Energy for generations

# INTERIM FINANCIAL REPORT

For the six month period ended 30 June 2024



# Contents

# Financial Review June 2024

The first half of 2024 has seen ESB deliver a robust financial performance with EBITDA of €883 million and operating profit of €446 million. This was in the context of the continued normalisation of global energy markets following the extraordinary volatility and peaks in pricing experienced in 2022 and early 2023. The significant softening of wholesale market prices has reduced the level of profitability in our generation business in both Ireland and the United Kingdom (UK) compared to the same period last year. However, increased profits from our networks' businesses, reflecting the continued substantial investment in those areas (approximately 67% of Group assets[1]), provided resilience to the Group position and a robust overall performance. Crucially, during the first half of 2024, ESB continued to invest at scale in energy infrastructure with a 13% increase in investment in electricity networks on the island of Ireland compared to the same period in 2023.

**Paul Stapleton,** Executive Director, Group Finance and Commercial

## Highlights

**Operating Profit**

**€446m**

(€230 million decrease on June 2023)

**Profit After Tax after exceptional items**

**€171m**

(€321 million decrease on June 2023)

**Net Debt**

**€6,749m**

(€302 million increase on December 2023)

**Capital Expenditure**

**€751m**

(€28 million decrease on June 2023)

EBITDA of €883 million for the six months to June 2024 represents a decrease of €210 million (19%) on the same period in 2023, while operating profit of €446 million, is €230 million (34%) down compared to the first six months of 2023. The decrease in operating profit is primarily due to lower energy margins earned in our Generation and Trading business. Operating profits in ESB's supply business remained at modest levels as we continued to pass on wholesale price reductions to customers during the period. In addition, payroll costs are higher due to increased headcount as we grow our capability to deliver on our strategic ambition. These movements were partially offset by higher income earned in our networks' businesses due to regulated network tariff changes. The level of Group profit after taxation (after exceptional items) at €171 million represents a €321 million (65%) decrease on 2023.

An exceptional provision of €135 million has been recognised as at 30 June 2024 related to the Neart na Gaoithe offshore wind project, a joint venture development between ESB and EDF Renewables off the east coast of Scotland. The charge arises as a result of further delays to the construction programme. The project is expected to achieve full commercial operation in 2025.

ESB continues its significant capital investment in critical energy infrastructure and network resilience to ensure a reliable and sustainable electricity system as we transition to net zero. During the first six months of 2024, ESB invested €751 million of capital expenditure. Approximately 79% of this capital expenditure relates to investment in electricity network infrastructure under agreed regulatory programmes. €127 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, €88 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 and solar).

Overall, while operating profits are reduced compared to the same period in 2023, these results maintain ESB's financial strength and provide the basis for continued investment in energy infrastructure at the scale required to deliver on ESB's Net Zero by 2040 Strategy.

1 Total assets excluding cash as per Alternative Performance Measures on page 40.



## 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 €174 million is up €17 million compared to the same period in 2023. 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 €55 million is €45 million higher than the same period in 2023 due to higher regulated income reflecting NIE Networks' continued investment in key electricity network infrastructure coupled with increases in inflation in the current year and the delayed recovery of higher allowed costs due to inflation from prior years.
- Generation and Trading's operating profit of €227 million is down €267 million mainly due to lower energy margins as a result of wholesale market price reductions from the levels seen in late 2022 and early 2023. These movements have impacted the margins earned across ESB's thermal and renewable generation portfolio in both Ireland and the UK.
- Customer Solutions' operating profit of €17 million is €6 million lower than the same period in 2023 due to reduced margins and higher operating expenditure in Electric Ireland. This was somewhat offset by an improved performance in So Energy (Great Britain) for the first six months of this year versus the same period in 2023.
- Other Segments include Engineering and Major Projects, Corporate Centre and Enterprise Services which provide centralised services to the other business segments. This segment includes the operating costs associated with those business units as well as most of the financing costs of the Group.

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

| | June 2024 €'m | June 2023 €'m | June 2022 €'m | June 2021 €'m | June 2020 €'m |
|---|---|---|---|---|---|
| Operating profit before exceptional items[2] | 446 | 676 | 357 | 363 | 249 |
| Operating profit after exceptional items | 446 | 676 | 519 | 445 | 72 |
| EBITDA before exceptional items[2] | 883 | 1,093 | 763 | 739 | 604 |
| EBITDA[2] | 883 | 1,093 | 925 | 742 | 604 |
| Capital Expenditure[3] | 751 | 779 | 532 | 435 | 395 |

| | June 2024 €'m | December 2023 €'m | December 2022 €'m | December 2021 €'m | December 2020 €'m |
|---|---|---|---|---|---|
| Net debt (excluding lease liabilities) | 6,615 | 6,311 | 6,657 | 4,826 | 4,995 |
| Net debt (including lease liabilities)[2] | 6,749 | 6,447 | 6,786 | 4,946 | 5,120 |
| Consolidated net debt percentage[2] | 53% | 49% | 58% | 52% | 55% |
| Total assets | 18,524 | 19,673 | 19,240 | 15,991 | 13,842 |

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

**Figure 2: Summarised Income Statement**

| | 6 months ended June 2024 €'m | 6 months ended June 2023 €'m |
|---|---|---|
| Revenue and other operating income | 3,733 | 4,903 |
| Net impairment losses on financial assets and operating costs | (3,287) | (4,227) |
| **Operating profit** | **446** | **676** |
| Net finance costs | (47) | (61) |
| Fair value movements on financial instruments | 1 | (11) |
| Expected credit loss related to equity accounted investee (exceptional item) | (135) | - |
| Share of equity accounted investees' loss | (20) | (28) |
| **Profit before tax after exceptional items** | **245** | **576** |
| Tax charge | (74) | (84) |
| **Profit after tax after exceptional items** | **171** | **492** |

# Financial Review June 2024 (continued)

### Capital Expenditure

ESB Networks' capital expenditure of €471 million is up €58 million compared to the same period in 2023 due to the continuing increased investment in the distribution and transmission networks under the current price review (PR5) programme.

NIE Networks' capital expenditure of €121 million is up €11 million and reflects an increase in work programmes as part of NIE Networks' plans to build and enhance network infrastructure for the benefit of customers, the Northern Ireland economy and wider society.

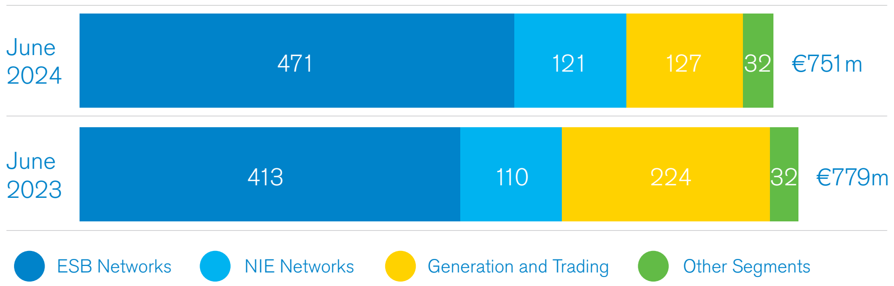
Capital expenditure in Generation and Trading at €127 million reflects continuing investment in the existing generation fleet and new renewable projects. Expenditure is down €97 million compared to the same period in 2023 with significant levels of expenditure in the first half of 2023 on flexible gas generation and battery storage projects in particular. In addition, Generation and Trading invested €88 million by way of shareholder loans to joint venture projects for the period ended June 2024, the majority of which related to ESB's continued investment in offshore wind and solar power projects.

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

**Figure 3: Summarised Cash Flow Statement**

| | 6 months ended June 2024 €'m | 6 months ended June 2023 €'m |
|---|---|---|
| EBITDA | 883 | 1,093 |
| Provision utilisation and other movements | (137) | 758 |
| Interest and tax | (240) | (185) |
| **Net cash inflow from operating activities** | **506** | **1,666** |
| Capital expenditure and JV loans (net of repayments) | (807) | (809) |
| Other | 45 | 36 |
| **Net cash outflow from investing activities** | **(762)** | **(773)** |
| **Net cash (outflow)/inflow from financing activities** | **(354)** | **59** |
| **Restricted cash – net amounts paid to customers related to Government energy cost support schemes** | **(518)** | **(747)** |
| **Net (decrease)/increase in cash – including restricted cash** | **(1,128)** | **205** |

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




### Net Debt and the Consolidated Net Debt Percentage

Net debt of €6.7 billion at 30 June 2024 has increased from €6.4 billion at 31 December 2023. Borrowing levels are lower than December 2023 (as a result of a €300 million bond repayment in January 2024) and cash on hand at 30 June 2024 is reduced compared to 31 December 2023. The increase in net debt overall is due mainly to the capital expenditure during the period, the level of cash on short term deposit at 30 June 2024 of c.€515 million (31 December 2023: €nil) (as cash deposits with maturities of three months or more are included within trade and other receivables) and the interest and tax payments made during the period. These movements have been offset to some extent by the cash profits generated and positive movements in cash collateral positions during the period.

