

Financial Year 2020 Quarterly Report

Unaudited Interim Consolidated Financial Statements
Second Quarter 2020

en**é**rgia group



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Key Facts and Figures

Underlying Business Results¹

Group Pro-Forma EBITDA

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	14.4	15.7	27.1	29.5
Flexible Generation	7.7	10.7	16.9	19.7
Customer Solutions	14.7	9.0	29.4	18.5
Group Pro-Forma EBITDA	36.8	35.4	73.4	67.7

€m
36.8

Capital expenditure

Second Quarter 2020 - €17.4m (2019 - €25.4m)

First Half 2020 - €29.0m (2019 - €56.7m)



€m
17.4

IFRS Results²

Revenue

Second Quarter 2020 - €419.9m (2019 - €482.9m)

First Half 2020 - €861.8m (2019 - €942.0m)



€m
419.9

€m
27.3



Operating profit

Second Quarter 2020 - €27.3m (2019 - €21.1m)

First Half 2020 - €60.5m (2019 - €44.9m)

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

814

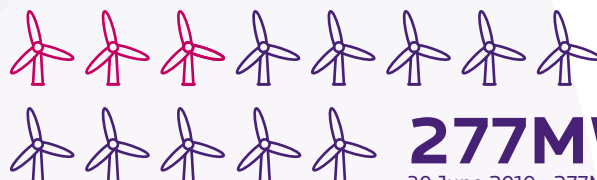


Employee numbers

30 June 2019 - 801

31 March 2019 - 795

Wind generation assets operational at 30 September 2019



277MW

30 June 2019 - 277MW

31 March 2019 - 277MW



98.2%

Wind asset availability

Second Quarter 2020 - 98.2% (2019 - 96.9%)

First Half 2020 - 97.4% (2019 - 97.6%)

55.2%
100.0%

Huntstown CCGT asset availability

Huntstown 1

Second Quarter 2020 - 55.2% (2019 - 100.0%)

First Half 2020 - 77.3% (2019 - 94.2%)

Huntstown 2

Second Quarter 2020 - 100.0% (2019 - 100.0%)

First Half 2020 - 84.4% (2019 - 99.8%)

676,200

Residential customer sites supplied

30 June 2019 - 673,000

31 March 2019 - 667,800



0.7 TWh

1.0 TWh

NI electricity sales volume

Second Quarter 2020 - 0.7TWh

(2019 - 0.8TWh)

First Half 2020 - 1.5TWh

(2019 - 1.7TWh)

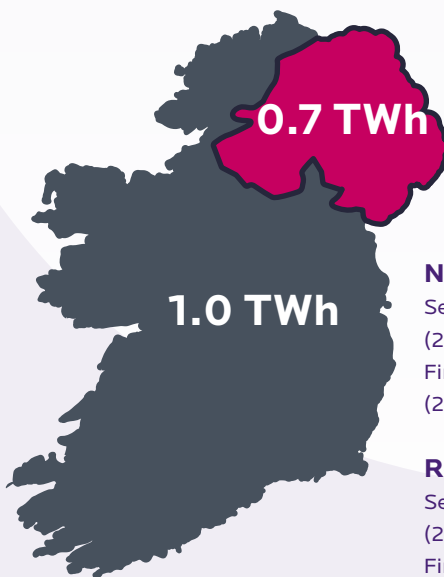
Rol electricity sales volume

Second Quarter 2020 - 1.0TWh

(2019 - 1.2TWh)

First Half 2020 - 2.1TWh

(2019 - 2.3TWh)



en**é**rgia group



Management Report

A woman with short dark hair, wearing a light-colored long-sleeved top and dark pants, stands behind a white podium. She is smiling and pointing her right hand towards a large screen displaying a presentation. The screen shows the 'energía group' logo and some charts. To her left, a wall is covered with several colorful sticky notes. In the foreground, the back of a person's head and shoulders are visible, looking towards the presenter. The entire image is overlaid with a semi-transparent purple circle and a solid purple vertical bar on the right side.

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 2019 (Second Quarter 2020) and the 6 Months ended 30 September 2019 (First Half 2020) including comparatives for the three months ended 30 September 2018 (Second Quarter 2019) and the 6 months ended 30 September 2018 (First Half 2019). 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

The Group is a leading integrated Irish energy business with substantial businesses in both the RoI and Northern Ireland operating through the segments:

- **Renewables;**
- **Flexible Generation; and**
- **Customer Solutions.**

During the First Half 2020 there were no changes to the principal activities of the Group's businesses.

The Renewables business owns and operates 277MW of wind assets and purchases electricity from 1,274MW of renewable generation capacity throughout Ireland.

In addition, the Renewables business is currently in the advanced stages of constructing a 4MW bioenergy plant in Dublin and a 32MW wind farm in County Sligo and is in the process of developing a further pipeline of wind, bioenergy and solar projects across Ireland.

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

The Customer Solutions business supplies electricity and gas to 270,700 customer sites in the RoI and 497,600 customer sites in Northern Ireland through its two retail brands, Energia and Power NI.



Energia Park hosted the historic Irish women's hockey team's Olympic qualification matches in November 2019

New Accounting Standards

The Group has adopted IFRS 16 Leases under the modified retrospective approach which has not resulted in the restatement of previous financial statements. The nature and effect of these changes are described in note 1 to the accounts.

Change in presentational currency

As disclosed in the Annual Report 2019, the Group changed the presentational currency of the financial statements from pounds Sterling to Euro. Financial information included in the Group's consolidated financial statements for the Second Quarter 2019 and the First Half 2019 previously reported in Sterling have been restated to Euro.

BUSINESS REVIEWS

Renewables

Overview

The Group owns and operates a generation portfolio comprising onshore wind assets across the RoI and Northern Ireland and a bioenergy plant under construction in the RoI. In addition, the Group is in the advanced stages of constructing a 32MW onshore wind farm in the RoI and 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:

KPIs	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
EBITDA	14.4	15.7	27.1	29.5
Capital expenditure	4.4	18.1	10.7	44.4

Renewables EBITDA (pre-exceptional items and certain remeasurements) for Second Quarter 2020 decreased to €14.4m (2019 - €15.7m) and for First Half 2020 decreased to €27.1m (2019 - €29.5m) primarily reflecting lower contributions from renewable PPAs (due to lower market prices and lower average capacity, partly offset by higher output), partly offset by higher wind generation assets EBITDA (reflecting the commissioning of wind farms).

Renewables capital expenditure for Second Quarter 2020 decreased to €4.4m (2019 - €18.1m) and for First Half 2020 decreased to €10.7m (2019 - €44.4m) primarily reflecting lower capital expenditure in respect of wind farms commissioned in the prior year.



Huntstown Bioenergy Plant in construction

Operational performance

KPIs	Second Quarter 2020	Second Quarter 2019	First Half 2020	First Half 2019
Onshore wind generation assets				
Wind generation capacity in operation in the RoI and Northern Ireland				
- average during the period (MW)	277	223	277	223
- at end of period (MW)	277	223	277	223
Availability (%)	98.2	96.9	97.4	97.6
Wind factor (%)	20.8	19.0	21.2	19.6
Renewable PPA portfolio				
Contracted renewable generation capacity in operation in the RoI and Northern Ireland				
- average during the period (MW)	1,275	1,314	1,275	1,286
- at end of period (MW)	1,274	1,316	1,274	1,316

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 2020 was 277MW (2019 - 223MW) and at 30 September 2019, total generation capacity was 277MW (30 June 2019 - 277MW; 31 March 2019 - 277MW). This comprised 104MW (30 June 2019 - 104MW; 31 March 2019 - 104MW) of operating wind generation capacity in the RoI and 173MW (30 June 2019 - 173MW; 31 March 2019 - 173MW) of operating wind generation capacity in Northern Ireland.

Renewable assets availability for Second Quarter 2020 was 98.2% (2019 - 96.9%) with a wind factor of 20.8% (2019 - 19.0%). Availability for First Half 2020 was 97.4% (2019 - 97.6%) with a wind factor of 21.2% (2019 - 19.6%).

On 13 September 2019 the Group completed the acquisition of a 38MW wind farm development project in County Tyrone, Northern Ireland.

On 30 September 2019 the Group completed the acquisition of a 32MW wind farm project in County Sligo, RoI. The project is currently under-construction and is expected to achieve commercial operation by the Fourth Quarter 2020 and benefit from REFIT support.

On 30 October 2019 the Group completed the asset purchase of a 14MW wind farm development project in County Tyrone, Northern Ireland.

On 8 November 2019 the Group completed the acquisition of a 95MW wind farm development project in County Roscommon, RoI.

On 1 August 2019 the Group sold its 25% minority share in a 52MW portfolio of wind generation assets in the RoI, for a profit of €4.1m and cash proceeds of €6.5m (the Irish Infrastructure Fund, as majority shareholder, also disposed of its interest in these assets).

Distributions of €9.1m were made in the First Half 2020 (2019 - €3.4m) from the wholly owned wind generation assets together with €0.3m (2019 - €0.7m) from the minority owned wind generation assets.

Renewable PPA portfolio

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

The average contracted generation capacity in operation during the Second Quarter 2020 was 1,275MW (2019 - 1,314MW) and during First Half 2020 was 1,275MW (2019 - 1,286MW) with 30 September 2019 operating capacity of 1,274MW (30 June 2019 - 1,275MW; 31 March 2019 - 1,281MW) of which the Northern Ireland operating capacity was 688MW (30 June 2019 - 689MW; 31 March 2019 - 695MW) and the RoI operating capacity was 586MW (30 June 2019 - 586MW; 31 March 2019 - 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. It is at an advanced stage of construction and will produce 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. On 18 April 2019, the Group put in place a debt finance package of €44m in respect of the Huntstown bioenergy plant. Commercial operation is expected by the Fourth Quarter 2020 with the plant benefitting from Renewable Energy Feed-In Tariff scheme (REFIT) support.

In June 2019, a planning application was lodged for a 4.1MW anaerobic digestion project at Giant's Park in Belfast. The site is adjacent to operational ROC accredited Combined Heat and Power (CHP) engines which the Group owns.

Solar

On 22 October 2019 the Group completed the acquisition of 32MW of capacity across 2 solar development projects in the RoI.

