Energy for generations

INTERIM FINANCIAL REPORT

For the 6 month period ended 30 June 2023

Contents

Financial Review June 2023

The level of volatility in global energy markets experienced in 2022 eased somewhat in the first half of 2023. However, it remains a period of uncertainty and change for the energy industry and these market conditions continue to have a significant impact on ESB's overall financial performance.

Paul Stapleton, Executive Director, Group Finance and Commercial

Highlights

Operating Profit after exceptional items

€676m

(€157 million increase on June 2022)

Profit After Tax after exceptional items

€492m

(€102 million increase on June 2022)

Net Debt

€5,959m

(€827 million decrease on December 2022)

Capital Expenditure

€779m

(€247 million increase on June 2022)

We continue to see strong profitability in our generation business while energy supply remains challenging, albeit more stable, and there are continuing demands for enhanced liquidity and higher borrowings as our levels of capital investment grow. Wholesale prices are much reduced from the peaks of 2022 but are still significantly higher than the levels seen prior to the energy crisis. However, if the downward trend in wholesale prices continues, customers should progressively see the benefit reflected in lower energy prices. Broader macroeconomic issues notably high inflation, increasing interest rates and supply chain disruption also continue to impact on our electricity generation and networks' businesses in particular. We continue to monitor and manage these risks closely.

Operating profit of €676 million for the six months to June 2023, represents an increase of €157 million (30%) on the same period in 2022 (increase of €319 million before 2022 exceptional items). Over 65% of the increase in operating profit (before exceptional items) relates to our operations in Great Britain (GB) with substantially higher energy margins earned in our GB Generation and Trading business and significantly improved performance in So Energy, our energy supply business in GB. In addition, higher income was earned in ESB Networks due to regulated network tariff changes, and ESB also benefitted from foreign exchange movements. These positive movements were partially offset by lower Electric Ireland profitability for this six-month period versus the first half of 2022. The level of Group profit after taxation (after exceptional items) at €492 million represents a €102 million increase on 2022, an increase of 26%.

It is crucial that ESB continues to earn significant profits to allow us to scale up our investment in critical energy infrastructure. This increased level of investment is required to ensure a reliable and sustainable electricity system as we transition to net zero. During the first six months of 2023, ESB invested €779 million of capital expenditure. This represents a 46% increase on the same period in 2022. Approximately 67% of this capital expenditure relates to investment in electricity network infrastructure in line with agreed regulatory programmes. This investment will enable economic growth, enhance network resilience and help to progress Government Climate Action targets. €224 million of this capital expenditure was on electricity generation projects, including investment in renewable generation and in ongoing system services and battery storage projects which enhance system flexibility and security of supply. In addition to this, €39 million has been invested by way of shareholder loans to joint venture projects (the majority of which related to our continued investment in offshore wind).

Overall, these results provide the basis for continued strong investment in a more sustainable and resilient energy future consistent with ESB's strategic ambition to achieve net zero by 2040.

Figure 1: Five-year summary six months to 30 June

	June 2023 €'m	June 2022 €'m	June 2021 €'m	June 2020 €'m	June 2019 €'m
Operating Profit before exceptional items[1]	676	357	363	249	294
Operating Profit after exceptional items	676	519	445	72	294
EBITDA before exceptional items[1]	1,093	763	739	604	664
EBITDA[1]	1,093	925	742	604	664
Capital Expenditure[2]	779	532	435	395	396

	June 2023 €'m	December 2022 €'m	December 2021 €'m	December 2020 €'m	December 2019 €'m
Net debt (excluding lease liabilities)	5,828	6,657	4,826	4,995	5,109
Net debt (including lease liabilities)[1]	5,959	6,786	4,946	5,120	5,239
Gearing (%)[1]	49%	58%	52%	55%	57%
Total assets	18,275	19,240	15,991	13,842	13,980

1 Refer to Alternative Performance Measures on Page 37 for definitions and calculations.
2 Capital expenditure is gross of customer contributions for network connections (in line with IFRS 15 'Revenue from Contracts with Customers').

Segmental Performance

The Group is organised into five reportable segments which are managed separately. Further details on the business segments are included in note 6 of the interim financial statements. Details on the performance of each of those segments are set out below.

- ESB Networks' operating profit of €157 million is up €40 million compared to the same period in 2022. This is primarily due to higher regulated income offset by higher operating expenditure, depreciation and payroll due to an increase in activity and a higher headcount.
- Northern Ireland Electricity Networks' (NIE Networks) operating profit of €10 million is €2 million higher than the same period in 2022 with higher revenue in 2023, reflecting the continued investment in the NIE Networks' Regulated Asset Base, being offset by higher costs including higher staff costs reflecting an increased headcount.
- Generation and Trading's operating profit of €494 million (before exceptional items) is up €185 million due to increased energy margin, notably related to the Carrington plant in GB which benefitted from hedges secured in 2022 for volume delivered during the first half of 2023.

Figure 2: Summarised Income Statement

	6 months ended June 2023 €'m	6 months ended June 2022 €'m
Revenue and other operating income	4,903	3,678
Net impairment losses on financial assets and operating costs	(4,227)	(3,321)
Operating Profit before exceptional items	**676**	**357**
Exceptional items	-	162
Operating Profit after exceptional items	**676**	**519**
Net finance costs	(61)	(63)
Fair value movements on financial instruments	(11)	53
Share of equity accounted investees loss	(28)	(30)
Profit before tax after exceptional items	**576**	**479**
Tax charge	(84)	(89)
Profit after tax after exceptional items	**492**	**390**

- Customer Solutions' operating profit of €23 million compared to a loss of €45 million for the same period in 2022. The return to profit was substantially driven by greatly improved performance in So Energy (GB) for the first six months of the year with that business close to breakeven in operating profit terms for this period. Electric Ireland's profitability for the first six months of the year was lower than 2022 driven by higher hedged wholesale energy costs.
- Other Segments include Engineering and Major Projects, Corporate Centre and Enterprise Services which provide services to the other business segments. This segment, which includes most of the financing costs of the Group, reported an operating loss of €8 million for 2023 compared to a loss of €33 million in 2022. This movement primarily relates to foreign exchange on intercompany positions.

Financial Review June 2023 (continued)

Capital Expenditure

ESB Networks' capital expenditure of €413 million is up €65 million mainly due to increased distribution spend driven by new connections and asset replacement programmes as well as an increase in transmission projects spend.

NIE Networks' expenditure of €110 million is up €4 million and reflects an increase in work programmes as part of NIE Networks' plan to deliver the outputs required in the current RP6 price control, as well as connecting additional customers to the electricity grid.

Capital expenditure in Generation and Trading at €224 million is up €169 million with a significant increase in spend on ongoing projects including flexible gas generation and battery storage projects as well as spend on a new investment in offshore wind projects in Scotland. In addition, Generation and Trading invested €39 million by way of shareholder loans to joint venture projects for the period ended June 2023, the majority of which related to ESB's continued investment in offshore wind.

Other Segments' expenditure of €32 million is €9 million ahead of the prior period and largely relates to the timing of project spend in Customer Solutions.

Net Debt and Gearing

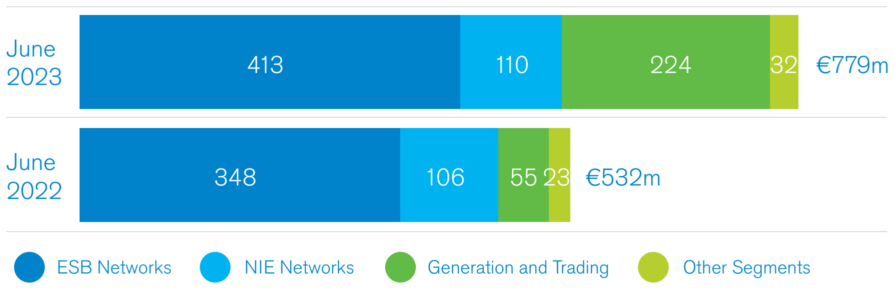
Net debt of €6.0 billion at 30 June 2023 comprises borrowings of €7,016 million (31 December 2022: €6,893 million), cash of €1,188 million (31 December 2022: €236 million) and lease liabilities of €131 million (31 December 2022: €129 million). Borrowing levels are higher than December 2022 as a result of a €350 million bond issued in January 2023. The increased cash balance is due to this proactive funding, in addition to cash profits and lower amounts paid in relation to mark-to-market positions on exchange traded coal, gas and carbon contracts as set out in the Funding and Liquidity section below.

The gearing level of 49% at 30 June 2023 has decreased since December 2022 (58%) reflecting lower net debt and higher net assets.

Figure 3: Summarised Cash Flow Statement

	6 months ended June 2023 €m	6 months ended June 2022 €m
EBITDA	1,093	925
Provision utilisation and other movements	758	170
Interest and tax	(185)	(160)
Net cash inflow from operating activities	**1,666**	**935**
Capital expenditure and JV loans (net of repayments)	(809)	(643)
Other (including FX)	36	2
Net cash outflow from investing activities	**(773)**	**(641)**
Net cash inflow from financing activities	**59**	**327**
Restricted cash – net amounts received on Government energy cost support schemes	**(747)**	**-**
Net increase in cash – including restricted cash	**205**	**621**

Figure 4: Capital Expenditure (including purchase of financial assets)



Funding and Liquidity

Group Treasury's funding activities are of strategic importance to the Group, supporting ESB's capital expenditure programme, the refinancing of maturing debt and the maintenance of an appropriate liquidity buffer to guard against economic shocks which may have an impact on cash flows and financial markets.

In January 2023, ESB issued a €350 million 3.75% fixed-rate bond maturing in 2043. The net proceeds from the transaction will contribute to ESB's ambitious capital expenditure programme.

A €1.4 billion Sustainability-Linked Revolving Credit Facility is in place with a group of 13 international banks. This facility currently extends to February 2027. In 2022, an additional Revolving Credit Facility of £750 million was agreed and currently extends to December 2023. Both of these facilities were undrawn at 30 June 2023. At 30 June 2023, ESB had over €3.4 billion of available liquidity, comprising just under €1.2 billion of cash on hand and Revolving Credit Facilities of €2.3 billion (undrawn). At 30 June 2023, c.€0.4 billion was paid relating to exchange and bilateral traded gas, carbon and power contracts. This amount of liquidity is significantly in excess of scheduled debt repayments due over the next 24 months of almost €0.7 billion.

The weighted average interest rate on the Group's portfolio of outstanding borrowings at 30 June 2023 is 3.5% (31 December 2022: 3.5%). Almost 90% of Group borrowings are fixed to maturity, 9% inflation linked and approximately 1% variable rate debt. Approximately 29% of Group borrowings are sterling denominated. These borrowings have been raised to fund assets in Great Britain and Northern Ireland, which earn, or will earn in the future, sterling denominated net revenues.

ESB's strong liquidity position reflects its underlying financial strength and credit ratings of A- and A3 with Standard & Poor's and Moody's respectively, both reaffirmed during 2023 and with a stable outlook. The Group continues to proactively manage its borrowings repayment profile and maintains its ability to fund in the future through close ongoing engagement with its credit rating agencies, debt investors and relationship banks.

Principal Risks and Uncertainties

The Board of ESB is responsible and accountable for the Group's risk management and internal control systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. The Board has approved a Risk Management Group Policy which sets out delegated responsibilities and procedures for the management of risk across the Group. The Board of ESB continuously monitors the risks and uncertainties facing the Group. Following completion of the 2023 Group Risk Plan and the 2023 mid-year risk review process, the Board of ESB has determined that those principal risks reported in the 2022 Annual Report along with updates made to reflect the latest developments in ESB's risk environment as summarised below, reasonably reflect the principal risks and uncertainties facing the Group for the remaining six months of the financial year. The principal risks and uncertainties and a description of same are outlined on Page 40.