The consolidated net debt percentage of 53% at 30 June 2024 has increased since December 2023 (49%) reflecting higher net debt.



### 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.

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 and was undrawn at 30 June 2024. At 30 June 2024, ESB had €2.2 billion of available liquidity, comprising €0.8 billion of cash on hand and the €1.4 billion Revolving Credit Facility. This amount of liquidity is significantly in excess of scheduled debt repayments due over the next 24 months of c.€1 billion. At 30 June 2024, c.€0.2 billion was posted with counterparties as collateral relating to exchange and bilaterally traded gas, carbon and power contracts.

The weighted average interest rate on the Group's portfolio of outstanding borrowings at 30 June 2024 is 3.1% (31 December 2023: 3.1%). 84% of Group borrowings are fixed to maturity, 9% inflation linked and 7% variable rate debt. Approximately 23% 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 (BBB+ on a standalone basis) with Standard & Poor's and Moody's respectively were both reaffirmed during 2024. Standard & Poor's rating is with a stable outlook while Moody's has revised its outlook on ESB to positive (previously stable). 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 Group Risk Management Policy and a Group Risk Management Framework 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 2024 Group Risk Plan and the 2024 mid-year risk review process, the Board of ESB has determined that those principal risks reported in the 2023 Annual Report along with revisions made to the descriptions/drivers of a number of those risks to take account of the latest developments in ESB's risk environment, 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 41.

### Sustainability and Climate Related Disclosures

Details of ESB's latest sustainability and climate related disclosures can be found on ESB's website (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 consolidated 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 during the first six months of the financial year and the impact on the unaudited condensed consolidated financial statements. It also includes 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

11 September 2024



# 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 2024 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 30. 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 2024 is not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS) IAS 34 - Interim Financial Reporting as adopted by the European Union.

### 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

11 September 2024

# Condensed Consolidated Income Statement
## For the six month period ended 30 June 2024

| | Notes | Unaudited 30 June 2024 Excluding exceptional items €m | Unaudited 30 June 2024 Exceptional items (Note 8) €m | Unaudited 30 June 2024 Total €m | Unaudited 30 June 2023 Total €m |
|---|---|---|---|---|---|
| Revenue | 7 | 3,726.9 | - | **3,726.9** | 4,892.6 |
| Other operating income (net) | 9 | 5.6 | - | **5.6** | 10.2 |
| Net impairment losses on financial assets | 10 | (33.7) | - | **(33.7)** | (33.0) |
| Operating costs (net) | 10 | (3,253.2) | - | **(3,253.2)** | (4,193.9) |
| Operating profit | | 445.6 | - | **445.6** | 675.9 |
| | | | | | |
| Net interest on borrowings | 11 | (99.7) | - | **(99.7)** | (95.0) |
| Financing charges | 11 | (10.1) | - | **(10.1)** | (10.3) |
| Fair value movement on financial instruments | 11 | 1.2 | - | **1.2** | (10.9) |
| Finance income | 11 | 62.4 | - | **62.4** | 44.0 |
| Expected credit loss related to equity accounted investee | 11 | - | (134.6) | **(134.6)** | - |
| Net finance cost | | (46.2) | (134.6) | **(180.8)** | (72.2) |
| | | | | | |
| Share of equity accounted investees' loss, net of tax | 14 | (19.5) | - | **(19.5)** | (27.9) |
| | | | | | |
| Profit before taxation | | 379.9 | (134.6) | **245.3** | 575.8 |
| | | | | | |
| Income tax expense | 19 | (74.0) | - | **(74.0)** | (83.7) |
| Profit after taxation | | 305.9 | (134.6) | **171.3** | 492.1 |
| | | | | | |
| **Attributable to:** | | | | | |
| Equity holders of the Parent | | 308.9 | (134.6) | **174.3** | 497.2 |
| Non-controlling interest | | (3.0) | - | **(3.0)** | (5.1) |
| **Profit for the financial period** | | 305.9 | (134.6) | **171.3** | 492.1 |



# Condensed Consolidated Statement of Comprehensive Income
## For the six month period ended 30 June 2024

| | Unaudited 30 June 2024 €m | Unaudited 30 June 2023 €m |
|---|---|---|
| **Profit for the financial period** | **171.3** | 492.1 |
| | | |
| **Items that will not be reclassified subsequently to the income statement:** | | |
| NIE Networks pension scheme actuarial losses | **(24.2)** | (31.9) |
| Tax on items that will not be reclassified to the income statement | **6.0** | 8.5 |
| | **(18.2)** | (23.4) |
| | | |
| **Items that are or may be reclassified subsequently to the income statement:** | | |
| Translation differences on consolidation of foreign subsidiaries | **22.4** | 8.3 |
| Fair value gains on cash flow hedges | **12.8** | 34.3 |
| Fair value gains on cash flow hedges in equity accounted investees | **21.6** | 17.5 |
| Transferred to the income statement on cash flow hedges | **16.2** | 15.6 |
| Tax on items that are or may be reclassified subsequently to the income statement | **(2.2)** | (4.8) |
| Tax on items that are or may be reclassified subsequently to the income statement for equity accounted investees | **(5.0)** | (4.5) |
| Tax on items transferred to the income statement | **(2.0)** | (1.9) |
| | **63.8** | 64.5 |
| | | |
| **Other comprehensive income for the financial period, net of tax** | **45.6** | 41.1 |
| | | |
| **Total comprehensive income for the financial period** | **216.9** | 533.2 |
| | | |
| **Attributable to:** | | |
| Equity holders of the Parent | **219.9** | 538.3 |
| Non-controlling interest | **(3.0)** | (5.1) |
| **Total comprehensive income for the financial period** | **216.9** | 533.2 |

# Condensed Consolidated Balance Sheet
## As at 30 June 2024

| | Notes | Unaudited 30 June 2024 €m | Audited 31 December 2023 €m |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 13 | **12,605.9** | 12,324.9 |
| Intangible assets | 13 | **658.4** | 600.7 |
| Right-of-use assets | | **128.6** | 129.9 |
| Goodwill | | **200.5** | 195.3 |
| Investments in equity accounted investees | 14 | **301.1** | 292.2 |
| Financial asset investments at fair value through profit or loss | 14 | **0.8** | 5.0 |
| Trade and other receivables | 16 | **850.0** | 724.7 |
| Derivative financial instruments | 21 | **100.8** | 163.6 |
| Deferred tax assets | | **1.4** | 1.4 |
| Asset - NIE Networks pension scheme | 22 | **54.6** | 73.5 |
| **Total non-current assets** | | **14,902.1** | 14,511.2 |
| | | | |
| **Current assets** | | | |
| Inventories | 15 | **154.8** | 161.6 |
| Intangible assets | 13 | **42.5** | 438.1 |
| Derivative financial instruments | 21 | **217.5** | 344.7 |
| Current tax asset | | **44.4** | 22.0 |
| Trade and other receivables | 16 | **2,312.5** | 2,217.7 |
| Cash and cash equivalents | 17 | **849.8** | 1,977.8 |
| **Total current assets** | | **3,621.5** | 5,161.9 |
| | | | |
| **Total assets** | | **18,523.6** | **19,673.1** |
| | | | |
| **Equity** | | | |
| Capital stock | | **1,939.1** | 1,939.1 |
| Capital redemption reserve | | **40.8** | 40.8 |
| Translation reserve | | **22.4** | - |
| Other reserves | | **(154.2)** | (136.0) |
| Cash flow hedging reserve | | **223.2** | 181.8 |
| Retained earnings | | **3,288.8** | 3,334.6 |
| **Equity attributable to equity holders of the Parent** | | **5,360.1** | 5,360.3 |
| Non-controlling interest | | **(63.3)** | (60.3) |
| **Total equity** | | **5,296.8** | 5,300.0 |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings and other debt | 20 | **7,374.7** | 7,375.4 |
| Lease liabilities | | **119.5** | 120.5 |
| Liability – ESB pension scheme | 23 | **70.6** | 73.5 |
| Employee related liabilities | | **14.8** | 15.4 |
| Deferred income | | **1,563.5** | 1,508.2 |
| Provisions | 25 | **725.4** | 585.1 |
| Deferred tax liabilities | | **562.0** | 560.3 |
| Derivative financial instruments | 21 | **377.9** | 406.8 |
| **Total non-current liabilities** | | **10,808.4** | 10,645.2 |
| | | | |
| **Current liabilities** | | | |
| Borrowings and other debt | 20 | **58.1** | 363.7 |
| Lease liabilities | | **15.2** | 15.5 |
| Liability – ESB pension scheme | 23 | **9.6** | 9.6 |
| Employee related liabilities | | **90.9** | 100.5 |
| Trade and other payables | 24 | **1,621.1** | 2,245.6 |
| Deferred income | | **110.1** | 106.0 |
| Provisions | 25 | **312.3** | 491.2 |
| Derivative financial instruments | 21 | **201.1** | 395.8 |
| **Total current liabilities** | | **2,418.4** | 3,727.9 |
| | | | |
| **Total liabilities** | | **13,226.8** | 14,373.1 |
| | | | |
| **Total equity and liabilities** | | **18,523.6** | 19,673.1 |

