

**Moyle Interconnector (Financing) plc**  
**Unaudited condensed consolidated interim**  
**financial statements**

**30 September 2024**

# **Moyle Interconnector (Financing) plc**

**Unaudited interim financial statements for the six month period ended 30 September 2024**

<b>Contents</b>	<b>Page</b>
Review of the half year	1
Condensed consolidated statement of profit or loss and other comprehensive income	8
Condensed consolidated balance sheet	9
Condensed consolidated statement of changes in equity	10
Condensed consolidated cash flow statement	11
Notes to the condensed consolidated interim financial statements	12 - 19
Independent review report	20 - 21

## Financial and operational review

These condensed consolidated interim financial statements are produced for the six month period ending 30 September 2024, together with performance comparatives for the six month period ended 30 September 2023 and financial position comparatives for 31 March 2024. The interim results are prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting' and the Disclosure and Transparency rules (DTR) section 4.2.

## Financial highlights

	Six months to 30 September 2024	Six months to 30 September 2023
	£'000	£'000
Revenue	44,517	25,718
Operating expenses before reversal of allowance for doubtful debt	(9,439)	(8,810)
Reversal of allowance for doubtful debt	20,241	-
Other operating income	600	-
Operating profit	55,919	16,908
Cash inflow excluding cash deposits placed	27,302	15,681

### Revenue

Commercial revenue consists of revenue from power transfers, capacity market income, system services and use of system charges through the tariff ("CAIRt").

	Six months to 30 September 2024	Six months to 30 September 2023
	£'000	£'000
Revenue from power transfers	34,104	16,149
System services	5,500	5,622
Capacity market	6,333	5,246
Total commercial revenue	45,937	27,017

Market arrangements have remained consistent with the previous year and the ongoing changes to implement the new arrangements provided for in the Trade and Cooperation Agreement between the UK and EU continue to progress slowly and remain some years away. The potential to reintroduce long-term transmission rights remains under consideration. Despite the absence of these enduring arrangements the current interim arrangements continue to result in significant power transfer revenue.

### Revenue from power transfers

Electricity is scheduled by the market to flow from the lower priced system to the higher priced system, and Moyle generates revenue related to this price difference.

Revenue from power transfers was £34.1m (€40.1m) in the period compared to £16.1m (€18.8m) in the six months to 30 September 2023. The price differential has been consistently between Great Britain (GB) (lower price) and Northern Ireland (NI) (higher price) with the overall effect being a significant increase from the previous period. Significant revenue has been earned in the period due mainly to large price differences occurring when high prices occur in Ireland due to low wind; and when negative prices arise in GB.

The electricity market continues to be volatile and we are unable to make exact forecasts for the remaining 6 months of the year due to the market volatility and the uncertainty as to when, and how, intra-day prices will settle in the future, as well as the impact of Greenlink interconnector (an Ireland to GB interconnector, due to be commissioned later this year) on the Moyle Interconnector's flows.

# Moyle Interconnector (Financing) plc

## Financial highlights (continued)

### *Revenue (continued)*

#### System services income

System services revenue in the six months to 30 September 2024 was £5.5m (six months to 30 September 2023: £5.6m). Revenue from the service provided to the Irish market was £5.1m in the six months to 30 September 2024 compared to £5.5m in the six months to 30 September 2023. In Great Britain the service we provide is called as needed (“activated”) by the system operator, resulting in revenue of £0.4m (six months to 30 September 2023: £0.1m).

Revenue for the six months to 31 March 2025 is expected to be c£5.2m, assuming Moyle continues to meet the stringent performance requirements.

#### Capacity market

Capacity market revenue (a mechanism which aims to ensure that a continued reliable supply of electricity is available as more volatile and unpredictable renewable generation plant comes on stream) relates primarily to the Irish market, with £4.4m being received from this market in the six months to 30 September 2024 (six months ended 30 September 2023: £4.4m). Income from the GB market in the six months to 30 September 2024 was £1.9m compared to £0.9m in the six months to 30 September 2023.