Key updates since the 2022 Annual Report

A number of key updates to ESB's Principal Risks have been made as follows:

- Aggregation of the Financial Strength and Macroeconomic principal risks to capture both internal and external developments in the economy and financial markets, and reflect risks stemming from the potential for liquidity issues.
- Expansion of the principal risk covering Compliance to capture governance obligations.
- Modification of the Climate Transition Risk reflecting the risk of ESB failing to meet sustainability targets as per ESB's Net Zero by 2040 Strategy and expansion of implications of this broadened Climate Transition Risk to include potential negative impact on the environment.
- Expansion of the principal risk covering Resourcing/Capability due to increased external pressure in this area.
- Modification of the principal risk covering Climate Physical Risk and expansion to include Major Environmental Incidents, reflecting increasingly extreme and unpredictable weather patterns and/or environmental incidents as well as the potential implications on performance of ESB assets and national security of supply.
- Expansion of the existing principal risk covering Brand or Reputation to include customer satisfaction and stakeholder trust.

Sustainability and Climate Related Disclosures

Details of ESB's latest sustainability and climate related disclosures can be found in ESB's 2022 Sustainability Report at www.esb.ie.

Going Concern

As stated in note 5 to the condensed consolidated financial statements, the Board is satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, it continues to adopt the going concern basis in preparing the condensed financial statements.

Statement of Board Members' Responsibilities

The Board Members are responsible for preparing this Interim Financial Report including the condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union.

We confirm to the best of our knowledge:

- the unaudited condensed consolidated set of financial statements, prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Interim Financial Report includes a fair review of the development and performance of the business and the position of the Group during the first six months of the financial year and the impact on the unaudited condensed consolidated set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year.

On behalf of the Board

Terence O'Rourke
Chairman

Paddy Hayes
Chief Executive

13 September 2023

Independent Review Report to Electricity Supply Board

We have been engaged by Electricity Supply Board ("the Group") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows, and the related notes 1 to 31. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS) IAS 34 - Interim Financial Reporting as adopted by the EU.

Basis for Conclusion

We conducted our review pursuant to International Standard on Review Engagements (Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Irish Auditing and Accountancy Supervisory Authority ("ISRE (Ireland) 2410"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410, however future events or conditions may impact this conclusion.

Board Members' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Board Members. The Board Members are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34 as adopted by the European Union.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. As disclosed in note 2, the condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

In preparing the half-yearly financial report, the Board Members are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our Responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report, including a conclusion relating to the Group's going concern, based on our review.

Use of our Report

This report is made solely to the Group pursuant to ISRE (Ireland) 2410. Our work has been undertaken so that we might state to the Group those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our review work, for this report, or for the conclusions we have formed.

Glenn Gillard
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace, Dublin 2

14 September 2023

Condensed Consolidated Income Statement
For the six month period ended 30 June 2023

	Notes	Unaudited June 2023 Total €m	Unaudited June 2022 Excluding exceptional items €m	Unaudited June 2022 Exceptional items note 8 €m	Unaudited June 2022 Total €m
Revenue	7	**4,892.6**	3,672.6	-	3,672.6
Other operating income (net)	9	**10.2**	5.6	-	5.6
Net impairment losses on financial assets	10	**(33.0)**	(19.0)	-	(19.0)
Operating costs (net)	10	**(4,193.9)**	(3,302.3)	161.7	(3,140.6)
Operating profit		**675.9**	356.9	161.7	518.6
Net interest on borrowings	11	**(95.0)**	(64.8)	-	(64.8)
Financing charges	11	**(10.3)**	(6.5)	-	(6.5)
Fair value movement on financial instruments	11	**(10.9)**	53.1	-	53.1
Finance income	11	**44.0**	8.5	-	8.5
Net finance cost		**(72.2)**	(9.7)	-	(9.7)
Share of equity accounted investees loss, net of tax	14	**(27.9)**	(29.4)	-	(29.4)
Profit before taxation		**575.8**	317.8	161.7	479.5
Income tax expense	19	**(83.7)**	(69.0)	(20.2)	(89.2)
Profit after taxation		**492.1**	248.8	141.5	390.3
Attributable to:					
Equity holders of the Parent		**497.2**	274.4	141.5	415.9
Non-controlling interest		**(5.1)**	(25.6)	-	(25.6)
Profit for the financial period		**492.1**	248.8	141.5	390.3

Condensed Consolidated Statement of Comprehensive Income
For the six month period ended 30 June 2023

	Unaudited June 2023 €m	Unaudited June 2022 €m
Profit for the financial period	**492.1**	390.3
Items that will not be reclassified subsequently to the income statement:		
NIE Networks pension scheme actuarial (losses) / gains	**(31.9)**	119.0
Tax on items that will not be reclassified to the income statement	**8.5**	(23.1)
	(23.4)	95.9
Items that are or may be reclassified subsequently to the income statement:		
Translation differences on consolidation of foreign subsidiaries	**8.3**	(4.0)
Fair value gains / (losses) on cash flow hedges	**34.3**	(1.5)
Fair value gains on cash flow hedges in equity accounted investees	**17.5**	139.8
Transferred to the income statement on cash flow hedges	**15.6**	(22.8)
Tax on items that are or may be reclassified subsequently to the income statement	**(4.8)**	(2.0)
Tax on items that are or may be reclassified subsequently to the income statement for equity accounted investees	**(4.5)**	(32.8)
Tax on items transferred to the income statement	**(1.9)**	3.3
	64.5	80.0
Other comprehensive income for the financial period, net of tax	**41.1**	175.9
Total comprehensive income for the financial period	**533.2**	566.2
Attributable to:		
Equity holders of the Parent	**538.3**	591.8
Non-controlling interest	**(5.1)**	(25.6)
Total comprehensive income for the financial period	**533.2**	566.2

Condensed Consolidated Balance Sheet
As at 30 June 2023

	Notes	Unaudited June 2023 €m	Audited December 2022 €m
Assets			
Non-current assets			
Property, plant and equipment	13	**11,961.4**	11,614.1
Intangible assets		**546.8**	512.0
Right-of-use assets		**127.1**	123.2
Goodwill		**197.5**	191.9
Investments in equity accounted investees	14	**325.7**	332.2
Financial asset investments at fair value through profit or loss	14	**5.0**	5.0
Trade and other receivables	16	**654.2**	584.9
Derivative financial instruments	21	**95.2**	125.3
Deferred tax assets		**1.7**	1.5
Asset - NIE Networks pension scheme	22	**51.3**	65.8
Total non-current assets		**13,965.9**	13,555.9
Current assets			
Inventories	15	**167.1**	225.9
Intangible assets		**224.4**	678.0
Derivative financial instruments	21	**717.0**	843.7
Current tax asset		**25.5**	31.3
Trade and other receivables	16	**1,979.0**	2,915.3
Cash and cash equivalents	17	**1,195.6**	990.0
Total current assets		**4,308.6**	5,684.2
Total assets		**18,274.5**	19,240.1
Equity			
Capital stock		**1,941.4**	1,941.4
Capital redemption reserve		**38.5**	38.5
Translation reserve		**8.2**	(0.1)
Other reserves		**(149.3)**	(125.9)
Cash flow hedging reserve		**245.7**	189.5
Retained earnings		**2,956.7**	2,786.5
Equity attributable to equity holders of the Parent		**5,041.2**	4,829.9
Non-controlling interest		**(53.4)**	(48.3)
Total equity		**4,987.8**	4,781.6
Liabilities			
Non-current liabilities			
Borrowings and other debt	20	**6,386.4**	6,329.4
Lease liabilities		**114.1**	112.8
Liability – ESB pension scheme	23	**75.9**	78.2
Employee related liabilities		**19.4**	23.7
Deferred income		**1,465.1**	1,419.1
Provisions	25	**623.6**	616.2
Deferred tax liabilities		**571.8**	555.6
Derivative financial instruments	21	**387.9**	505.6
Total non-current liabilities		**9,644.2**	9,640.6
Current liabilities			
Borrowings and other debt	20	**629.5**	563.4
Lease liabilities		**17.5**	16.0
Liability – ESB pension scheme	23	**10.5**	10.5
Employee related liabilities		**78.0**	82.2
Trade and other payables	24	**1,535.7**	2,362.0
Deferred income		**101.1**	99.3
Provisions	25	**276.1**	594.7
Derivative financial instruments	21	**994.1**	1,089.8
Total current liabilities		**3,642.5**	4,817.9
Total liabilities		**13,286.7**	14,458.5
Total equity and liabilities		**18,274.5**	19,240.1

Terence O'Rourke
Chairman

Paddy Hayes
Chief Executive

Paul Stapleton
Executive Director, Group Finance and Commercial

Condensed Consolidated Statement of Changes in Equity
For the six month period ended 30 June 2023

Unaudited reconciliation of changes in equity	Capital stock €m	Translation reserve €m	Capital redemption reserve €m	Cash flow hedging reserve €m	Other reserves[1] €m	Retained earnings €m	Total €m	Non-controlling interest €m	Total equity €m
Balance at 1 January 2022	1,949.4	(2.4)	30.5	7.6	(192.5)	2,367.8	**4,160.4**	(49.1)	**4,111.3**
Total comprehensive income for the period									
Profit for the financial period	-	-	-	-	-	415.9	**415.9**	(25.6)	**390.3**
NIE Networks pension scheme actuarial gains	-	-	-	-	119.0	-	**119.0**	-	**119.0**
Foreign currency translation adjustments	-	(4.0)	-	-	-	-	**(4.0)**	-	**(4.0)**
Cash flow hedges:									
• Net fair value losses	-	-	-	(1.5)	-	-	**(1.5)**	-	**(1.5)**
• Transfers to income statement									
- Finance cost (interest)	-	-	-	1.4	-	-	**1.4**	-	**1.4**
- Finance cost (foreign translation movements)	-	-	-	(21.4)	-	-	**(21.4)**	-	**(21.4)**
- Other operating expenses	-	-	-	(2.8)	-	-	**(2.8)**	-	**(2.8)**
• Fair value gains for hedges in equity accounted investees	-	-	-	139.8	-	-	**139.8**	-	**139.8**
Tax on items taken directly to OCI	-	-	-	(2.0)	(23.1)	-	**(25.1)**	-	**(25.1)**
Tax on items transferred to the income statement	-	-	-	3.3	-	-	**3.3**	-	**3.3**
Tax on items taken directly to OCI for equity accounted investees	-	-	-	(32.8)	-	-	**(32.8)**	-	**(32.8)**
Total comprehensive income for the period	-	(4.0)	-	84.0	95.9	415.9	**591.8**	(25.6)	**566.2**
Transactions with owners recognised directly in equity									
Dividends	-	-	-	-	-	(126.1)	**(126.1)**	-	**(126.1)**
Transfer from non-controlling interest to equity attributable to equity holders of the Parent[2]	-	-	-	-	-	1.8	**1.8**	(1.8)	**-**
Balance at 30 June 2022	1,949.4	(6.4)	30.5	91.6	(96.6)	2,659.4	**4,627.9**	(76.5)	**4,551.4**
Balance at 1 January 2023	**1,941.4**	**(0.1)**	**38.5**	**189.5**	**(125.9)**	**2,786.5**	**4,829.9**	**(48.3)**	**4,781.6**
Total comprehensive income for the period									
Profit for the financial period	-	-	-	-	-	497.2	**497.2**	(5.1)	**492.1**
NIE Networks pension scheme actuarial losses	-	-	-	-	(31.9)	-	**(31.9)**	-	**(31.9)**
Foreign currency translation adjustments	-	8.3	-	-	-	-	**8.3**	-	**8.3**
Cash flow hedges									
• Net fair value gains	-	-	-	34.3	-	-	**34.3**	-	**34.3**
• Transfers to income statement									
- Finance cost (interest)	-	-	-	1.9	-	-	**1.9**	-	**1.9**
- Finance cost (foreign translation movements)	-	-	-	5.6	-	-	**5.6**	-	**5.6**
- Other operating expenses	-	-	-	8.1	-	-	**8.1**	-	**8.1**
• Fair value gains for hedges in equity accounted investees	-	-	-	17.5	-	-	**17.5**	-	**17.5**
Tax on items taken directly to OCI	-	-	-	(4.8)	8.5	-	**3.7**	-	**3.7**
Tax on items transferred to the income statement	-	-	-	(1.9)	-	-	**(1.9)**	-	**(1.9)**
Tax on items taken directly to OCI for equity accounted investees	-	-	-	(4.5)	-	-	**(4.5)**	-	**(4.5)**
Total comprehensive income for the period	**-**	**8.3**	**-**	**56.2**	**(23.4)**	**497.2**	**538.3**	**(5.1)**	**533.2**
Transactions with owners recognised directly in equity									
Dividends	-	-	-	-	-	(327.0)	**(327.0)**	-	**(327.0)**
Balance at 30 June 2023	**1,941.4**	**8.2**	**38.5**	**245.7**	**(149.3)**	**2,956.7**	**5,041.2**	**(53.4)**	**4,987.8**

1 Other reserves include (i) other reserves relating to the Northern Ireland Electricity Networks Limited (NIE Networks) pension scheme of (€128.5) million (31 December 2022: (€105.1) million), (ii) a non-distributable reserve of (€5.0) million which was created on the sale of the Group's share in Ocean Communications Limited in 2001 (31 December 2022: (€5.0) million); (iii) an ESOP repurchase provision which relates to the amount that ESB has committed to date to purchase from the ESOP internal market (€14.6) million (31 December 2022 (€14.6) million)

2 Transfer from non-controlling interest to equity attributable to equity holders of the Parent relates to a reduction in the minority interest in Kirk Hill Wind Farm Ltd.