**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 2024

| 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 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** |
| | | | | | | | | | |
| **Balance at 1 January 2024** | **1,939.1** | **-** | **40.8** | **181.8** | **(136.0)** | **3,334.6** | **5,360.3** | **(60.3)** | **5,300.0** |
| | | | | | | | | | |
| **Total comprehensive income for the period** | | | | | | | | | |
| Profit for the financial period | **-** | **-** | **-** | **-** | **-** | **174.3** | **174.3** | **(3.0)** | **171.3** |
| NIE Networks pension scheme actuarial losses | **-** | **-** | **-** | **-** | **(24.2)** | **-** | **(24.2)** | **-** | **(24.2)** |
| Foreign currency translation adjustments | **-** | **22.4** | **-** | **-** | **-** | **-** | **22.4** | **-** | **22.4** |
| Cash flow hedges: | | | | | | | | | |
| • Net fair value gains | **-** | **-** | **-** | **12.8** | **-** | **-** | **12.8** | **-** | **12.8** |
| • Transfers to the income statement | | | | | | | | | |
| - Finance cost (interest) | **-** | **-** | **-** | **3.8** | **-** | **-** | **3.8** | **-** | **3.8** |
| - Other operating expenses | **-** | **-** | **-** | **12.4** | **-** | **-** | **12.4** | **-** | **12.4** |
| • Fair value gains for hedges in equity accounted investees | **-** | **-** | **-** | **21.6** | **-** | **-** | **21.6** | **-** | **21.6** |
| Tax on items taken directly to OCI | **-** | **-** | **-** | **(2.2)** | **6.0** | **-** | **3.8** | **-** | **3.8** |
| Tax on items transferred to the income statement | **-** | **-** | **-** | **(2.0)** | **-** | **-** | **(2.0)** | **-** | **(2.0)** |
| Tax on items taken directly to OCI for equity accounted investees | **-** | **-** | **-** | **(5.0)** | **-** | **-** | **(5.0)** | **-** | **(5.0)** |
| **Total comprehensive income for the period** | **-** | **22.4** | **-** | **41.4** | **(18.2)** | **174.3** | **219.9** | **(3.0)** | **216.9** |
| | | | | | | | | | |
| **Transactions with owners recognised directly in equity** | | | | | | | | | |
| Dividends | **-** | **-** | **-** | **-** | **-** | **(220.1)** | **(220.1)** | **-** | **(220.1)** |
| **Balance at 30 June 2024** | **1,939.1** | **22.4** | **40.8** | **223.2** | **(154.2)** | **3,288.8** | **5,360.1** | **(63.3)** | **5,296.8** |

1 Other reserves include (i) other reserves relating to the Northern Ireland Electricity Networks Limited (NIE Networks) pension scheme of (€137.9) million (31 December 2023: (€119.7) 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 2023: (€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 (€10.1) million (31 December 2023: (€10.1) million).

# Condensed Consolidated Cash Flow Statement
## For the six month period ended 30 June 2024

| | Notes | Unaudited 30 June 2024 €m | Unaudited 30 June 2023 €m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before taxation | | **245.3** | 575.8 |
| | | | |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 10 | **485.4** | 460.9 |
| Revenue from supply contributions and amortisation of other deferred income | | **(60.0)** | (55.7) |
| Net emissions movements | | **165.9** | 186.7 |
| Profit on disposal of investments | 9 | **(5.6)** | - |
| Profit on disposal of subsidiaries | 9 | **-** | (10.2) |
| Net finance cost | 11 | **180.8** | 72.2 |
| Impact of fair value adjustments in operating costs | | **(27.1)** | (38.0) |
| Share of losses from equity accounted investees | 14 | **19.5** | 27.9 |
| Net impairment losses on financial assets | 10 | **33.7** | 33.0 |
| **Operating cash flows before changes in working capital and provisions** | | **1,037.9** | 1,252.6 |
| | | | |
| Restricted cash[1] | | **(518.0)** | (746.8) |
| Charge / (credit) in relation to provisions | | **34.3** | (0.5) |
| Charge in relation to employee related liabilities | | **55.0** | 45.5 |
| Utilisation of provisions | | **(2.8)** | (59.0) |
| Payments in respect of employee related liabilities | | **(71.5)** | (70.6) |
| Deferred income received | | **13.4** | 11.4 |
| Networks supply contributions received | | **132.8** | 75.9 |
| Net exchange traded collateral received | | **345.2** | 418.9 |
| (Increase) / decrease in trade and other receivables | | **(475.1)** | 468.4 |
| Decrease in inventories | | **6.8** | 58.8 |
| Decrease in trade and other payables | | **(324.9)** | (351.7) |
| **Cash generated from operations** | | **233.1** | 1,102.9 |
| | | | |
| Current tax paid | | **(95.9)** | (63.7) |
| Financing costs paid | | **(144.4)** | (121.6) |
| **Net cash (outflow) / inflow from operating activities** | | **(7.2)** | 917.6 |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(632.1)** | (694.9) |
| Purchase of intangible assets | | **(88.4)** | (76.1) |
| Proceeds from sale of non-current assets | | **9.8** | 3.8 |
| Proceeds from sale of subsidiaries | | **-** | 10.2 |
| Amounts advanced to equity accounted investees as shareholder loans | | **(86.8)** | (38.8) |
| Dividends received from joint venture undertakings | | **9.8** | 22.1 |
| Purchase of financial assets and equity accounted investments | | **(12.6)** | (25.3) |
| Interest received | | **38.2** | 26.2 |
| **Net cash outflow from investing activities** | | **(762.1)** | (772.8) |
| | | | |
| **Cash flows from financing activities** | | | |
| Dividends paid | | **(6.6)** | (10.0) |
| Principal elements of lease payments | | **(7.4)** | (9.3) |
| (Repayment) / proceeds from revolving credit facility and other borrowings | | **(340.3)** | 77.9 |
| **Net cash (outflow) / inflow from financing activities** | | **(354.3)** | 58.6 |
| | | | |
| **Net (decrease) / increase in cash and cash equivalents** | | **(1,123.6)** | 203.4 |
| **Cash and cash equivalents at 1 January** | | **1,977.8** | 990.0 |
| **Effect of exchange rate fluctuations on cash held** | | **(4.4)** | 2.2 |
| **Cash and cash equivalents at 30 June** | | **849.8** | 1,195.6 |

1 Included in cash and cash equivalents at 30 June 2024 is €31.5 million and 31 December 2023 was €549.5 million (30 June 2023: €7.2 million, 31 December 2022: € 754.0 million) 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 Ireland. The condensed consolidated financial statements of ESB as at and for the six months ended 30 June 2024 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 2023 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 2024 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 2023 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 2023 consolidated financial statements, other than as set out below.

**New standards or amendments**
The following amendments are effective for the Group in 2024:

| New standards or amendments | Details | Effective Date | Effect on the results and financial position of the group |
|---|---|---|---|
| IAS 1 (Amendments) | Classification of Liabilities as Current or Non-current (including deferral of Effective Date) | 1 January 2024 | No material effect |
| IAS 1 (Amendments) | Non-current liabilities with Covenants | 1 January 2024 | No material effect |
| IFRS 16 (Amendments) | Lease Liability in a Sale and Leaseback | 1 January 2024 | No material effect |
| IAS 7 and IFRS 7 (Amendments) | Supplier finance arrangements | 1 January 2024 | 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.

A liability in respect of the financial guarantee contract in place in Neart na Gaoithe has been assessed using a lifetime expected credit loss model in line with IFRS 9. The lifetime expected credit loss is based on expected cashflows to and from the project over its life using market based assumptions and estimates. Please refer to note 8 for further details.

Significant judgements are described in note 2 of the 2023 consolidated financial statements. Apart from the Neart na Gaoithe issue referred to above, there has been no change to the nature of these significant judgements during the period and they are still considered to be the most significant in preparing ESB's financial statements.

## Notes to the Condensed Consolidated Financial Statements (continued)

## 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 2023 Annual Report.

The funding and liquidity management of the Group are described in note 22 of the 2023 consolidated financial statements. The amount of cash and cash equivalents that the Group had on hand on 30 June 2024 was €818.3 million. The Group also has a revolving credit facility (undrawn at 30 June 2024) of €1.4 billion providing available liquidity to February 2027. Including cash and other facilities, the Group has overall liquidity of €2.2 billion at 30 June 2024. 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 2023 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.

