

ENERGIA GROUP LIMITED
www.energiagroup.com

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Q1 2021

QUARTERLY REPORT

Financial Year 2021

energia group



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KEY FACTS & FIGURES

Underlying Business Results¹

€m
37.9

Group Pro-Forma EBITDA

Group Pro-Forma EBITDA	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	7.1	12.7
Flexible Generation	13.4	9.2
Customer Solutions	17.4	14.7
	37.9	36.6

Capital expenditure

(First Quarter 2020 - €11.6m)



€m
4.6

IFRS Results²

Revenue

(First Quarter 2020 - €441.9m)



€m
352.5

€m
35.5



Operating profit

(First Quarter 2020 - €33.2m)

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

² Before exceptional items and certain remeasurements.

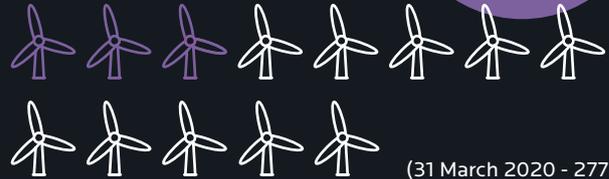
Operational Facts

856



Employee numbers
(31 March 2020 - 848)

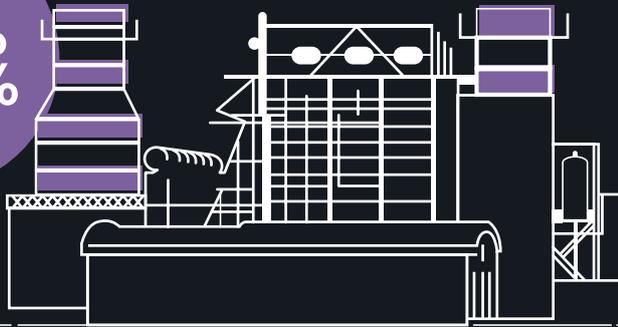
**Wind generation assets
in operation at 30 June 2020**



(31 March 2020 - 277MW)

MW
277

100%
99.6%



Huntstown CCGT 1 & 2 asset availability
(2020 - 99.1% / 69.0%)



97.1%

Wind asset availability
(2020 - 96.8%)

**NI electricity
sales volume**
(2020 - 0.8TWh)

TWh
0.6

667,800

**Residential customer sites
supplied**

(31 March 2020 - 669,000)



**RoI electricity
sales volume**
(2020 - 1.1TWh)

TWh
0.9

MANAGEMENT REPORT

MANAGEMENT REPORT

The Director of Energia Group Limited (EGL) presents the condensed interim consolidated financial statements for EGL for the three months ended 30 June 2020 (First Quarter 2021) including comparatives for the three months ended 30 June 2019 (First Quarter 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 Quarter 2021 there were no changes to the principal activities of the Group's businesses.

At 30 June 2020 the Renewables business owned and operated 277MW of wind assets and purchased electricity from 1,258MW of renewable generation capacity throughout Ireland. On 6 July 2020 a further 32MW of wind farm capacity (Derrysallagh) was commissioned bringing the total operating capacity to 309MW. In addition, the Renewables business is currently commissioning a 4.0MW bioenergy plant 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 267,000 customer sites in the RoI and 494,200 customer sites in Northern Ireland through its two retail brands, Energia and Power NI.

COVID-19

During First Quarter 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 has continued to support the communities in which it operates and which have been impacted by COVID-19. The Group's operations have proved to be resilient and have met the challenges faced to date and no employees have been furloughed or made redundant.

In the initial period of the national lockdowns in Ireland and the UK, the Group experienced a reduction in demand for electricity from its commercial customer base. In the period since 30 June 2020, the demand for electricity in the I-SEM market has recovered to levels broadly similar to the same period last year.

While these early signs are encouraging, the Group 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 June 2020 (with €219.8m cash and cash equivalents excluding project finance cash) and has undrawn committed revolving credit facilities of €91.4m 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.



Derrysallagh wind farm, County Sligo – February 2020

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:

	First Quarter 2021 €m	First Quarter 2020 €m
EBITDA	7.1	12.7
Capital expenditure	0.9	6.3

Renewables EBITDA (pre-exceptional items and certain remeasurements) decreased to €7.1m (2020 – €12.7m) primarily reflecting lower contributions from renewable PPAs (due to lower wind volumes, lower ROC sales and lower market prices), increased costs of development projects and lower wind generation assets EBITDA (reflecting lower output and lower market prices).

Net capital expenditure decreased to €0.9m (2020 - €6.3m) primarily reflecting lower capital expenditure in respect of the bioenergy assets.

Operational performance

KPIs	First Quarter 2021	First Quarter 2020
Onshore wind generation assets		
Wind generation capacity in operation in the RoI and Northern Ireland		
- average during the year (MW)	277	277
- at end of period (MW)	277	277
Availability (%)	97.1	96.8
Wind factor (%)	18.6	21.6
Renewable PPA portfolio		
Contracted renewable generation capacity in operation in the RoI and Northern Ireland		
- average during the period (MW)	1,258	1,275
- at end of period (MW)	1,258	1,275

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 First Quarter 2021 was 277MW (2020 - 277MW) and at 30 June 2020, total generation capacity was 277MW (31 March 2020 – 277MW). This comprised 104MW (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. On 6 July 2020 a further 32MW wind farm in the RoI (Derrysallagh) was commissioned bringing the total RoI operating capacity to 136MW and the overall total operating capacity to 309MW.

Renewable assets availability was 97.1% (2020 – 96.8%) with a wind factor of 18.6% (2020 – 21.6%).