Condensed Consolidated Cash Flow Statement
For the six month period ended 30 June 2023

	Notes	Unaudited June 2023 €m	Unaudited June 2022 €m
Cash flows from operating activities			
Profit before taxation		**575.8**	479.5
Adjustments for:			
Depreciation and amortisation	10	**460.9**	444.0
Transfer to income statement from intangibles		**-**	23.5
Revenue from supply contributions and amortisation of other deferred income		**(55.7)**	(46.0)
Net emissions movements		**186.7**	187.7
Profit on disposal of subsidiaries	9	**(10.2)**	(1.6)
Inventory impairment	15	**(0.3)**	(0.1)
Net finance cost	11	**72.2**	9.7
Impact of fair value adjustments in operating costs		**(38.0)**	(161.7)
Losses from equity accounted investees	14	**27.9**	29.4
Dividend received	9	**-**	(4.0)
Net impairment losses on financial assets	10	**33.0**	19.0
Impairment charge	10	**-**	2.2
Operating cash flows before changes in working capital and provisions		**1,252.3**	981.6
Restricted cash[1]		**(746.8)**	-
(Credit) / charge in relation to provisions		**(0.5)**	15.2
Charge in relation to employee related liabilities		**45.5**	37.4
Utilisation of provisions		**(59.0)**	(54.2)
Payments in respect of employee related liabilities		**(70.6)**	(57.0)
Deferred income received		**11.4**	0.5
Networks supply contributions received		**75.9**	73.3
Net exchange traded collateral received		**418.9**	206.6
Decrease in trade and other receivables		**468.7**	236.2
Decrease / (increase) in inventories		**58.8**	(81.0)
Decrease in trade and other payables		**(351.7)**	(262.2)
Cash generated from operations		**1,102.9**	1,096.4
Current tax paid (net)		**(63.7)**	(44.8)
Payments on inflation linked interest rate swaps		**-**	(13.6)
Financing costs paid		**(121.6)**	(102.0)
Net cash inflow from operating activities		**917.6**	936.0
Cash flows from investing activities			
Purchase of property, plant and equipment		**(694.9)**	(489.9)
Purchase of intangible assets		**(76.1)**	(60.2)
Proceeds from sale of non-current assets		**3.8**	0.5
Proceeds from sale of subsidiaries		**10.2**	1.6
Amounts advanced to equity accounted investees as shareholder loans		**(38.8)**	(108.3)
Amounts repaid by equity accounted investees		**-**	2.8
Dividends received from joint venture undertakings		**22.1**	11.5
Dividends received from investments measured at fair value through profit or loss		**-**	4.0
Purchase of financial assets and equity accounted investments		**(25.3)**	(3.2)
Interest received		**26.2**	0.4
Net cash outflow from investing activities		**(772.8)**	(640.8)
Cash flows from financing activities			
Dividends paid		**(10.0)**	(126.1)
Principal elements of lease payments		**(9.3)**	(7.3)
Repayments of bonds, revolving credit and term debt facilities		**(269.3)**	(33.6)
Proceeds from the issue of bonds		**347.2**	494.1
Net cash inflow from financing activities		**58.6**	327.1
Net increase in cash and cash equivalents		**203.4**	622.3
Cash and cash equivalents at 1 January		**990.0**	537.0
Effect of exchange rate fluctuations on cash held		**2.2**	(1.4)
Cash and cash equivalents at 30 June		**1,195.6**	1,157.9

[1] Included in cash and cash equivalents at 30 June 2023 is €7.2 million (30 June 2022: nil) in relation to cash received from the Irish and UK Government in relation to energy credits that will ultimately be paid to various energy suppliers to offset customers' bills. This cash is not freely available in the normal course of business.

Notes to the Condensed Consolidated Financial Statements

1. REPORTING ENTITY

ESB is a statutory body domiciled in the Republic of Ireland. The condensed consolidated financial statements of ESB as at and for the six months ended 30 June 2023 comprise the results of ESB and its subsidiaries (together referred to as ESB or the Group) and the Group's interests in associates and joint arrangements. These results are unaudited. The condensed consolidated financial information herein does not constitute the statutory financial statements of ESB, which were prepared as at and for the year ended 31 December 2022 and are available on our website www.esb.ie. The auditor's report on those financial statements was unmodified.

2. STATEMENT OF COMPLIANCE

These condensed consolidated financial statements for the six months ended 30 June 2023 are not full financial statements. These condensed consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the 2022 consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

A list of the accounting policies applicable in the current reporting period are detailed in note 1 of the 2022 consolidated financial statements, other than as set out below.

Certain tables in the condensed consolidated financial statements may not add precisely due to rounding.

New standards or amendments
The following standards and interpretations are effective for the Group in 2023:

New standards or amendments	Details	Effective Date	Material effect on the results and financial position of the group
IAS 1 (Amendments)	Presentation of Financial Statements	01 January 2023	No material effect
IAS 8 (Amendments)	Accounting Estimates	01 January 2023	No material effect
IAS 12 (Amendments)	Deferred Tax	01 January 2023	No material effect
IFRS 17	Insurance Contracts	01 January 2023	No material effect

4. ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated financial statements requires a significant number of judgemental assumptions and estimates to be made.

These impact on the income and expenses contained within the income statement and the valuation of the assets and liabilities in the balance sheet. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation.

Key judgements are described in note 2 of the 2022 consolidated financial statements. With the exception of the following items, there has been no change to the nature of these key judgements during the period and they are still considered to be the most relevant judgements and estimates in preparing ESB's financial statements:

(i) Emergency Energy Market Interventions
As at 30 June 2023, a provision of €57.0 million has been made in respect of the Irish Government's proposed scheme to cap the market revenues of certain electricity generators from 1 December 2022 until 30 June 2023. The legislation in respect of the scheme is not yet enacted and as such the provision represents ESB's best estimate of the amounts which will be payable by the Group relating to these interventions. A further €3.0 million has been provided for in respect of the Electricity Generator Levy introduced by the UK Government.

Notes to the Condensed Consolidated Financial Statements (continued)

4. ESTIMATES AND JUDGEMENTS (continued)

(ii) Partnership with Ørsted

In June 2023, ESB and Ørsted entered into a joint arrangement to develop a portfolio of offshore wind projects around the east, south and west coast of Ireland. To this end, special purpose vehicles have been incorporated and are controlled equally by ESB and Ørsted to develop these projects. These special purpose vehicles were wholly owned subsidiaries of ESB prior to the arrangement and are now joint ventures. A gain of €10.2 million has been recognised on the loss of control of the previously wholly owned subsidiaries with the fair value of ESB's retained investment in the joint ventures being valued at nil. The arrangement also includes additional contingent consideration to be received by ESB from Ørsted related to a number of key milestones being reached on each project. Due to the projects being in the early stages of development, the fair value of this contingent consideration has been estimated as nil.

5. GOING CONCERN

The Group's performance, business model, strategy and principal risks and uncertainties and how these are managed and mitigated are set out in the strategy and performance section of the 2022 Annual Report.

The funding and liquidity management of the Group are described in note 22 of the 2022 consolidated financial statements. The amount of cash and cash equivalents that the Group had on hand on 30 June 2023 was €1,189 million. The Group also has a revolving credit facility (undrawn at 30 June 2023) of €2.2 billion providing standby liquidity to February 2027. Including cash and other facilities, the Group has overall liquidity of €3.4 billion at 30 June 2023. ESB continues to effectively manage the cash collateral position of the Group in relation to exchange traded gas, coal, and carbon hedging contracts. Note 22 and Note 29 of the 2022 consolidated financial statements includes an overview of financial risk management, details of the Group's financial instruments and hedging activities and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources and the Board believes that the Group is well placed to manage its risks successfully. After making appropriate enquiries, the Board is satisfied that ESB has sufficient cash flows, available liquidity and access to capital markets to continue in operational existence for at least twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements are prepared on the going concern basis of accounting.

6. SEGMENT REPORTING

For management purposes, the Group is organised into four key reportable segments, being the Group's strategic divisions which are managed separately and in respect of which internal management information is supplied to Executive Management and to the Board being collectively the Chief Operating Decision Maker (CODM) of the Group. Three further corporate divisions provide support and other services to the principal operating divisions of the Group and are combined as Other Segments in the information below.

6. SEGMENT REPORTING (continued)

(a) Income statement

	Customer Solutions	ESB Networks	Generation and Trading	NIE Networks	Other Segments	Consolidation and eliminations	Total
	€m	€m	€m	€m	€m	€m	€m
(i) Segment revenue - June 2023							
External revenues	3,289.7	468.9	994.3	134.5	5.2	-	**4,892.6**
Inter-segment revenue	122.1	207.7	932.6	25.6	198.3	(1,486.3)	**-**
Revenue	3,411.8	676.6	1,926.9	160.1	203.5	(1,486.3)	**4,892.6**
(ii) Segment operating costs - June 2023							
Depreciation and amortisation	(13.0)	(269.5)	(70.3)	(93.3)	(14.8)	-	**(460.9)**
Net other operating costs	(3,342.4)	(250.6)	(1,362.2)	(56.7)	(197.2)	1,486.3	**(3,722.8)**
Net impairment losses on financial assets	(33.0)	-	-	-	-	-	**(33.0)**
Costs	(3,388.4)	(520.1)	(1,432.5)	(150.0)	(212.0)	1,486.3	**(4,216.7)**
(iii) Operating result - June 2023							
Operating profit / (loss) - excluding exceptional items	23.4	156.5	494.4	10.1	(8.5)	-	**675.9**
Operating profit / (loss) - including exceptional items	23.4	156.5	494.4	10.1	(8.5)	-	**675.9**
Net finance cost	(9.4)	(4.5)	8.0	(25.4)	(40.9)	-	**(72.2)**
Share of equity accounted investees' loss (net)	-	-	(19.7)	-	(8.2)	-	**(27.9)**
Profit / (loss) before taxation	14.0	152.0	482.7	(15.3)	(57.6)	-	**575.8**