### (a) Income statement

| | Customer Solutions €m | ESB Networks €m | Generation and Trading €m | NIE Networks €m | Other Segments €m | Consolidation and eliminations €m | Total €m |
|---|---|---|---|---|---|---|---|
| (i) Segment revenue - 30 June 2024 | | | | | | | |
| External revenues | 2,519.3 | 552.0 | 457.9 | 188.6 | 9.1 | - | **3,726.9** |
| Inter-segment revenue | 110.3 | 204.2 | 872.9 | 27.6 | 218.6 | (1,433.6) | **-** |
| **Revenue** | **2,629.6** | **756.2** | **1,330.8** | **216.2** | **227.7** | **(1,433.6)** | **3,726.9** |
| (ii) Segment operating costs - 30 June 2024 | | | | | | | |
| Depreciation and amortisation | (12.8) | (286.0) | (76.6) | (94.6) | (15.4) | - | **(485.4)** |
| Net other operating costs | (2,565.6) | (296.5) | (1,027.0) | (67.0) | (239.7) | 1,433.6 | **(2,762.2)** |
| Net impairment losses on financial assets | (33.7) | - | - | - | - | - | **(33.7)** |
| **Costs** | **(2,612.1)** | **(582.5)** | **(1,103.6)** | **(161.6)** | **(255.1)** | **1,433.6** | **(3,281.3)** |
| (iii) Operating result - 30 June 2024 | | | | | | | |
| Operating profit / (loss) | 17.5 | 173.7 | 227.2 | 54.6 | (27.4) | - | **445.6** |
| Net finance cost | (12.4) | (4.4) | 11.7 | (26.5) | (14.6) | - | **(46.2)** |
| Exceptional items | - | - | (134.6) | - | - | - | **(134.6)** |
| Share of equity accounted investees' loss (net) | - | - | (8.6) | - | (10.9) | - | **(19.5)** |
| **Profit / (loss) before taxation - including exceptional items** | **5.1** | **169.3** | **95.7** | **28.1** | **(52.9)** | **-** | **245.3** |



## 6. SEGMENT REPORTING (continued)

| | Customer Solutions €m | ESB Networks €m | Generation and Trading €m | NIE Networks €m | Other Segments €m | Consolidation and eliminations €m | Total €m |
|---|---|---|---|---|---|---|---|
| (i) Segment revenue - 30 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 - 30 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 - 30 June 2023 | | | | | | | |
| Operating profit / (loss) | 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 |

### (b) Other disclosures

| Additions to non-current assets | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Customer Solutions | **19.6** | 23.6 |
| ESB Networks | **470.9** | 412.7 |
| Generation and Trading | **126.5** | 224.4 |
| NIE Networks | **120.8** | 109.8 |
| Other Segments | **12.8** | 8.9 |
| **Total** | **750.6** | 779.4 |

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

## Notes to the Condensed Consolidated Financial Statements (continued)

## 7. REVENUE FROM CONTRACTS WITH CUSTOMERS

| 30 June 2024 | 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 | - | - | 444.5 | - | - | - | **444.5** |
| Revenue from Use of System charges to customers | - | 504.4 | - | 175.4 | - | - | **679.8** |
| Revenue from supply contributions | - | 35.1 | - | 12.6 | - | - | **47.7** |
| Revenue from sales to electricity and gas customers | 2,496.0 | - | - | - | - | - | **2,496.0** |
| Other revenue | 23.3 | 12.5 | 13.4 | 0.6 | 9.1 | - | **58.9** |
| **Revenue from contracts with customers** | **2,519.3** | **552.0** | **457.9** | **188.6** | **9.1** | **-** | **3,726.9** |
| Inter-segment revenue | 110.3 | 204.2 | 872.9 | 27.6 | 218.6 | (1,433.6) | **-** |
| **Total ESB Group revenue** | **2,629.6** | **756.2** | **1,330.8** | **216.2** | **227.7** | **(1,433.6)** | **3,726.9** |

| 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 |

## 8. EXCEPTIONAL ITEMS

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Expected credit loss related to equity accounted investee | **(134.6)** | - |
| | **(134.6)** | - |

**2024 Expected credit loss related to equity accounted investee**

The Neart na Gaoithe ("NNG") project is being constructed through NNG Windfarm Holdings Limited, a joint arrangement between ESBII UK Limited and EDF Renewables UK Limited. The purpose of this joint arrangement is to construct a 448 MW wind farm off the east coast of Scotland. Following delivery issues on the foundation package and construction delays as a result of COVID-19 impacts, additional equity commitments - in the form of financial guarantee contracts to third party lenders - were made by the two Shareholders in 2022. Whilst the Project made good progress in 2023, construction was slower than expected in 2024 and such delay means commercial operations will be later than previously expected and additional construction costs will be incurred.



## 8. EXCEPTIONAL ITEMS (continued)

A calculation of the expected credit loss on the financial guarantee contracts with third party lenders was performed as at 30 June 2024 based on a lifetime expected credit loss model in line with IFRS 9. A discounted cash flow model was used to determine the level of expected credit loss based on the expected cashflows to and from the project over its life.

The main assumptions used in the expected credit loss model are outlined below:

- Estimated construction costs to complete
- Project timelines, including the estimated Commercial Operation Date which impact construction costs, and the timing of revenues and loan repayments
- The level of Shareholder financial commitments (committed and projected)
- Impact of hedging instruments
- Estimate of long term inflation rate for unhedged revenues
- Forecast market prices
- Forecast wind load factors

The expected credit loss was assessed as €134.6 million as at 30 June 2024, which has been recognised in the Group Income Statement as an exceptional finance cost.

## 9. OTHER OPERATING INCOME

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Profit on disposal of investments | **5.6** | - |
| Profit on disposal of subsidiaries | **-** | 10.2 |
| **Total** | **5.6** | 10.2 |

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

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Employee costs (note 12) | **362.8** | 297.9 |
| Energy costs[1] | **2,090.7** | 3,164.0 |
| Operations and maintenance | **314.3** | 271.1 |
| Net impairment losses on financial assets | **33.7** | 33.0 |
| Depreciation and amortisation | **485.4** | 460.9 |
| **Total** | **3,286.9** | 4,226.9 |

1 Included in energy costs is a gain of €27.1 million (30 June 2023: gain of €38.1 million) relating to the fair value movements on commodity contracts and related foreign exchange contracts which have not been designated as accounting hedges.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 11. NET FINANCE COST AND OTHER FINANCING CHARGES

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Interest payable on borrowings | **121.5** | 111.8 |
| Less capitalised interest | **(21.8)** | (16.8) |
| **Net interest on borrowings** | **99.7** | 95.0 |
| | | |
| **Financing charges:** | | |
| ▪ on NIE Networks pension scheme (note 22) | **(1.9)** | (1.7) |
| ▪ on ESB pension scheme (note 23) | **2.0** | 2.1 |
| ▪ on provisions | **8.7** | 8.7 |
| ▪ on lease obligations | **1.3** | 1.2 |
| **Total financing charges** | **10.1** | 10.3 |
| | | |
| **Fair value (gains) / losses on financial instruments:** | | |
| ▪ currency / interest rate swaps: cash flow hedges, transfer from OCI | **3.8** | 1.9 |
| ▪ interest rate swaps and inflation-linked swaps not qualifying for hedge accounting | **(5.0)** | 1.6 |
| ▪ foreign exchange contracts not qualifying for hedge accounting | **-** | 7.4 |
| ▪ loss arising on derivatives as designated hedging instruments in fair value hedges | **13.8** | - |
| ▪ gain arising on adjustment for the hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship | **(13.8)** | - |
| **Total fair value (gains) / losses on financial instruments** | **(1.2)** | 10.9 |
| | | |
| **Expected credit loss related to equity accounted investee (note 8)** | **134.6** | - |
| | | |
| **Finance cost and other financing charges** | **243.2** | 116.2 |
| **Finance income** | **(62.4)** | (44.0) |
| **Net finance cost and other financing charges** | **180.8** | 72.2 |

The financing charges on provisions are calculated in accordance with the policy for discounting of future payment obligations as disclosed in the 2023 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 Oweninny Power DAC €0.1 million (30 June 2023: €0.1 million), Inch Cape Offshore Limited €5.0 million (30 June 2023: €2.6 million), Neart na Gaoithe €15.2 million (30 June 2023: €13.5 million), SIRO Limited €2.1 million (30 June 2023: €1.0 million), Oweninny Power 2 Holding DAC €0.6 million (30 June 2023: €0.2 million), Oriel Wind Farm Ltd €0.2 million (30 June 2023: €0.1 million) and Sundew Solar DAC €1.0 million (30 June 2023: €nil million).

## 12. EMPLOYEES

### Employee costs in period

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| **Current staff costs (excluding pension)** | | |
| Salaries | **348.7** | 314.6 |
| Overtime | **26.6** | 22.2 |
| **Wages and salaries** | **375.3** | 336.8 |
| Social insurance costs (PRSI and national insurance) | **33.8** | 29.9 |
| Other payroll costs[1] | **49.5** | 17.4 |
| **Payroll cost for employees** | **458.6** | 384.1 |
| | | |
| **Pension and other employee benefit costs** | | |
| Pensions charge – other schemes[2] | **33.5** | 33.4 |
| NIE Networks pension scheme charge[3] | **2.6** | 2.8 |
| **Total employee related costs** | **494.7** | 420.3 |
| | | |
| Capitalised employee costs | **(131.9)** | (122.4) |
| **Total employee related costs charged to the income statement** | **362.8** | 297.9 |

1 These costs primarily relate to 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 Northern Ireland Electricity Scheme (the NIE Networks Scheme).