Hydrogen

The Group has secured Interreg and Office for Low Emission Vehicles (OLEV) grant funding for an electrolyser, to create 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.

In November 2019 the Group entered into a Hydrogen Gas Purchase Agreement with Translink for the supply of Hydrogen to the Belfast fuelling station.

Offshore wind

The Group has applied to the Department of Housing, Planning and Local Government (DHPLG) in the RoI for permission to carry out preliminary surveys to investigate the feasibility of offshore wind energy generation in the North Celtic Sea. Public consultation closed on 6 August 2019 and a decision on the Investigative Foreshore Licence application is expected shortly. In October 2019 the Group applied to DHPLG in the RoI for permission to carry out preliminary surveys to investigate the feasibility of offshore wind energy generation in the South Irish Sea. The public consultation in respect of this application is expected to commence in January 2020.

Outlook

The Group is in the final stages of construction of its 4MW bioenergy plant in Dublin and its recently acquired 32MW wind farm project in County Sligo, RoI both of which are expected to achieve commercial operation by the end of the Fourth Quarter 2020. 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 current portfolio of renewable projects excluding offshore wind:

MW	Operating	Under Construction	In Development	Total
Onshore wind generation assets				
- NI	173	-	52	225
- RoI	104	32	116	252
	277	32	168	477
Bioenergy assets				
- NI	-	-	4	4
- RoI	-	4	-	4
	-	4	4	8
Solar				
- RoI	-	-	32	32
	277	36	204	517

The Group is also assessing a number of other opportunities to acquire and develop further renewable development projects.

Flexible Generation

Overview

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

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

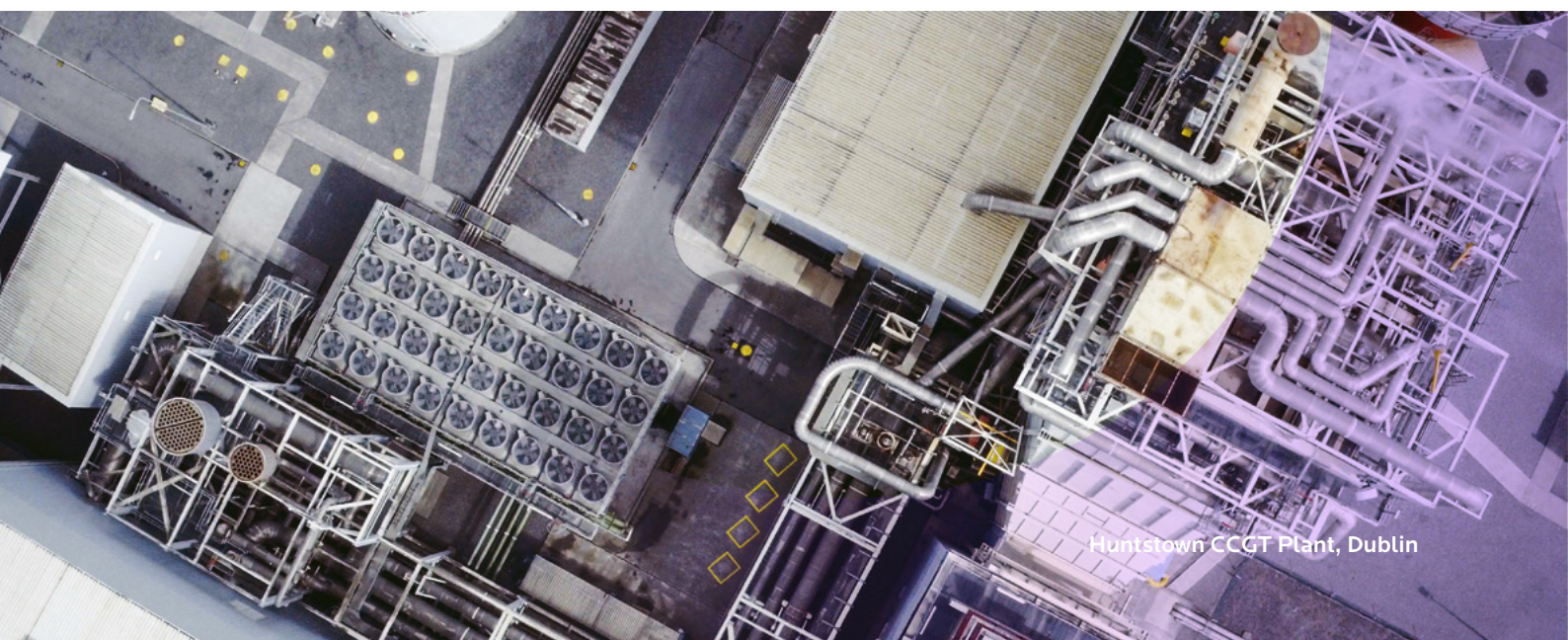
Financial performance

KPIs	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
EBITDA	7.7	10.7	16.9	19.7
Capital expenditure	8.9	3.5	9.0	5.0

EBITDA for Second Quarter 2020 decreased to €7.7m (2019 - €10.7m) primarily reflecting lower availability of Huntstown 1 (a 43 day planned outage that commenced in August 2019 was successfully completed in September 2019).

Flexible Generation capital expenditure for Second Quarter 2020 increased to €8.9m (2019 - €3.5m) and for First Half 2020 increased to €9.0m (2019 - €5.0m) primarily due to capital expenditure in respect of Huntstown 1's outage.

EBITDA for First Half 2020 decreased to €16.9m (2019 - €19.7m) primarily reflecting the lower availability of both Huntstown plants with planned outages in First Half 2020.



Huntstown CCGT Plant, Dublin

Operational performance

KPIs	Second Quarter 2020	Second Quarter 2019	First Half 2020	First Half 2019
Huntstown CCGTs				
Availability (%)				
- Huntstown 1	55.2	100.0	77.3	94.2
- Huntstown 2	100.0	100.0	84.4	99.8
Unconstrained utilisation (%)				
- Huntstown 1	82.9	23.0	90.7	22.1
- Huntstown 2	-	63.2	-	56.8
Incremental impact of constrained utilisation (%)				
- Huntstown 1	(28.9)	25.6	(27.7)	17.8
- Huntstown 2	59.5	(6.4)	61.1	2.9

Huntstown 1 availability for Second Quarter 2020 was 55.2% (2019 - 100.0%) and for First Half 2020 was 77.3% (2019 - 94.2%) reflecting a 43 day planned outage which commenced in August 2019 and was successfully completed in September 2019.

Huntstown 2 availability for Second Quarter 2020 was 100.0% (2019 - 100.0%) and for First Half 2020 was 84.4% (2019 - 99.8%) primarily reflecting 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 2020 was 82.9% (2019 - 23.0%) and for First Half 2020 was 90.7% (2019 - 22.1%). The incremental impact of constrained utilisation for Huntstown 1 in Second Quarter 2020 was 28.9% constrained off (2019 - 25.6% constrained on) and for First Half 2020 was 27.7% constrained off (2019 - 17.8% constrained on).

Huntstown 2 unconstrained utilisation for Second Quarter 2020 was nil (2019 - 63.2%) and for First Half 2020 was nil (2019 - 56.8%). The incremental impact of constrained utilisation for Huntstown 2 in Second Quarter 2020 was 59.5% constrained on (2019 - 6.4% constrained off)

and for First Half 2020 was 61.1% constrained on (2019 - 2.9%).

Outlook

On 4 April 2019, SEMO published results which confirmed that Huntstown 2 had been awarded a reliability contract but Huntstown 1 had not been awarded such a contract in the T-4 capacity auction for the 2022/23 capacity year. Given the importance of the Huntstown plants to security of supply in the Dublin area, the Group continues to consider its options regarding the longer-term sustainability of the Huntstown plants. The next T-4 for the 2023/24 capacity year will take place in March 2020. Transitional period auctions for capacity years 2020/21 and 2021/22 have taken place in November and December 2019 respectively. Auction results for capacity year 2020/21 are expected imminently and results for capacity year 2021/22 are expected mid-December.

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.



Energia are sponsors of Energia Park in Dublin, the home of Leinster Rugby - one of the most successful rugby clubs in the world

Financial performance

KPIs	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
EBITDA	14.7	9.0	29.4	18.5
Capital expenditure	4.1	3.8	9.3	7.3

EBITDA for Second Quarter 2020 increased to €14.7m (2019 - €9.0m) primarily reflecting higher Energia residential margins (reflecting lower energy costs and higher customer numbers), higher Energia non-residential margins (due to lower energy costs partly offset by lower volumes) and higher Power NI deregulated margins.

EBITDA for First Half 2020 increased to €29.4m (2019 - €18.5m) due to the same reasons as described above for Second Quarter 2020.

Net capital expenditure for Second Quarter 2020 increased to €4.1m (2019 - €3.8m) and for First Half 2020 increased to €9.3m (2019 - €7.3m) primarily reflecting higher capital expenditure in relation to IT projects.



Operational performance

KPIs			At 30 September 2019	At 30 September 2018
Customer sites (number)				
RoI				
- Residential electricity			159,400	147,500
- Residential gas			61,600	53,800
			221,000	201,300
- Non-residential electricity			45,700	46,700
- Non-residential gas			4,000	4,000
			49,700	50,700
Total RoI			270,700	252,000
Northern Ireland				
- Residential electricity			455,200	460,200
- Non-residential electricity			42,400	42,500
Total Northern Ireland			497,600	502,700
	Second Quarter 2020	Second Quarter 2019	First Half 2020	First Half 2019
Energy sales				
RoI				
- Electricity sales (TWh)	1.0	1.2	2.1	2.3
- Gas sales (million therms)	14.6	12.0	34.7	27.7
Northern Ireland				
- Electricity sales (TWh)	0.7	0.8	1.5	1.7
Complaints (number)				
Complaints to the CRU in the RoI	5	1	9	1
Complaints to the CCNI in Northern Ireland	-	1	-	2

Residential electricity and gas customer sites in the RoI increased to 221,000 at 30 September 2019 (30 June 2019 - 216,900; 31 March 2019 - 210,500) reflecting the continued growth in these markets.

Non-residential electricity customer sites in the RoI were 45,700 at 30 September 2019 (30 June 2019 - 44,400; 31 March 2019 - 42,000). Non-residential gas customer sites in the RoI were 4,000 at 30 September 2019 (30 June 2019 - 3,900; 31 March 2019 - 3,800).

