on cash flow hedges	-	0.2	-	0.1
Income tax effect	(4.1)	1.7	(4.1)	2.6
	22.3	(9.3)	40.0	(16.1)
	21.9	(3.5)	24.7	(34.7)
Items that will not be reclassified to profit or loss:				
Remeasurement gain / (loss) on defined benefit scheme	0.1	(0.6)	(0.1)	(0.9)
Income tax effect	-	-	-	0.1
	0.1	(0.6)	(0.1)	(0.8)
Other comprehensive income / (expense) for the period, net of taxation	22.0	(4.1)	24.6	(35.5)
Total comprehensive income for the period	55.8	13.8	84.2	6.4

CONSOLIDATED BALANCE SHEET

as at 30 September 2020

ASSETS	Notes	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Non-current assets:			
Property, plant and equipment		558.9	568.5
Intangible assets		615.1	630.1
Right-of-use assets	18	26.4	25.3
Derivative financial instruments	15	1.9	2.5
Deferred tax assets		29.7	33.4
		1,232.0	1,259.8
Current assets:			
Intangible assets		45.8	68.0
Inventories		3.1	2.7
Trade and other receivables	11	167.6	219.4
Derivative financial instruments	15	21.7	23.4
Other current financial assets	9	16.6	12.5
Cash and cash equivalents	12	278.1	220.8
Income tax recoverable		-	0.1
		532.9	546.9
TOTAL ASSETS		1,764.9	1,806.7

CONSOLIDATED BALANCE SHEET (continued)

as at 30 September 2020

LIABILITIES	Notes	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Current liabilities:			
Trade and other payables	13	(330.7)	(439.7)
Income tax payable		(2.0)	-
Financial liabilities	14	(38.8)	(35.6)
Deferred income		(1.8)	(0.7)
Derivative financial instruments	15	(23.5)	(67.0)
Dividends payable		(40.0)	(40.0)
		(436.8)	(583.0)
Non-current liabilities:			
Financial liabilities	14	(970.5)	(949.6)
Derivative financial instruments	15	(28.8)	(37.5)
Deferred tax liabilities		(21.9)	(14.6)
Provisions		(22.2)	(21.5)
		(1,043.4)	(1,023.2)
TOTAL LIABILITIES		(1,480.2)	(1,606.2)
NET ASSETS		284.7	200.5
Equity			
Share capital		-	-
Share premium		727.6	746.5
Retained earnings		(409.9)	(490.0)
Capital contribution reserve		38.7	40.8
Hedge reserve		(25.2)	(65.6)
Foreign currency translation reserve		(46.5)	(31.2)
TOTAL EQUITY		284.7	200.5

The financial statements were approved by the Board and authorised for issue on 1 December 2020.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six month period ended 30 September 2020

	Share capital €m	Share premium €m	Retained earnings €m	Capital contribution reserve €m	Hedge reserve €m	Foreign currency translation reserve €m	Total equity €m
At 1 April 2019	-	766.6	(571.7)	83.0	(13.9)	(16.1)	247.9
Exchange adjustment	-	(22.0)	24.3	(2.4)	0.1	-	-
Profit for the period	-	-	41.9	-	-	-	41.9
Other comprehensive expense	-	-	(0.8)	-	(16.1)	(18.6)	(35.5)
Total comprehensive (expense) / income	-	(22.0)	65.4	(2.4)	(16.0)	(18.6)	(6.4)
Share-based payment	-	-	0.1	-	-	-	0.1
At 30 September 2019	-	744.6	(506.2)	80.6	(29.9)	(34.7)	254.4
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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three and six month periods ended 30 September 2020

	Notes	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Cash generated from operations before working capital movements	16	59.8	39.9	108.6	86.3
Working capital adjustments:					
Decrease / (increase) in inventories		0.6	0.2	(0.4)	0.5
(Increase) / decrease in trade and other receivables		(2.3)	(1.9)	50.4	20.5
Increase in security deposits		(3.7)	(2.2)	(4.2)	(1.1)
Decrease in trade and other payables		(28.4)	(20.9)	(96.1)	(40.2)
Effects of foreign exchange		(0.4)	(0.3)	3.2	3.1
		25.6	14.8	61.5	69.1
Interest received		-	0.1	0.1	0.2
Interest paid		(20.5)	(19.8)	(21.9)	(21.2)
		(20.5)	(19.7)	(21.8)	(21.0)
Income tax paid		(0.2)	(1.9)	(0.5)	(2.9)
Net cash flows from / (used in) operating activities		4.9	(6.8)	39.2	45.2