On 16 April 2020 the Group completed the acquisition of XMR Energy Limited (Crossmore), a 15MW wind farm development project in County Clare, RoI.

On 25 June 2020, the Group put in place a debt finance package of €49.9m in respect of the 32MW Derrysallagh wind farm in the RoI. The wind farm was commissioned on 6 July 2020 with the plant benefitting from Renewable Energy Feed in Tariff (REFIT) support.

Distributions of €5.0m were made in the First Quarter 2021 (2020 - €9.1m) from the wholly-owned wind generation assets.

Renewable PPA portfolio

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

The average contracted generation capacity in operation during the First Quarter 2021 was 1,258MW (2020 – 1,275MW) with 30 June 2020 operating capacity of 1,258MW (31 March 2020 – 1,268MW) of which the Northern Ireland operating capacity was 686MW (31 March 2020 - 682MW) and the RoI operating capacity was 572MW (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 c32GWh 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 still targeted during Financial Year 2021, subject to potential COVID-19 related delays.

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 by the end of Financial Year 2021.

RoI Renewable Electricity Support Scheme (RESS)

The first competitive auction under the RoI RESS scheme took place during July 2020. Provisional results published on 4 August 2020 confirmed 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. Final auction results are expected to be confirmed in early September 2020.

The planning approval for the overhead line connection to the Coolberrin wind farm has recently been over-ruled by An Bord Pleanála (the independent body that decides on appeals on planning decisions in the RoI) and the Group is currently exploring options to challenge 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 June 2020:

MW	Operating	Under Construction	In Development	Total
Onshore wind generation assets				
- NI	173	-	52	225
- Rol	104	32	131	267
	277	32*	183	492
Bioenergy Assets				
- NI	-	-	4	4
- Rol	-	4	-	4
	-	4	4	8
Solar				
- Rol	-	-	32	32
	277	36	219	532

* On 6 July 2020 the 32MW wind farm in the Rol (Derrysallagh) was commissioned bringing the total Rol operating wind generation capacity to 136MW and the overall total operating wind generation capacity to 309MW

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



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

Flexible Generation

Overview

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

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

Financial performance

	First Quarter 2021 €m	First Quarter 2020 €m
EBITDA	13.4	9.2
Capital expenditure	1.1	0.1

EBITDA increased to €13.4m (2020 – €9.2m) primarily reflecting higher availability of Huntstown 2 (due to the outage in the prior year), favourable distillate revaluation (reflecting an increase in oil prices), higher combined unconstrained utilisation of the plants and lower maintenance costs for Huntstown 2.

Net capital expenditure increased to €1.1m (2020 - €0.1m) primarily due to timing of spare parts purchases in Huntstown 2 and IT systems expenditure.

Operational performance

KPIs	First Quarter 2021	First Quarter 2020
Huntstown CCGTs		
Availability (%)		
- Huntstown 1	100.0	99.1
- Huntstown 2	99.6	69.0
Unconstrained utilisation (%)		
- Huntstown 1	87.1	95.0
- Huntstown 2	27.8	-
Incremental impact of constrained utilisation (%)		
- Huntstown 1	(9.7)	(27.1)
- Huntstown 2	8.2	63.5

Huntstown 1 availability was 100% (2020 – 99.1%) and Huntstown 2 availability was 99.6% (2020 – 69.0%). The prior year lower availability in Huntstown 2 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 was 87.1% (2020 – 95.0%). Huntstown 2 unconstrained utilisation was 27.8% (2020 – nil%).

The incremental impact of constrained utilisation for Huntstown 1 was 9.7% constrained off (2020 – 27.1%). The incremental impact of constrained utilisation for Huntstown 2 was 8.2% constrained on (2020 – 63.5%).

On 25 July 2020 a five day planned minor outage was successfully completed for Huntstown 1. Ongoing planning continues for the major scheduled outages which are due to commence in Q3 2021 for Huntstown 1 for 63 days and Q4 2021 for Huntstown 2 for 45 days.

Storage

The Group was awarded reliability options for three battery storage projects in the T-4 capacity auction for the 2023/24 capacity year. Two new capacity battery units for Dublin were awarded 10 year contracts at the clearing price of €46,149/MW (a 10MW project for which planning permission has been received and a 50MW project for which a planning application has yet to be made) and one new capacity battery unit for Belfast was awarded a 10 year contract at €78,601/MW (a 50MW project for which planning has been received).

The Group also has two further battery storage development projects (31MW), one of which (19MW) has received planning permission.

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

	First Quarter 2021 €m	First Quarter 2020 €m
EBITDA	17.4	14.7
Capital expenditure	2.6	5.2

EBITDA increased to €17.4m (2020 – €14.7m) primarily reflecting higher Energia residential and non-residential electricity margins, partly offset by lower residential gas volumes and lower non-residential electricity volumes together with lower Power NI non-residential margins (due to lower volumes) and higher operating costs.

Net capital expenditure decreased to €2.6m (2020 - €5.2m) primarily due to lower expenditure in respect of IT projects.