# Notes to the Condensed Consolidated Financial Statements (continued)

## 13. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

### 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 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** |
| | | | | | |
| **Balance at 1 January 2024** | 1,340.9 | 23,323.8 | **24,664.7** | 2,012.4 | **26,677.1** |
| Additions | 10.3 | 329.7 | **340.0** | 307.7 | **647.7** |
| Retirements / disposals | (0.2) | (3.7) | **(3.9)** | - | **(3.9)** |
| Transfers out of assets under construction | 3.6 | 233.3 | **236.9** | (236.9) | **-** |
| Transfers to intangible assets | - | - | **-** | (15.7) | **(15.7)** |
| Other transfers | (7.0) | 7.0 | **-** | - | **-** |
| Translation differences | 0.5 | 151.3 | **151.8** | 0.5 | **152.3** |
| **Balance at 30 June 2024** | 1,348.1 | 24,041.4 | **25,389.5** | 2,068.0 | **27,457.5** |
| | | | | | |
| **Depreciation** | | | | | |
| **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** |
| | | | | | |
| **Balance at 1 January 2024** | 774.3 | 13,572.0 | **14,346.3** | 5.9 | **14,352.2** |
| Charge for the period | 12.1 | 415.9 | **428.0** | - | **428.0** |
| Retirements / disposals | - | (3.4) | **(3.4)** | - | **(3.4)** |
| Translation differences | - | 74.8 | **74.8** | - | **74.8** |
| **Balance at 30 June 2024** | 786.4 | 14,059.3 | **14,845.7** | 5.9 | **14,851.6** |
| | | | | | |
| **Carrying amount at 30 June 2024** | **561.7** | **9,982.1** | **10,543.8** | **2,062.1** | **12,605.9** |
| **Carrying amount at 31 December 2023** | 566.6 | 9,751.8 | **10,318.4** | 2,006.5 | **12,324.9** |
| **Carrying amount at 30 June 2023** | 589.8 | 9,615.4 | **10,205.2** | 1,756.2 | **11,961.4** |
| **Carrying amount at 1 January 2023** | 596.7 | 9,500.4 | **10,097.1** | 1,517.0 | **11,614.1** |

During the period the Group capitalised interest of €19.9 million (30 June 2023: €14.1 million) in assets under construction, using a weighted average applicable borrowing cost of 2.6% (30 June 2023: 2.4%).



## 13. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS (continued)

### INTANGIBLE ASSETS

| **Analysed as follows:** | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| Non-current assets | **658.4** | 600.7 |
| Current assets[1] | **42.5** | 438.1 |
| **Total** | **700.9** | 1,038.8 |

1 The main movement during the period relates to a settlement of emission allowances of €435 million offset by the purchase of emission allowances of €39 million.

## 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 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** |
| | | | |
| **Balance at 31 December 2023** | 292.2 | 5.0 | **297.2** |
| | | | |
| **Balance at 1 January 2024** | 292.2 | 5.0 | **297.2** |
| Additions | 12.6 | - | **12.6** |
| Disposal of investments | - | (4.2) | **(4.2)** |
| Transfer to other receivables | (0.3) | - | **(0.3)** |
| Share of loss (net) | (19.5) | - | **(19.5)** |
| Share of fair value movement on cash flow hedges (net of tax)[1] | 16.6 | - | **16.6** |
| Increase in contingent consideration provision | 4.5 | - | **4.5** |
| Dividends received | (9.8) | - | **(9.8)** |
| Translation differences | 4.8 | - | **4.8** |
| **Balance at 30 June 2024** | **301.1** | **0.8** | **301.9** |

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, Oweninny Power Holdings 2 DAC, SIRO Limited, and Raheenleagh Power DAC which have been designated as cash flow hedging relationships in these entities.

## Notes to the Condensed Consolidated Financial Statements (continued)

## 15. INVENTORIES

| | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| Materials | **53.1** | 48.6 |
| Fuel | **101.7** | 113.0 |
| **Total** | **154.8** | 161.6 |

Included within inventories at 30 June 2024 is €90.8 million carried at net realisable value (31 December 2023: €98.1 million). The corresponding cost of inventories carried at net realisable value at 30 June 2024 is €92.5 million (31 December 2023: €107.2 million).

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Inventories consumed | **68.4** | 100.0 |
| Inventory (writeback) / write-off | **(0.2)** | 0.3 |

## 16. TRADE AND OTHER RECEIVABLES

| | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| **Current receivables:** | | |
| Retail energy receivables - billed | **272.5** | 225.4 |
| Retail energy receivables - unbilled | **319.2** | 511.3 |
| **Total retail energy receivables** | **591.7** | 736.7 |
| I-SEM pool related receivables | **23.7** | 17.9 |
| Use of System receivables (including unbilled) | **280.2** | 289.4 |
| Other electricity receivables | **-** | 2.3 |
| **Total energy receivables** | **895.6** | 1,046.3 |
| Trade receivables - non-energy | **33.9** | 34.0 |
| Amounts due from equity accounted investees | **13.7** | 22.3 |
| Amounts due from insurers | **22.6** | 23.9 |
| Short term deposits | **514.8** | - |
| Cash collateral[1] | **244.5** | 590.0 |
| Other receivables | **510.1** | 456.5 |
| Prepayments | **77.3** | 44.7 |
| **Total current receivables** | **2,312.5** | 2,217.7 |
| | | |
| **Non-current receivables:** | | |
| Amounts due from equity accounted investees | **827.2** | 700.6 |
| Amounts due from insurers | **22.8** | 24.1 |
| **Total non-current receivables:** | **850.0** | 724.7 |
| | | |
| **Total receivables** | **3,162.5** | 2,942.4 |

1 Included within the cash collateral balance are amounts pledged by the Group to clearing banks for exchange trading of gas, carbon and power contracts of €222.2 million (31 December 2023: €567.5 million). The amounts pledged cover initial margin and daily mark to market movements. Included within this category are also collateral amounts pledged by the Group to bilateral parties of €22.3 million (31 December 2023: €22.5 million).

## 17. CASH AND CASH EQUIVALENTS

| | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| Cash at bank and in hand | **818.3** | 1,428.3 |
| Restricted cash | **31.5** | 549.5 |
| | **849.8** | 1,977.8 |

As at 30 June 2024, €222.2 million (31 December 2023: €567.5 million) was paid in respect of exchange traded gas, carbon and power contracts. €22.3 million (31 December 2023: €22.5 million) was also paid in respect of collateral amounts pledged by the Group to bilateral parties. These amounts are included in trade and other receivables.

Included in the cash on hand is €31.5 million (31 December 2023: €549.5 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 ESB and is paid to customers of ESB Networks or credited to relevant customer accounts for electricity customers of ESB Group.

## 18. CHANGES IN EQUITY

### Non-controlling interest

Non-controlling interests at 30 June 2024 relate to the non-controlling shareholdings in So Energy, Crockahenny Wind Farm DAC, Mountain Lodge Power DAC, and other companies associated with wind projects.

### Dividends

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| **Dividends on capital stock:** | | |
| Total dividend paid | **6.6** | 10.0 |
| Total dividend declared | **213.5** | 317.0 |
| **Total 11.35 (2023: 16.84) cents per capital stock unit** | **220.1** | 327.0 |

Total dividends paid/declared during the period ended 30 June 2024 included a final dividend of €220.1 million in respect of 2023 (30 June 2023: €327.0 million in respect of 2022).

## 19. TAXATION

### (a) Income tax expense

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| **Current tax expense** | | |
| Current tax | **66.4** | 69.7 |
| Prior period under provision | **7.0** | - |
| | **73.4** | 69.7 |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | **0.8** | 14.2 |
| Increase in tax rate[1] | **-** | 1.2 |
| Prior period over provision | **(0.2)** | (1.4) |
| | **0.6** | 14.0 |
| | | |
| **Total** | **74.0** | 83.7 |

1 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 rate of 25% was applied to taxable profits for the 6 month period to 30 June 2024. The UK deferred tax liability at 30 June 2024 has been calculated based on the rate of 25%.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 19. TAXATION (continued)

**Pillar II Tax Note**
Taxation is calculated at the rates prevailing in the respective jurisdictions in which ESB carries out its activities.

The Group has applied the temporary exemption issued by the IAS on May 2023 from the accounting requirements for deferred taxes relating to Pillar Two under IAS12. Accordingly, the Group neither recognises nor discloses information about deferred taxes assets and liabilities related to Pillar Two income taxes.