We anticipate a higher level of income in the remaining six months to 31 March 2025 from the Irish market (£6.7m) due to a higher clearing price for the tariff year 2024/25 and forecast c£2.4m revenue from the GB market in the same period.

#### Tariff revenue

Moyle Interconnector has the right to charge a tariff to recover forecast costs where these are expected to exceed forecast commercial revenues. This tariff revenue is known as the Collection Agency Income Requirement (CAIRt). As forecast costs were expected to be met by forecast revenues no claim for CAIRt revenue was made and CAIRt income in the six months to 30 September 2024 was £nil (six months to 30 September 2023: £nil).

The group has not requested any CAIRt income for the tariff years ending 30 September 2023, 30 September 2024 or 30 September 2025.

#### Tariff revenue rebate

Moyle has agreed, in conjunction with the Utility Regulator, NIAUR, to return some surplus funds to electricity consumers by way of a) reductions to tariffs; and b) through a support scheme for those living in fuel poverty.

The electricity tariff for the year to 30 September 2024 was set at a level to rebate £3.25m from Moyle over that year, with £1.4m rebated in the six months to 30 September 2024 (six months to 30 September 2023: £1.3m). Moyle also contributed £3.25m a support scheme, administered by Bryson Charitable Group, for those living in fuel poverty during winter 2023/24, (winter 2022/2023: £3.0m). £0.5m donations were paid in the six months to 30 September 2024 (6 months to 30 September 2023: £0.25m).

A £4.0m rebate from Moyle has been included in the calculation of electricity tariffs for the tariff year to 30 September 2025, with just over half of this expected to be rebated in the second half of this financial year. Moyle has also committed to contributing £4.0m to the fuel poverty support scheme during winter 2024/25, with the remaining payment of £3.5m to be made during the second half of this financial year.

## Financial highlights (continued)

### *Operating expenses*

The 6 months to 30 September 2024 saw negative operating expenses of £10.8m in the current period (six months to 30 September 2023: costs of £8.8m) see note 2b. Included within operating expenses for the 6 months to 30 September 2024 is a credit of £20.2m relating to the reversal of an allowance for doubtful debt. This allowance had been recognised in the second half of the year ending 31 March 2024 in respect of amounts unpaid by SONI Limited (SONI) to compensate Moyle for constraints applied by SONI to Moyle Interconnector's exports. An Interim Award was issued by the Arbitrator in July 2024 which confirmed that Moyle is entitled to compensation and a payment plan is currently being agreed with SONI, hence the debt is no longer considered doubtful and the allowance is no longer required. Excluding the reversal of the doubtful debt allowance, operating costs were £9.4m in the six months to 30 September 2024, £0.6m higher than the same period last year, driven mainly by timing of donations to vulnerable customers and higher imbalance charges and insurance costs.

The operating costs for the remaining six months of the financial year are expected to be approximately £12.4m, £3.0m higher due to higher donations.

### *Net finance income/costs*

Finance income was £5.8m in the period (6 months to 30 September 2023: £2.5m) due to higher interest income in the period and interest income receivable from SONI following arbitration. Finance costs have decreased from £4.7m in the 6 months to 30 September 2023 to £2.5m in the current period due to lower inflation.

### *Profit before tax*

Profit before tax was £44.4m for the period (6 months to 30 September 2023: £11.0m).

### *Capital expenditure*

Capital expenditure in the six months to 30 September 2024 totalled £0.7m (six months to 30 September 2023: £0.4m).

Capital expenditure of £0.2m is anticipated for the remaining 6 months of the year. Total capital commitments are disclosed in note 4.

### *Cash inflow*

The group holds financial investments during the year, with all investments maturing just before each financial year end (31 March), in line with financing requirements, and being placed on deposit early in the new financial year to maximise interest income.

The net increase in cash in the period, excluding the impact of investments in financial assets, was £27.3m (£98.9m decrease in cash plus £126.2m investment in financial assets (which consist entirely of cash deposits with original maturities of between 3 months and 6 months)) compared to a £15.7m increase in the six months to 30 September 2023 (£78.2m decrease in cash plus £93.9m investment in financial assets). Net cash flow has increased from the prior period due mainly to strong revenues in the period.