Operational performance

KPIs	At 30 June 2020	At 31 March 2020
Customer sites (number)		
RoI		
- Residential electricity	154,200	155,700
- Residential gas	61,000	59,800
	215,200	215,500
- Non-residential electricity	47,700	45,300
- Non-residential gas	4,100	4,100
	51,800	49,400
Total ROI	267,000	264,900
Northern Ireland		
- Residential electricity	452,600	453,500
- Non-residential electricity	41,600	44,400
Total Northern Ireland	494,200	497,900
Energy sales	First Quarter 2021	First Quarter 2020
RoI		
- Electricity sales (TWh)	0.9	1.1
- Gas sales (million therms)	17.5	20.1
Northern Ireland		
- Electricity sales (TWh)	0.6	0.8
Complaints (number)		
Complaints to the CRU in the RoI	1	5
Complaints to the CCNI in Northern Ireland	1	-

Residential electricity and gas customer sites in the RoI were 215,200 at 30 June 2020 (31 March 2020 – 215,500).

Non-residential electricity customer sites in the RoI were 47,700 at 30 June 2020 (31 March 2020 – 45,300). Non-residential gas customer sites in the RoI were 4,100 at 30 June 2020 (31 March 2020 – 4,100).

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

Total electricity sales volumes in the RoI were 0.9TWh (2020 – 1.1TWh) and in Northern Ireland were 0.6TWh (2020 – 0.8TWh) due to the impact of COVID-19. RoI gas sales volumes were 17.5m therms (2020 – 20.1m 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 period, the Group received 1 complaint (2020 – 5) which was referred to the CRU and 1 complaint (2020 – nil) which was referred to the CCNI.

Power NI Price control

On 16 April 2020 the UR confirmed its intention to extend Power NI's current price control by a further two years from 1 April 2021 to 31 March 2023. Draft licence modifications have been published which will give effect to the price control.

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



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 in a meeting room, smiling and pointing towards a whiteboard. The room has a wall covered in sticky notes and a whiteboard on the right. The image is overlaid with a dark blue gradient.

SUMMARY OF FINANCIAL PERFORMANCE

Revenue

Revenue from continuing operations decreased to €352.5m (2020 - €441.9m). The breakdown by business is as follows:

	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	36.2	49.2
Flexible Generation (based on regulated entitlement)	71.3	96.3
Customer Solutions (based on regulated entitlement)	238.8	286.4
Adjustment for over-recovery	10.9	10.1
Inter business elimination	(4.7)	(0.1)
Total revenue from continuing operations	352.5	441.9

Total revenue from continuing operations decreased to €352.5m (2020 - €441.9m).

Revenue from the Renewables business decreased to €36.2m (2020 - €49.2m) primarily reflecting lower ROC sales, lower volumes and lower market prices.

Flexible Generation revenue decreased to €71.3m (2020 - €96.3m) primarily reflecting lower prices and lower utilisation of the Ballylumford plant.

Customer Solutions revenue decreased to €238.8m (2020 - €286.4m) primarily due to lower non-residential revenue (reflecting lower electricity sales volumes, lower energy prices and lower gas sales volumes) and lower residential gas revenue (reflecting lower sales volumes).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €10.9m (2020 - €10.1m) and at 30 June 2020 the cumulative over-recovery against regulated entitlement was €5.8m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €303.7m (2020 - €395.2m). The breakdown is as follows:

	First Quarter 2021 €m	First Quarter 2020 €m
Energy costs	273.0	364.6
Employee costs	11.1	10.4
Other operating charges	19.6	20.2
Total pre-exceptional items and certain remeasurements	303.7	395.2

Energy costs decreased to €273.0m (2020 - €364.6m) primarily reflecting lower energy costs (associated with lower energy prices), lower non-residential sales volumes and lower residential gas sales volumes, lower utilisation of the Ballylumford plant and favourable distillate revaluation for the Huntstown plants.

Employee costs increased to €11.1m (2020 - €10.4m) 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 €19.6m (2020 - €20.2m) primarily reflecting lower maintenance costs for Huntstown 2 (due to the outage in the prior year) and lower marketing costs, partly offset by higher 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:

	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	7.1	12.7
Flexible Generation	13.4	9.2
Customer Solutions	17.4	14.7
Group pro-forma EBITDA	37.9	36.6
Over-recovery of regulated entitlement	10.9	10.1
EBITDA	48.8	46.7

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

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €37.9m (2020 – €36.6m) 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 €7.1m (2020 – €12.7m) primarily reflecting lower contributions from renewable PPAs (due to lower wind volumes, lower ROC sales and lower market prices), increased costs of development projects and lower wind generation assets EBITDA (reflecting lower output and lower market prices).

Flexible Generation EBITDA increased to €13.4m (2020 – €9.2m) primarily reflecting higher availability of Huntstown 2 (due to the outage in the prior year), favourable distillate revaluation (reflecting an increase in oil prices), higher combined unconstrained utilisation of the plants and lower maintenance costs for Huntstown 2.

Customer Solutions EBITDA increased to €17.4m (2020 – €14.7m) primarily reflecting higher Energia residential and non-residential electricity margins, partly offset by lower residential gas volumes and lower non-residential electricity volumes together with lower Power NI non-residential margins (due to lower volumes) and higher operating costs.

Depreciation

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

	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	6.4	6.3
Flexible Generation	3.8	4.3
Customer Solutions	3.1	2.9
Total Depreciation	13.3	13.5

Depreciation and amortisation was €13.3m (2020 - €13.5m).

Group operating profit

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

	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	0.7	6.4
Flexible Generation	9.6	4.9
Customer Solutions	14.3	11.8
Total Operating Profit	24.6	23.1

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) increased to €24.6m (2020 - €23.1m) primarily reflecting higher operating profit in the Flexible

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

Exceptional items and certain remeasurements

Exceptional items and certain remeasurements were a €0.4m credit (2020 - €2.5m cost). The breakdown by business is as follows:

	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	0.3	(0.4)
Customer Solutions	0.1	(2.1)
Total Exceptional Items and Certain Remeasurements	0.4	(2.5)

Exceptional items in the Renewables business were a €0.3m credit (2020 - €0.4m cost) reflecting a fair value adjustment to contingent consideration of €0.6m (2020 - nil), partly offset by certain remeasurements relating to the recognition of fair value of derivatives of €0.3m (2020 - nil). The prior year cost of €0.4m related to costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €0.1m credit (2020 - €2.1m cost) reflecting certain remeasurements relating to the recognition of fair value of derivatives.