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

for the three and six month periods ended 30 September 2020

	Notes	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Investing activities					
Purchase of property, plant and equipment		(8.9)	(14.0)	(10.8)	(21.6)
Purchase of intangible assets		(39.2)	(39.3)	(78.1)	(76.8)
Proceeds from sale of intangible assets		62.3	56.4	77.7	88.3
Disposal of subsidiary, net of cash disposed		-	-	(0.2)	(0.2)
Receipt of government grants		0.8	-	0.8	-
Acquisition of subsidiaries		-	(50.4)	(0.1)	(50.4)
Interest received from associates		-	-	-	0.3
Disposal of associate		-	6.5	-	6.5
Net cash flows from / (used in) investing activities		15.0	(40.8)	(10.7)	(53.9)
Financing activities					
Proceeds from issue of borrowings		11.7	3.8	49.7	24.6
Repayment of borrowings		(15.1)	(9.0)	(15.1)	(9.0)
Issue costs of new long term loans		(0.3)	-	(1.4)	(1.2)
Payment of lease liabilities		(0.7)	(0.5)	(1.2)	(1.0)
Net cash flows (used in) / from financing activities		(4.4)	(5.7)	32.0	13.4
Net increase / (decrease) in cash and cash equivalents		15.5	(53.3)	60.5	4.7
Net foreign exchange difference		0.1	1.0	(3.2)	(3.5)
Cash and cash equivalents at period start	12	262.5	250.1	220.8	196.6
Cash and cash equivalents at period end	12	278.1	197.8	278.1	197.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 30 September 2020

1. BASIS OF PREPARATION

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

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

2. SEGMENTAL ANALYSIS

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

(i) Renewables

The Renewables business owns and operates 309MW of wind assets and purchases electricity from 1,285MW of renewable generation capacity throughout Ireland. In addition, the Renewables business is currently constructing a 4MW bioenergy anaerobic digestion facility in Dublin;

(ii) Flexible Generation

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

(iii) Customer Solutions

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

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

(a) Revenue by segment

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Renewables	66.2	64.8	102.4	114.0
Flexible Generation	87.3	72.3	158.6	168.6
Customer Solutions	245.8	278.9	484.6	565.3
Inter-group eliminations	(3.0)	(0.1)	(7.7)	(0.2)
Group	396.3	415.9	737.9	847.7
Adjustment for over-recovery	12.1	4.0	23.0	14.1
Total	408.4	419.9	760.9	861.8

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

(b) Operating Profit

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Segment Pro-Forma EBITDA				
Renewables	12.8	14.4	19.9	27.1
Flexible Generation	16.5	7.7	29.9	16.9
Customer Solutions	18.4	14.7	35.8	29.4
Group Pro-Forma EBITDA	47.7	36.8	85.6	73.4
Adjustment for over-recovery	12.1	4.0	23.0	14.1
Group EBITDA	59.8	40.8	108.6	87.5
Depreciation/amortisation				
Renewables	(7.3)	(6.2)	(13.7)	(12.5)
Flexible Generation	(3.8)	(4.2)	(7.6)	(8.5)
Customer Solutions	(2.9)	(3.1)	(6.0)	(6.0)
Group depreciation and amortisation	(14.0)	(13.5)	(27.3)	(27.0)
Operating profit pre-exceptional items and certain remeasurements				
Renewables	5.5	8.2	6.2	14.6
Flexible Generation	12.7	3.5	22.3	8.4
Customer Solutions	15.5	11.6	29.8	23.4
Group Pro-Forma operating profit	33.7	23.3	58.3	46.4
Adjustment for over-recovery	12.1	4.0	23.0	14.1
Operating profit pre exceptional items and certain remeasurements	45.8	27.3	81.3	60.5
Exceptional items and certain remeasurements				
Renewables	0.1	(0.2)	0.4	(0.6)
Customer Solutions	5.5	1.5	5.6	(0.6)
Group operating profit post exceptional items and certain remeasurements	51.4	28.6	87.3	59.3
Finance cost	(12.0)	(12.6)	(18.4)	(16.7)
Finance income	0.1	-	0.1	0.3
	(11.9)	(12.6)	(18.3)	(16.4)
Share of loss in associates	-	-	-	(0.2)
Profit on sale of associate	-	4.1	-	4.1
Profit on ordinary activities before tax	39.5	20.1	69.0	46.8