On 18 December 2023 the Government of Ireland, where the ultimate Parent entity of the Group resides, enacted the Pillar Two income taxes legislation into Finance (No.2) Act 2023. The legislation becomes effective for the ESB Group for the accounting year end 31 December 2024. Under the legislation, the Parent company, Electricity Supply Board, will be required to pay, in Ireland, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15% (the Minimum Tax Rate "MTR"). The main jurisdictions in which exposures to this tax may exist for the Group are Ireland and the UK. However, substance based carveouts will apply for eligible fixed assets and payroll costs which will reduce the profits in any one jurisdiction subject to the top-up tax. As ESB's business activities are largely in the Republic of Ireland and the UK, where substantial investment is made in public infrastructure and electricity generation assets, it is expected that the Group's profits subject to the MTR will be substantially reduced in Ireland and eliminated for the foreseeable future in the UK. Based on the period ending 30 June 2024 no provision was required for top up taxes. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

## 20. BORROWINGS AND OTHER DEBT

| | Recourse borrowings € m | Non-recourse borrowings € m | 30 June 2024 Total € m | Recourse borrowings € m | Non-recourse borrowings € m | 31 December 2023 Total € m |
|---|---|---|---|---|---|---|
| **Current borrowings** | | | | | | |
| ▪ Repayable by instalments | 58.1 | - | **58.1** | 63.7 | - | 63.7 |
| ▪ Repayable other than by instalments | - | - | **-** | 300.0 | - | 300.0 |
| **Total current borrowings** | 58.1 | - | **58.1** | 363.7 | - | 363.7 |
| | | | | | | |
| **Non-current borrowings** | | | | | | |
| ▪ Repayable by instalments | | | | | | |
| - Between one and two years | 57.6 | - | **57.6** | 58.0 | - | 58.0 |
| - Between two and five years | 81.0 | - | **81.0** | 97.1 | - | 97.1 |
| - After five years | 270.0 | - | **270.0** | 132.8 | - | 132.8 |
| | 408.6 | - | **408.6** | 287.9 | - | 287.9 |
| ▪ Repayable other than by instalments | | | | | | |
| - Between one and two years | - | 882.4 | **882.4** | - | 401.0 | 401.0 |
| - Between two and five years | 1,491.0 | - | **1,491.0** | 995.4 | 458.2 | 1,453.6 |
| - After five years | 4,155.2 | 410.9 | **4,566.1** | 4,792.4 | 400.1 | 5,192.5 |
| ▪ Fair value hedge adjustment | 26.6 | - | **26.6** | 40.4 | - | 40.4 |
| | 5,672.8 | 1,293.3 | **6,966.1** | 5,828.2 | 1,259.3 | 7,087.5 |
| | | | | | | |
| **Total non-current borrowings** | 6,081.4 | 1,293.3 | **7,374.7** | 6,116.1 | 1,259.3 | 7,375.4 |
| **Total borrowings outstanding** | 6,139.5 | 1,293.3 | **7,432.8** | 6,479.8 | 1,259.3 | 7,739.1 |

## 20. BORROWINGS AND OTHER DEBT (continued)

### Current borrowings by facility

| | Ref | 30 June 2024 € m | 31 December 2023 € m |
|---|---|---|---|
| ESB Eurobonds | 1 | **-** | 300.0 |
| Bank borrowings | 3 | **58.1** | 63.7 |
| | | **58.1** | 363.7 |

### Non-current borrowings by facility

| | Ref | 30 June 2024 € m | 31 December 2023 € m |
|---|---|---|---|
| ESB Eurobonds | 1 | **5,646.9** | 5,634.8 |
| Non-recourse NIE Networks Sterling bonds | 2 | **1,293.3** | 1,259.3 |
| Bank borrowings | 3 | **407.9** | 440.9 |
| Fair value hedge adjustment | 4 | **26.6** | 40.4 |
| | | **7,374.7** | 7,375.4 |

None of the borrowings are secured against the Group assets.

ESB is rated A- from Standard & Poor's (outlook stable) and A3 (equivalent to A-) from Moody's (outlook positive).

### 1. ESB Eurobonds
The table below provides details of ESB Eurobonds (all listed) included in borrowings at 30 June 2024:

| Issuer | Value | Issue Date | Tenor | Coupon |
|---|---|---|---|---|
| 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% |
| ESB Finance DAC | Euro €500.0 million (Green bond) | October 2023 | 12.4 years | 4.250% |
| ESB Finance DAC | Euro €500.0 million | October 2023 | 5 years | 4.000% |

### 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 2024:

| 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 2024:

# Notes to the Condensed Consolidated Financial Statements (continued)

## 20. BORROWINGS AND OTHER DEBT (continued)

| | Balance at 30 June 2024 | Balance at 31 December 2023 |
|---|---|---|
| €200.0 million European Investment Bank (EIB) to support renewable connections to the electricity network in the southwest of Ireland | **Euro €39.3 million** | Euro €57.2 million |
| Other Long term bank borrowings of floating rate debt borrowed on a bilateral basis (apart from above €200 million) | **Euro €104.2 million** | Euro €115.3 million |
| €450.0 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 (with a syndicate of 13 banks) | **-** | - |
| Other EIB fixed rate debt | **Euro €173.6 million** | Euro €183.6 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 €39.3 million as at 30 June 2024 (31 December 2023: €57.2 million).

A €450.0 million facility with the European Investment Bank (EIB) to support the roll out of Smart Meters in Ireland has been agreed. €150.0 million of this facility is drawndown at 30 June 2024 (31 December 2023: €150.0 million).

In 2020, ESB entered into a €1.4 billion Sustainability Linked Revolving Credit Facility up to February 2027 with a group of thirteen international banks. There has been no drawdown of this facility as at 30 June 2024 (31 December 2023: €nil million).

In December 2022, ESB entered into a £750.0 million Revolving Credit with a group of six international banks. The facility matured in June 2024.

Certain facilities have conditions which require ESB to maintain certain financial covenants. In the opinion of the members of the Board, at 30 June 2024 ESB is fully in compliance with all the covenant requirements associated with these facilities.

### 4. Fair value hedge adjustment

In September 2023, ESB entered into an interest rate swap maturing in March 2036. ESB designated the interest rate swap in a fair value hedge of the benchmark interest risk of a fixed rate debt. The adjustment to borrowings for fair value hedge accounting as at 30 June 2024 is €26.6 million (31 December 2023: €40.4 million).



## 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:

**30 June 2024**

| | Non-current assets €m | Current assets €m | Non-current liabilities €m | Current liabilities €m | Total €m |
|---|---|---|---|---|---|
| Interest rate swaps | **38.6** | **-** | **(12.2)** | **-** | **26.4** |
| Inflation linked interest rate swaps | **-** | **-** | **(328.9)** | **(0.9)** | **(329.8)** |
| Currency swaps | **-** | **-** | **(15.8)** | **-** | **(15.8)** |
| Foreign exchange contracts | **1.5** | **18.8** | **(2.6)** | **(3.7)** | **14.0** |
| Forward fuel price contracts | **60.7** | **198.7** | **(18.4)** | **(196.5)** | **44.5** |
| | **100.8** | **217.5** | **(377.9)** | **(201.1)** | **(260.7)** |

**31 December 2023**

| | Non-current assets €m | Current assets €m | Non-current liabilities €m | Current liabilities €m | Total €m |
|---|---|---|---|---|---|
| Interest rate swaps | 63.5 | - | (13.5) | - | 50.0 |
| Inflation linked interest rate swaps | - | - | (337.9) | (4.0) | (341.9) |
| Currency swaps | - | - | (9.1) | - | (9.1) |
| Foreign exchange contracts | 1.1 | 16.4 | (1.8) | (6.3) | 9.4 |
| Forward fuel price contracts | 99.0 | 328.3 | (44.5) | (385.5) | (2.7) |
| | 163.6 | 344.7 | (406.8) | (395.8) | (294.3) |

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.

**(i) Interest rate swaps**

The Group has executed interest rate swaps of Stg £488.0 million (31 December 2023: Stg £488.0 million) in connection with a certain portion of its borrowings held by the Parent and ESB Finance DAC.

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 2024, their carrying value is equal to their fair value.

The fair value of the interest rate swaps has decreased by €23.6 million (30 June 2023: decrease of €1.8 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.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 decreased by €12.1 million on these swaps in the period ended 30 June 2024 (30 June 2023: fair value of the liability increased by €14.1 million). The movement reflects positive mark to market movements in the underlying swaps of €20.5 million (30 June 2023: negative movement (€0.5) million), reflected in finance costs in the income statement (note 11) and payments of €nil million (30 June 2023: €3.4 million) arising under the swaps during the period. In addition, negative translation movements of (€8.4) million (30 June 2023: negative translation movements of (€17.0) 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 requirement in another currency. ESB had a portfolio of EUR USD cross-currency swaps entered into in connection with the private placement debt, which is described in note 20 of the 2023 consolidated financial statements. 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. The private placement debt amount of EUR equivalent €242 million matured in 2023. The cross-currency swaps entered into in connection with the private placement debt also matured simultaneously.

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 decreased by (€6.7 million) (30 June 2023: €2.0 million), the movement reflects negative mark to market movements during the period.

No ineffectiveness under the meaning of IFRS 9 arose on the currency swaps during the period (2023: €nil). Separately included in the income statement for the period to 30 June 2024 is a loss of €9.8 million (30 June 2023: loss of €8.6 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 (LTSAs) and fuel purchase requirements (which are in US dollar and sterling). These contracts have maturities extending until 2027.

Total positive fair value movements of €4.6 million (30 June 2023: positive movements of €43.9 million) were recognised during the period ended June 2024 in relation to such foreign exchange contracts, of which a positive fair value movement of €4.6 million (30 June 2023: positive movement of €nil million) was recognised through OCI and a fair value movement of €nil million (30 June 2023: positive movement of €43.9 million) was recognised in the income statement.