	Customer Solutions	ESB Networks	Generation and Trading	NIE Networks	Other Segments	Consolidation and eliminations	Total
	€m	€m	€m	€m	€m	€m	€m
(i) Segment revenue - June 2022							
External revenues	2,562.2	405.0	562.9	121.5	21.0	-	3,672.6
Inter-segment revenue	36.8	182.0	1,084.0	25.7	157.4	(1,485.9)	-
Revenue	2,599.0	587.0	1,646.9	147.2	178.4	(1,485.9)	3,672.6
(ii) Segment operating costs - June 2022							
Depreciation and amortisation	(14.5)	(255.8)	(72.6)	(91.0)	(10.1)	-	(444.0)
Net other operating costs	(2,610.0)	(214.6)	(1,262.8)	(47.9)	(201.1)	1,485.9	(2,850.5)
Impairment charge	-	-	(2.2)	-	-	-	(2.2)
Net impairment losses on financial assets	(19.0)	-	-	-	-	-	(19.0)
Exceptional operating costs excluding impairment charges	-	-	161.7	-	-	-	161.7
Costs	(2,643.5)	(470.4)	(1,175.9)	(138.9)	(211.2)	1,485.9	(3,154.0)
(iii) Operating result - June 2022							
Operating profit / (loss) - excluding exceptional items	(44.5)	116.6	309.3	8.3	(32.8)	-	356.9
Operating profit / (loss) - including exceptional items	(44.5)	116.6	471.0	8.3	(32.8)	-	518.6
Net finance cost	(3.7)	(1.4)	(7.6)	(21.1)	24.1	-	(9.7)
Share of equity accounted investees' loss (net)	-	-	(23.8)	-	(5.6)	-	(29.4)
Profit / (loss) before taxation	(48.2)	115.2	439.6	(12.8)	(14.3)	-	479.5

Notes to the Condensed Consolidated Financial Statements (continued)

6. SEGMENT REPORTING (continued)

(b) Other disclosures

Additions to non-current assets	June 2023 €m	June 2022 €m
Customer Solutions	**23.6**	11.9
ESB Networks	**412.7**	347.5
Generation and Trading	**224.4**	55.3
NIE Networks	**109.8**	105.7
Other Segments	**8.9**	11.4
Total	**779.4**	531.8

Additions to non-current assets include investments in property, plant and equipment, intangible assets (excluding emission allowances), financial assets and equity accounted investees.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

30 June 2023	Customer Solutions €m	ESB Networks €m	Generation and Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
External revenues							
Revenue from Power Generation	-	-	985.3	-	-	-	**985.3**
Revenue from Use of System charges to customers	-	422.8	-	121.8	-	-	**544.6**
Revenue from supply contributions	-	32.8	-	11.4	-	-	**44.2**
Revenue from sales to electricity and gas customers	3,268.7	-	-	-	-	-	**3,268.7**
Other revenue	21.0	13.3	9.0	1.3	5.2	-	**49.8**
Revenue from contracts with customers	**3,289.7**	**468.9**	**994.3**	**134.5**	**5.2**	**-**	**4,892.6**
Inter-segment revenue	122.1	207.7	932.6	25.6	198.3	(1,486.3)	**-**
Total ESB Group revenue	**3,411.8**	**676.6**	**1,926.9**	**160.1**	**203.5**	**(1,486.3)**	**4,892.6**

30 June 2022	Customer Solutions €m	ESB Networks €m	Generation and Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
External revenues							-
Revenue from Power Generation	-	-	552.3	-	-	-	552.3
Revenue from Use of System charges to customers	-	363.9	-	112.8	-	-	476.7
Revenue from supply contributions	-	31.5	-	8.2	-	-	39.7
Revenue from sales to electricity and gas customers	2,542.8	-	-	-	-	-	2,542.8
Other revenue	19.4	9.6	10.6	0.5	21.0	-	61.1
Revenue from contracts with customers	2,562.2	405.0	562.9	121.5	21.0	-	3,672.6
Inter-segment revenue	36.8	182.0	1,084.0	25.7	157.4	(1,485.9)	-
Total ESB Group revenue	2,599.0	587.0	1,646.9	147.2	178.4	(1,485.9)	3,672.6

8. EXCEPTIONAL ITEMS

	June 2023 €m	June 2022 €m
Fair value gain on fuel commodity swaps	**-**	161.7
	-	161.7

There have been no items during the period ended 30 June 2023 that are considered exceptional for separate presentation.

2022 Fair value gain on fuel commodity swaps

The Group enters into forward sale and purchase contracts to economically hedge the Group's exposure to the price risk associated with the purchase of fuel and the sale of electricity (including related foreign exchange risk). Certain of these contracts do not meet the criteria for hedge accounting or own use exemption and therefore are accounted for as trading derivatives and are recognised in the balance sheet at fair value under IFRS 9 Financial Instruments with movements in fair value recognised in the income statement. As a result, this creates a mismatch with the timing of recognition of gains and losses on these trading derivatives and related hedged positions which are not recorded at fair value and will be recognised in future periods when those positions deliver.

At June 2022, exceptional volatility in global commodity markets resulted in a non-cash fair value gain of €161.7 million being recognised in the income statement on these commodity contracts (predominantly coal related contracts). The gain arose as a result of high forward market prices for those commodities relative to contracted prices.

The fair value gain for the period ended 30 June 2022 was presented separately as an exceptional item due to its size and the fact that it did not represent underlying performance during the period.

9. OTHER OPERATING INCOME

	June 2023 €m	June 2022 €m
Profit on disposal of subsidiaries	**10.2**	1.6
Dividends received	**-**	4.0
Total	**10.2**	5.6

10. OPERATING COSTS (including net impairment losses on financial assets)

	June 2023 €m	June 2022 €m
Employee costs (note 12)	**297.9**	266.5
Energy costs[1]	**3,164.0**	2,300.7
Operations and maintenance	**271.1**	288.9
Net impairment losses on financial assets	**33.0**	19.0
Other impairment charges (note 13)[2]	**-**	2.2
Depreciation and amortisation	**460.9**	444.0
Total excluding exceptional items	**4,226.9**	3,321.3
Exceptional energy cost[1]	**-**	(161.7)
Total	**4,226.9**	3,159.6

[1] Included in energy costs is a gain of €38.1 million (30 June 2022: gain of €161.7 million) relating to the fair value movements on commodity contracts and related foreign exchange contracts which have not been designated as accounting hedges.
[2] Impairment charges for the period ended 30 June 2022 of €2.2 million related to generation developments no longer proceeding.

Notes to the Condensed Consolidated Financial Statements (continued)

11. NET FINANCE COST AND OTHER FINANCING CHARGES

	June 2023 €m	June 2022 €m
Interest payable on borrowings	**111.8**	77.3
Less capitalised interest	**(16.8)**	(12.5)
Net interest on borrowings	**95.0**	64.8
Financing charges:		
▪ on NIE Networks pension scheme (note 22)	**(1.7)**	0.1
▪ on ESB pension scheme (note 23)	**2.1**	2.8
▪ on provisions	**8.7**	2.7
▪ on lease obligations	**1.2**	0.9
Total financing charges	**10.3**	6.5
Fair value (gains) / losses on financial instruments:		
▪ currency / interest rate swaps: cash flow hedges, transfer from OCI	**1.9**	1.4
▪ interest rate swaps and inflation-linked swaps not qualifying for hedge accounting	**1.6**	(51.4)
▪ foreign exchange contracts not qualifying for hedge accounting	**7.4**	(3.1)
Total fair value losses on financial instruments	**10.9**	(53.1)
Finance cost	**116.2**	18.2
Finance income	**(44.0)**	(8.5)
Net finance cost	**72.2**	9.7

The financing charges on provisions are calculated in accordance with the policy for discounting of future payment obligations as disclosed in the 2022 consolidated financial statements.

Included in interest rate swaps and inflation linked swaps not qualifying for hedge accounting are fair value losses relating to interest rate swaps, fair value gains on inflation linked interest rate swaps and fair value gains on currency swaps. See note 21 for further details of these movements.

Included in finance income is interest on borrowings receivable from equity accounted investees Neart na Gaoithe €13.5 million (30 June 2022: €5.0 million), Inch Cape Offshore Limited €2.6 million (30 June 2022: €1.7 million), SIRO Limited €1.0 million (30 June 2022: €1.3 million) and Oweninny Power DAC €0.3 million (30 June 2022: €0.3 million).

12. EMPLOYEES

Employee costs in period

	June 2023 €m	June 2022 €m
Current staff costs (excluding pension)		
Salaries	**314.6**	288.1
Overtime	**22.2**	21.3
Social insurance costs (PRSI and national insurance)	**29.9**	25.5
Other payroll benefits[1]	**17.4**	14.5
Payroll cost for employees	**384.1**	349.4
Pension and other employee benefit costs		
Pensions charge – other schemes[2]	**33.4**	26.6
NIE Networks pension scheme charge[3]	**2.8**	5.0
	420.3	381.0
Capitalised employee costs	**(122.4)**	(114.5)
Total employee related costs charged to the income statement	**297.9**	266.5

1 These benefits primarily include travel and subsistence allowances.

2 The pension charge for other schemes include contributions to the ESB Defined Contribution Scheme, the ESB Defined Benefit Pension Scheme, the Options section of the NIE Networks Pension Scheme (NIE Networks Scheme) and the stakeholder pension scheme for Great Britain (GB) employees (FMUK Pension Scheme). See note 22 and 23 for further details.

3 The NIE Networks pension scheme charge relates solely to the Focus section of the NIE Networks Scheme.

Notes to the Condensed Consolidated Financial Statements (continued)

13. PROPERTY, PLANT & EQUIPMENT

	Land and buildings €m	Plant and machinery €m	Total assets in commission €m	Assets under construction €m	Total €m
Cost					
Balance at 1 January 2022	1,251.0	21,528.1	**22,779.1**	1,508.7	**24,287.8**
Additions	-	267.7	**267.7**	200.3	**468.0**
Retirements / disposals	-	(4.6)	**(4.6)**	-	**(4.6)**
Transfers out of assets under construction	155.1	225.4	**380.5**	(380.5)	**-**
Transfers from / (to) intangible assets	-	5.4	**5.4**	(5.4)	**-**
Translation differences	(0.4)	(108.4)	**(108.8)**	(0.1)	**(108.9)**
Balance at 30 June 2022	1,405.7	21,913.6	**23,319.3**	1,323.0	**24,642.3**
Balance at 1 January 2023	1,359.0	22,342.2	**23,701.2**	1,518.6	**25,219.8**
Additions	-	298.7	**298.7**	376.5	**675.2**
Retirements / disposals	-	(6.5)	**(6.5)**	-	**(6.5)**
Transfers out of assets under construction	4.6	133.3	**137.9**	(137.9)	**-**
Translation differences	0.6	160.6	**161.2**	0.6	**161.8**
Balance at 30 June 2023	1,364.2	22,928.3	**24,292.5**	1,757.8	**26,050.3**
Depreciation					
Balance at 1 January 2022	739.0	12,193.9	**12,932.9**	1.6	**12,934.5**
Charge for the period	11.9	384.2	**396.1**	-	**396.1**
Retirements / disposals	-	(4.1)	**(4.1)**	-	**(4.1)**
Impairment	-	2.2	**2.2**	-	**2.2**
Translation differences	-	(50.8)	**(50.8)**	-	**(50.8)**
Balance at 30 June 2022	750.9	12,525.4	**13,276.3**	1.6	**13,277.9**
Balance at 1 January 2023	762.3	12,841.8	**13,604.1**	1.6	**13,605.7**
Charge for the period	12.2	398.9	**411.1**	-	**411.1**
Retirements / disposals	-	(5.6)	**(5.6)**	-	**(5.6)**
Translation differences	(0.1)	77.8	**77.7**	-	**77.7**
Balance at 30 June 2023	774.4	13,312.9	**14,087.3**	1.6	**14,088.9**
Carrying amount at 30 June 2023	**589.8**	**9,615.4**	**10,205.2**	**1,756.2**	**11,961.4**
Carrying amount at 31 December 2022	596.7	9,500.4	**10,097.1**	1,517.0	**11,614.1**
Carrying amount at 30 June 2022	654.8	9,388.2	**10,043.0**	1,321.4	**11,364.4**
Carrying amount at 1 January 2022	512.0	9,334.2	**9,846.2**	1,507.1	**11,353.3**

During the period the Group capitalised interest of €14.1 million (30 June 2022: €10.5 million) in assets under construction, using an effective interest rate of 2.4% (30 June 2022: 2.3%).