Residential customer numbers in Northern Ireland were 455,200 at 30 September 2019 (30 June 2019 - 456,100; 31 March 2019 - 457,300). Non-residential customer numbers in Northern Ireland were 42,400 at 30 September 2019 (30 June 2019 - 42,500; 31 March 2019 - 42,500).

Total electricity sales volumes in the RoI for Second Quarter 2020 were 1.0TWh (2019 - 1.2TWh) and during First Half 2020 were 2.1TWh (2019 - 2.3TWh). Total electricity sales in Northern Ireland for Second Quarter 2020 were 0.7TWh (2019 - 0.8TWh) and for First Half 2020 were 1.5TWh (2019 1.7TWh).

RoI gas sales volumes in Second Quarter 2020 were 14.6m therms (2019 - 12.0m therms) and for First Half 2020 were 34.7m therms (2019 - 27.7m therms).

Following the Group's rebranding earlier this year the Group decided that its Energia brand should cease to compete against Power NI in the deregulated business electricity market in Northern Ireland. Accordingly, on 1 October 2019, Energia transferred all its commercial customers with a supply address in Northern Ireland to Power NI.

During the Second Quarter 2020, the Group received five complaints (2019 - one) and nine complaints for First Half 2020 (2019 - one) which were referred to the CRU. During the Second Quarter 2020, the Group received no complaints (2019 - one) and no complaints for First Half 2020 (2019 - two) which were referred to the CCNI.

Outlook

The Group continues to invest in its digital platform in order to enable the continued delivery of innovative, enhanced and differentiated product offerings to customers.

en**é**rgia group



Summary of Financial Performance

A woman with short brown hair, wearing a light-colored long-sleeved top and dark pants, stands behind a white podium. She is smiling and pointing her right hand towards a large screen in the background. The screen displays a presentation slide with the text "energic group" and some charts. To her left, a wall is covered with several colorful sticky notes. A small potted plant is visible on a shelf to the left of the podium. The entire image is overlaid with a semi-transparent blue circle and a vertical red bar on the right side.

Summary of Financial Performance

Revenue

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	64.8	51.1	114.0	98.3
Flexible Generation (based on regulated entitlement)	72.3	103.0	168.6	195.6
Customer Solutions (based on regulated entitlement)	278.9	331.8	565.3	648.3
Adjustment for over/(under)-recovery	4.0	(3.5)	14.1	(1.7)
Inter business elimination	(0.1)	0.5	(0.2)	1.5
Total revenue from continuing operations	419.9	482.9	861.8	942.0

Second Quarter 2020

Total revenue from continuing operations decreased to €419.9m (2019 - €482.9m).

Revenue from the Renewables business increased to €64.8m (2019 - €51.1m) primarily reflecting higher ROC sales volumes, higher revenues from the commissioning of wind farms and higher output, partly offset by lower prices.

Flexible Generation revenue decreased to €72.3m (2019 - €103.0m) primarily reflecting lower energy prices together with lower availability of Huntstown 1 (due to the planned outage) and lower utilisation of the Ballylumford plant.

Customer Solutions revenue decreased to €278.9m (2019 - €331.8m) primarily due to lower interconnector revenue (due to the new I-SEM market design effective 1 October 2018) and lower Energia non-residential revenue (reflecting lower electricity sales volumes and lower market prices), partly offset by higher Energia residential revenue (reflecting higher customer numbers).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €4.0m (2019 - €3.5m under-recovery) and at 30 September 2019 the combined cumulative over-recovery against regulated entitlement was €16.0m. The over-recovery of regulated entitlement reflects the phasing of tariffs.

First Half 2020

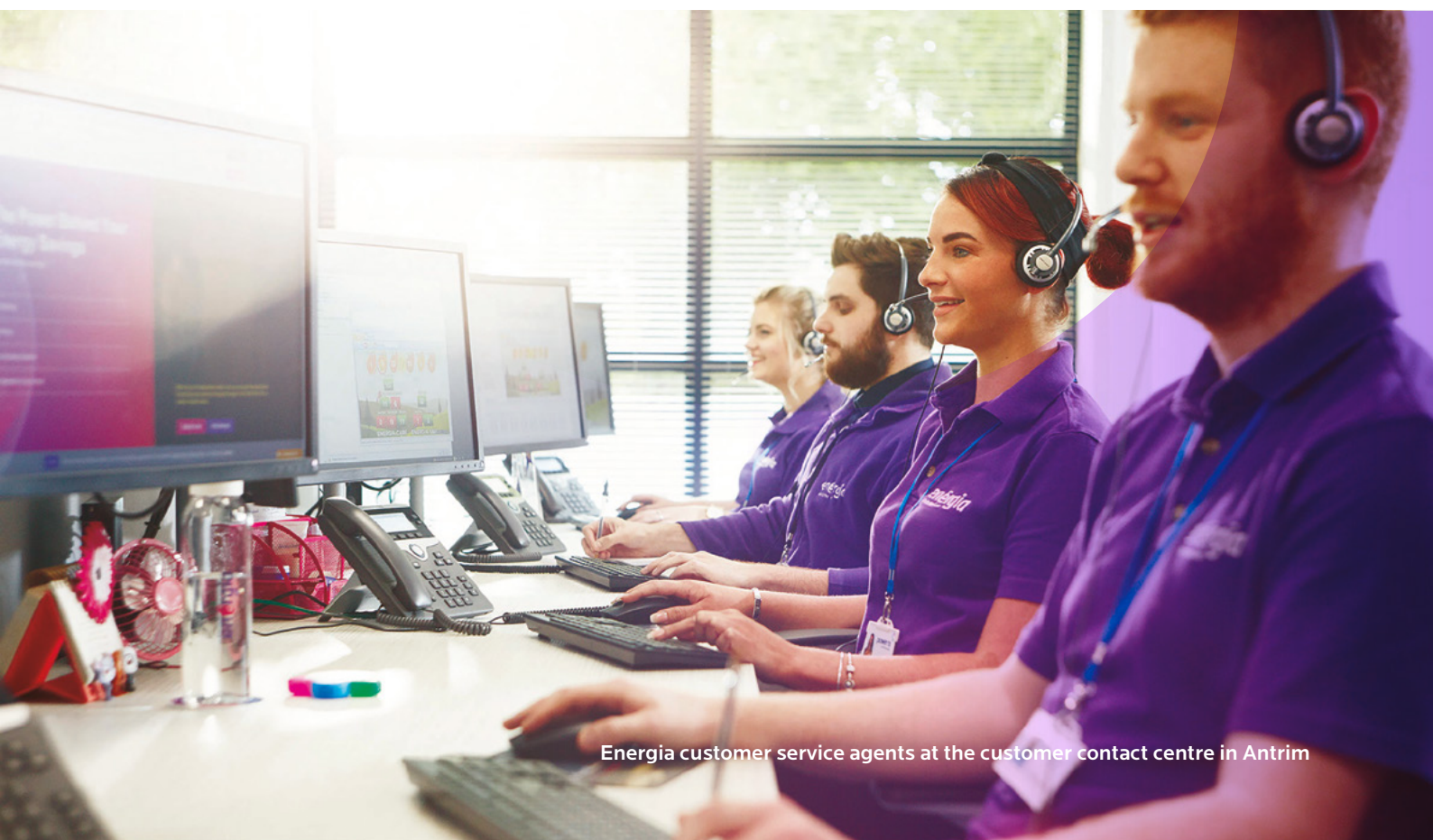
Total revenue from continuing operations decreased to €861.8m (2019 - €942.0m).

Revenue from the Renewables business increased to €114.0m (2019 - €98.3m) primarily reflecting higher ROC sales volumes, higher revenues from the commissioning of wind farms and higher output, partly offset by lower prices.

Flexible Generation revenue decreased to €168.6m (2019 - €195.6m) primarily reflecting lower availability of both plant (due to planned outages in April and September) and lower energy prices.

Customer Solutions revenue decreased to €565.3m (2019 - €648.3m) primarily due to lower Energia non-residential revenue (reflecting lower electricity sales volumes and lower market prices partly offset by higher gas sales volumes) and lower interconnector revenue (due to the new I-SEM market design effective 1 October 2018), partly offset by higher Energia residential revenue (reflecting higher customer numbers and higher prices).

During the period the regulated businesses of Power NI and PPB combined over-recovered against their regulated entitlement by €14.1m (2019 - €1.7m under-recovery) and at 30 September 2019 the combined cumulative over-recovery against regulated entitlement was €16.0m. The over-recovery of regulated entitlement reflects the phasing of tariffs.



Energia customer service agents at the customer contact centre in Antrim

Operating Costs

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Energy costs	345.9	428.2	710.5	828.5
Employee costs	10.6	8.9	21.0	17.8
Other operating charges	22.6	13.9	42.8	29.7
Total pre-exceptional items and certain remeasurements	379.1	451.0	774.3	876.0

Second Quarter 2020

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €379.1m (2019 - €451.0m). The breakdown is as follows:

Energy costs decreased to €345.9m (2019 - €428.2m) primarily reflecting lower market prices, lower utilisation of Huntstown 2, lower availability of Huntstown 1 (due to the planned outage) and lower utilisation of the Ballylumford plant, partly offset by higher ROC costs due to higher volumes.

Employee costs increased to €10.6m (2019 - €8.9m) reflecting an increase in headcount due to additional staff required to participate in the new I-SEM market and an increase in the Group's corporate development activity.

Other operating charges increased to €22.6m (2019 - €13.9m) primarily reflecting higher maintenance costs for the Huntstown plant (in part due to the outage for Huntstown 1) and higher operating costs for the Renewables businesses with increased wind farm capacity.

First Half 2020

Operating costs (pre-exceptional items and certain remeasurements and excluding depreciation) decreased to €774.3m (2019 - €876.0m). The breakdown is as follows:

Energy costs decreased to €710.5m (2019 - €828.5m) primarily reflecting lower market prices and lower availability and utilisation of Huntstown 2, partly offset by higher ROC costs due to higher volumes.

Employee costs increased to €21.0m (2019 - €17.8m) primarily due to the same reasons as described above for Second Quarter 2020.