# Moyle Interconnector (Financing) plc

## Principal risks and uncertainties

The principal risks of the Moyle Interconnector group are unchanged from the 31 March 2024 year end:

Risk description and potential impact	Mitigation
Operational risk	
Ineffective processes, procedures or management of third party activities enable ignorant or negligent third parties to cause catastrophic failure of the cables onshore or offshore leading to unavailability of Moyle, costly and lengthy repairs and reputational damage.	Experienced qualified maintenance subcontractors are used and are managed through the contractual process, frequent performance monitoring, and maintaining a high standard of eligibility for tendered work. As part of this process we require the contractors to work under a set of processes and procedures which enable us to manage the associated risks of the networks.
Reliance on 3rd Parties to supply business critical services can result in counterparty risk. Exposure to a limited number of counterparties interested in providing services could lead to uncompetitive pricing.	Contract management plans are in place which identify key deliverables and ensure regular reporting and meetings with contractors. Due diligence is performed where required to ensure financial stability. Termination rights and exit planning are in place where appropriate.
Health & safety risk: Failure to maintain robust and effective health and safety practices, or failure to identify and manage wellbeing in the workforce may lead to injury to staff, contractor or public or have an adverse impact on the organisation's operations.	A Health & Safety policy, management system, and plans are in place which are reviewed annually. Risk assessments, method statements, audits, inspections and training are regularly performed.
People and HR risk: The failure to effectively manage talent, ensure appropriate training and resourcing, retain and motivate competent staff and plan for leadership succession could impede the realisation of strategic objectives.	The business operates a performance-based culture with competitive pay and conditions benchmarked against the market, engaging closely with staff and utilising performance management and development programmes and succession planning. Human Resource policies are in place, the operation of which mitigate risks in this area.
Business continuity risk: One-off events or public health emergencies, epidemics or pandemics, have the potential to significantly impact the Group's operations through a fall in demand for the Group's products/services, a reduction in staff availability and business interruption.  Risks associated with long term weather, or ground condition, flooding etc associated with climate change are included in this risk.	A business continuity plan is in place, with key tasks identified and more than one individual trained in each. This system was thoroughly tested by the Covid pandemic and is proven to work well.
IT and cyber risk: The group is dependent on information and operational technology systems to support its business activities. Any significant operational event, whether caused by external attack, insider threat or error, could lead to loss of access to systems or data, adversely impacting business operations across both the Information Technology and Operational Technology networks.	A business continuity plan is in place with resilient infrastructure and disaster recovery environments available. A Cyber Security Policy is in place along with access security and protocols. Penetration testing is carried out at regular intervals. The business liaises with the National Centre for Cyber Security and the Centre for the Protection of National Infrastructure and utilises security consultants as required.

# Moyle Interconnector (Financing) plc

## Principal risks and uncertainties (continued)

The principal risks of the Moyle Interconnector group (continued)