Impairment charges for the period ended 30 June 2022 of €2.2 million related to generation developments no longer proceeding and individual assets which were no longer operational.

14. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEES

	Equity accounted investees €m	Financial assets at fair value through profit or loss €m	Total €m
Balance at 1 January 2022	282.5	5.3	**287.8**
Additions	20.3	-	**20.3**
Share of loss (net)	(29.4)	-	**(29.4)**
Share of fair value movement on cash flow hedges (net of tax)[1]	107.0	-	**107.0**
Dividends received	(11.5)	-	**(11.5)**
Translation differences	(4.7)	(0.1)	**(4.8)**
Balance at 30 June 2022	364.2	5.2	**369.4**
Balance at 31 December 2022	332.2	5.0	**337.2**
Balance at 1 January 2023	332.2	5.0	**337.2**
Additions	25.3	-	**25.3**
Share of loss (net)	(27.9)	-	**(27.9)**
Share of fair value movement on cash flow hedges (net of tax)[1]	13.0	-	**13.0**
Dividends received	(22.1)	-	**(22.1)**
Translation differences	5.2	-	**5.2**
Balance at 30 June 2023	**325.7**	**5.0**	**330.7**

[1] The fair value movement on cash flow hedges for equity accounted investees relates to derivatives held in Aldeburgh Offshore Wind Holdings Limited, NNG Windfarm Holdings Limited, Oweninny Power Holdings DAC, Raheenleagh Power DAC and SIRO Limited which have been designated as cash flow hedging relationships in these entities.

15. INVENTORIES

	June 2023 €m	December 2022 €m
Materials	**37.9**	35.9
Fuel	**129.2**	190.0
Total	**167.1**	225.9

Included within inventories at 30 June 2023 is €90.4 million carried at net realisable value (31 December 2022: €152.4 million). The corresponding cost of inventories carried at net realisable value at 30 June 2023 is €124.8 million (31 December 2022: €191.8 million).

	June 2023 €m	June 2022 €m
Inventories consumed	**100.0**	110.2
Inventory impairment	**0.3**	0.1

Notes to the Condensed Consolidated Financial Statements (continued)

16. TRADE AND OTHER RECEIVABLES

	June 2023 €m	Reclassified[1] December 2022 €m
Current receivables:		
Retail energy receivables – billed[1]	**222.5**	321.5
Retail energy receivables – unbilled[1]	**371.4**	690.4
Total retail energy receivables	**593.9**	1,011.9
I-SEM / SEM pool related receivables	**17.7**	20.2
Use of System receivables (including unbilled)	**344.1**	269.0
Other electricity receivables	**0.4**	1.4
Total energy receivables	**956.1**	1,302.5
Trade receivables - non-energy[1]	**69.2**	72.8
Amounts due from equity accounted investees	**0.2**	0.2
Short term deposits	**142.5**	194.6
Other receivables[2]	**700.1**	1,236.1
Prepayments	**110.9**	109.1
Total current receivables	**1,979.0**	2,915.3
Non-current receivables:		
Amounts due from equity accounted investees	**605.8**	536.5
Amounts due from insurers	**48.4**	48.4
Total non-current receivables:	**654.2**	584.9
Total receivables	**2,633.2**	3,500.2

1 Retail energy receivables - billed have been reclassified to include billed gas customers of €6.4 million for comparative purposes. Retail energy receivables - unbilled have been reclassified to include unbilled gas customers of €23.8 million for comparative purposes. Trade receivables - non-energy have also been adjusted by the offsetting amount.

2 Included within other receivables are collateral amounts pledged by the Group to clearing banks for exchange trading of gas, carbon and power contracts of €331.0 million (31 December 2022: €748.8 million). The amounts pledged cover initial margin and daily mark to market movements. Included within other receivables are also collateral amounts pledged by the Group to bilateral parties of €116.7 million (31 December 2022: €86.1 million).

17. CASH AND CASH EQUIVALENTS

	June 2023 €m	December 2022 €m
Cash at bank and in hand	**1,188.4**	236.0
Restricted cash	**7.2**	754.0
	1,195.6	990.0

As at 30 June 2023, €331.0 million was paid in respect of exchange traded gas, carbon and power contracts (31 December 2022: €748.8 million). €104.5 million was also paid in respect of collateral amounts pledged by the Group to bilateral parties (31 December 2022: €79.8 million). Corresponding amounts are included in trade and other receivables and trade and other payables.

Included in the cash on hand is €7.2 million (31 December 2022: €754.0 million) of restricted cash relating to the Irish Government's Electricity Costs Emergency Benefit Scheme and the UK Government's Energy Bills Support Scheme. Such cash is not freely available to the ESB and is to be paid to customers in 2023. A residual balance not paid to customers to date during 2023 remains at 30 June 2023.

18. CHANGES IN EQUITY

Non-controlling interest

Non-controlling interests at 30 June 2023 relate to the minority shareholdings in So Energy, Crockahenny Wind Farm DAC, Mountain Lodge Power DAC, and other companies associated with wind and solar projects.

Dividends

	June 2023 €m	June 2022 €m
Dividends on capital stock:		
Total dividend paid	**10.0**	126.1
Total dividend declared	**317.0**	-
Total 16.84 (2022: 6.47) cents per capital stock unit	**327.0**	126.1

Total dividends paid during the period ended 30 June 2023 included a final dividend of €327.0 million in respect of 2022 (30 June 2022: €126.1 million in respect of 2021).

19. TAXATION

(a) Income tax expense

	June 2023 €m	June 2022 €m
Current tax expense		
Current tax	**69.7**	56.0
Prior period under provision	**-**	2.1
	69.7	58.1
Deferred tax expense		
Origination and reversal of temporary differences	**14.2**	21.1
Increase in tax rate[1]	**1.2**	11.0
Prior period over provision	**(1.4)**	(1.0)
	14.0	31.1
Total	**83.7**	89.2

[1]The increase in tax rate relates to net deferred tax liabilities on timing differences that were provided for at 25% and were released into the income statement at 22%.

The 2021 Budget for the UK provided for an increase to the Corporation Tax rate from 19% to 25% with effect from 1 April 2023. A blended rate of 22% was applied to taxable profits for the 6 month period to 30 June 2023. The UK deferred tax liability at 30 June 2023 has been calculated based on the rate of 25%.

ESB will be impacted by the Minimum Effective Tax Rate of 15% as a result of Ireland's decision to enter the OECD Tax Agreements on Pillar Two. As the Irish legislation on Pillar Two is in draft form, it is too early to quantify the impact on the company's results at this stage.

Notes to the Condensed Consolidated Financial Statements (continued)

20. BORROWINGS AND OTHER DEBT

	Recourse borrowings € m	Non-recourse borrowings € m	June 2023 Total € m	Recourse borrowings € m	Non-recourse borrowings € m	December 2022 Total € m
Current borrowings						
▪ Repayable by instalments	67.5	-	**67.5**	70.1	-	70.1
▪ Repayable other than by instalments	562.0	-	**562.0**	493.3	-	493.3
Total current borrowings	629.5	-	**629.5**	563.4	-	563.4
Non-current borrowings						
▪ Repayable by instalments						
- Between one and two years	57.8	-	**57.8**	63.3	-	63.3
- Between two and five years	114.0	-	**114.0**	134.4	-	134.4
- After five years	294.2	-	**294.2**	304.5	-	304.5
	466.0	-	**466.0**	502.2	-	502.2
▪ Repayable other than by instalments						
- Between one and two years	-	-	**-**	299.9	-	299.9
- Between two and five years	496.6	868.8	**1,365.4**	497.8	843.6	1,341.4
- After five years	4,150.5	404.5	**4,555.0**	3,793.1	392.8	4,185.9
	4,647.1	1,273.3	**5,920.4**	4,590.8	1,236.4	5,827.2
Total non-current borrowings	5,113.1	1,273.3	**6,386.4**	5,093.0	1,236.4	6,329.4
Total borrowings outstanding	5,742.6	1,273.3	**7,015.9**	5,656.4	1,236.4	6,892.8

Current borrowings by facility

	Ref	June 2023 € m	December 2022 € m
ESB Eurobonds	1	**299.9**	-
Long-term bank borrowings	3	**67.5**	296.1
Private placement borrowings	4	**262.1**	267.3
		629.5	563.4

Non-current borrowings by facility

	Ref	June 2023 € m	December 2022 € m
ESB Eurobonds	1	**4,648.6**	4,590.8
Non-recourse NIE Networks Sterling bonds	2	**1,273.3**	1,236.4
Long-term bank borrowings	3	**464.5**	502.2
		6,386.4	6,329.4

None of the borrowings are secured against the Group assets.

ESB was rated A- from Standard & Poor's (outlook stable) and A3 (equivalent to A-) from Moody's (outlook stable) at 30 June 2023 and 31 December 2022.

20. BORROWINGS AND OTHER DEBT (continued)

1. ESB Eurobonds

The table below provides details of ESB Eurobonds (all listed) included in borrowings at 30 June 2023:

Issuer	Value	Issue Date	Tenor	Coupon
ESB Finance DAC	Euro €300.0 million	November 2013	10 years	3.494%
ESB Finance DAC	Euro €500.0 million	June 2015	12 years	2.125%
ESB Finance DAC	Euro €600.0 million	June 2016	15 years	1.875%
ESB Finance DAC	Euro €500.0 million	January 2017	12 years	1.750%
ESB Finance DAC	Euro €500.0 million	November 2018	15 years	2.125%
ESB Finance DAC	Euro €100.0 million	April 2019	25 years	2.000%
ESB Finance DAC	Euro €700.0 million (Green bond)	June 2019 / July 2020	11 years	1.125%
ESB Finance DAC	Stg £325.0 million	January 2020	15 years	1.875%
ESB Finance DAC	Euro €500.0 million (Green bond)	January 2022	12 years	1.000%
ESB Finance DAC	Euro €550.0 million	November 2022	10 years	4.000%
ESB Finance DAC	Euro €350.0 million	January 2023	20 years	3.750%

2. Non-recourse NIE Networks Sterling bonds

The table below provides details of non-recourse NIE Networks sterling bonds included in borrowings at 30 June 2023:

Issuer	Value	Issue Date	Tenor	Coupon
NIE Networks Limited	GBP £400.0 million	June 2011	15 years	6.375%
NIE Networks Limited	GBP £350.0 million	September 2018	7 years	2.500%
NIE Networks Limited	GBP £350.0 million	November 2022	10.1 years	5.875%

3. Long-term bank borrowings

The table below provides details of long-term bank borrowings included in borrowings (excluding adjustments for amortised fees) at 30 June 2023:

	Balance at 30 June 2023	Balance at 31 December 2022
€200 million European Investment Bank (EIB) to support renewable connections to the electricity network in the southwest of Ireland	**Euro €57.9 million**	Euro €75.1 million
Other Long term bank borrowings of floating rate debt borrowed on a bilateral basis (apart from above €200 million)	**Euro €137.0 million**	Euro €155.6 million
€150.0 million European Investment Bank (EIB) to support the roll out of Smart Meters in Ireland	**Euro €150.0 million**	Euro €150.0 million
€1.4 billion Sustainability linked Revolving Credit Facility (with a syndicate of 13 banks)	**0**	GBP £200.0 million
£750.0 million revolving credit facility	**0**	0
Other EIB fixed rate debt	**Euro €189.2 million**	Euro €194.7 million

A €200.0 million facility with the European Investment Bank (EIB) was agreed in 2013 and 2014 to support renewable connections to the electricity network in the southwest of Ireland. The balance due to be repaid is €57.9 million as at 30 June 2023 (31 December 2022: €75.1 million).