Other operating charges increased to €42.8m (2019 - €29.7m) primarily reflecting higher maintenance costs for the Huntstown plant (associated with the outages) and higher operating costs for the Renewables businesses with increased wind farm capacity.

Group EBITDA

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

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	14.4	15.7	27.1	29.5
Flexible Generation	7.7	10.7	16.9	19.7
Customer Solutions	14.7	9.0	29.4	18.5
Group pro-forma EBITDA	36.8	35.4	73.4	67.7
Over/(under)-recovery of regulated entitlement	4.0	(3.5)	14.1	(1.7)
EBITDA	40.8	31.9	87.5	66.0

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

Second Quarter 2020

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €36.8m (2019 - €35.4m) primarily reflecting an increase in EBITDA in the Customer Solutions business, partly offset by a reduction in the Flexible Generation and Renewables businesses.

Renewables EBITDA (pre-exceptional items and certain remeasurements) decreased to €14.4m (2019 - €15.7m) primarily reflecting lower contributions from renewable PPAs (due to lower market prices and lower average capacity, partly offset by higher output), partly offset by higher wind generation assets EBITDA (reflecting the commissioning of wind farms).

Flexible Generation EBITDA decreased to €7.7m (2019 - €10.7m) primarily reflecting lower availability of Huntstown 1 (associated with the planned outage).

Customer Solutions EBITDA increased to €14.7m (2019 - €9.0m) primarily reflecting higher Energia residential margins (reflecting lower energy costs and higher customer numbers), higher Energia non-residential margins (due to lower energy costs partly offset by lower volumes) and higher Power NI deregulated margins.

First Half 2020

Group pro-forma EBITDA (pre-exceptional items and certain remeasurements) increased to €73.4m (2019 - €67.7m) primarily reflecting an increase in EBITDA in the Customer Solutions business, partly offset by a reduction in the Flexible Generation and Renewables businesses.

Renewables EBITDA (pre-exceptional items and certain remeasurements) decreased to €27.1m (2019 - €29.5m) primarily reflecting lower contributions from renewable PPAs (due to lower market prices and lower average capacity, partly offset by higher output), partly offset by higher wind generation assets EBITDA (reflecting the commissioning of wind farms).

Flexible Generation EBITDA decreased to €16.9m (2019 - €19.7m) primarily reflecting lower availability of both plant (due to planned outages in April and September) and lower energy prices.

Customer Solutions EBITDA increased to €29.4m (2019 - €18.5m) primarily reflecting higher Energia non-residential margins (due to lower energy costs partly offset by lower volumes), higher Energia residential margins (reflecting lower energy costs and higher customer numbers) and higher Power NI deregulated margins.

Depreciation

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

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	6.2	4.6	12.5	9.1
Flexible Generation	4.2	4.4	8.5	8.5
Customer Solutions	3.1	1.8	6.0	3.5
Total Depreciation	13.5	10.8	27.0	21.1

Second Quarter 2020

Depreciation and amortisation increased to €13.5m (2019 - €10.8m) primarily reflecting higher depreciation for the Renewables business (associated with the commissioning of wind farms) and the Customer Solutions business (associated with the new I-SEM and other IT systems).

First Half 2020

Depreciation and amortisation increased to €27.0m (2019 - €21.1m) primarily due to the same reasons as described above for Second Quarter 2020.

Group operating profit

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

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	8.2	11.1	14.6	20.4
Flexible Generation	3.5	6.3	8.4	11.2
Customer Solutions	11.6	7.2	23.4	15.0
Total Operating Profit	23.3	24.6	46.4	46.6

Group pro-forma operating profit (pre-exceptional items and certain remeasurements) for Second Quarter 2020 decreased to €23.3m (2019 - €24.6m) and for First Half 2020 decreased to €46.4m

(2019 - €46.6m) primarily reflecting a lower operating profit in the Renewables and Flexible Generation businesses, partly offset by a higher operating profit in the Customer Solutions business.



Power NI staff supported Age NI through the donation of items of clothing

Exceptional items and certain remeasurements

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	(0.2)	-	(0.6)	-
Customer Solutions	1.5	15.3	(0.6)	33.1
Total Exceptional Items and Certain Remeasurements	1.3	15.3	(1.2)	33.1

Second Quarter 2020

Exceptional items and certain remeasurements were a €1.3m credit (2019 - €15.3m). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.2m cost (2019 - €nil) reflecting costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €1.5m credit (2019 - €15.3m) reflecting certain remeasurements relating to the recognition of fair value of derivatives.

First Half 2020

Exceptional items and certain remeasurements were a €1.2m cost (2019 - €33.1m credit). The breakdown by business is as follows:

Exceptional items in the Renewables business were a €0.6m cost (2019 - €nil) reflecting costs associated with acquisitions whether successful or unsuccessful.

Exceptional items in the Customer Solutions business were a €0.6m cost (2019 - €33.1m credit) primarily reflecting certain remeasurements relating to the recognition of fair value of derivatives.

Further information is outlined in note 5 to the accounts.

Net finance costs

Net finance costs (pre-exceptional items and certain remeasurements) for Second Quarter 2020 increased from €8.8m to €12.6m and for First Half 2020 decreased from €17.4m to €16.4m primarily reflecting the impact of foreign exchange movements in the period compared to the same period last year.

Tax charge

The total tax charge (pre-exceptional items and certain remeasurements) for Second Quarter 2020 was €1.7m (2019 - €1.6m) and for First Half 2020 was €4.7m (2019 - €2.5m). A detailed analysis of the tax charge is outlined in note 7 to the accounts.

Cash flow before acquisitions, disposals, interest and tax

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

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Group pro-forma EBITDA¹	36.8	35.4	73.4	67.7
Defined benefit pension charge less contributions paid	(0.8)	-	(0.7)	-
Net movement in security deposits	(2.2)	(16.4)	(1.1)	(13.9)
Changes in working capital ²	(2.1)	5.9	(0.3)	11.2
Over/(under)-recovery of regulated entitlement	4.0	(3.5)	14.1	(1.7)
Exceptional items	(0.2)	-	(0.6)	(0.3)
Foreign exchange translation	(0.3)	0.7	3.1	1.5
Share-based payment	0.1	-	0.1	0.5
Cash flow from operating activities	35.3	22.1	88.0	65.0
Net capital expenditure³	(17.4)	(25.4)	(29.0)	(56.7)
Cash flow before acquisitions, disposals, interest and tax	17.9	(3.3)	59.0	8.3

¹ Includes EBITDA of project financed renewable assets for Second Quarter 2020 of €7.7m (2019 - €5.9m); First Half 2020 €15.5m (2019 - €12.0m)

² Includes changes in working capital of project financed renewable assets for Second Quarter 2020 of €3.8m increase (2019 - €1.1m); First Half 2020 €2.1m decrease (2019 - €2.7m increase) and net proceeds from the sale and purchases of other intangibles of €20.5m for Second Quarter 2020 (2019 - €20.2m); First Half 2020 €18.9m (2019 - €16.0m)

³ Includes capital expenditure on project financed renewable assets for Second Quarter 2020 of €4.4m (2019 - €18.1m); First Half 2020 €10.7m (2019 - €44.4m) and intangible asset (software and customer acquisition costs) expenditure for Second Quarter 2020 of €3.5m (2019 - €3.3m); First Half 2020 €7.4m (2019 - €6.8m)

Group cash flow from operating activities for Second Quarter 2020 increased to €17.9m (2019 - €3.3m decrease) primarily reflecting a lower increase in security deposits of €2.2m (2019 - €16.4m), lower capital expenditure €17.4m (2019 - €25.4m) and an over-recovery of regulated entitlement of €4.0m (2019 - €3.5m under-recovery), partly offset by an increase in working capital of €2.1m (2019 - €5.9m decrease).

Group cash flow from operating activities for First Half 2020 increased to €59.0m (2019 - €8.3m) primarily reflecting lower capital expenditure €29.0m (2019 - €56.7m), an over-recovery of regulated entitlement of €14.1m (2019 - €1.7m under-recovery), a lower increase in security deposits of €1.1m (2019 - €13.9m) and an increase in EBITDA from €67.7m to €73.4m, partly offset by an increase in working capital of €0.3m (2019 - €11.2m decrease).

Net movement in security deposits

The net movement in security deposits for Second Quarter 2020 was a €2.2m increase (2019 - €16.4m) and for First Half 2020 was an increase of €1.1m (2019 - €13.9m). As at 30 September 2019 there were €12.7m (30 June 2019 - €10.5m; 31 March 2019 - €11.6m) of security deposits in place.

Changes in working capital

Working capital for Second Quarter 2020 increased by €2.1m (2019 - €5.9m decrease) primarily due to a decrease in ROC liabilities (reflecting the settlement of the annual ROC obligation), an increase in ROC debtors and a decrease in VAT creditor (due to settlement timing differences), partly offset by an increase in emissions liability.

Working capital for First Half 2020 increased by €0.3m (2019 - €11.2m decrease) primarily

due to a decrease in the REFIT creditor for renewable PPAs (due to lower prices), a decrease in ROC liabilities (reflecting the settlement of the annual ROC obligation) and an increase in ROC debtors, partly offset by a decrease in trade and other receivables (reflecting lower electricity sales volumes and prices).

Over/(under)-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 2020 by €4.0m (2019 - €3.5m under-recovery) and in First Half 2020 by €14.1m (2019 - €1.7m under-recovery) and at 30 September 2019 the combined cumulative over-recovery against regulated entitlement was €16.0m. The over-recovery of regulated entitlement reflects the phasing of tariffs.



Thornog wind farm, Co. Tyrone

Capital expenditure

	Second Quarter 2020 €m	Second Quarter 2019 €m	First Half 2020 €m	First Half 2019 €m
Renewables	4.4	18.1	10.7	44.4
Flexible Generation	8.9	3.5	9.0	5.0
Customer Solutions	4.1	3.8	9.3	7.3
Total Capital Expenditure	17.4	25.4	29.0	56.7

Net capital expenditure in respect of tangible fixed assets and intangible software assets for Second Quarter 2020 decreased to €17.4m (2019 - €25.4m) and for First Half 2020 decreased to €29.0m (2019 - €56.7m).