Risk description and potential impact	Mitigation
<b>Financial risk</b>	
<p>Poor financial management could result in breach of financing covenants, compliance failure or financial loss.</p>	<p>Controls are in place which cover authority limits, budgeting and financial processes and the overall governance structure. A strict ring back process is in place to verify payee changes.</p>
<p>Inadequate financing, liquidity problems, non-compliance with covenants, market changes or failure of counterparties could lead to failure of financial structure.</p>	<p>Financing costs from borrowing arrangements are fully recovered through income allowances reducing the Group's exposure to inflation risk. Processes are in place to monitor covenant compliance and there is active management of market changes. Treasury policies are aimed at minimising the risks associated with Mutual Energy Group's financial assets and liabilities and financial counterparty failure clauses are included in financing documents. The Group has low liquidity risk due to its strong cash flows and the reserve accounts and liquidity facilities required by its financing documents. The required reserve accounts remain fully funded and £10m of liquidity facilities were in place throughout the year. Business planning processes are in place to identify cash requirements in advance.</p>
<b>Business environment and market risk</b>	
<p>Market changes for electricity in Northern Ireland could result in reduced energy transported through the assets, insufficient revenue recovery, default on debt, damage to reputation of mutual model or fines.</p> <p>Longer term the market changes could be driven by climate change and net zero targets.</p>	<p>Licence provisions implementing a collection agency agreement are designed to offset the impact of such changes. An influencing strategy is in place to positively impact market developments.</p>
<b>Regulatory and political risk</b>	
<p>As the group is a regulated business it is exposed to regulatory risk. Changes in economic regulation or government policy could have an adverse effect on our financial position.</p>	<p>The group's relationships with NIAUR and DfE are managed at senior level through frequent meetings and correspondence in line with the group's communication strategy. The group coordinates with other EU system operators on EU issues. A proactive approach is taken to consultations on any issue which could affect the group's business interests, with legal advice sought where appropriate.</p>
<p>As the group is subject to growing number of laws and regulations, the cost of compliance or the failure to comply with current and future laws/regulations may negatively affect the group's business and our financial position.</p>	<p>There is a full suite of processes in place to ensure compliance. Our asset management systems and Health and Safety management and environmental systems are essential in ensuring legislative compliance.</p> <p>Cyber compliance is prevalent given the ongoing Cyber Assessment Framework (CAF) workplan which stems from the NIS directive. We are currently actively engaged with the Competent Authority and actions are ongoing to meet the requirements of the CAF workplan.</p> <p>The business is actively engaged with the Competent Authority for the NIS (Network and Information Systems) Directive and is working through their process of assessment leading to modifications in processes and policies.</p>
<b>Corporate strategy and communication risk</b>	
<p>Inadequate corporate strategy and communication with external stakeholders could result in reputational damage, regulatory action, loss of support from members or lost growth opportunities.</p>	<p>The Mutual Energy Board retains responsibility for strategy as a reserved matter and manages communications directly in line with its communication plan, using outsourcing as appropriate. A member of staff has been appointed to have oversight of the day-to-day operation of company communications and management of the external consultant.</p>
<p>Risk of failure to develop brand and reputation to successfully deliver on strategic objectives.</p>	<p>The key control in this area is the communications plan and Board's involvement in this. As part of the execution of the current communications plan, there has been extensive recent engagement with the relevant politicians.</p>
<p>Failure to prepare for energy transition and/or inadequate operating model to support the energy transition could result in significant financial, operational and reputational impacts.</p>	<p>The Mutual Energy group's decarbonisation strategic objective ensures the Board's cycle of strategy evaluation and business planning gives explicit regard to energy transition. This, along with investment in energy transition staff, seeks to involve the business as much as possible in future developments and manage the risk in this area.</p>

## Principal risks and uncertainties (continued)

The principal risks of the Moyle Interconnector group (continued)

Risk description and potential impact	Mitigation
Project delivery risk	
Poor contracting or management, insufficient resources or extreme weather could cause project delays resulting in financial losses, reputational damage, damage to assets or loss of availability.	Controls are project specific, but centre round project execution plans and project governance arrangements for each project. Contractors are closely monitored and stakeholder engagement plans and insurance are in place.

### Going concern

At 30 September 2024 the group held £27.1m cash, of which £19.3m was held on short term deposits with maturities of less than 3 months, with a further £126.2m held in financial assets which mature within six months of the period end, as well as available borrowing facilities of £10m. These cash reserves are sufficient to mitigate against the impact of any short term disruption to the day-ahead market or reduction in auction prices. The directors, having considered the going concern prospects for the business including a review of the Group's budgets and forecasts, for a period of at least 12 months from the date of approval of these interim financial statements, including its ability to meet debt covenants, confirm that the going concern basis of accounting is appropriate in their preparation.

### Forward-looking statements

These condensed consolidated interim financial statements contain forward-looking statements. Although the group believes that the expectations reflected in these forward-looking statements are reasonable, due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, the actual results of operations, financial position and liquidity may differ materially from those expressed or implied by these forward-looking statements.