**(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 €47.2 million (30 June 2023: positive movement of €26.6 million) were recognised during the period, of which a positive fair value movement of €26.5 million (30 June 2023: negative movement of (€13.7) million) was recognised in the income statement a positive fair value movement of €18.1 million recognised through OCI (30 June 2023: positive movement of €35.3 million). Separately included in OCI are settlements of €2.6 million (30 June 2023: €5.0 million).

The positive fair value movement in the period is due to movements 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 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** |
| Charge to the income statement: net pension scheme interest | **1.7** |
| Translation differences | **1.8** |
| **Net asset at 30 June 2023** | **51.3** |
| | |
| **Net asset at 31 December 2023** | **73.5** |
| | |
| **Change in benefit obligation** | |
| **Net asset at 1 January 2024** | **73.5** |
| Movements during the period: | |
| Actuarial loss recognised in OCI during the period | **(24.2)** |
| Charge to the income statement - current service cost | **(2.6)** |
| Pension contributions paid | **4.0** |
| Credited to the income statement: net pension scheme interest | **1.9** |
| Translation differences | **2.0** |
| **Net asset at 30 June 2024** | **54.6** |

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 (€42.3 million) offset by a change in financial assumptions of €18.1million. The discount rate used to value the scheme liabilities has increased from 4.8% at 31 December 2023 to 5.1% at 30 June 2024.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 23. LIABILITY- ESB PENSION SCHEME

### Liability - ESB pension scheme

| | €m |
|---|---|
| **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** |
| | |
| **Balance at 31 December 2023** | **83.1** |
| | |
| **Balance at 1 January 2024** | **83.1** |
| Movements during the period: | |
| Utilised during the period | **(4.9)** |
| Financing charge | **2.0** |
| **Balance at 30 June 2024** | **80.2** |
| | |
| **Analysed as follows:** | |
| Non-current liabilities | **70.6** |
| Current liabilities | **9.6** |
| **Total** | **80.2** |

**Liability - ESB pension scheme**

The liability as at 30 June 2024 relates to future contributions for past service and past voluntary severance programmes and this is explained in note 24 of the 2023 consolidated financial statements.

## 24. TRADE AND OTHER PAYABLES

| | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| **Current payables:** | | |
| Progress payments | **148.0** | 144.8 |
| Trade payables | **372.2** | 434.4 |
| Capital creditors | **101.7** | 111.8 |
| Other payables | **273.1** | 915.1 |
| Payroll taxes | **16.0** | 17.1 |
| Pay related social insurance | **6.2** | 7.9 |
| Value added tax | **33.2** | 33.7 |
| Accruals | **374.1** | 474.8 |
| Accrued interest on borrowings | **83.1** | 106.0 |
| Dividend payable | **213.5** | - |
| **Total current payables** | **1,621.1** | 2,245.6 |

Included within other payables is €31.5 million (31 December 2023: €549.5 million) of restricted cash relating to the Irish Government's Electricity Costs Emergency Benefit Scheme and the UK Government's Energy Bills Support Scheme. Refer to note 17 for further details.

Other payables also include amounts received in advance from customers.

## 25. PROVISIONS

| | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| Asset retirement provision | **544.1** | 535.2 |
| Emissions provisions[1] | **171.4** | 398.2 |
| Other | **187.6** | 142.9 |
| Financial guarantee contract[2] | **134.6** | - |
| **Total** | **1,037.7** | 1,076.3 |
| | | |
| **Analysed as follows:** | | |
| Non-current liabilities | **725.4** | 585.1 |
| Current liabilities | **312.3** | 491.2 |
| **Total** | **1,037.7** | 1,076.3 |

[1] The main movement during the period relates to a settlement of emission allowances of (€405 million) offset by an additional provision of €178 million.

[2] The Group has a financial guarantee contract with third party lenders of the Group's joint venture arrangement, Neart Na Gaoithe. Using the methodology as descripted in Note 8 in line with IFRS 9, an expected credit loss calculation was performed to assess the carrying value of this guarantee which has been recognised as a financial guarantee liability.

## 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.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

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.

### 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 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 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:

| | 30 June 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Carrying value €m | Fair value €m | Carrying value €m | Fair value €m |
| Long-term debt | **7,374.7** | **6,879.5** | 7,375.4 | 7,048.1 |
| Short-term borrowings | **58.1** | **54.4** | 363.7 | 359.4 |
| Lease liabilities | **134.7** | **134.7** | 136.0 | 136.0 |
| **Total borrowings** | **7,567.5** | **7,068.6** | 7,875.1 | 7,543.5 |
| | | | | |
| Current trade and other payables | **1,565.7** | **1,565.7** | 2,186.9 | 2,186.9 |
| Amounts due from insurers | **(45.4)** | **(45.4)** | (48.0) | (48.0) |
| Non-current trade and other receivables | **(827.2)** | **(827.2)** | (700.6) | (700.6) |
| Current trade and other receivables | **(2,212.6)** | **(2,212.6)** | (2,149.1) | (2,149.1) |
| Cash and cash equivalents | **(849.8)** | **(849.8)** | (1,977.8) | (1,977.8) |
| **Net liabilities** | **5,198.2** | **4,699.3** | 5,186.5 | 4,854.9 |

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 and trade and other payables are all due within one year, and have been provided for where impaired. 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.



## 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).

| 30 June 2024 | Level 1 €m | Level 2 €m | Level 3 €m | Total €m |
|---|---|---|---|---|
| **Assets** | | | | |
| Derivative financial instruments | | | | |
| • Interest rate swaps | **-** | **38.6** | **-** | **38.6** |
| • Foreign exchange contracts | **-** | **20.3** | **-** | **20.3** |
| • Forward fuel price contracts | **-** | **214.9** | **44.5** | **259.4** |
| Financial assets at fair value through profit or loss | **-** | **-** | **0.8** | **0.8** |
| | **-** | **273.8** | **45.3** | **319.1** |
| **Liabilities** | | | | |
| Derivative financial instruments | | | | |
| • Interest rate swaps | **-** | **(12.2)** | **-** | **(12.2)** |
| • Inflation-linked interest rate swaps | **-** | **(329.8)** | **-** | **(329.8)** |
| • Currency swaps | **-** | **(15.8)** | **-** | **(15.8)** |
| • Foreign exchange contracts | **-** | **(6.3)** | **-** | **(6.3)** |
| • Forward fuel price contracts | **-** | **(214.9)** | **-** | **(214.9)** |
| | **-** | **(579.0)** | **-** | **(579.0)** |
| | | | | |
| **Net (liability) / asset** | **-** | **(305.2)** | **45.3** | **(259.9)** |

| 31 December 2023 | Level 1 €m | Level 2 €m | Level 3 €m | Total €m |
|---|---|---|---|---|
| **Assets** | | | | |
| Derivative financial instruments | | | | |
| • Interest rate swaps | - | 63.5 | - | 63.5 |
| • Foreign exchange contracts | - | 17.5 | - | 17.5 |
| • Forward fuel price contracts | - | 403.5 | 23.8 | 427.3 |
| Financial assets at fair value through profit or loss | - | - | 5.0 | 5.0 |
| | - | 484.5 | 28.8 | 513.3 |
| **Liabilities** | | | | |
| Derivative financial instruments | | | | |
| • Interest rate swaps | - | (13.5) | - | (13.5) |
| • Inflation-linked interest rate swaps | - | (341.9) | - | (341.9) |
| • Currency swaps | - | (9.1) | - | (9.1) |
| • Foreign exchange contracts | - | (8.1) | - | (8.1) |
| • Forward fuel price contracts | - | (430.0) | - | (430.0) |
| | - | (802.6) | - | (802.6) |
| | | | | |
| **Net (liability) / asset** | - | (318.1) | 28.8 | (289.3) |

# Notes to the Condensed Consolidated Financial Statements (continued)

## 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 cashflows are estimated based on forward FX and interest rates (from observable yield curves at the end of the reporting year) and contract rates, discounted at a rate that reflects own or counterparty credit risk. | | |
| 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.<br><br>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.<br><br>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 - Where applicable, unquoted investments are valued by deriving an enterprise value using one of the following methodologies:<br>▪ the price of a recent investment<br>▪ revenue multiple | Forecast annual revenue growth rate;<br>Forecast gross margin | The value of investments are assessed based on expectations of the proceeds which could be realised in a disposal. See note 9 and 14.<br><br>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. |



## 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 €m | Forward fuel price contracts €m | Total €m |
|---|---|---|---|
| **Balance at 1 January 2023** | 5.0 | (21.9) | (16.9) |
| Total losses: | | | |
| ▪ in OCI | - | 44.3 | 44.3 |
| Settlements | - | (4.0) | (4.0) |
| **Balance at 30 June 2023 - net** | 5.0 | 18.4 | 23.4 |
| | | | |
| **Balance at 1 January 2024** | **5.0** | **23.8** | **28.8** |
| Disposals | **(4.2)** | **-** | **(4.2)** |
| Total gains: | | | |
| ▪ in OCI | **-** | **18.1** | **18.1** |
| Settlements | **-** | **2.6** | **2.6** |
| **Balance at 30 June 2024 - net** | **0.8** | **44.5** | **45.3** |

## 27. COMMITMENTS AND CONTINGENCIES

### (a) Capital commitments

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| **Contracted for** | **1,012.1** | 764.7 |

### (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.

### (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. The claim is proceeding to arbitration, expected to be heard in late 2024. 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.