Renewables capital expenditure for Second Quarter 2020 decreased to €4.4m (2019 - €18.1m) and for First Half 2020 decreased to €10.7m (2019 - €44.4m) primarily reflecting lower capital expenditure in respect of wind farms commissioned in the prior year.

Flexible Generation capital expenditure for Second Quarter 2020 increased to €8.9m (2019 - €3.5m) and for First Half 2020 increased to €9.0m (2019 - €5.0m) primarily due to higher capital expenditure in respect of Huntstown 1's outage.

Customer Solutions capital expenditure for Second Quarter 2020 increased to €4.1m (2019 - €3.8m) and for First Half 2020 increased to €9.3m (2019 - €7.3m) primarily reflecting higher capital expenditure in relation to IT projects.

Other cash flows

Net interest paid

Net interest paid (excluding exceptional finance costs) in Second Quarter 2020 increased to €19.7m (2019 - €19.4m) and for First Half 2020 increased to €21.0m (2019 - €20.5m).

Acquisition and disposals

Acquisition of subsidiary undertakings of €50.4m (2019 - €nil) reflects cash flows on the acquisition of onshore wind projects as discussed further in note 10.

Disposals cash flow of €6.5m relates to the sale of the Group's 25% minority share in a 52MW portfolio of wind generation assets in the RoI.

Dividends

No dividends were paid in the First Half 2020 (2019 - €nil).

Net debt

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

	30 September 2019 €m	31 March 2019 €m
Investments	1.4	1.5
Cash and cash equivalents	197.8	196.6
Senior secured notes	(595.2)	(602.0)
Project finance facilities	(344.3)	(336.0)
Interest accruals	(2.2)	(2.1)
Total net debt	(742.5)	(742.0)

The Group's net debt increased during Second Quarter 2020 by €42.3m from €700.2m at 30 June 2019 to €742.5m at 30 September 2019 primarily due to lower cash and cash equivalents. The Group's net debt increased during First Half 2020 by €0.5m from €742.0m at 31 March 2019 to €742.5m at 30 September 2019 primarily reflecting an increase in project finance debt, partly offset by a decrease in senior secured notes.

Net debt at 30 September 2019 includes project finance net debt of €319.7m (30 June 2019 - €314.8m; 31 March 2019 - €304.9m). Excluding project financed net debt, net debt was €422.8m (30 June 2019 - €385.4m; 31 March 2019 - €437.1m).

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 2019, the Group had letters of credit issued out of the Senior revolving credit facility of €156.1m resulting in undrawn committed facilities of €97.5m (30 June 2019 - €85.1m; 31 March 2019 - €81.4m).

There were no cash drawings under the Senior revolving credit facility at 30 September 2019 (30 June 2019 - €nil; 31 March 2019 - €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 2019, there was €24.7m (30 June 2019 - €35.7m; 31 March 2019 - €31.2m) 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 2019.

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 2019 (30 June 2019 - €0.3m; 31 March 2019 - €nil).



Huntstown CCGT Plant, Dublin

en**é**rgia group



Consolidated Financial Statements

Consolidated Income Statement

for the three month period ended 30 September 2019

		Results before exceptional items and certain remeasurements Second Quarter 2020 Unaudited €m	Exceptional items and certain remeasurements (note 5) Second Quarter 2020 Unaudited €m	Total Second Quarter 2020 Unaudited €m	¹ Restated Results before exceptional items and certain remeasurements (note 22) Second Quarter 2019 Unaudited €m	Exceptional items and certain remeasurements (note 5) Second Quarter 2019 Unaudited €m	Restated Second Quarter 2019 (note 22) Unaudited €m
Continuing operations	Notes						
Revenue	2	419.9	-	419.9	482.9	-	482.9
Operating (costs)/income	4	(392.6)	1.3	(391.3)	(461.8)	15.3	(446.5)
Operating profit	2	27.3	1.3	28.6	21.1	15.3	36.4
Finance costs	6	(12.6)	-	(12.6)	(9.2)	-	(9.2)
Finance income	6	-	-	-	0.4	-	0.4
Net finance cost		(12.6)	-	(12.6)	(8.8)	-	(8.8)
Share of loss in associates		-	-	-	(0.4)	-	(0.4)
Profit on sale of associate		-	4.1	4.1	-	-	-
Profit before tax		14.7	5.4	20.1	11.9	15.3	27.2
Taxation	7	(1.7)	(0.5)	(2.2)	(1.6)	(0.2)	(1.8)
Profit for the period		13.0	4.9	17.9	10.3	15.1	25.4

¹ Restated due to change in presentational currency

Consolidated Income Statement

for the six month period ended 30 September 2019

		Results before exceptional items and certain remeasurements First Half 2020 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Half 2020 Unaudited €m	Total First Half 2020 Unaudited €m	¹ Restated Results before exceptional items and certain remeasurements (note 22) First Half 2019 Unaudited €m	Exceptional items and certain remeasurements (note 5) First Half 2019 Unaudited €m	Restated Total First Half 2019 (note 22) Unaudited €m
Continuing operations	Notes						
Revenue	2	861.8	-	861.8	942.0	-	942.0
Operating (costs)/income	4	(801.3)	(1.2)	(802.5)	(897.1)	33.1	(864.0)
Operating profit/(loss)	2	60.5	(1.2)	59.3	44.9	33.1	78.0
Finance costs	6	(16.7)	-	(16.7)	(18.1)	-	(18.1)
Finance income	6	0.3	-	0.3	0.7	-	0.7
Net finance cost		(16.4)	-	(16.4)	(17.4)	-	(17.4)
Share of loss in associates		(0.2)	-	(0.2)	(0.9)	-	(0.9)
Profit on sale of associate		-	4.1	4.1	-	-	-
Profit before tax		43.9	2.9	46.8	26.6	33.1	59.7
Taxation	7	(4.7)	(0.2)	(4.9)	(2.5)	(2.7)	(5.2)
Profit for the period		39.2	2.7	41.9	24.1	30.4	54.5

¹ Restated due to change in presentational currency

Consolidated Statement of Other Comprehensive Income

for the three and six month periods ended 30 September 2019

	Second Quarter 2020 Unaudited €m	¹ Restated Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	¹ Restated First Half 2019 Unaudited €m
Profit for the period	17.9	25.4	41.9	54.5
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	5.8	(4.6)	(18.6)	(10.2)
Net (loss)/gain on cash flow hedges	(13.8)	5.7	(23.6)	8.4
Transferred loss from equity to income statement on cash flow hedges	2.6	4.0	4.8	1.6
Share of associates net gain on cash flow hedges	0.2	0.2	0.1	0.2
Income tax effect	1.7	(3.3)	2.6	(3.3)
	(9.3)	6.6	(16.1)	6.9
	(3.5)	2.0	(34.7)	(3.3)
Items that will not be reclassified to profit or loss:				
Remeasurement (loss)/gain on defined benefit scheme	(0.6)	0.2	(0.9)	-
Income tax effect	-	-	0.1	-
	(0.6)	0.2	(0.8)	-
Other comprehensive (expense)/income for the period, net of taxation	(4.1)	2.2	(35.5)	(3.3)
Total comprehensive income for the period	13.8	27.6	6.4	51.2

¹ Restated due to change in presentational currency

Consolidated Balance Sheet

as at 30 September 2019

ASSETS	Notes	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Non-current assets:			
Property, plant and equipment		554.5	513.9
Intangible assets		663.8	694.2
Right-of-use assets		19.1	-
Investment in associates		-	2.9
Derivative financial instruments	15	1.7	2.7
Deferred tax assets		33.3	29.7
		1,272.4	1,243.4
Current assets:			
Inventories		5.1	5.6
Trade and other receivables	11	197.0	216.4
Derivative financial instruments	15	12.7	22.4
Other current financial assets	9	14.1	13.1
Cash and cash equivalents	12	197.8	196.6
		426.7	454.1
TOTAL ASSETS		1,699.1	1,697.5

Consolidated Balance Sheet (cont'd)

as at 30 September 2019

		30 September 2019 Unaudited €m	31 March 2019 Audited €m
LIABILITIES	Notes		
Current liabilities:			
Trade and other payables	13	(376.5)	(421.4)
Income tax payable		(1.2)	(2.6)
Financial liabilities	14	(37.4)	(30.8)
Derivative financial instruments	15	(28.3)	(15.7)
		(443.4)	(470.5)
Non-current liabilities:			
Financial liabilities	14	(941.4)	(915.4)
Derivative financial instruments	15	(27.4)	(31.7)
Deferred tax liabilities		(16.1)	(11.9)
Provisions		(16.4)	(16.3)
		(1,001.3)	(975.3)
TOTAL LIABILITIES		(1,444.7)	(1,445.8)
NET ASSETS		254.4	251.7
Equity			
Share capital		-	-
Share premium		744.6	766.6
Retained earnings		(506.2)	(567.9)
Capital contribution reserve		80.6	83.0
Hedge reserve		(29.9)	(13.9)
Foreign currency translation reserve		(34.7)	(16.1)
TOTAL EQUITY		254.4	251.7

The financial statements were approved by the Board and authorised for issue on 5 December 2019.