Further information is outlined in note 5 to the accounts.

Net finance costs

Net finance costs (pre-exceptional items and certain remeasurements) increased to €6.4m (2020 - €3.8m) primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year.

Tax charge

The total tax charge (pre-exceptional items and certain remeasurements) was €3.5m (2020 - €3.0m). A detailed analysis of the tax charge is outlined in note 7 to the accounts.

Cash flow before acquisitions, disposals, interest and tax

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

	First Quarter 2021 €m	First Quarter 2020 €m
Group pro-forma EBITDA¹	37.9	36.6
Defined benefit pension charge less contributions paid	-	0.1
Net movement in security deposits	(0.5)	1.1
Changes in working capital ²	(36.8)	1.8
Over-recovery of regulated entitlement	10.9	10.1
Exceptional items	-	(0.4)
Foreign exchange translation	3.6	3.4
Cash flow from operating activities	15.1	52.7
Net capital expenditure ³	(4.6)	(11.6)
Cash flow before acquisitions, disposals, interest and tax	10.5	41.1

¹ Includes EBITDA of project financed renewable assets of €6.0m (2020 - €7.8m)

² Includes changes in working capital of project financed renewable assets of €0.7m decrease (2020 - €5.9m decrease) and net expenditure from the sale and purchases of other intangibles of €20.8m for First Quarter 2021 (2020 - €1.6m)

³ Includes capital expenditure on project financed renewable assets of €0.9m (2020 - €6.3m) and intangible asset (software and customer acquisition costs) expenditure of €2.7m (2020 - €3.9m)

Group cash flow from operating activities decreased to €15.1m (2020 - €52.7m) primarily reflecting an increase in working capital of €36.8m (2020 - €1.8m decrease) and an increase in security deposits of €0.5m (2020 - €1.1m decrease), partly offset by an increase in EBITDA of €1.3m from €36.6m to €37.9m and a higher over-recovery of regulated entitlement of €10.9m (2020 - €10.1m).

Net movement in security deposits

The net movement in security deposits was a €0.5m increase (2020 - €1.1m decrease). As at 30 June 2020 there were €11.6m of security deposits in place.

Changes in working capital

Working capital increased by €36.8m (2020 - €1.8m decrease) 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 PSO creditor in PPB and settlement timing differences), an increase in the REFIT debtor for Renewable PPAs and an increase in ROC assets, largely offset by a decrease in trade receivables (primarily reflecting the seasonal decrease in sales volumes (including the estimated impact of COVID-19) and prices).

Over-recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €10.9m (2020 - €10.1m) and at 30 June 2020 the cumulative over-recovery against regulated entitlement was €5.8m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

Capital expenditure

Net capital expenditure in respect of tangible fixed assets and intangible software assets decreased to €4.6m (2020 - €11.6m). The breakdown by business is as follows:

Period to 30 June	First Quarter 2021 €m	First Quarter 2020 €m
Renewables	0.9	6.3
Flexible Generation	1.1	0.1
Customer Solutions	2.6	5.2
Total Capital Expenditure	4.6	11.6

Renewables capital expenditure decreased to €0.9m (2020 - €6.3m) primarily reflecting lower capital expenditure in respect of the bioenergy assets.

Flexible Generation capital expenditure increased to €1.1m (2020 - €0.1m) primarily due to timing of spare parts purchases in Huntstown 2 and IT systems expenditure.

Customer Solutions capital expenditure decreased to €2.6m (2020 - €5.2m) primarily due to lower expenditure in respect of IT projects.

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) was €1.3m (2020 - €1.3m).

Dividends

No dividends were paid in First Quarter 2021 (2020 - €nil).

Acquisition of subsidiary undertakings

Acquisition of subsidiary undertakings of €0.1m (2020 - €nil) 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 June 2020 €m	31 March 2020 €m
Investments	1.4	1.4
Cash and cash equivalents	262.5	220.8
Senior secured notes	(590.2)	(596.3)
Project finance facilities	(369.7)	(338.0)
Interest accruals	(11.5)	(2.2)
Total net debt	(707.5)	(714.3)

The Group's net debt decreased by €6.8m from €714.3m at 31 March 2020 to €707.5m at 30 June 2020 primarily reflecting higher cash and cash equivalents, partly offset by higher project finance facilities and higher interest accruals. Net debt at 30 June 2020 includes project finance net debt of €330.1m (31 March 2020 - €308.2m). Excluding project financed net debt, net debt was €377.4m (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 June 2020, the Group had letters of credit issued out of the Senior revolving credit facility of €156.3m resulting in undrawn committed facilities of €91.4m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 30 June 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 June 2020, there was €42.7m (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 and consolidated financial statements for the year ended 31 March 2020.

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under International Accounting Standard (IAS) 19 was €0.1m at 30 June 2020 (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. As government support schemes come to an end it is unclear how customer behaviour may change, what the potential 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 June 2020 (with €219.8m cash and cash equivalents excluding project finance cash) and has undrawn revolving credit committed facilities of €91.4m and is therefore well positioned to manage the potential impact of COVID-19.