A €150.0 million facility with the European Investment Bank (EIB) to support the roll out of Smart Meters in Ireland was signed in August 2020 and was drawn down in full at 30 June 2023 (31 December 2022: drawn down in full).

ESB entered into a new €1.44 billion Sustainability linked Revolving Credit Facility up to February 2027 with a group of thirteen international banks. €Nil of this facility was drawn down at 30 June 2023 (31 December 2022: £200 million).

In December 2022, ESB entered into a new £750.0 million Revolving Credit Facility up to December 2023 with a group of six international banks. There has been no drawdown of this facility as at 30 June 2023 (31 December 2022: no drawdown of this facility).

Notes to the Condensed Consolidated Financial Statements (continued)

20. BORROWINGS AND OTHER DEBT (continued)

4. Private placement borrowings

The table below provides details of private placement borrowings included in borrowings at 30 June 2023:

	Balance at 30 June 2023	Balance at 31 December 2022	Issue date	Maturity Date	Coupon
First Private Placement Senior unsecured notes	**USD $273.5 million**	USD $273.5 million	December 2003	December 2023	6.050%
	Stg £10 million	Stg £10 million	December 2003	December 2023	6.000%

The private placement debt and certain other facilities have conditions which require ESB to maintain certain interest cover and asset covenants.

In the opinion of the members of the Board, at 30 June 2023 ESB is fully in compliance with all the covenant requirements associated with the private placement debt and other facilities.

21. DERIVATIVE FINANCIAL INSTRUMENTS

Fair value by class of derivative financial instrument

Derivative financial instruments are carried at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The method used to calculate the fair value of the Group's financial instruments is discounted cash flow analysis, using a zero-coupon discount rate and reflecting counterparty credit risk. This method enables the Group to discount the cash flows at a rate equal to the prevailing market rate of interest taking into account maturity and credit margin.

The fair values of financial instruments, grouped by class of instrument, are as follows:

June 2023

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
	€m	€m	€m	€m	€m
Interest rate swaps	**-**	**-**	**(26.5)**	**-**	**(26.5)**
Inflation linked interest rate swaps	**-**	**-**	**(320.7)**	**(256.6)**	**(577.3)**
Currency swaps	**-**	**19.0**	**(0.5)**	**-**	**18.5**
Foreign exchange contracts	**3.9**	**23.4**	**(1.4)**	**(8.5)**	**17.4**
Forward fuel price contracts	**91.3**	**674.6**	**(38.8)**	**(729.0)**	**(1.9)**
	95.2	**717.0**	**(387.9)**	**(994.1)**	**(569.8)**

December 2022

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
	€m	€m	€m	€m	€m
Interest rate swaps	-	-	(21.8)	(2.9)	(24.7)
Inflation linked interest rate swaps	-	-	(323.3)	(239.9)	(563.2)
Currency swaps	-	21.9	(5.4)	-	16.5
Foreign exchange contracts	2.6	12.7	(6.9)	(34.9)	(26.5)
Forward fuel price contracts	122.7	809.1	(148.2)	(812.1)	(28.5)
	125.3	843.7	(505.6)	(1,089.8)	(626.4)

The Group decides at inception whether to designate financial instruments into hedge relationships for certain arrangements that meet the specific hedging accounting criteria of IFRS 9.

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(i) Interest rate swaps

The Group has executed interest rate swaps of Stg £488 million (31 December 2022: Stg £295.0 million) in connection with a certain portion of its borrowings held by the Parent and ESB Finance DAC. These have all been classified as cash flow hedges.

For interest rate swaps, the fair value takes into account the fixed, floating and market rates prevailing at the balance sheet date. As interest rate swaps are marked to market at 30 June 2023, their carrying value is equal to their fair value.

The fair value of the interest rate swaps has decreased by €1.8 million (30 June 2022: decrease of €10.1 million). ESB receives a fixed rate and pays variable under the instruments. The fair value movement reflects negative mark to market movements in the underlying swaps during the period, resulting from a rising interest rate environment.

(ii) Inflation linked interest rate swaps

Inflation linked interest rate swaps with a fair value on acquisition of €272.5 million were acquired in December 2010 as part of the purchase of the NIE Networks business. The inflation linked interest rate swaps did not qualify for hedge accounting under IFRS 9 on acquisition of the NIE Networks business. The fair value of the inflation linked interest rate swaps is affected by relative movements in interest rates and in market expectations of future retail price index (RPI) movements in the United. Kingdom (UK).

On 12 April 2021 the Group, and its counterparty banks, together agreed a restructuring of the swaps, including amendments to certain terms. These changes included an extension of the date of the mandatory early termination clause (as defined in executed term sheet) from 22 June 2022 to 22 December 2025 for the swaps maturing 22 December 2036. The restructuring also included amendments to the fixed interest rate element of the swaps, and a change to the number of swap counterparties.

Arising from movements in forward interest rates, UK RPI forward prices, foreign currency exchange rates and payments during the period, the fair value of the liability has increased by €14.1 million on these swaps in the period ended 30 June 2023 (30 June 2022: fair value of the liability decreased by €89.5 million). The movement reflects negative mark to market movements in the underlying swaps of (€0.5) million (30 June 2022: positive movement €62.2 million), reflected in finance costs in the income statement (note 11) and payments of €3.4 million (30 June 2022: €13.6 million) arising under the swaps during the period. In addition, negative translation movements of (€17.0) million (30 June 2022: positive translation movements of €13.7 million) during the period on translation of the swaps from sterling to euro are reflected in the OCI.

(iii) Currency swaps

The fair value of the currency swaps are affected by movements in foreign exchange and interest rates. ESB's currency swaps are primarily classified as cash flow hedges and relate to funding performed in one currency with full or partial underlying requirements in another currency. ESB has a portfolio of EUR USD cross-currency swaps entered into in connection with the private placement debt, which is described in note 20. These cross-currency swaps were entered into in order to swap US dollar and sterling interest and principal repayments on the underlying debt to euro, thereby hedging the risk on these payments over the years to maturity from 2010 to 2023. Similarly, ESB has a portfolio of EUR GBP cross-currency swaps entered into in connection with euro monies raised in public capital markets. These cross-currency swaps were entered into in order to swap Euro and Sterling interest and principal repayments on the underlying debt to sterling, thereby hedging the risk on these payments over the years to maturity from 2018 to 2032.

The fair value of the cross-currency interest rate swaps has increased by €2.0 million, the movement reflects positive mark to market movements during the period.

No ineffectiveness under the meaning of IFRS 9 arose on the currency swaps during the period (2022: €nil). Separately included in the income statement for the period 30 June 2023 is a loss of €8.6 million (30 June 2022: gain of €27.9 million) arising on cross currency swaps which is substantially offset by movements in the translation of the underlying hedged foreign currency borrowings at the prevailing exchange rates.

(iv) Foreign exchange contracts

In addition to foreign exchange contracts entered into in relation to the Group's borrowings, the Group has entered into foreign exchange contracts in relation to energy costs, Long Term Service Agreements (LTSA's) and fuel purchase requirements (which are in US dollar and sterling). These contracts have maturities extending until 2025.

Total positive fair value movements of €43.9 million (30 June 2022: negative movements of €9.9 million) were recognised during the period ended 30 June 2023 in relation to such foreign exchange contracts, of which a positive fair value movement of €nil (30 June 2022: negative movement of €nil) was recognised through OCI and a positive fair value movement of €43.9 million (30 June 2022: negative movement of €9.9 million) was recognised in the income statement.

Notes to the Condensed Consolidated Financial Statements (continued)

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(v) Forward fuel price contracts
The Group enters into forward fuel price contracts for gas, coal and carbon. Commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value.

Total positive fair value movements of €26.6 million (30 June 2022: positive movement of €151.8 million) were recognised during the period consisting of a negative fair value movement of (€13.7) million (30 June 2022: positive movement of €175.2 million) recognised in the income statement and settlements of €5.0 million (30 June 2022: €3.6 million) offset by positive fair value movement of €35.3 million (30 June 2022: negative movement of (€27.0) million) recognised

The positive fair value movement in the period is due to volatility in the global commodity markets.

Fair value hierarchy
Further information on the methods of valuing financial instruments is included in note 26.

22. NIE NETWORKS PENSION SCHEME

Northern Ireland Electricity Networks (NIE Networks) Pension Scheme

	€m
Change in benefit obligation	
Net deficit at 1 January 2022	**(6.7)**
Movements during the period:	
Actuarial gains recognised in OCI during the period	**119.0**
Charge to the income statement - current service cost	**(5.0)**
Pension contributions paid	**15.4**
Charge to the income statement: net pension scheme interest	**(0.1)**
Translation differences	**(0.7)**
Net asset at 30 June 2022	**121.9**
Net asset at 31 December 2022	**65.8**
Change in benefit obligation	
Net asset at 1 January 2023	**65.8**
Movements during the period:	
Actuarial loss recognised in OCI during the period	**(31.9)**
Charge to the income statement - current service cost	**(2.8)**
Pension contributions paid	**16.7**
Credited to the income statement: net pension scheme interest	**1.7**
Translation differences	**1.8**
Net asset at 30 June 2023	**51.3**

The majority of the employees in NIE Networks are members of the NIE Networks Pension Scheme (the NIE Networks Scheme). This has two sections: "Options", which is a money purchase arrangement whereby the employer generally matches the members' contributions up to a maximum of 8% of salary, and "Focus" which provides benefits based on pensionable salary at retirement or earlier exit from service. The assets of the NIE Networks Scheme are held under trust and invested by the Trustees on the advice of professional investment managers.

The actuarial loss for the period arises due to a lower return on assets of €41.0 million offset by a change in financial assumptions of €9.1 million. The discount rate used to value the scheme liabilities has increased from 5.0% at 31 December 2022 to 5.4% at 30 June 2023.

23. LIABILITY - ESB PENSION SCHEME

Liability - ESB pension scheme

	€m
Balance at 1 January 2022	**94.7**
Movements during the period:	
Utilised during the period	**(5.2)**
Financing charge	**2.8**
Balance at 30 June 2022	**92.3**
Balance at 31 December 2022	**88.7**
Balance at 1 January 2023	**88.7**
Movements during the period:	
Charge to the income statement	**0.8**
Utilised during the period	**(5.1)**
Financing charge	**2.1**
Translation differences	**(0.1)**
Balance at 30 June 2023	**86.4**
Analysed as follows:	
Non-current liabilities	**75.9**
Current liabilities	**10.5**
Total	**86.4**

Liability - ESB pension scheme
The liability as at 30 June 2023 relates to future contributions for past service and past voluntary severance programmes and this is explained in note 24 of the 2022 consolidated financial statements.

24. TRADE AND OTHER PAYABLES

	June 2023 €m	December 2022 €m
Current payables:		
Progress payments on work in progress	**153.7**	127.1
Trade payables	**370.4**	594.4
Capital creditors	**80.9**	114.6
Other payables	**121.9**	1,010.4
Payroll taxes	**15.9**	16.0
Pay related social insurance	**7.5**	7.2
Value added tax	**53.5**	39.3
Accruals	**344.5**	377.4
Accrued interest on borrowings	**70.4**	75.6
Dividend payable	**317.0**	-
Total current payables	**1,535.7**	2,362.0

Included within other payables are collateral amounts pledged by the Group to bilateral parties of €12.2 million (31 December 2022: €6.3 million).

Other payables also include amounts received in advance from customers.