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 2021 and Second Quarter 2020:

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

Second Quarter 2020 Unaudited	Renewables €m	Flexible Generation €m	Customer Solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	278.5	278.5
Electricity generation	64.8	72.3	-	137.1
Other	-	-	0.4	0.4
Inter-group eliminations	-	-	(0.1)	(0.1)
Group	64.8	72.3	278.8	415.9
Adjustment for over-recovery	-	1.6	2.4	4.0
Total revenue from contracts with customers	64.8	73.9	281.2	419.9

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 2021 and First Half 2020:

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

First Half 2020 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	564.4	564.4
Electricity generation	114.0	168.6	-	282.6
Other	-	-	0.9	0.9
Inter-group eliminations	-	-	(0.2)	(0.2)
Group	114.0	168.6	565.1	847.7
Adjustment for over-recovery	-	9.0	5.1	14.1
Total revenue from contracts with customers	114.0	177.6	570.2	861.8

3.1 Disaggregated revenue information (continued)

Geographical markets:	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
UK	180.5	189.8	325.8	389.7
RoI	227.9	230.1	435.1	472.1
Total revenue from contracts with customers	408.4	419.9	760.9	861.8

Timing of revenue recognition:				
Transferred over time	369.6	379.5	708.5	796.9
Transferred at a point in time	38.8	40.4	52.4	64.9
Total revenue from contracts with customers	408.4	419.9	760.9	861.8

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

4. OPERATING COSTS

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Operating costs are analysed as follows:				
Energy costs	319.4	345.9	592.4	710.5
Employee costs	10.9	10.6	22.0	21.0
Depreciation, amortisation and impairment	14.0	13.5	27.3	27.0
Other operating charges	18.3	22.6	37.9	42.8
Total pre-exceptional items and certain remeasurements	362.6	392.6	679.6	801.3
Exceptional items and certain remeasurements:				
Energy (income) / costs	(5.3)	(1.5)	(5.1)	0.6
Other operating (income) / charges	(0.3)	0.2	(0.9)	0.6
Total exceptional (items) / costs and certain remeasurements	(5.6)	(1.3)	(6.0)	1.2
Total operating costs	357.0	391.3	673.6	802.5

4.1 Depreciation and amortisation

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Depreciation	10.5	10.0	20.4	20.1
Amortisation of intangible assets	3.0	3.2	5.9	6.2
Amortisation of right-of-use assets	0.5	0.3	1.0	0.7
Total depreciation and amortisation	14.0	13.5	27.3	27.0

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Exceptional items in arriving at profit from continuing operations:				
Release of contingent consideration ¹	0.3	-	0.9	-
Acquisition costs ²	-	(0.2)	-	(0.6)
Profit on disposal of associate ³	-	4.1	-	4.1
	0.3	3.9	0.9	3.5
Certain remeasurements in arriving at profit				
Net profit / (loss) on derivatives at fair value through operating costs ⁴	5.3	1.5	5.1	(0.6)
	5.3	1.5	5.1	(0.6)
Exceptional items and certain remeasurements before taxation	5.6	5.4	6.0	2.9
Taxation on exceptional items and certain remeasurements	(0.8)	(0.5)	(1.0)	(0.2)
Exceptional items and certain remeasurements after taxation	4.8	4.9	5.0	2.7

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

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Fair valued derivatives through profit & loss	(0.8)	(0.4)	(1.0)	(0.2)
Exceptional acquisition costs	-	(0.1)	-	-
	(0.8)	(0.5)	(1.0)	(0.2)

¹ Release of contingent consideration for Second Quarter 2021 of €0.3m (2020 - €nil) and First Half 2021 of €0.9m (2020 - €nil) relates to a fair value adjustment to contingent consideration for renewable generation development projects.

² Exceptional acquisition costs for Second Quarter 2021 of €nil (2020 - €0.2m) and First Half 2021 of €nil (2020 - €0.6m) relates to costs associated with acquisitions whether successful or unsuccessful.