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



Meenadreen wind farm, County Donegal

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the three month period ended 30 June 2020

		Results before exceptional items and certain remeasurements First Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Quarter 2021 Unaudited €m	Total First Quarter 2021 Unaudited €m	Results before exceptional items and certain remeasurements First Quarter 2020 Unaudited €m	Exceptional items and certain remeasurements First Quarter 2020 Unaudited €m	Total First Quarter 2020 Unaudited €m
Continuing operations	Notes						
Revenue	2	352.5	-	352.5	441.9	-	441.9
Operating costs	4	(317.0)	0.4	(316.6)	(408.7)	(2.5)	(411.2)
Operating profit / (loss)	2	35.5	0.4	35.9	33.2	(2.5)	30.7
Finance costs	6	(6.4)	-	(6.4)	(4.1)	-	(4.1)
Finance income	6	-	-	-	0.3	-	0.3
Net finance cost		(6.4)	-	(6.4)	(3.8)	-	(3.8)
Share of loss in associate		-	-	-	(0.2)	-	(0.2)
Profit / (loss) before tax		29.1	0.4	29.5	29.2	(2.5)	26.7
Taxation	7	(3.5)	(0.2)	(3.7)	(3.0)	0.3	(2.7)
Profit / (loss) for the period		25.6	0.2	25.8	26.2	(2.2)	24.0

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the three month period ended 30 June 2020

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Profit for the period	25.8	24.0
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(14.9)	(24.4)
Net gain / (loss) on cash flow hedges	3.6	(9.8)
Loss on cash flow hedges transferred from equity to income statement	14.1	2.2
Share of associates net loss on cash flow hedges	-	(0.1)
Income tax effect	-	0.9
	17.7	(6.8)
	2.8	(31.2)
Items that will not be reclassified to profit or loss:		
Remeasurement loss on defined benefit scheme	(0.2)	(0.3)
Income tax effect	-	0.1
	(0.2)	(0.2)
Other comprehensive income / (expense) for the period, net of taxation	2.6	(31.4)
Total comprehensive income / (expense) for the period	28.4	(7.4)

CONSOLIDATED BALANCE SHEET

as at 30 June 2020

ASSETS	Notes	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Non-current assets:			
Property, plant and equipment		558.6	568.5
Intangible assets		614.4	630.1
Right-of-use assets	18	27.2	25.3
Derivative financial instruments	15	1.6	2.5
Deferred tax assets		32.8	33.4
		1,234.6	1,259.8
Current assets:			
Intangible assets		77.6	68.0
Inventories		3.7	2.7
Trade and other receivables	11	165.4	219.4
Derivative financial instruments	15	17.5	23.4
Other current financial assets	9	13.0	12.5
Cash and cash equivalents	12	262.5	220.8
Income tax recoverable		-	0.1
		539.7	546.9
TOTAL ASSETS		1,774.3	1,806.7

LIABILITIES	Notes	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Current liabilities:			
Trade and other payables	13	(364.1)	(439.7)
Income tax payable		(0.8)	-
Financial liabilities	14	(46.0)	(35.6)
Deferred income		(1.0)	(0.7)
Derivative financial instruments	15	(44.8)	(67.0)
Dividends payable		(40.0)	(40.0)
		(496.7)	(583.0)
Non-current liabilities:			
Financial liabilities	14	(975.9)	(949.6)
Derivative financial instruments	15	(34.6)	(37.5)
Net employee defined benefit liabilities		(0.1)	-
Deferred tax liabilities		(16.6)	(14.6)
Provisions		(21.5)	(21.5)
		(1,048.7)	(1,023.2)
TOTAL LIABILITIES		(1,545.4)	(1,606.2)
NET ASSETS		228.9	200.5
Equity			
Share capital		-	-
Share premium		727.3	746.5
Retained earnings		(443.8)	(490.0)
Capital contribution reserve		38.7	40.8
Hedge reserve		(47.2)	(65.6)
Foreign currency translation reserve		(46.1)	(31.2)
TOTAL EQUITY		228.9	200.5

The financial statements were approved by the Board and authorised for issue on 10 September 2020.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three month period ended 30 June 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	-	(28.3)	31.3	(3.1)	0.1	-	-
Profit for the period	-	-	24.0	-	-	-	24.0
Other comprehensive expense	-	-	(0.2)	-	(6.8)	(24.4)	(31.4)
Total comprehensive (expense) / income	-	(28.3)	55.1	(3.1)	(6.7)	(24.4)	(7.4)
At 30 June 2019	-	738.3	(516.6)	79.9	(20.6)	(40.5)	240.5
At 1 April 2020	-	746.5	(490.0)	40.8	(65.6)	(31.2)	200.5
Exchange adjustment	-	(19.2)	20.6	(2.1)	0.7	-	-
Profit for the period	-	-	25.8	-	-	-	25.8
Other comprehensive (expense) / income	-	-	(0.2)	-	17.7	(14.9)	2.6
Total comprehensive (expense) / income	-	(19.2)	46.2	(2.1)	18.4	(14.9)	28.4
At 30 June 2020	-	727.3	(443.8)	38.7	(47.2)	(46.1)	228.9

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three month period ended 30 June 2020

	Notes	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Cash generated from operations before working capital movements	16	48.8	46.4
Working capital adjustments:			
(Increase) / decrease in inventories		(1.0)	0.3
Decrease in trade and other receivables		52.7	22.4
(Increase) / decrease in security deposits		(0.5)	1.1
Decrease in trade and other payables		(67.7)	(19.3)
Effects of foreign exchange		3.6	3.4
		35.9	54.3
Interest received		0.1	0.1
Interest paid		(1.4)	(1.4)
		(1.3)	(1.3)
Income tax paid		(0.3)	(1.0)
Net cash flows from operating activities		34.3	52.0