Notes to the Condensed Consolidated Financial Statements (continued)

25. PROVISIONS

	June 2023 €m	December 2022 €m
Asset retirement provision	**549.8**	542.9
Emissions provisions	**207.1**	470.3
Other	**142.8**	197.7
Total	**899.7**	1,210.9
Analysed as follows:		
Non-current liabilities	**623.6**	616.2
Current liabilities	**276.1**	594.7
Total	**899.7**	1,210.9

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

(a) Overview of financial risk management

Risk environment

The main financial risks faced by the Group relate to foreign exchange (particularly movements in the value of the euro relative to sterling and the US dollar) and commodity (electricity and fuel) price movements. Liquidity risk, and exposure to interest rate volatility, are key long-term financial risks also, but have been substantially addressed in the short run. Policies to protect the Group from these risks and other risk areas, such as credit risk, are regularly reviewed, revised and approved by the Board as appropriate. Group Treasury is responsible for the day-to-day treasury activities of the Group. The Finance and Investment Committee is regularly updated on key treasury matters, risk and associated mitigants.

Commodity price risk is managed by the front and middle office functions of the relevant business units: ESB Trading (within Generation and Trading) and Customer Solutions. This is done in the context of an overall Group risk management framework. These activities are reviewed regularly by Group Internal Audit. It is the responsibility of the Trading Risk Management Committees within these two business units to ensure that internal audit findings and recommendations are adequately addressed. This is overseen by the Executive Director level Group Trading Committee (GTC). The Group Trading Risk Management function ensures that the Group's market, credit and operational risks are managed in a way designed to protect the Group from loss, while respecting the ring-fencing obligations in place between the business units.

Contracts entered into in order to hedge exposures arising from the production and sale of electricity may be divided into forward fuel price contracts, forward electricity price contracts and foreign exchange contracts. Financial instruments are derecognised on settlement or sale.

Risk reporting structure

Through the Chief Executive, the Board has delegated to the GTC, the broader responsibility of managing ESB's trading risk in a manner consistent with the Group's risk tolerances and business strategies. The GTC has established risk limits to manage and limit trading risk exposure at Group and business unit level. These limits are documented for each of the ESB businesses engaged in wholesale trading activities. Furthermore the Group Trading Risk Management Policy is applicable to each of these businesses.

In both Generation and Trading and Customer Solutions, separate Trading Risk Management Committees meet on a monthly basis (or more frequently as required) and serve as the primary overseer of trading risk at individual ring-fenced business unit level. These committees include the head of the Front Office function, the Trading Risk (Middle Office) Manager, a representative from Group Trading Risk Management, and the business unit Financial Controller. The Trading Risk Management Committees are responsible for formulating trading risk strategy in accordance with the Group Trading Risk Management Policy and ensuring compliance with same, trading risk limit management, and for ensuring that an effective control framework is in place.

The middle office function in each business unit maintains a separate reporting line to the Group Trading Risk Management function, which is responsible for ensuring that the Group's net exposure to movements in commodity or other price movements is adequately managed in accordance with Group Trading Risk Management Policy.

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Hedge accounting

ESB funds its operations using borrowings and uses deposit instruments to invest surplus funds. ESB also uses interest rate and foreign currency instruments to manage interest rate and currency risks that arise in the normal course of operations from US dollar and sterling denominated borrowings, from its foreign currency subsidiaries and from the use of foreign currency suppliers. Hedge accounting pursuant to IFRS 9 is used both for hedges of foreign currency liabilities and interest rate risks from current and non-current liabilities.

In addition, the Group enters into certain commodity hedging transactions to fix fuel costs and to link electricity revenues more closely to fuel inputs, where possible. The Group decides at inception whether to designate financial instruments into hedge relationships. Certain arrangements meet the specific hedging accounting criteria of IFRS 9.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas, coal, carbon and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 - Financial Instruments.

(b) Fair value

The fair values of financial assets and liabilities carried at amortised cost together with the carrying amounts shown in the balance sheet are as follows:

	June 2023		December 2022	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Long-term debt	6,386.4	6,287.2	6,329.4	6,263.7
Short-term borrowings	629.5	609.0	563.4	560.4
Lease liabilities	131.6	131.6	128.8	128.8
Total borrowings	**7,147.5**	**7,027.8**	**7,021.6**	**6,952.9**
Current trade and other payables	1,127.8	1,127.8	2,299.5	2,299.5
Amounts due from insurers	(48.4)	(48.4)	(48.4)	(48.4)
Non-current trade and other receivables	(605.8)	(605.8)	(536.5)	(536.5)
Current trade and other receivables	(1,868.1)	(1,868.1)	(2,806.2)	(2,806.2)
Cash and cash equivalents	(1,195.6)	(1,195.6)	(990.0)	(990.0)
Net liabilities	**4,557.4**	**4,437.7**	**4,940.0**	**4,871.3**

Cross currency swaps that swap fixed US dollar debt to euro fixed are included in fair value of long-term debt above, the fair value of the related derivative is an asset of €19.0 million (31 December 2022: an asset of €21.9 million).

ESB Eurobonds and NIE Networks Sterling bonds are regarded as Level 1 fair values (see note 20). The fair value of these bonds is derived from observation of the most recent traded values for these bonds in liquid markets at the balance sheet date. Other borrowings and debt are Level 2 fair values. The primary valuation technique used for borrowings and other debt classified as Level 2 fair values is discounting of the future associated cash flows using the zero-coupon discount curve of the relevant currency.

Current trade and other receivables are all due within one year and their carrying value is considered to be materially in line with their fair value. The impairment loss allowances recognised in respect of current trade and other receivables have been calculated using the expected credit loss model as required by IFRS 9. Current trade and other payables are all due within one year and their carrying value is considered to be materially in line with their fair value.

Fair value - discount rates

The interest rates used to discount future estimated cash flows, where applicable, are based on the applicable EURIBOR or SONIA yield curve at the reporting date plus an appropriate constant credit spread.

Notes to the Condensed Consolidated Financial Statements (continued)

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

(c) Fair value hierarchy

The table below analyses financial assets and liabilities carried at fair value, by inputs to valuation method. The different levels relevant to financial assets and liabilities held by the Group have been defined as follows:

- **Level 1:** inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- **Level 2:** inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

June 2023	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Assets				
Derivative financial instruments				
▪ Currency swaps	-	19.0	-	**19.0**
▪ Foreign exchange contracts	-	27.3	-	**27.3**
▪ Forward fuel price contracts	-	765.9	-	**765.9**
Financial assets at fair value through profit or loss	-	-	23.4	**23.4**
	-	**812.2**	**23.4**	**835.6**
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(26.5)	-	**(26.5)**
▪ Inflation-linked interest rate swaps	-	(577.3)	-	**(577.3)**
▪ Currency swaps	-	(0.5)	-	**(0.5)**
▪ Foreign exchange contracts	-	(9.9)	-	**(9.9)**
▪ Forward fuel price contracts	-	(767.8)	-	**(767.8)**
	-	**(1,382.0)**	**-**	**(1,382.0)**
Net (liability) / asset	**-**	**(569.8)**	**23.4**	**(546.4)**

December 2022	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Assets				
Derivative financial instruments				
▪ Currency swaps	-	21.9	-	21.9
▪ Foreign exchange contracts	-	15.3	-	15.3
▪ Forward fuel price contracts	-	931.8	-	931.8
Financial assets at fair value through profit or loss	-	-	5.0	5.0
	-	969.0	5.0	974.0
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(24.7)	-	(24.7)
▪ Inflation-linked interest rate swaps	-	(563.2)	-	(563.2)
▪ Currency swaps	-	(5.4)	-	(5.4)
▪ Foreign exchange contracts	-	(41.8)	-	(41.8)
▪ Forward fuel price contracts	-	(938.4)	(21.9)	(960.3)
	-	(1,573.5)	(21.9)	(1,595.4)
Net liability	-	(604.5)	(16.9)	(621.4)

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Measurement of fair values - valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Currency swaps, foreign exchange contracts and interest rate swaps	**Level 2** - Present valuation of future cash flows constructed using market observable inputs and discounted back to present value.		
Forward fuel and electricity price contracts	**Level 2** - The fair value of forward fuel contracts is determined by reference to gas, coal and carbon prices with the resulting value discounted to present values. **Level 3** - The fair value of some specific forward fuel and electricity contracts are determined by reference to forward electricity prices which are unobservable.	Forward electricity prices	The estimated fair value would increase / (decrease) if the Wholesale Electricity Price was higher / (lower). Generally a change in gas prices is accompanied by a directionally similar change in Wholesale Electricity Price.
Inflation-linked interest rate swaps	**Level 2** - Independent valuations are used and validated using the present valuation of expected cash flows using the interest rate yield curve of the relevant currency. The zero-coupon curve is based on using the interest rate yield curve of the relevant currency.		
Financial assets at fair value through profit or loss	**Level 3** - Financial assets at fair value through profit or loss are carried at fair value. Where applicable, valuations are based on the most recent independent information available at period end, taking into account any other known and relevant factors. Unquoted investments are valued by deriving an enterprise value using one of the following methodologies: ▪ the price of a recent investment; ▪ revenue multiple.	Forecast annual revenue growth rate. EBITDA multiple.	Novusmodus typically assess the value of investments based on its expectations of the proceeds which could be realised in a disposal. See note 9 and 14. This value will usually be driven by a number of inputs including the ability of the investee to grow its revenue and associated margins leading to higher EBITDA thus higher values.

Notes to the Condensed Consolidated Financial Statements (continued)

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The following table shows a reconciliation from opening balances at 1 January to the period ended 30 June for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss	Forward fuel price contracts	Total
	€m	€m	€m
Balance at 1 January 2022	5.3	0.5	**5.8**
Total losses:			
• in OCI	-	(27.0)	**(27.0)**
Settlements	-	3.6	**3.6**
Translation differences	(0.1)	-	**(0.1)**
Balance at 30 June 2022 - net	**5.2**	**(22.9)**	**(17.7)**
Balance at 1 January 2023	**5.0**	**(21.9)**	**(16.9)**
Total gains:			
• in OCI	-	44.3	**44.3**
Settlements	-	(4.0)	**(4.0)**
Balance at 30 June 2023 - net	**5.0**	**18.4**	**23.4**

27. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

	June 2023	June 2022
	€m	€m
Contracted for	**764.7**	760.9

(b) Fuel contract commitments

There are a number of long-term gas supply arrangements in place for different periods up to 2026. These arrangements provide for pricing changes in line with changes in inbuilt energy market indicators. Where appropriate, embedded derivatives included in these arrangements have been separated and valued in accordance with IFRS 9.

27. COMMITMENTS AND CONTINGENCIES (continued)

(c) Other disclosures

In 2022, following the imposition of EU sanctions, ESB terminated a number of contracts with a supplier. The supplier has subsequently written to ESB challenging ESB's termination of the contracts in question and has initiated a claim seeking damages for wrongful termination of those contracts. On the basis of the legal advice received, no provision has been made in respect of this matter in the financial statements on the basis that ESB believes that the claim can be successfully defended.

Other than disclosed above, a number of other lawsuits, claims and disputes with third parties have arisen in the normal course of business. While any litigation or dispute has an element of uncertainty, the Board members believe that there were no contingent liabilities which would have a material adverse effect on the Group's financial position.

28. RELATED PARTY TRANSACTIONS

Equity accounted investees

	June 2023	June 2022
	€m	€m
Sale of goods / services[1]	**4.1**	4.0
Purchase of goods / services[2]	**8.2**	20.9

	June 2023	December 2022
	€m	€m
Amounts owed from as at period / year ended [3]	**606.0**	536.7
Equity advanced during the period / year	**25.3**	3.3

[1] ESB provided electricity sales, management and other professional services during the period to equity accounted investees as set out in the above table.
[2] ESB has purchases power from certain equity accounted investees under Power Purchase Agreements.
[3] Amounts owed from equity accounted investees include shareholders loans (shown net of any impairments), interest on these loans and trade receivable and payable balances.

Terms and conditions

Sales to and purchases from equity accounted investees and associates are conducted in the ordinary course of business. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with equity accounted investees and associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to related party receivables and payables.