## Notes to the Condensed Consolidated Financial Statements (continued)

### 28. RELATED PARTY TRANSACTIONS

**Equity accounted investees**

| | 30 June 2024 €m | 30 June 2023 €m |
|---|---|---|
| Sale of goods / services[1] | **8.6** | 4.1 |
| Purchase of goods / services[2] | **30.0** | 8.2 |

| | 30 June 2024 €m | 31 December 2023 €m |
|---|---|---|
| Amounts owed from as at period / year ended[3] | **840.9** | 722.9 |
| Equity advanced during the period / year | **12.6** | 35.3 |

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. EVENTS SINCE THE BALANCE SHEET DATE

**Acquisition of Pallas Windfarm**

On 21 August 2024, ESB acquired 100% of the share capital of Pallas Windfarm Limited and its wholly owned subsidiary Pallas Energy Supply Limited (together "Pallas Windfarm"). Pallas Windfarm owns and operates an onshore wind farm in Co. Kerry, Ireland and the acquisition adds 51.6 MWs of generation capacity to ESB's renewable portfolio. Following the acquisition, ESB controls 100% of the voting rights and operations of Pallas Windfarm.

Due to the timing of the transaction, the initial accounting for the acquisition is not fully complete and related disclosures for the business combination are not provided at the time these financial statements have been authorised for issue.

### 30. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 11 September 2024.



# Alternative Performance Measures

The Group reports certain alternative performance measures (APMs) that are used by management and investors alongside International Financial Reporting Standards (IFRS) measures to assess the performance and financial position of the Group. The key APMs used by the Group are as follows:

| | APM | Category of measure | Closest equivalent IFRS measure | Definition |
|---|---|---|---|---|
| (a) | **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | Profit 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** | Profit 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** | Profit measure | Operating profit | Operating profit before 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** | Capital expenditure measure | Capital additions to property, plant and equipment, intangible assets 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) | **Consolidated net debt percentage** | Cash and debt measure | N/A | Net debt divided by the sum of net assets and gross debt. |
| (f) | **Total assets excluding cash** | Asset base measure | Total assets less cash and cash equivalents | Total of non-current assets and current assets excluding cash and cash equivalents. |

# Alternative Performance Measures (continued)

The measures and their purpose can be classified as follows:

| Measure | Purpose |
|---|---|
| Profit measure | Allows management and readers understand underlying profitability for the period. Exceptional items are excluded in two of the three alternative profit measures as by their nature these are unusual and do not reflect underlying performance. Impairments are also excluded from the EBITDA measure as they do not necessarily reflect operating performance in the period. |
| Cash and debt measure | Allows management and readers to understand the indebtedness, funding and liquidity position of the Group. |
| Capital expenditure measure | Allows management and readers to track progress on the significant capital investment programme which is a key element of the Group's strategic ambition. |
| Asset base measure | The asset base is a measure of the size of the Group. ESB is a large group of diverse and different businesses. The segmental analysis of the Group's asset bases allows management and readers to understand how the asset base of the Group is made up and what proportion relates to regulated network activities. |

## Reconciliation of Alternative Performance Measures

### (a) EBITDA, EBITDA before exceptional items and Operating profit before exceptional items – June 2024

| | 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/(loss) before exceptional items | Note 6(a)(iii) | 17.5 | 173.7 | 227.2 | 54.6 | (27.4) | **445.6** |
| Exceptional items | | - | - | - | - | - | **-** |
| **Operating profit/(loss)** | Note 6(a)(iii) | 17.5 | 173.7 | 227.2 | 54.6 | (27.4) | **445.6** |
| Impairments (including non-trading net impairment losses on financial assets and impairment gains) | | - | - | - | - | - | **-** |
| Depreciation and amortisation | Note 6(a)(ii) | 12.8 | 286.0 | 76.6 | 94.6 | 15.4 | **485.4** |
| Revenue from supply contributions | Note 7 | - | (35.1) | - | (12.6) | - | **(47.7)** |
| **EBITDA** | | 30.3 | 424.6 | 303.8 | 136.6 | (12.0) | **883.3** |
| Exceptional items (non-impairment) | | - | - | - | - | - | **-** |
| **EBITDA before exceptional items** | | 30.3 | 424.6 | 303.8 | 136.6 | (12.0) | **883.3** |



### 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/(loss) before exceptional items | Note 6(a)(iii) | 23.4 | 156.5 | 494.4 | 10.1 | (8.5) | 675.9 |
| Exceptional items | | - | - | - | - | - | - |
| **Operating profit/(loss)** | 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) | | - | - | - | - | - | - |
| 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) | | - | - | - | - | - | - |
| **EBITDA before exceptional items** | | 36.4 | 393.2 | 564.7 | 92.0 | 6.3 | 1,092.6 |

### (b) Net debt

| | Reference in Condensed Financial Statements | June 2024 €'m | December 2023 €'m |
|---|---|---|---|
| Borrowings and other debt | Note 20 | **7,432.8** | 7,739.1 |
| Lease liabilities | Balance Sheet | **134.7** | 136.0 |
| **Gross debt** | | **7,567.5** | 7,875.1 |
| Cash and cash equivalents (excluding restricted cash) | Note 17 | **(818.3)** | (1,428.3) |
| **Net debt** | | **6,749.2** | 6,446.8 |

### (c) Capital expenditure

| | Reference in Condensed Financial Statements | June 2024 €'m | June 2023 €'m |
|---|---|---|---|
| Investments in property, plant and equipment | Note 13 | **647.7** | 675.2 |
| Investments in intangible assets (excluding emissions allowances) | | **90.3** | 78.9 |
| Financial assets and equity accounted investees | Note 14 | **12.6** | 25.3 |
| **Capital expenditure*** | | **750.6** | **779.4** |

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

### (d) Liquidity

| | Reference in Condensed Financial Statements | June 2024 €'m | December 2023 €'m |
|---|---|---|---|
| Cash and cash equivalents (excluding restricted cash) | Note 17 | **818.3** | 1,428.3 |
| Undrawn revolving credit facilities | Note 20 (3) | **1,400** | 2,262.6 |
| **Liquidity** | | **2,218.3** | **3,690.9** |

## Alternative Performance Measures (continued)

### (e) Consolidated net debt percentage

| | Reference in Condensed Financial Statements | June 2024 €'m | December 2023 €'m |
|---|---|---|---|
| **Net debt** | APM Rec. (b) | **6,749.2** | 6,446.8 |
| Net assets | Balance Sheet | **5,296.8** | 5,300.0 |
| Gross debt | APM Rec. (b) | **7,567.5** | 7,875.1 |
| **Net assets and gross debt** | | **12,864.3** | 13,175.1 |
| **Consolidated net debt percentage** | | **52.5%** | 48.9% |

### (f) Total assets excluding cash

| | Reference in Condensed Financial Statements | June 2024 €'m | December 2023 €'m |
|---|---|---|---|
| Total assets | Balance Sheet | **18,523.6** | 19,673.1 |
| Cash and cash equivalents | Balance Sheet | **(849.8)** | (1,977.8) |
| **Total assets excluding cash** | | **17,673.8** | 17,695.3 |
| **By Segment** | | **€'m** | **€'m** |
| Customer Solutions | | **903.8** | 1,018.2 |
| ESB Networks | | **8,964.5** | 8,735.3 |
| Generation and Trading | | **3,951.5** | 4,655.8 |
| NIE Networks | | **2,868.0** | 2,755.6 |
| Other Segments* | | **986.0** | 530.4 |
| **Total assets excluding cash** | | **17,673.8** | 17,695.3 |

* 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 Environmental, Social and Governance (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).
- **IT/OT 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, Internal Policies):** Failure of ESB personnel or agents to comply with applicable legal and governance obligations whether imposed by law, regulation, licence or internal policies against the backdrop of an increasingly complex compliance and governance landscape and stakeholder expectation resulting in reputational damage, prosecution/conviction and/or financial penalties.
- **Climate Transition:** 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 wholesale electrification and distributed energy services.
- **Security of Supply:** Electricity generation capacity shortfall and/or fuel supply issues leading to potential demand management measures and negative impact on ESB's reputation.
- **Energy Market Volatility 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 costs and wider economic pressures negatively impact the affordability of ESB's products and services, impacting ESB's customers and giving rise to 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.
- **People Resourcing/Capability/Retention:** Failing to secure, retain or embed internal and external resources and adequate capability in the context of a tight labour market, given the extent of the growth and complexity of delivery 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 the 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.

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

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

X: @ESBGroup
LinkedIn: esb
YouTube: ESBVideo