### Statement of Directors responsibilities

*for the half year ended 30 September 2024*

The Directors are responsible for preparing the Condensed consolidated Interim Financial Report in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

In preparing the condensed set of financial statements included within the half-yearly financial report, the directors are required to:

- prepare and present the condensed set of financial statements in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- ensure the condensed set of financial statements has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

The directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the condensed set of financial statements that is free from material misstatement whether due to fraud or error.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in the Directors report may differ from legislation in other jurisdictions.



# Moyle Interconnector (Financing) plc

## Statement of Directors responsibilities (continued)

for the half year ended 30 September 2024

We confirm that to the best of our knowledge:

- (1) the condensed set of consolidated financial statements included within the half-yearly financial report of Moyle Interconnector (Financing) plc for the six months ended 30 September 2024 (“the interim financial information”) which comprises the condensed consolidated statement of profit of loss and other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cashflow statement and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted for use in the UK.
- (2) The interim financial information presented, as required by the DTR of the UK FCA, includes:
  - a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of financial statements;
  - b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
  - c. related parties’ transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
  - d. any changes in the related parties’ transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

On behalf of the board



Gerard McIlroy  
Company secretary  
20 November 2024

# Moyle Interconnector (Financing) plc

8

## Condensed consolidated statement of profit or loss and other comprehensive income

		Six months ended 30 September	
		(Unaudited) 2024	(Unaudited) 2023
	Note	£'000	£'000
Revenue	2a	45,944	27,023
Revenue rebate	2a	(1,427)	(1,305)
<b>Revenue – continuing operations</b>	2a	<b>44,517</b>	<b>25,718</b>
Operating expenses	2b	(9,439)	(8,810)
Reversal of allowance for doubtful debt	2b	20,241	-
Other operating income		600	-
<b>Operating profit</b>		<b>55,919</b>	<b>16,908</b>
Finance income		5,816	2,485
Finance expenses		(2,479)	(4,687)
<b>Finance income/(expenses) – net</b>		<b>3,337</b>	<b>(2,202)</b>
<b>Profit before tax</b>		<b>59,256</b>	<b>14,706</b>
Taxation	3	(14,847)	(3,706)
<b>Profit and total comprehensive income for the period attributable to the owners of the parent company</b>		<b>44,409</b>	<b>11,000</b>

The notes on pages 12 to 19 are an integral part of these condensed consolidated interim financial statements.

# Moyle Interconnector (Financing) plc

9

## Condensed consolidated balance sheet

	Note	30 September (Unaudited) 2024 £'000	31 March (Audited) 2024 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	95,721	97,994
Other investments		212	212
Intangible assets	5	20,765	21,596
		<b>116,698</b>	<b>119,802</b>
<b>Current assets</b>			
Trade and other receivables	6	35,260	13,206
Financial assets	7	126,207	-
Corporation tax receivable		-	9,038
Cash and cash equivalents		27,121	126,026
		<b>188,588</b>	<b>148,270</b>
<b>Total assets</b>		<b>305,286</b>	<b>268,072</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to the owners of the parent</b>			
Share capital	8	200	200
Retained earnings		202,748	160,389
<b>Total equity</b>		<b>202,948</b>	<b>160,589</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	9	51,114	54,403
Provisions		3,012	2,960
Deferred tax liabilities		15,365	15,522
Government grant		16,284	16,777
		<b>85,775</b>	<b>89,662</b>
<b>Current liabilities</b>			
Trade and other payables	10	6,018	8,980
Tax payable		1,764	-
Interest bearing loans and borrowings	9	7,794	7,854
Government grant		987	987
		<b>16,563</b>	<b>17,821</b>
<b>Total liabilities</b>		<b>102,338</b>	<b>107,483</b>
<b>Total equity and liabilities</b>		<b>305,286</b>	<b>268,072</b>

The notes on pages 12 to 19 are an integral part of these condensed consolidated interim financial statements.

# Moyle Interconnector (Financing) plc

10

## Condensed consolidated statement of changes in equity

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 April 2023	50	145,051	145,101
Issue of ordinary shares	150	-	150
Comprehensive income	-	11,000	11,000
At 30 September 2023	200	156,051	156,251
At 1 April 2024	200	160,389	160,589
Dividends paid	-	(2,050)	(2,050)
Comprehensive income	-	44,409	44,409
At 30 September 2024	200	202,748	202,948

The notes on pages 12 to 19 are an integral part of these condensed consolidated interim financial statements.