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

⁴ Net profit on derivatives at fair value through operating costs for Second Quarter 2021 of €5.3m (2020 - €1.5m) and for First Half 2021 of €5.1m (2020 - €0.6m loss) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

6. FINANCE COSTS / INCOME

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Finance costs				
Interest on external bank loans and borrowings	(4.0)	(4.0)	(8.0)	(8.2)
Interest on Senior secured notes	(6.5)	(6.4)	(13.0)	(13.0)
Total interest expense	(10.5)	(10.4)	(21.0)	(21.2)
Amortisation of financing charges	(1.3)	(0.5)	(1.9)	(1.0)
Unwinding of discount on decommissioning provision	-	-	(0.1)	(0.1)
Unwinding of discount on contingent consideration	(0.3)	(0.2)	(0.6)	(0.2)
Accretion of lease liability	(0.3)	(0.3)	(0.7)	(0.6)
Other finance charges	(0.4)	(0.1)	(0.4)	(0.2)
Total other finance charges	(2.3)	(1.1)	(3.7)	(2.1)
Net exchange (loss) / gain on net foreign currency borrowings	-	(1.6)	4.8	5.7
Less interest capitalised in qualifying asset	0.8	0.5	1.5	0.9
Total finance costs	(12.0)	(12.6)	(18.4)	(16.7)
Finance income				
Interest income on bank deposits	0.1	-	0.1	0.2
Interest income on loan to an associate	-	-	-	0.1
Total finance income	0.1	-	0.1	0.3

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the Second Quarter 2021 was 5.6% (2020 - 5.5%) and in First Half 2021 was 5.6% (2020 - 4.7%).

7. INCOME TAX

The major components of the tax charge for the periods ended 30 September 2020 and 30 September 2019 are:

	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	Results before exceptional items and certain remeasurements Second Quarter 2020 Unaudited €m	Exceptional items and certain remeasurements Second Quarter 2020 Unaudited €m	Total Second Quarter 2020 Unaudited €m
Current tax:						
Current tax charge	(0.8)	(0.8)	(1.6)	(0.1)	(0.5)	(0.6)
Total current tax charge	(0.8)	(0.8)	(1.6)	(0.1)	(0.5)	(0.6)
Deferred tax:						
Adjustments in respect of current period	(4.1)	-	(4.1)	(1.6)	-	(1.6)
Total deferred tax	(4.1)	-	(4.1)	(1.6)	-	(1.6)
Total taxation charge	(4.9)	(0.8)	(5.7)	(1.7)	(0.5)	(2.2)

	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	Results before exceptional items and certain remeasurements First Half 2020 Unaudited €m	Exceptional items and certain remeasurements First Half 2020 Unaudited €m	Total First Half 2020 Unaudited €m
Current tax:						
Current tax charge	(1.7)	(1.0)	(2.7)	(1.2)	(0.2)	(1.4)
Total current tax charge	(1.7)	(1.0)	(2.7)	(1.2)	(0.2)	(1.4)
Deferred tax:						
Adjustments in respect of current period	(6.7)	-	(6.7)	(3.5)	-	(3.5)
Total deferred tax	(6.7)	-	(6.7)	(3.5)	-	(3.5)
Total taxation charge	(8.4)	(1.0)	(9.4)	(4.7)	(0.2)	(4.9)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment			
	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Renewables	8.4	3.4	13.1	8.7
Flexible Generation	1.5	9.0	2.2	9.0
Customer Solutions	0.2	0.4	0.2	0.7
Total	10.1	12.8	15.5	18.4

	Capital additions to intangible assets			
	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Renewables	30.0	31.2	56.9	61.9
Customer Solutions	3.5	5.9	5.5	10.4
Total	33.5	37.1	62.4	72.3

	Capital additions to right-of-use assets			
	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Renewables	-	0.5	-	0.5
Total	-	0.5	-	0.5

9. OTHER FINANCIAL ASSETS

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	15.3	11.1
Short-term managed funds	1.3	1.4
Total other financial assets	16.6	12.5

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in First Half 2021

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

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

Assets acquired and liabilities assumed

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

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

No transaction costs were expensed in the First Half 2021.