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the three month period ended 30 June 2020

	Notes	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Investing activities			
Purchase of property, plant and equipment		(1.9)	(7.6)
Purchase of intangible assets		(38.9)	(37.5)
Proceeds from sale of intangible assets		15.4	31.9
Disposal of subsidiary, net of cash disposed		(0.2)	(0.2)
Interest received from associate		-	0.3
Acquisition of subsidiaries		(0.1)	-
Net cash flows used in investing activities		(25.7)	(13.1)
Financing activities			
Proceeds from issue of borrowings		38.0	20.8
Issue costs of new long-term loans		(1.1)	(1.2)
Payment of lease liabilities		(0.5)	(0.5)
Net cash flows from financing activities		36.4	19.1
Net increase in cash and cash equivalents		45.0	58.0
Net foreign exchange difference		(3.3)	(4.5)
Cash and cash equivalents at 1 April	12	220.8	196.6
Cash and cash equivalents at 30 June	12	262.5	250.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 30 June 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

At 30 June 2020 the Renewables business owned and operated 277MW of wind assets and purchased electricity from 1,258MW of renewable generation capacity throughout Ireland. On 6 July 2020 a further 32MW of wind farm capacity (Derrysallagh) was commissioned bringing the total operating capacity to 309MW. In addition, the Renewables business is currently commissioning a 4.0MW bioenergy plant 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

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Renewables	36.2	49.2
Flexible Generation	71.3	96.3
Customer Solutions	238.8	286.4
Inter-group eliminations	(4.7)	(0.1)
Group	341.6	431.8
Adjustment for over-recovery	10.9	10.1
Total	352.5	441.9

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

(b) Operating Profit

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Segment Pro-Forma EBITDA		
Renewables	7.1	12.7
Flexible Generation	13.4	9.2
Customer Solutions	17.4	14.7
Group Pro-Forma EBITDA	37.9	36.6
Adjustment for over-recovery	10.9	10.1
Group EBITDA	48.8	46.7
Depreciation/amortisation		
Renewables	(6.4)	(6.3)
Flexible Generation	(3.8)	(4.3)
Customer Solutions	(3.1)	(2.9)
Group depreciation and amortisation	(13.3)	(13.5)
Operating profit pre-exceptional items and certain remeasurements		
Renewables	0.7	6.4
Flexible Generation	9.6	4.9
Customer Solutions	14.3	11.8
Group Pro-Forma operating profit	24.6	23.1
Adjustment for over-recovery	10.9	10.1
Operating profit pre exceptional items and certain remeasurements	35.5	33.2
Exceptional items and certain remeasurements		
Renewables	0.3	(0.4)
Customer Solutions	0.1	(2.1)
Group operating profit post exceptional items and certain remeasurements	35.9	30.7
Finance cost	(6.4)	(4.1)
Finance income	-	0.3
	(6.4)	(3.8)
Share of loss in associate	-	(0.2)
Profit on ordinary activities before tax	29.5	26.7

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

3.1 Disaggregated revenue information

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

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

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

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

First Quarter 2020	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	285.9	285.9
Electricity generation	49.2	96.3	-	145.5
Other	-	-	0.5	0.5
Inter-group eliminations	-	-	(0.1)	(0.1)
Group	49.2	96.3	286.3	431.8
Adjustment for over-recovery	-	7.4	2.7	10.1
Total revenue from contracts with customers	49.2	103.7	289.0	441.9

Geographical markets:	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
UK	145.3	199.9
Rol	207.2	242.0
Total revenue from contracts with customers	352.5	441.9
Timing of revenue recognition:		
Transferred over time	338.9	417.4
Transferred at a point in time	13.6	24.5
Total revenue from contracts with customers	352.5	441.9

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

4. OPERATING COSTS

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Operating costs are analysed as follows:		
Energy costs	273.0	364.6
Employee costs	11.1	10.4
Depreciation, amortisation and impairment	13.3	13.5
Other operating charges	19.6	20.2
Total pre-exceptional items and certain remeasurements	317.0	408.7
Exceptional costs and certain remeasurements:		
Energy costs	0.2	2.1
Other operating (income) / charges	(0.6)	0.4
Total exceptional (income) / costs and certain remeasurements	(0.4)	2.5
Total operating costs	316.6	411.2

4.1 Depreciation and amortisation

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Depreciation	9.9	10.1
Amortisation of intangible assets	2.9	3.0
Amortisation of right-of-use assets	0.5	0.4
Total depreciation and amortisation	13.3	13.5

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Exceptional items in arriving at profit from continuing operations:		
Release of contingent consideration ¹	0.6	-
Acquisition costs ²	-	(0.4)
	0.6	(0.4)
Certain remeasurements in arriving at profit		
Net loss on derivatives at fair value through operating costs ³	(0.2)	(2.1)
	(0.2)	(2.1)
Exceptional items and certain remeasurements before taxation	0.4	(2.5)
Taxation on exceptional items and certain remeasurements	(0.2)	0.3
Exceptional items and certain remeasurements after taxation	0.2	(2.2)

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

	First Quarter 2021 Unaudited €m	First Quarter 2021 Unaudited €m
Fair valued derivatives through profit and loss	(0.2)	0.2
Exceptional acquisition costs	-	0.1
	(0.2)	0.3

¹ Release of contingent consideration of €0.6m (2020 - nil) relates to a fair value adjustment to contingent consideration for renewable generation development projects.