# Moyle Interconnector (Financing) plc

11

## Condensed consolidated cash flow statement

	Notes	Six months ending 30 September	
		(Unaudited) 2024 £'000	(Unaudited) 2023 £'000
<b>Cash flows from operating activities</b>			
Profit before tax		59,256	14,706
<b>Adjustments for:</b>			
Finance expenses – net		(3,337)	2,202
Depreciation of property, plant and equipment (including right-of-use assets)	4	2,934	2,932
Amortisation of government grant		(493)	(493)
Amortisation of intangible assets	5	831	831
Movement in trade and other receivables		(1,308)	329
Reversal of allowance for doubtful debt		(20,241)	-
Movement in trade and other payables		140	2,732
Income tax liabilities paid		(4,200)	(3,500)
Net cash generated from operating activities		33,582	19,739
<b>Cash flows from investing activities</b>			
Interest received		1,819	2,261
Investment in financial assets		(126,207)	(93,865)
Purchases of property, plant and equipment		(1,426)	(1,033)
Net cash used in investing activities		(125,814)	(92,637)
<b>Cash flows from financing activities</b>			
Interest paid (including borrowing fees)		(3,258)	(3,445)
Repayment of borrowings		(1,843)	(1,924)
Lease payments		(72)	(67)
Issuance of share capital		-	150
Dividends paid		(1,500)	-
Net cash used in financing activities		(6,673)	(5,286)
Net decrease in cash and cash equivalents		(98,905)	(78,184)
Cash and cash equivalents at the beginning of the period		126,026	91,994
<b>Cash and cash equivalents at the end of the period</b>		<b>27,121</b>	<b>13,810</b>

The notes on pages 12 to 19 are an integral part of these condensed consolidated interim financial statements.

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024

### 1 Accounting policies, financial risk management and critical accounting estimates/judgements

#### General information

The group's principal activity during the period was the financing and operation (through its subsidiary undertaking) of the Moyle Interconnector which links the electricity transmission systems of Northern Ireland and Scotland. The company is incorporated and domiciled in Northern Ireland. The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated. All of the group and company's assets and liabilities are denominated in Sterling, with the exception of certain payables and receivables in relation to Euro sales contracts and €2.84m cash held in euros at 30 September 2024 (31 March 2024: €0.03m).

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 20 November 2024.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2024 were approved by the Board of Directors on 27 June 2024 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified and did not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the Annual report and financial statements for the year ended 31 March 2024 which have been prepared in accordance with UK adopted international accounting standards ("UK-adopted IFRS") as applied in accordance with the provisions of the Companies Act 2006.

This condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared on the going concern basis.

#### Segment reporting

The group has one business segment, the selling of capacity on the Moyle Interconnector for the transmission of electricity between Scotland and Northern Ireland and one geographical segment, the United Kingdom. Accordingly, segment reporting is not deemed to be applicable.

#### Accounting policies

Except as described below, the accounting policies applied in these interim financial statements are consistent with those of the annual report and financial statements for the year ended 31 March 2024, as described in those annual financial statements.

#### Taxation

The policy for recognising and measuring tax in the interim period is consistent with that applied in the previous interim period and is described in note 3.

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

#### *International Financial Reporting Standards*

##### **New standards, amendments or interpretations**

A number of new standards are effective from 1 January 2024 and apply to the group from 1 April 2024, but they do not have a material effect on the group's financial statements.

The directors do not expect that the adoption of standards and interpretations effective for annual periods on or after 1 April 2025 will have a material impact on the group financial statements. These standards are as follows:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

##### **Estimates and judgements**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024, however an update has been provided below on recoverability of unpaid amounts in relation to revenue constraints.