Contingent consideration

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

11. TRADE AND OTHER RECEIVABLES

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Trade receivables (including unbilled consumption)	117.4	197.9
Contract assets (accrued income)	49.6	30.2
Prepayments	4.7	3.9
Other receivables	20.1	11.3
	191.8	243.3
Allowance for expected credit losses	(24.2)	(23.9)
	167.6	219.4

12. CASH AND CASH EQUIVALENTS

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Cash at bank and on hand	143.9	144.0
Short-term bank deposits	134.2	76.8
	278.1	220.8

13. TRADE AND OTHER PAYABLES

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Trade creditors	74.7	119.6
Other creditors	45.6	58.6
Contract liabilities (payments on account)	34.8	33.2
Tax and social security	8.5	10.9
Accruals	167.1	217.4
	330.7	439.7

14. FINANCIAL LIABILITIES

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Current financial liabilities:		
Project financed bank facilities (NI)	10.3	10.0
Project financed bank facilities (RoI)	16.8	13.7
Project finance interest accruals	0.1	0.2
Senior secured notes interest payable	1.1	1.1
Other interest payable	0.4	0.9
Contingent consideration	8.0	7.7
Lease liability	2.1	2.0
Total current financial liabilities	38.8	35.6
Non-current financial liabilities:		
Senior secured notes €350m (2025)	345.8	345.3
Senior secured notes £225m (2024)	245.0	251.0
Project financed bank facilities (NI)	182.5	198.0
Project financed bank facilities (RoI)	157.5	116.3
Contingent consideration	8.4	9.0
Lease liability	31.3	30.0
Total non-current financial liabilities	970.5	949.6
Total current and non-current financial liabilities	1,009.3	985.2

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

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

14. FINANCIAL LIABILITIES (continued)

At 30 September 2020, the Group had letters of credit issued out of the Senior revolving credit facility of €140.6m resulting in undrawn committed facilities of €107.2m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 30 September 2020 (31 March 2020 - €nil). Interest is charged under the Senior revolving credit facility at floating interest rates based on Libor and Euribor.

Project financed bank facilities

The project financed bank loan facilities are repayable in semi-annual instalments to 2034 and are secured on a non-recourse basis over the assets and shares of the specific project finance companies. Interest on the project finance bank loan facilities has been predominantly fixed

through interest rate swaps resulting in an effective rate of interest of 3.29% (2020 - 3.81%) on project financed bank facilities NI and 2.82% (2020 - 2.55%) on the project financed bank facilities RoI.

Contingent consideration

Contingent consideration of €16.4m (31 March 2020 - €16.7m) relates to the acquisition of various renewable development projects (onshore wind, bioenergy and solar) and represents the present value of the maximum amount payable with the minimum amount payable being €nil. Payment is contingent on various project milestones being met, primarily the construction and commissioning of the plant, with €8.0m expected to be paid in 2020/21 and the remaining €8.4m paid by 2025/26.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	1.8	3.4
Commodity swap contracts	13.2	18.3
Total derivatives at fair value through other comprehensive income	15.0	21.7
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	0.6	0.6
Commodity swap contracts	8.0	3.6
Total derivatives at fair value through profit and loss	8.6	4.2
Total derivative financial assets	23.6	25.9
Total non-current	1.9	2.5
Total current	21.7	23.4

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Derivative financial liabilities

	30 September 2020 Unaudited €m	31 March 2020 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(2.6)	(1.6)
Commodity swap contracts	(11.8)	(66.8)
Interest rate swap contracts	(30.5)	(27.7)
Total derivatives at fair value through other comprehensive income	(44.9)	(96.1)
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(0.4)	(0.4)
Commodity swap contracts	(7.0)	(8.0)
Total derivatives at fair value through profit and loss	(7.4)	(8.4)
Total derivative financial liability	(52.3)	(104.5)
Total non-current	(28.8)	(37.5)
Total current	(23.5)	(67.0)

Fair Values

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

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

	30 September 2020		31 March 2020	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Level 1				
Non-current liabilities				
Senior secured notes (2024 and 2025)	(590.8)	(595.1)	(596.3)	(558.5)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(182.5)	(182.5)	(198.0)	(198.0)
Project financed bank facilities (ROI)	(157.5)	(157.5)	(116.3)	(116.3)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(8.4)	(8.4)	(9.0)	(9.0)
Financial liabilities (lease liability)	(31.3)	(31.3)	(30.0)	(30.0)
Current liabilities				
Financial liabilities (contingent consideration)	(8.0)	(8.0)	(7.7)	(7.7)
Financial liabilities (lease liability)	(2.1)	(2.1)	(2.0)	(2.0)

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

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

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

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

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 €16.4m 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 €33.4m 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