² Exceptional acquisition costs of €nil (2020 - €0.4m) relate to costs associated with acquisitions whether successful or unsuccessful.

³ Net loss on derivatives at fair value through operating costs of €0.2m (2020 - €2.1m) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

6. FINANCE COSTS / INCOME

	Total First Quarter 2021 Unaudited €m	Total First Quarter 2020 Unaudited €m
Finance costs		
Interest on external bank loans and borrowings	(4.0)	(4.2)
Interest on senior secured notes	(6.5)	(6.6)
Total interest expense	(10.5)	(10.8)
Amortisation of financing charges	(0.6)	(0.5)
Unwinding of discount on decommissioning provision	(0.1)	(0.1)
Unwinding of discount on contingent consideration	(0.3)	-
Accretion of lease liability	(0.4)	(0.3)
Other finance charges	-	(0.1)
Total other finance charges	(1.4)	(1.0)
Net exchange gain on net foreign currency borrowings	4.8	7.3
Less interest capitalised in qualifying asset	0.7	0.4
Total finance costs	(6.4)	(4.1)
Finance income		
Interest income on loan to an associate	-	0.1
Interest income on bank deposits	-	0.2
Total finance income	-	0.3

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the First Quarter 2021 was 5.5% (First Quarter 2020 – 3.9%).

7. INCOME TAX

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

	Results before exceptional items and certain remeasurements First Quarter 2021 Unaudited €m	Exceptional items and certain remeasurements First Quarter 2021 Unaudited €m	Total First Quarter 2021 Unaudited €m	Results before exceptional items and certain remeasurements First Quarter 2020 Unaudited €m	Exceptional items and certain remeasurements First Quarter 2020 Unaudited €m	Total First Quarter 2020 Unaudited €m
Current tax:						
Current tax (charge)/credit	(0.9)	(0.2)	(1.1)	(1.1)	0.3	(0.8)
Total current tax (charge)/credit	(0.9)	(0.2)	(1.1)	(1.1)	0.3	(0.8)
Deferred tax:						
Adjustments in respect of current period	(2.6)	-	(2.6)	(1.9)	-	(1.9)
Total deferred tax	(2.6)	-	(2.6)	(1.9)	-	(1.9)
Total taxation (charge)/credit	(3.5)	(0.2)	(3.7)	(3.0)	0.3	(2.7)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment		Capital additions to intangible assets		Capital additions to right-of-use assets	
	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Renewables	4.7	5.3	26.9	30.7	2.7	-
Flexible Generation	0.7	-	-	-	-	-
Customer Solutions	-	0.3	2.0	4.5	-	-
Total	5.4	5.6	28.9	35.2	2.7	-

9. OTHER FINANCIAL ASSETS

	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	11.6	11.1
Short-term managed funds	1.4	1.4
Total other financial assets	13.0	12.5

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in First Quarter 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 Quarter 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 Quarter 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 June 2020 Unaudited €m	31 March 2020 Audited €m
Trade receivables (including unbilled consumption)	132.4	197.9
Contract assets (accrued income)	38.8	30.2
Prepayments	4.8	3.9
Other receivables	14.1	11.3
	190.1	243.3
Allowance for expected credit losses	(24.7)	(23.9)
	165.4	219.4

12. CASH AND CASH EQUIVALENTS

	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Cash at bank and on hand	144.4	144.0
Short-term bank deposits	118.1	76.8
	262.5	220.8

13. TRADE AND OTHER PAYABLES

	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Trade creditors	74.2	119.6
Other creditors	65.4	58.6
Contract liabilities (payments on account)	30.4	33.2
Tax and social security	9.8	10.9
Accruals	184.3	217.4
	364.1	439.7

14. FINANCIAL LIABILITIES

	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Current financial liabilities:		
Project financed bank facilities (NI)	9.8	10.0
Project financed bank facilities (RoI)	15.0	13.7
Project finance interest accruals	3.1	0.2
Senior secured notes interest payable	7.6	1.1
Other interest payable	0.8	0.9
Contingent consideration	7.6	7.7
Lease liability	2.1	2.0
Total current financial liabilities	46.0	35.6
Non-current financial liabilities:		
Senior secured notes €350m (2025)	345.5	345.3
Senior secured notes £225m (2024)	244.7	251.0
Project financed bank facilities (NI)	192.9	198.0
Project financed bank facilities (RoI)	152.0	116.3
Contingent consideration	8.8	9.0
Lease liability	32.0	30.0
Total non-current financial liabilities	975.9	949.6
Total current and non-current financial liabilities	1,021.9	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 June 2020, the Group had letters of credit issued out of the Senior revolving credit facility of €156.3m resulting in undrawn committed facilities of €91.4m (31 March 2020 - €91.0m). There were no cash drawings under the Senior revolving credit facility at 30 June 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 3.70% (2020 - 3.40%) on project financed bank facilities NI and 2.75% (2020 - 2.57%) 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 €7.6m expected to be paid in 2020/21 and the remaining €8.8m paid by 2025/26.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	2.0	3.4
Commodity swap contracts	9.5	18.3
Total derivatives at fair value through other comprehensive income	11.5	21.7
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	0.7	0.6
Commodity swap contracts	6.9	3.6
Total derivatives at fair value through profit and loss	7.6	4.2
Total derivative financial assets	19.1	25.9
Total non-current	1.6	2.5
Total current	17.5	23.4

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Derivative financial liabilities