Consolidated Statement of Changes In Equity

for the six month period ended 30 September 2019

	Notes	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 2018 (restated¹)		-	753.4	(601.2)	115.8	(5.5)	(27.9)	234.6
Exchange adjustment		-	(11.7)	13.6	(1.9)	-	-	-
Profit for the period		-	-	54.5	-	-	-	54.5
Other comprehensive income/(expense)		-	-	-	-	6.9	(10.2)	(3.3)
Share-based payments		-	-	0.5	-	-	-	0.5
Total comprehensive (expense)/income		-	(11.7)	68.6	(1.9)	6.9	(10.2)	51.7
At 30 September 2018 (restated¹)		-	741.7	(532.6)	113.9	1.4	(38.1)	286.3
At 1 April 2019		-	766.6	(567.9)	83.0	(13.9)	(16.1)	251.7
Effect of new accounting standard	1	-	-	(3.8)	-	-	-	(3.8)
At 1 April 2019 (restated)		-	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

¹ Restated due to change in presentational currency

Consolidated Statement of Cash Flows

for the three and six month periods ended 30 September 2019

	Notes	Second Quarter 2020 Unaudited €m	¹ Restated Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	¹ Restated First Half 2019 Unaudited €m
Cash generated from operations before working capital movements	16	39.9	31.9	86.3	66.2
Working capital adjustments:					
Decrease in inventories		0.2	0.2	0.5	0.1
(Increase)/decrease in trade and other receivables		(1.9)	(21.4)	20.5	6.0
Increase in security deposits		(2.2)	(16.4)	(1.1)	(13.9)
(Decrease)/increase in trade and other payables		(20.9)	6.9	(40.2)	(10.9)
Effects of foreign exchange		(0.3)	0.7	3.1	1.5
		14.8	1.9	69.1	49.0
Interest received		0.1	0.1	0.2	0.1
Interest paid		(19.8)	(19.5)	(21.2)	(20.6)
		(19.7)	(19.4)	(21.0)	(20.5)
Income tax paid		(1.9)	-	(2.9)	(0.2)
Net cash flows from operating activities		(6.8)	(17.5)	45.2	28.3

¹ Restated due to change in presentational currency

	Notes	Second Quarter 2020 Unaudited €m	¹ Restated Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	¹ Restated First Half 2019 Unaudited €m
Investing Activities					
Purchase of property, plant and equipment		(14.0)	(22.0)	(21.6)	(49.9)
Purchase of intangible assets		(39.3)	(30.6)	(76.8)	(68.5)
Proceeds from sale of intangible assets		56.4	47.5	88.3	77.7
Disposal of subsidiary, net of cash disposed		-	-	(0.2)	(0.2)
Distributions received from associates		-	-	-	0.1
Interest received from associates		-	-	0.3	0.6
Disposal of associate		6.5	-	6.5	-
Acquisition of subsidiaries		(50.4)	-	(50.4)	(1.3)
Net cash flows used in investing activities		(40.8)	(5.1)	(53.9)	(41.5)
Financing activities					
Proceeds from issue of borrowings		3.8	19.8	24.6	50.2
Repayment of borrowings		(9.0)	(12.5)	(9.0)	(12.5)
Issue costs of new long term loans		-	(0.2)	(1.2)	(1.2)
Payment of lease liabilities		(0.5)	-	(1.0)	-
Net cash flows from financing activities		(5.7)	7.1	13.4	36.5
Net (decrease)/increase in cash and cash equivalents		(53.3)	(15.5)	4.7	23.3
Net foreign exchange difference		1.0	(0.7)	(3.5)	(1.6)
Cash and cash equivalents at period start	12	250.1	181.9	196.6	144.0
Cash and cash equivalents at period end	12	197.8	165.7	197.8	165.7

¹ Restated due to change in presentational currency

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 2019, except for the adoption of new standards effective as of 1 April 2019 (described below), and reflect the change in presentation currency and change in segmental reporting as adopted for the year ended 31 March 2019.

The Group applies, for the first time, IFRS 16 Leases. As required by IAS 34, the nature and effect of these changes are disclosed below:

IFRS 16 - Leases

IFRS 16 specifies the recognition, measurement, presentation and disclosure of leases and has been applied from 1 April 2019, the date of initial application for the Group. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases, unless the lease term is 12 months or less, or the underlying asset has a low value.

Transition to IFRS 16

Following a detailed impact assessment the Group has concluded that PPB's generating unit agreement with AES Ballylumford, whilst considered an operating lease under the existing standard is not regarded as a lease under the new standard.

Similarly PPAs with renewable generators are not regarded as operating leases under the new standard. The Group has entered into operating leases for the hire of equipment, buildings and land (primarily relating to the renewable asset portfolio) which do fall under the scope of IFRS 16.

The Group has adopted IFRS 16 under the modified retrospective approach with the cumulative effect of initially applying IFRS 16 recognised as an adjustment to the opening balance of retained earnings at the date of initial application. In summary the impact of IFRS 16 adoption is as follows:

Impact on the consolidated balance sheet as at 1 April 2019:

	1 April 2019 €m
Assets	
Right-of-use assets	19.7
Deferred tax asset	0.9
Liabilities	
Lease liabilities	(24.4)
Net impact on equity	(3.8)

Due to the adoption of IFRS 16, operating lease rentals recognised within other operating costs have decreased to a negligible amount however depreciation has increased in respect of the depreciation of the right-of-use asset over the term of the lease and finance costs have increased due to accretion of the lease liability.

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of land and buildings. Before the adoption of IFRS 16, the Group classified each of its leases at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as a rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets.

The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, apart from the use of the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	€m
Operating lease commitments as at 31 March 2019	36.5
Weighted average incremental borrowing rate as at 1 April 2019	5.0%
Discounted operating lease commitments as at 1 April 2019	23.0
Less	
Commitments relating to short-term leases	(0.1)
Add	
Effect of change in lease assumptions	1.5
Lease liabilities as at 1 April 2019	24.4

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects

the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating the term of some of its leases. For those leases which have expired, the Group has assumed that these will continue to be leased for a minimum period of five years.

Amounts recognised in the balance sheet and income statement

	Right-Of-Use Assets (Land & Buildings) Total €m	Lease Liabilities €m
As at 1 April 2019	19.7	(24.4)
Additions	0.5	(0.4)
Amortisation	(0.7)	-
Exchange adjustment	(0.4)	0.5
Interest	-	(0.6)
Payments	-	1.0
As at 30 September 2019	19.1	(23.9)

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 277MW of wind assets and purchases electricity from 1,274MW 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, interest rate and currency contracts which are not designated in hedge accounting relationships) and based on regulated entitlement (whereby the adjustment for (under)/over-recovery outlined in the segmental analysis below represents the amount by which the regulated businesses (under)/over-recovered against their regulated entitlement). The Board also monitors revenue on a regulated entitlement basis.

(a) Revenue by segment

	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Renewables	64.8	51.1	114.0	98.3
Flexible Generation	72.3	103.0	168.6	195.6
Customer Solutions	278.9	331.8	565.3	648.3
Inter-group eliminations	(0.1)	0.5	(0.2)	1.5
Group	415.9	486.4	847.7	943.7
Adjustment for over/ (under)-recovery	4.0	(3.5)	14.1	(1.7)
Total	419.9	482.9	861.8	942.0

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

(b) Operating Profit

	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Segment Pro-Forma EBITDA				
Renewables	14.4	15.7	27.1	29.5
Flexible Generation	7.7	10.7	16.9	19.7
Customer Solutions	14.7	9.0	29.4	18.5
Group Pro-Forma EBITDA	36.8	35.4	73.4	67.7
Adjustment for over/(under)-recovery	4.0	(3.5)	14.1	(1.7)
Group EBITDA	40.8	31.9	87.5	66.0
Depreciation/amortisation				
Renewables	(6.2)	(4.6)	(12.5)	(9.1)
Flexible Generation	(4.2)	(4.4)	(8.5)	(8.5)
Customer Solutions	(3.1)	(1.8)	(6.0)	(3.5)
Group depreciation and amortisation	(13.5)	(10.8)	(27.0)	(21.1)
Operating profit pre exceptional items and certain remeasurements				
Renewables	8.2	11.1	14.6	20.4
Flexible Generation	3.5	6.3	8.4	11.2
Customer Solutions	11.6	7.2	23.4	15.0
Group Pro-Forma operating profit	23.3	24.6	46.4	46.6
Adjustment for over/(under)-recovery	4.0	(3.5)	14.1	(1.7)
Operating profit pre exceptional items and certain remeasurements	27.3	21.1	60.5	44.9
Exceptional items and certain remeasurements				
Renewables	(0.2)	-	(0.6)	-
Customer Solutions	1.5	15.3	(0.6)	33.1
Group operating profit post exceptional items and certain remeasurements	28.6	36.4	59.3	78.0
Finance cost	(12.6)	(9.2)	(16.7)	(18.1)
Finance income	-	0.4	0.3	0.7
	(12.6)	(8.8)	(16.4)	(17.4)
Share of loss in associates	-	(0.4)	(0.2)	(0.9)
Profit on sale of associate	4.1	-	4.1	-
Profit on ordinary activities before tax	20.1	27.2	46.8	59.7

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 Second Quarter 2020 and Second Quarter 2019:

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

Second Quarter 2019 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	331.8	331.8
Electricity generation	51.1	103.0	-	154.1
Inter-group eliminations	-	0.6	(0.1)	0.5
Group	51.1	103.6	331.7	486.4
Adjustment for under-recovery	-	-	(3.5)	(3.5)
Total revenue from contracts with customers	51.1	103.6	328.2	482.9

Set out below is the disaggregation of the Group's revenue from contracts with customers for the First Half 2020 and First Half 2019:

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

First Half 2019 Unaudited	Renewables €m	Flexible Generation €m	Customer solutions €m	Total €m
Type of goods or service:				
Supply of electricity and gas	-	-	647.3	647.3
Electricity generation	98.3	195.6	-	293.9
Other	-	-	1.0	1.0
Inter-group eliminations	-	1.7	(0.2)	1.5
Group	98.3	197.3	648.1	943.7
Adjustment for over/(under)-recovery	-	2.5	(4.2)	(1.7)
Total revenue from contracts with customers	98.3	199.8	643.9	942.0

Geographical markets:	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
UK	189.8	219.4	389.7	424.6
RoI	230.1	263.5	472.1	517.4
Total revenue from contracts with customers	419.9	482.9	861.8	942.0
Timing of revenue recognition:				
Transferred over time	379.5	452.4	796.9	887.1
Transferred at a point in time	40.4	30.5	64.9	54.9
Total revenue from contracts with customers	419.9	482.9	861.8	942.0

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

4. OPERATING COSTS

	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Operating costs are analysed as follows:				
Energy costs	345.9	428.2	710.5	828.5
Employee costs	10.6	8.9	21.0	17.8
Depreciation, amortisation and impairment	13.5	10.8	27.0	21.1
Other operating charges	22.6	13.9	42.8	29.7
Total pre-exceptional items and certain remeasurements	392.6	461.8	801.3	897.1
Exceptional items and certain remeasurements:				
Energy (income)/costs	(1.5)	(15.3)	0.6	(33.4)
Other operating charges	0.2	-	0.6	0.3
Total exceptional items and certain remeasurements	(1.3)	(15.3)	1.2	(33.1)
Total operating costs	391.3	446.5	802.5	864.0

4.1 Depreciation, amortisation and impairment

	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Depreciation	10.0	8.6	20.1	17.5
Amortisation of intangible assets	3.2	2.2	6.2	3.6
Amortisation of right-of-use assets	0.3	-	0.7	-
Total depreciation, amortisation and impairment	13.5	10.8	27.0	21.1

5. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Exceptional items in arriving at profit from continuing operations:				
Acquisition costs ¹	(0.2)	-	(0.6)	(0.3)
Profit on disposal of associate ²	4.1	-	4.1	-
	3.9	-	3.5	(0.3)
Certain remeasurements in arriving at profit				
Net profit/(loss) on derivatives at fair value through operating costs ³	1.5	15.3	(0.6)	33.4
	1.5	15.3	(0.6)	33.4
Exceptional items and certain remeasurements before taxation	5.4	15.3	2.9	33.1
Taxation on exceptional items and certain remeasurements	(0.5)	(0.2)	(0.2)	(2.7)
Exceptional items and certain remeasurements after taxation	4.9	15.1	2.7	30.4

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

	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Fair valued derivatives through profit & loss	(0.4)	(0.2)	(0.2)	(2.7)
Exceptional acquisition costs	(0.1)	-	-	-
	(0.5)	(0.2)	(0.2)	(2.7)

¹ Exceptional acquisition costs for Second Quarter 2020 of €0.2m (2019 - €nil) and First Half 2020 of €0.6m (2019 - €0.3m) relate to costs associated with acquisitions whether successful or unsuccessful.