	Second Quarter 2021 Unaudited €m	Second Quarter 2020 Unaudited €m	First Half 2021 Unaudited €m	First Half 2020 Unaudited €m
Operating activities				
Profit before tax from continuing operations	39.5	20.1	69.0	46.8
Depreciation of property, plant and equipment	10.5	10.0	20.4	20.1
Amortisation of intangible assets	3.0	3.2	5.9	6.2
Amortisation of right-of-use assets	0.5	0.3	1.0	0.7
Derivatives at fair value through income statement	(5.3)	(1.5)	(5.1)	0.6
Net finance costs	11.9	12.6	18.3	16.4
Release of contingent consideration	(0.3)	-	(0.9)	-
Defined benefit charge less contributions paid	-	(0.8)	-	(0.7)
Share of loss in associates	-	-	-	0.2
Profit on disposal of associate	-	(4.1)	-	(4.1)
Share-based payments	-	0.1	-	0.1
Cash generated from operations before working capital movements	59.8	39.9	108.6	86.3

17. ANALYSIS OF NET DEBT

	Cash and cash equivalents €m	Short-term managed funds €m	Debt due within one year €m	Debt due after more than one year €m	Total €m
At 1 April 2019	196.6	1.5	(25.1)	(915.0)	(742.0)
Net increase in cash and cash equivalents	4.7	-	-	-	4.7
Proceeds from issue of borrowings	-	-	-	(24.6)	(24.6)
Repayment of borrowings	-	-	9.0	-	9.0
Issue costs on new long-term loans	-	-	1.2	-	1.2
Increase in interest accruals	-	-	(0.1)	-	(0.1)
Amortisation	-	-	(0.5)	(0.5)	(1.0)
Reclassifications	-	-	(9.7)	9.7	-
Translation difference	(3.5)	(0.1)	0.4	13.5	10.3
At 30 September 2019	197.8	1.4	(24.8)	(916.9)	(742.5)
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)

18. LEASES

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

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

	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 April 2020	25.2	0.1	25.3
Acquisition of subsidiary	2.7	-	2.7
Remeasurement of right-of-use assets	(0.3)	-	(0.3)
Exchange adjustment	(0.3)	-	(0.3)
Amortisation	(1.0)	-	(1.0)
As at 30 September 2020	26.3	0.1	26.4

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

	Lease liabilities €m
As at 1 April 2020	(32.0)
Acquisition of subsidiary	(2.7)
Effect of modification of lease liability	0.3
Exchange adjustment	0.5
Accretion of lease liability	(0.7)
Payments	1.2
As at 30 September 2020	(33.4)
Current	(2.1)
Non-current	(31.3)

19. CAPITAL COMMITMENTS

At 30 September 2020 the Group had contracted future capital expenditure in respect of tangible fixed assets of €7.6m (31 March 2020 - €12.9m).

20. DISTRIBUTIONS MADE AND PROPOSED

No dividends have been paid or proposed for the First Half 2021 (2020 - €nil).

Dividends of €40.0m, at €9,950.25 per share, were declared during the year ended 31 March 2020 and were paid on 1 October 2020. These were included as a separate line item in the statement of financial position.

21. RELATED PARTY TRANSACTIONS

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

22. SEASONALITY OF OPERATIONS

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

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

APPENDIX

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 2021 €m	Second Quarter 2020 €m	First Half 2021 €m	First Half 2020 €m
Group pro-forma EBITDA	47.7	36.8	85.6	73.4
Less EBITDA from project financed renewable assets	(7.1)	(7.7)	(13.1)	(15.5)
Pro-forma EBITDA for the Senior secured notes Restricted Group	40.6	29.1	72.5	57.9

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) for Second Quarter 2021 increased to €40.6m (2020 - €29.1m) primarily reflecting an increase in EBITDA from the Flexible Generation and Customer Solutions businesses, partly offset by a decrease in EBITDA from the Renewable PPA contracts.

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) for First Half 2021 increased to €72.5m (2020 - €57.9m) primarily reflecting an increase in EBITDA from the Flexible Generation and Customer Solutions businesses, partly offset by a decrease in EBITDA from the Renewable PPA contracts.

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

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

	30 September 2020 €m	31 March 2020 €m
Investments	1.3	1.4
Cash and cash equivalents	239.4	190.8
Senior secured notes €350m (2025)	(345.8)	(345.3)
Senior secured notes £225m (2024)	(245.0)	(251.0)
Interest accruals - Senior secured notes	(1.1)	(1.1)
Other interest accruals	(0.4)	(0.9)
Pro-forma Net Debt for the Senior secured notes Restricted Group	(351.6)	(406.1)

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