	30 June 2020 Unaudited €m	31 March 2020 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(3.1)	(1.6)
Commodity swap contracts	(32.5)	(66.8)
Interest rate swap contracts	(31.8)	(27.7)
Total derivatives at fair value through other comprehensive income	(67.4)	(96.1)
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(0.6)	(0.4)
Commodity swap contracts	(11.4)	(8.0)
Total derivatives at fair value through profit and loss	(12.0)	(8.4)
Total derivative financial liability	(79.4)	(104.5)
Total non-current	(34.6)	(37.5)
Total current	(44.8)	(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 June 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)	(590.2)	(585.7)	(596.3)	(558.5)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(192.9)	(192.9)	(198.0)	(198.0)
Project financed bank facilities (ROI)	(152.0)	(152.0)	(116.3)	(116.3)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(8.8)	(8.8)	(9.0)	(9.0)
Financial liabilities (lease liability)	(32.0)	(32.0)	(30.0)	(30.0)
Current liabilities				
Financial liabilities (contingent consideration)	(7.6)	(7.6)	(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 (ROI), project financed bank facilities (NI) and Senior revolving credit facility are determined by using discounted cash flows based on the Group's borrowing rate. The fair value of the Group's Senior secured notes are based on the quoted market price.

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

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

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The fair value of contingent consideration is considered by the Director to fall within the level 3 fair value hierarchy and is measured using the present value of the pay-out associated with earnouts set out in the relevant purchase agreement. The carrying value of €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 by the Director to fall within the level 3 fair value hierarchy and is measured using the present value of the future lease payments over the lease term. The carrying value of €34.1m 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

	First Quarter 2021 Unaudited €m	First Quarter 2020 Unaudited €m
Operating activities		
Profit before tax from continuing operations	29.5	26.7
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	9.9	10.1
Amortisation of intangible assets	2.9	3.0
Amortisation of right-of-use assets	0.5	0.4
Derivatives at fair value through income statement	0.2	2.1
Net finance costs	6.4	3.8
Release of contingent consideration	(0.6)	-
Defined benefit charge less contributions paid	-	0.1
Share of loss in associate	-	0.2
Cash generated from operations before working capital movements	48.8	46.4

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	58.0	-	-	-	58.0
Proceeds from issue of borrowings	-	-	-	(20.8)	(20.8)
Issue costs on new long-term loans	-	-	1.2	-	1.2
Increase in interest accruals	-	-	(9.4)	-	(9.4)
Amortisation	-	-	(0.2)	(0.3)	(0.5)
Reclassifications	-	-	(0.8)	0.8	-
Translation difference	(4.5)	(0.1)	0.4	17.5	13.3
At 30 June 2019	250.1	1.4	(33.9)	(917.8)	(700.2)
At 1 April 2020	220.8	1.4	(25.9)	(910.6)	(714.3)
Net increase in cash and cash equivalents	45.0	-	-	-	45.0
Proceeds from issue of borrowings	-	-	-	(38.0)	(38.0)
Issue costs on new long-term loans	-	-	-	1.1	1.1
Increase in interest accruals	-	-	(9.3)	-	(9.3)
Amortisation	-	-	(0.4)	(0.2)	(0.6)
Reclassifications	-	-	(1.1)	1.1	-
Translation difference	(3.3)	-	0.4	11.5	8.6
At 30 June 2020	262.5	1.4	(36.3)	(935.1)	(707.5)

18. LEASES

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

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

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

	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 April 2020	25.2	0.1	25.3
Additions	2.7	-	2.7
Exchange adjustment	(0.3)	-	(0.3)
Amortisation	(0.5)	-	(0.5)
As at 30 June 2020	27.1	0.1	27.2

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

	Lease liabilities €m
As at 1 April 2020	(32.0)
Additions	(2.7)
Exchange adjustment	0.5
Accretion of lease liability	(0.4)
Payments	0.5
As at 30 June 2020	(34.1)
Current	(2.1)
Non-current	(32.0)

19. CAPITAL COMMITMENTS

At 30 June 2020 the Group had contracted future capital expenditure in respect of tangible fixed assets of €9.1m (31 March 2020 - €12.9m).

20. DISTRIBUTIONS MADE AND PROPOSED

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

Dividends of €40.0m, at €9,950.25 per share, were declared during the year ended 31 March 2020 but were not paid at 30 June 2020 and are 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 First Quarter 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, the timing of outages and other seasonal effects.

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

APPENDIX

A woman in a light-colored top is standing in a meeting room, pointing at a whiteboard. She is smiling and appears to be presenting. The room has a wall with several sticky notes and a whiteboard. The image is overlaid with a dark blue gradient.

APPENDIX

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

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

Pro-forma EBITDA for the Senior Secured Notes Restricted Group

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

	First Quarter 2021 €m	First Quarter 2020 €m
Group pro-forma EBITDA	37.9	36.6
Less EBITDA from project financed renewable assets	(6.0)	(7.8)
Pro-forma EBITDA for the Senior secured notes Restricted Group	31.9	28.8

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

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) increased to €31.9m (2020 – €28.8m) 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 June 2020 €m	31 March 2020 €m
Investments	1.4	1.4
Cash and cash equivalents	219.8	190.8
Senior secured notes €350m (2025)	(345.5)	(345.3)
Senior secured notes £225m (2024)	(244.7)	(251.0)
Interest accruals – Senior secured notes	(7.6)	(1.1)
Other interest accruals	(0.8)	(0.9)
Pro-forma Net Debt for the Senior secured notes Restricted Group	(377.4)	(406.1)

energia group



Registered office:

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Registered Number: 192375