29. ESB ESOP TRUSTEE LIMITED

ESB ESOP Trustee Limited was incorporated by ESB during 2001, with a €1 investment, as Trustee to the ESB Employee Ownership Trust (ESOT) and the ESB Approved Profit Sharing Scheme (APSS). Under the terms of the creation of ESB ESOP Trustee Limited, ESB has no ability or rights to exert control over the assets or management of the Company. The Trustee Company is chaired by an independent professional Trustee with four directors representing ESB employees and two directors representing ESB. As such, severe restrictions which substantially hinder the exercise of the rights of ESB over the assets and management of the company exist. In accordance with IFRS 10 Consolidated Financial Statements, the financial statements for ESB ESOP Trustee Limited are not consolidated with the results of the ESB Group.

During the year ended 31 December 2015, ESB entered into an agreement to support the acquisition of capital stock in future ESOP internal markets. As part of the agreement ESB committed to match the acquisitions made by the ESOP Trustees up to a value of €25.0 million. During the year ended 31 December 2021, ESB entered into a further agreement to support the acquisition of capital stock in future ESOP internal markets. As part of the agreement, ESB committed up to €35 million in addition to funds remaining from the 2015 agreement, to purchase shares in future ESOP internal markets from 2021 (inclusive) onwards. An ESOP provision of €36.5 million was recognised during the year ended 31 December 2021 in Other Reserves in respect of this agreement and the remaining balance of the 2015 agreement.

Notes to the Condensed Consolidated Financial Statements (continued)

29. ESB ESOP TRUSTEE LIMITED (continued)

During 2022, ESB continued the repurchase of the ESOP capital stock and consequently a capital redemption reserve movement of €8.0 million (2021: €8.3 million) arose from the purchase and cancellation of the 8.0 million ESOP share capital (2021: 8.3 million) for a consideration of €12.4 million (2021: €9.5 million) and represents the nominal amount of the share capital cancelled. The repurchase reduced the ESOP repurchase provision by €12.4 million and at 31 December 2022, the ESOP repurchase provision (see note 28 of the 2022 consolidated financial statements) recognised in other provisions amounted to €14.6 million (2021: €27.0 million). The remaining balance of the provision will be discharged in future years as capital stock is repurchased. There has been no change to this position as at 30 June 2023.

30. EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events since the balance sheet date that the directors believe require adjustment to, or disclosure in the financial statements.

31. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 13 September 2023.

Alternative Performance Measures

The Group reports certain alternative performance measures (APMs) that are not required under International Financial Reporting Standards (IFRS). These measures below are used by management and investors alongside IFRS measures to assess the performance and financial position of the Group. The key APMs used by the Group are as follows:

	APM	Purpose	Closest equivalent IFRS measure	Definition
(a)	**Earnings before interest, tax, depreciation and amortisation (EBITDA)**	Performance measure	Operating Profit	Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation and revenue from supply contributions.
(a)	**EBITDA before exceptional items**	Performance measure	Operating Profit	Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation, revenue from supply contributions and exceptional items separately disclosed in the Income Statement.
(a)	**Operating profit before exceptional items**	Performance measure	Operating Profit	Operating profit excluding exceptional items separately disclosed in the Income Statement.
(b)	**Net debt**	Cash and debt measure	Borrowings and other debt, lease liabilities less cash and cash equivalents	Total of borrowings and other debt plus lease liabilities less cash and cash equivalents (excluding any restricted cash).
(c)	**Capital expenditure**	Asset base measure	Capital additions to intangible assets, property, plant and equipment and equity accounted investees	Additions to property, plant and equipment, intangible assets (excluding emissions allowances) plus additions to equity accounted investees.
(d)	**Liquidity**	Cash and debt measure	N/A	Total of cash and cash equivalents (excluding any restricted cash) and amounts undrawn under available revolving credit facilities or other facilities.
(e)	**Gearing percentage**	Financial leverage	N/A	Net debt divided by the sum of net assets and gross debt.
(f)	**Total assets excluding cash***	Asset base measure	N/A	Total of non-current assets and current assets excluding cash and cash equivalents.

* Total assets excluding cash has been added as an APM in 2023 to aid readers in their analysis of the asset base of the Group.

Alternative Performance Measures (continued)

Reconciliation of Alternative Performance Measures

(a) EBITDA, EBITDA before exceptional items and Operating profit before exceptional items – June 2023

	Reference in Condensed Financial Statements	Customer Solutions €'m	ESB Networks €'m	Generation and Trading €'m	NIE Networks €'m	Other Segments €'m	Total €'m
Operating profit before exceptional items	Note 6(a) (iii)	23.4	156.5	494.4	10.1	(8.5)	**675.9**
Exceptional items	Note 8	-	-	-	-	-	**-**
Operating profit	Note 6(a) (iii)	23.4	156.5	494.4	10.1	(8.5)	**675.9**
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Note 10	-	-	-	-	-	**-**
Depreciation and amortisation	Note 6(a) (ii)	13.0	269.5	70.3	93.3	14.8	**460.9**
Revenue from supply contributions	Note 7	-	(32.8)	-	(11.4)	-	**(44.2)**
EBITDA		36.4	393.2	564.7	92.0	6.3	**1,092.6**
Exceptional items (non-impairment)	Note 6(a) (ii)	-	-	-	-	-	**-**
EBITDA before exceptional items		36.4	393.2	564.7	92.0	6.3	**1,092.6**

EBITDA, EBITDA before exceptional items and Operating profit before exceptional items – June 2022

	Reference in Condensed Financial Statements	Customer Solutions €'m	ESB Networks €'m	Generation and Trading €'m	NIE Networks €'m	Other Segments €'m	Total €'m
Operating profit before exceptional items	Note 6(a) (iii)	(44.5)	116.6	309.3	8.3	(32.8)	356.9
Exceptional items	Note 8	-	-	161.7	-	-	161.7
Operating profit	Note 6(a) (iii)	(44.5)	116.6	471.0	8.3	(32.8)	518.6
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Note 10	-	-	2.2	-	-	2.2
Depreciation and amortisation	Note 6(a) (ii)	14.5	255.8	72.6	91.0	10.1	444.0
Revenue from supply contributions	Note 7	-	(31.5)	-	(8.2)	-	(39.7)
EBITDA		(30.0)	340.9	545.8	91.1	(22.7)	925.1
Exceptional items (non-impairment)*	Note 6(a) (ii)	-	-	(161.7)	-	-	(161.7)
EBITDA before exceptional items		(30.0)	340.9	384.1	91.1	(22.7)	763.4

* Exceptional items (non-impairment): 2022 – fair value non-cash gain on certain commodity contracts which are designated as financial instruments under IFRS 9.

(b) Net debt

	Reference in Condensed Financial Statements	June 2023 €'m	December 2022 €'m
Borrowings	Note 20	**7,015.9**	6,892.8
Lease liabilities	Balance Sheet	**131.6**	128.8
Gross debt		**7,147.5**	7,021.6
Cash and cash equivalents (excluding restricted cash)	Note 17	**(1,188.4)**	(236.0)
Net debt		**5,959.1**	6,785.6

(c) Capital expenditure

	Reference in Condensed Financial Statements	June 2023 €'m	June 2022 €'m
Investments in property, plant and equipment	Note 13	**675.2**	468.0
Investments in intangible assets (excluding emissions allowances)		**78.9**	43.5
Financial assets and equity accounted investees	Note 14	**25.3**	20.3
Capital expenditure*		**779.4**	531.8

* Refer to Note 6(b) for segmental breakdown of additions to non-current assets.

(d) Liquidity

	Reference in Condensed Financial Statements	June 2023 €'m	December 2022 €'m
Cash and cash equivalents (excluding restricted cash)	Note 17	**1,188.4**	236.0
Undrawn revolving credit facilities	Note 20 (3)	**2,272.6**	2,021.5
Liquidity		**3,461.0**	2,257.5

(e) Gearing percentage

	Reference in Condensed Financial Statements	June 2023 €'m	December 2022 €'m
Net debt	APM Rec. (b)	**5,959.1**	6,785.6
Net assets	Balance Sheet	**4,987.8**	4,781.6
Gross debt	APM Rec. (b)	**7,147.5**	7,021.6
Net assets and gross debt		**12,135.3**	11,803.2
Gearing percentage		**49.1%**	57.5%

(f) Total assets excluding cash

	Reference in Condensed Financial Statements	June 2023 €'m	December 2022 €'m
Total assets	Balance Sheet	**18,274.5**	19,240.1
Cash and cash equivalents	Balance Sheet	**(1,195.6)**	(990.0)
Total assets excluding cash		**17,078.9**	18,250.1
By Segment		€'m	€'m
Customer Solutions		**866.7**	1,218.8
ESB Networks		**8,541.6**	8,287.7
Generation and Trading		**4,358.3**	5,435.3
NIE Networks		**2,788.9**	2,729.8
Other Segments*		**523.4**	578.5
Total assets excluding cash		**17,078.9**	18,250.1

* All intersegment related amounts are eliminated upon consolidation and these eliminations are included in the Other Segments line above.

Principal Risks and Uncertainties

The principal risks and uncertainties that have the potential to significantly impact the Group's strategic objectives are set out below. The risks are not listed in order of importance or priority.

- **Financial Strength and Unfavourable Macroeconomic and Financial Environment:** Failing to maintain ESB's financial strength and liquidity, due to under delivery of required performance, including ESG, low investment returns, and growing capital intensity or negative developments in the external macroeconomic and financial landscape (e.g. recession, sustained inflation and high interest rates, geopolitical tensions).

- **System Outage/Cyberattack/Data Leakage:** Extended outage of critical IT/OT systems arising from non-malicious infrastructure failures or successful cyberattacks and/or significant data leakage.

- **Compliance (Laws, Regulations, Licence):** Failure to comply with applicable legal and governance obligations whether imposed by law, regulation or licence.

- **Climate Transition Risk:** Failure to meet ESB's sustainability targets per ESB's Net Zero by 2040 Strategy or to inform or respond to climate change policies and/or capture opportunities and manage challenges presented by those policies, resulting in reduced performance along with growing public, customer and investor concerns and negative impact on the environment.

- **Delivery of Complex Network Infrastructures and Systems:** Failing to deliver the growing and increasingly complex network infrastructures and systems required to meet future customer and societal needs of accommodating more renewables, supporting increased electrification and distributed energy services.

- **Security of Supply:** Electricity generation capacity shortfall and/or fuel supply issues leading to potential demand management measures which will have a negative impact on ESB's reputation.

- **Energy Market and Supply Chain Disruption:** Continued volatility in, and disruptions to, energy markets and other elements of global supply chains negatively impact ESB financial performance and ability to deliver ESB's strategic objectives.

- **Energy Affordability:** Increasing fuel and other costs and wider economic pressures negatively impact the affordability of ESB's products and services, impacting ESB's customers and giving rise to negative political or regulatory intervention.

- **Delivery of Renewable Pipeline, including Project Quality Management:** Failing to deliver the scale and manage the project quality of renewable generation assets required to meet market and societal needs and achieve strategic objectives.

- **Resourcing/Capability:** Failing to secure the internal and external resourcing and capability required to deliver ESB's strategy.

- **Climate Change Physical and/or Major Environmental Incidents:** Increasingly extreme and unpredictable weather patterns, and/or major environmental incidents (e.g. flooding, oil spill), impacting performance of ESB assets and societal energy security.

- **Health, Safety and Wellbeing:** Serious harm to the safety, health or wellbeing of employees, contractors or the public resulting from ESB's operations.

- **Brand, Customer Satisfaction, Reputation, Stakeholder Trust:** Damage to brand, customer satisfaction, reputation and stakeholder trust.

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ESB Head Office
27 Fitzwilliam Street Lower
Dublin 2
D02 KT92
Ireland

T: +353 1 676 5831
E: info@esb.ie
www.esb.ie

Twitter: @ESBGroup
LinkedIn: esb
YouTube: ESBVideo