##### *Recoverability of unpaid amounts in relation to revenue constraints*

Included within group revenue is an amount of €nil (£nil Sterling equivalent) (30 September 2023: €91,000 (£78,000 Sterling equivalent) and trade and other receivables is an amount of €23,666,000 plus €4,733,000 (£19,633,000 Sterling equivalent plus £4,042,000 VAT) (31 March 2024: €23,666,000 plus €4,733,000 VAT (£20,241,000 Sterling equivalent plus £4,042,000 VAT)) which is due from SONI in relation to capacity constraints imposed by SONI against Moyle Interconnector Limited during the period from September 2021 to March 2024. The interpretation of the commercial agreements in respect of the capacity constraints imposed by SONI against Moyle Interconnector Limited have been subject to legal dispute between the two parties. An allowance for doubtful debt of £20,241,000 was recognised in the 6 months ending 31 March 2024 but, following an Interim Award by the Arbitrator in July 2024 which confirmed Moyle's entitlement to this revenue, the allowance for doubtful debt of £20,241,000 was reversed. No provision or contingent liability has been recognised at 30 September 2024 as the matter has now been settled and a plan for payment is being agreed with SONI. In addition, Moyle Interconnector Limited is entitled to receive reimbursement for arbitration costs and interest accrued on the revenue. The final value in relation to both these amounts has yet to be agreed, but management's best estimate of these is included in trade and other receivables at 30 September 2024 (31 March 2024: £nil).

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 2a Revenue from contracts with customers

#### Disaggregation of revenue

	Six months to 30 September	
	(Unaudited) 2024 £'000	(Unaudited) 2023 £'000
Commercial revenue:		
Revenue from power transfers	34,104	16,071
Revenue from power transfers which were constrained	-	78
System services	5,500	5,622
Capacity market	6,333	5,246
Total commercial revenue	45,937	27,017
Other	7	6
Revenue	45,944	27,023
Tariff revenue/(rebate)	(1,427)	(1,305)
Net revenue	44,517	25,718

Revenue from power transfers which were constrained relates to an amount of €nil (£nil Sterling equivalent) excluding VAT which is due from SONI in relation to capacity constraints imposed by SONI against Moyle Interconnector Limited during the period (6 months to 30 September 2023: €91,000 (£78,000 Sterling equivalent)) which remains unpaid. Further information in this respect can be found on page 13.

The tariff revenue rebate relates to a rebate of revenue previously recovered through the tariff mechanism in order to reduce costs for energy consumers (this was part of a total rebate of £3,130,000 for the tariff year ending 30 September 2024 (year ending 30 September 2023: £2,886,000)).

Commercial revenue includes £34,524,000 (6 months to 30 September 2023: £16,260,000) which was receivable in Euro.

### 2b Operating expenses

	Six months to 30 September	
	(Unaudited) 2024 £'000	(Unaudited) 2023 £'000
Employee benefit expense	350	413
Depreciation and amortisation (excluding right-of-use assets)	3,704	3,707
Depreciation of right-of-use assets	61	56
Amortisation of deferred government grants	(493)	(493)
Fees payable to the company's auditor in respect of the review of the condensed consolidated interim financial statements	15	15
Reversal of allowance for doubtful debt	(20,241)	-
Maintenance and insurance	2,509	2,522
Other expenses	3,293	2,590
<b>Total operating expenses</b>	<b>(10,802)</b>	<b>8,810</b>

Other expenses include costs incurred for rates, group overheads and administrative expenses.



## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 3 Taxation

Taxation is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements. The estimated average annual tax rate for the year to 31 March 2025 is 25.1%. The estimated average annual tax rate for the year to 31 March 2024 was 25.2% at the time of preparation of the interim financial statements for the six months ended 30 September 2023.

The effective tax rate used for the six months ended 30 September 2024 was 25.1%. The effective tax rate used for the six months ended 30 September 2023 was 25.2%.