² Profit on disposal of associate of €4.1m (2019 - €nil) relates to the net gain on disposal of the Group's minority interest in Eco Wind Power.

³ Net profit on derivatives at fair value through operating costs for Second Quarter 2020 of €1.5m (2019 - €15.3m) and for First Half 2020 of €0.6m loss (2019 - €33.4m gain) relates to fair value movements in commodity swap contracts and foreign exchange forward contracts relating to commodity purchases.

6. FINANCE COSTS/INCOME

	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	Results before exceptional items and certain remeasurements Second Quarter 2019 Unaudited €m	Exceptional items and certain remeasurements Second Quarter 2019 Unaudited €m	Total Second Quarter 2019 Unaudited €m
Finance costs						
Interest on external bank loans and borrowings	(4.0)	-	(4.0)	(3.9)	-	(3.9)
Interest on Senior secured notes	(6.4)	-	(6.4)	(6.5)	-	(6.5)
Total interest expense	(10.4)	-	(10.4)	(10.4)	-	(10.4)
Amortisation of financing charges	(0.5)	-	(0.5)	(0.6)	-	(0.6)
Unwinding of discount on decommissioning provision	-	-	-	(0.1)	-	(0.1)
Unwinding of discount on contingent consideration	(0.2)	-	(0.2)	(0.5)	-	(0.5)
Accretion of lease liability	(0.3)	-	(0.3)	-	-	-
Other finance charges	(0.1)	-	(0.1)	(0.1)	-	(0.1)
Total other finance charges	(1.1)	-	(1.1)	(1.3)	-	(1.3)
Net exchange (loss)/gain on net foreign currency borrowings	(1.6)	-	(1.6)	1.5	-	1.5
Less interest capitalised in qualifying asset	0.5	-	0.5	1.0	-	1.0
Total finance costs	(12.6)	-	(12.6)	(9.2)	-	(9.2)
Finance income						
Interest income on loan to an associate	-	-	-	0.3	-	0.3
Interest income on bank deposits	-	-	-	0.1	-	0.1
Total finance income	-	-	-	0.4	-	0.4

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in the Second Quarter 2020 was 5.5% (Second Quarter 2019 - 4.5%).

	Results before exceptional items and certain remeasure- ments First Half 2020 Unaudited €m	Exceptional items and certain remeasure- ments First Half 2020 Unaudited €m	Total First Half 2020 Unaudited €m	Results before exceptional items and certain remeasure- ments First Half 2019 Unaudited €m	Exceptional items and certain remeasure- ments First Half 2019 Unaudited €m	Total First Half 2019 Unaudited €m
Finance costs						
Interest on external bank loans and borrowings	(8.2)	-	(8.2)	(7.6)	-	(7.6)
Interest on Senior secured notes	(13.0)	-	(13.0)	(13.0)	-	(13.0)
Total interest expense	(21.2)	-	(21.2)	(20.6)	-	(20.6)
Amortisation of financing charges	(1.0)	-	(1.0)	(1.1)	-	(1.1)
Unwinding of discount on decommissioning provision	(0.1)	-	(0.1)	(0.2)	-	(0.2)
Unwinding of discount on contingent consideration	(0.2)	-	(0.2)	(0.9)	-	(0.9)
Accretion of lease liability	(0.6)	-	(0.6)	-	-	-
Other finance charges	(0.2)	-	(0.2)	(0.2)	-	(0.2)
Total other finance charges	(2.1)	-	(2.1)	(2.4)	-	(2.4)
Net exchange gain on net foreign currency borrowings	5.7	-	5.7	3.3	-	3.3
Less interest capitalised in qualifying asset	0.9	-	0.9	1.6	-	1.6
Total finance costs	(16.7)	-	(16.7)	(18.1)	-	(18.1)
Finance income						
Interest income on loan to an associate	0.1	-	0.1	0.5	-	0.5
Interest income on bank deposits	0.2	-	0.2	0.2	-	0.2
Total finance income	0.3	-	0.3	0.7	-	0.7

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in First Half 2020 was 4.7% (2019 - 4.1%).

7. INCOME TAX

The major components of the tax charge for the periods ended 30 September 2019 and 30 September 2018 are:

	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	Results before exceptional items and certain remeasurements Second Quarter 2019 Unaudited €m	Exceptional items and certain remeasurements Second Quarter 2019 Unaudited €m	Total Second Quarter 2019 Unaudited €m
Current tax:						
Current tax charge	(0.1)	(0.5)	(0.6)	-	(0.2)	(0.2)
Total current tax charge	(0.1)	(0.5)	(0.6)	-	(0.2)	(0.2)
Deferred tax:						
Adjustments in respect of current period	(1.6)	-	(1.6)	(1.6)	-	(1.6)
Total deferred tax	(1.6)	-	(1.6)	(1.6)	-	(1.6)
Total taxation charge	(1.7)	(0.5)	(2.2)	(1.6)	(0.2)	(1.8)

	Results before exceptional items and certain remeasure- ments First Half 2020 Unaudited €m	Exceptional items and certain remeasure- ments First Half 2020 Unaudited €m	Total First Half 2020 Unaudited €m	Results before exceptional items and certain remeasure- ments First Half 2019 Unaudited €m	Exceptional items and certain remeasure- ments First Half 2019 Unaudited €m	Total First Half 2019 Unaudited €m
Current tax:						
Current tax (charge)/ credit	(1.2)	(0.2)	(1.4)	2.3	(2.7)	(0.4)
Total current tax (charge)/credit	(1.2)	(0.2)	(1.4)	2.3	(2.7)	(0.4)
Deferred tax:						
Adjustments in respect of current period	(3.5)	-	(3.5)	(4.8)	-	(4.8)
Total deferred tax	(3.5)	-	(3.5)	(4.8)	-	(5.2)
Total taxation	(4.7)	(0.2)	(4.9)	(2.5)	(2.7)	(5.2)

8. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment			
	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Renewables	3.4	10.5	8.7	43.3
Flexible Generation	9.0	0.2	9.0	4.0
Customer Solutions	0.4	0.5	0.7	0.6
Total	12.8	11.2	18.4	47.9

	Capital additions to intangible assets			
	Second Quarter 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	Restated First Half 2019 Unaudited €m
Renewables	31.2	27.4	61.9	55.2
Customer Solutions	5.9	6.2	10.4	10.3
Total	37.1	33.6	72.3	65.5

9. OTHER FINANCIAL ASSETS

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Other financial assets		
Financial assets at amortised cost:		
Security deposits	12.7	11.6
Short-term managed funds	1.4	1.5
Total other financial assets	14.1	13.1

10. BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions in First Half 2020

On 13 September 2019 the Group acquired the entire issued ordinary share capital of a 38MW wind farm development project in County Tyrone, NI.

On 30 September 2019 the Group acquired the entire issued A ordinary share capital and entered into a Put and Call Option Agreement for the B ordinary share capital of a 32MW wind farm development project in County Sligo, RoI. As part of this acquisition the Group also acquired the entire issued ordinary share capital of an associated supply company.

Acquisitions post balance sheet

In October 2019 the Group completed the asset purchase of a 14MW wind farm development project in County Tyrone, NI and completed the acquisition of a solar farm development project in the RoI.

In November 2019 the Group completed the acquisition of a 95MW wind farm development project in County Roscommon, RoI.

The acquisitions contribute 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 farms acquired were:

	Fair value recognised on acquisitions in First Half 2020 €m
Assets	
Fixed assets - development costs	50.1
Other receivables	1.1
Cash	3.7
	54.9
Liabilities	
Other payables	(4.9)
Shareholder loans	(47.8)
Deferred tax liabilities	(0.3)
Total identifiable net assets at fair value	1.9
Intangible assets (development assets) arising on acquisition	11.5
Purchase consideration transferred	13.4

	Fair value recognised on acquisitions in First Half 2020 €m
Purchase consideration made up of:	
Cash	7.2
Contingent consideration	6.2
	13.4
Analysis of cash flows on acquisition:	
Cash	7.2
Discharge of liabilities	46.9
Cash flows on acquisition	54.1
Cash acquired on acquisition	(3.7)
Net cash flows on acquisition	50.4

Transaction costs of €0.4m were expensed in the First Half 2020.

Contingent consideration

Contingent consideration of €6.2m was recognised in relation to the wind farm projects acquired in the First Half 2020 and reflects the present value of the maximum amount payable, with the minimum amount payable being €nil.

Payment is contingent on various project milestones being met with €4.7m expected to be paid in 2019/2020 and the balance expected to be paid by 2021/2022.

Disposals in First Half 2020

In August 2019 the Group sold its 25% interest in Eco Wind Power and recognised a gain on disposal of €4.1m.

11. TRADE AND OTHER RECEIVABLES

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Trade receivables (including unbilled consumption)	165.8	200.4
Contract assets (accrued income)	14.1	20.4
Prepayments	4.8	3.1
Other receivables	25.6	5.1
	210.3	229.0
Allowance for expected credit losses	(13.3)	(12.6)
	197.0	216.4

12. CASH AND CASH EQUIVALENTS

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Cash at bank and on hand	85.9	70.3
Short-term bank deposits	111.9	126.3
	197.8	196.6

13. TRADE AND OTHER PAYABLES

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Trade creditors	93.6	123.9
Other creditors	48.0	63.0
Amounts owed to associate	-	1.0
Contract liabilities (payments on account)	32.1	29.2
Tax and social security	9.5	10.2
Accruals	193.3	194.1
	376.5	421.4

14. FINANCIAL LIABILITIES

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Current financial liabilities:		
Senior secured notes interest payable	1.2	1.2
Other interest payable	0.9	0.8
Project financed bank facilities (NI)	10.0	9.9
Project financed bank facilities (RoI)	12.6	13.1
Project finance interest accruals	0.1	0.1
Lease liability	1.3	-
Contingent consideration	10.5	5.7
Contingent liability	0.8	-
Total current financial liabilities	37.4	30.8
Non-current financial liabilities:		
Senior secured notes €350m (2025)	345.1	344.7
Senior secured notes £225m (2024)	250.1	257.3
Project financed bank facilities (NI)	203.4	214.1
Project financed bank facilities (RoI)	118.3	98.9
Lease liability	22.6	-
Contingent consideration	1.9	0.4
Total non-current financial liabilities	941.4	915.4
Total current and non-current financial liabilities	978.8	946.2

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%.

At 30 September 2019, the Group had letters of credit issued out of the Senior revolving credit facility of €156.1m resulting in undrawn committed facilities of €97.5m (30 June 2019 - €85.1m; 31 March 2019 - €81.4m). There were no cash drawings under the Senior revolving credit facility at 30 September 2019 (31 March 2019 - €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 3.81% (2019 - 3.71%) on project financed bank facilities NI and 2.55% (2019 - 2.81%) on the project financed bank facilities RoI.

Contingent consideration

Contingent consideration of €12.4m (31 March 2019 - €6.1m) relates to the acquisition of various renewable development projects (onshore wind and bioenergy) 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 €10.5m expected to be paid in 2019/2020 and €1.9m paid in 2021/22.

Contingent liability

Contingent liability of €0.8m relates to an outstanding shareholder loan payable by the NI wind farm project acquired in the Second Quarter 2020 and payment is due upon the earlier of acceptance of a grid connection offer by the project or the Commercial Operations Date.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	1.1	3.5
Commodity swap contracts	6.0	16.7
Interest rate swap contracts	-	0.4
Total derivatives at fair value through other comprehensive income	7.1	20.6
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	1.0	1.5
Commodity swap contracts	6.3	3.0
Total derivatives at fair value through profit and loss	7.3	4.5
Total derivative financial assets	14.4	25.1
Total non-current	1.7	2.7
Total current	12.7	22.4

Derivative financial liabilities

	30 September 2019 Unaudited €m	31 March 2019 Audited €m
Derivatives at fair value through other comprehensive income		
Cash flow hedges:		
Foreign exchange forward contracts	(0.8)	(1.8)
Commodity swap contracts	(12.0)	(18.8)
Interest rate swap contracts	(29.4)	(16.4)
Total derivatives at fair value through other comprehensive income	(42.2)	(37.0)
Derivatives at fair value through profit and loss		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	(0.6)	(1.0)
Commodity swap contracts	(12.9)	(9.4)
Total derivatives at fair value through profit and loss	(13.5)	(10.4)
Total derivative financial liabilities	(55.7)	(47.4)
Total non-current	(27.4)	(31.7)
Total current	(28.3)	(15.7)

Fair Values

As indicated in note 3(e) in the consolidated financial statements for the year ended 31 March 2019 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 2019		31 March 2019	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Level 1				
Non-current liabilities				
Senior secured notes (2024 and 2025)	(595.2)	(617.5)	(602.0)	(602.5)
Level 2				
Non-current liabilities				
Project financed bank facilities (NI)	(213.4)	(213.4)	(214.1)	(214.1)
Project financed bank facilities (RoI)	(130.9)	(130.9)	(98.9)	(98.9)
Level 3				
Non-current liabilities				
Financial liabilities (contingent consideration)	(1.9)	(1.9)	(0.4)	(0.4)
Financial liabilities (lease liability)	(22.6)	(22.6)	-	-
Current liabilities				
Financial liabilities (contingent consideration)	(10.5)	(10.5)	(5.7)	(5.7)
Financial liabilities (contingent liability)	(0.8)	(0.8)	-	-
Financial liabilities (lease liability)	(1.3)	(1.3)	-	-

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.

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 €12.4m 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 contingent liability 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 €0.8m is estimated to approximate to its fair value determined by using discounted cash flows based on the Company's borrowing rate.

The fair value of the lease liability is considered to fall within the level 3 fair value hierarchy and is measured using the present value of the future lease payments over the lease term. The carrying value of €23.9m 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 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Operating activities				
Profit before tax from continuing operations	20.1	27.2	46.8	59.7
Depreciation and impairment of property, plant and equipment	10.0	8.6	20.1	17.5
Amortisation and impairment of intangible assets	3.2	2.2	6.2	3.6
Amortisation of right-of-use assets	0.3	-	0.7	-
Derivatives at fair value through income statement	(1.5)	(15.3)	0.6	(33.4)
Net finance costs	12.6	8.8	16.4	17.4
Defined benefit charge less contributions paid	(0.8)	-	(0.7)	-
Share of loss in associates	-	0.4	0.2	0.9
Profit on disposal of associate	(4.1)	-	(4.1)	-
Share-based payments	0.1	-	0.1	0.5
Cash generated from operations before working capital movements	39.9	31.9	86.3	66.2

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 2018	144.0	1.5	(21.5)	(871.6)	(747.6)
Net increase in cash and cash equivalents	23.3	-	-	-	23.3
Proceeds from issue of borrowings	-	-	(3.0)	(47.2)	(50.2)
Repayment of borrowings	-	-	12.5	-	12.5
Issue costs on new long-term loans	-	-	-	1.2	1.2
Amortisation	-	-	(0.5)	(0.6)	(1.1)
Reclassifications	-	-	(11.9)	11.9	-
Translation difference	(1.6)	-	-	6.7	5.1
At 30 September 2018	165.7	1.5	(24.4)	(899.6)	(756.8)
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)

18. CAPITAL COMMITMENTS

At 30 September 2019 the Group had contracted future capital expenditure in respect of tangible fixed assets of €20.9m (30 June 2019 - €19.0m; 31 March 2019 - €22.2m).

19. DISTRIBUTIONS MADE AND PROPOSED

No dividends have been paid or proposed for the First Half 2020 (2019 - €nil).

20. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the Second Quarter 2020 and First Half 2020 do not differ significantly from those in the consolidated financial statements for the year ended 31 March 2019.

21. SEASONALITY OF OPERATIONS

Certain activities of the Group are affected by weather and temperature conditions and seasonal market price fluctuations. As a result of this, the amounts reported for the interim period may not be indicative of the amounts that will be reported for the full year due to seasonal fluctuations in customer demand for gas and electricity, the impact of weather on demand, renewable generation output and commodity prices, market changes in commodity prices and changes in retail tariffs.

In the Customer Solutions Business supply, notable seasonal effects include the impact on customer demand of warmer temperatures in the first half of the financial year.

In Flexible generation, there is the impact of lower customer demand on commodity prices, the weather impact on renewable generation and other seasonal effects.

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

22. RESTATED PRIOR PERIOD COMPARATIVES

ROC income of €12.6m in Second Quarter 2019 and €24.0m in First Half 2019 within the Group's renewables business which was previously recognised within operating costs has been reclassified to turnover.

Income of €nil in Second Quarter 2019 and €0.3m in First Half 2019 in relation to the reimbursement of costs associated with the administration of the Northern Ireland Sustainable Energy Programme (NISEP) which was previously included in revenue within the Group's Customer Solutions business of Power NI has been netted with corresponding operating costs.

The consolidated income statement for the Second Quarter 2019 and First Half 2019 was restated resulting in a combined increase in both revenue and operating costs amounting to €12.6m and €23.7m respectively.

Appendix

A woman with short brown hair, wearing a light-colored long-sleeved top and dark pants, stands behind a white adjustable podium. She is smiling and pointing her right index finger towards a large screen on the wall. The screen displays a presentation slide with the text "energía group" and a line graph. To her left, a wall is covered with several colorful sticky notes. In the foreground, the back of a person's head and shoulders are visible, looking towards the presenter. The entire image is overlaid with a semi-transparent purple circle and a solid purple vertical bar on the right side.

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 2020 Unaudited €m	Second Quarter 2019 Unaudited €m	First Half 2020 Unaudited €m	First Half 2019 Unaudited €m
Group pro-forma EBITDA	36.8	35.4	73.4	67.7
Less EBITDA from project financed renewable assets	(7.7)	(5.9)	(15.5)	(12.0)
Pro-forma EBITDA for the Senior secured notes Restricted Group	29.1	29.5	57.9	55.7

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 2020 decreased to €29.1m (2019 - €29.5m) primarily reflecting a decrease in EBITDA from the Renewable PPA contracts and Flexible Generation business, partly offset by an increase in EBITDA from the Customer Solutions business.

Pro-forma EBITDA for the Senior secured notes Restricted Group (pre-exceptional items and certain remeasurements) for First Half 2020 increased to €57.9m (2019 - €55.7m) primarily reflecting an increase in EBITDA from the Customer Solutions business, partly offset by a decrease in EBITDA from the Renewable PPA contracts and Flexible Generation business.

Pro-forma Net Debt for the Senior secured notes Restricted Group

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

	30 September 2019 €m	31 March 2019 €m
Investments	1.4	1.5
Cash and cash equivalents	173.1	165.4
Senior secured notes €350m (2025)	(345.1)	(344.7)
Senior secured notes £225m (2024)	(250.1)	(257.3)
Interest accruals - Senior secured notes	(1.2)	(1.2)
Other interest accruals	(0.9)	(0.8)
Pro-forma Net Debt for the Senior secured notes Restricted Group	(422.8)	(437.1)



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