### 4 Property, plant and equipment

	Property, plant and equipment owned (Unaudited) £'000	Assets under construction (Unaudited) £'000	Right-of-use assets (Unaudited) £'000	Total (Unaudited) £'000
<b>At 31 March 2024</b>				
Cost	202,165	424	2,693	205,282
Accumulated depreciation	(106,665)	-	(623)	(107,288)
<b>Net book amount</b>	<b>95,500</b>	<b>424</b>	<b>2,070</b>	<b>97,994</b>
<b>Six months ended 30 September 2024</b>				
Opening net book amount	95,500	424	2,070	97,994
Additions	262	411	-	673
Decommissioning provision adjustment	(12)	-	-	(12)
Transfer into use	424	(424)	-	-
Depreciation	(2,873)	-	(61)	(2,934)
<b>Closing net book amount</b>	<b>93,301</b>	<b>411</b>	<b>2,009</b>	<b>95,721</b>
<b>At 30 September 2024</b>				
Cost	202,839	411	2,693	205,943
Accumulated depreciation	(109,538)	-	(684)	(110,222)
<b>Net book amount</b>	<b>93,301</b>	<b>411</b>	<b>2,009</b>	<b>95,721</b>

Property, plant and equipment owned consists of (i) the Moyle Interconnector (which had a net book value of £69,847,000 at 30 September 2024 (31 March 2024: £71,854,000)), (ii) its control system (which had a net book value of £23,299,000 at 30 September 2024 (31 March 2024: £23,485,000)) and (iii) other plant and machinery (net book value of £155,000 at 30 September 2024 (31 March 2024: £161,000)).

Assets under construction relates to control equipment plant and machinery works in progress. At 30 September 2024, the group had capital commitments of £0.2m (31 March 2024: £nil).

The right-of-use asset relates to Moyle Interconnector's Crown Estate lease.

# Moyle Interconnector (Financing) plc

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 5 Intangible assets

	Intangible assets (Unaudited) £'000
<b>At 31 March 2024</b>	
Cost	56,477
Accumulated amortisation	(34,881)
<b>Net book amount</b>	<b>21,596</b>
<b>Six months ended 30 September 2024</b>	
Opening net book amount	21,596
Amortisation	(831)
<b>Closing net book amount</b>	<b>20,765</b>
<b>At 30 September 2024</b>	
Cost	56,477
Accumulated amortisation	(35,712)
<b>Net book amount</b>	<b>20,765</b>

Intangible assets relate to licences acquired through business combinations.

### 6 Trade and other receivables

	30 September 2024 (Unaudited) £'000	31 March 2024 (Audited) £'000
Trade receivables	23,675	152
Amounts owed by related parties	13	13
Prepayments	1,277	2,307
Accrued income	4,319	5,372
Other receivables	5,915	5,360
VAT Receivable	61	2
	<b>35,260</b>	<b>13,206</b>

All of the group's and company's trade and other receivables are denominated in Sterling with the exception of certain balances receivable in Euro as a result of Euro sales contracts as follows: i) trade receivables consists solely of €28,399,000 due (£23,675,000 Sterling equivalent) (31 March 2024: consists solely of €178,000 due (£152,000 Sterling equivalent)); and ii) accrued income includes €837,000 due (£740,000 Sterling equivalent) (31 March 2024: includes €865,000 due (£739,000 Sterling equivalent)); and iii) other receivables includes €2,502,000 (£2,082,000 Sterling equivalent) (31 March 2024: includes €2,000 (£2,000 Sterling equivalent)).

Included within trade and other receivables is an amount of €23,666,000 plus €4,733,000 (£19,633,000 Sterling equivalent plus £4,042,000 VAT) (31 March 2024: €23,666,000 plus €4,733,000 VAT (£20,241,000 Sterling equivalent plus £4,042,000 VAT)) which is due from SONI in relation to capacity constraints imposed by SONI against Moyle Interconnector Limited during the period from September 2021 to March 2024 and remains unpaid. At 31 March 2024 an allowance for doubtful debt of £24,283,000 was recognised in relation to this debtor (2023: £nil) and the associated VAT of £4,042,000, which was recoverable should the debtor be written off, was included within other receivables. This allowance was reversed in the period upon the issuance of an Interim Award by the Arbitrator which confirmed that Moyle is entitled to compensation. A payment plan is in the process of being agreed with SONI. Further information in this respect can be found within the critical estimates and judgements on page 13.

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 6 Trade and other receivables (continued)

Apart from those balances identified in the paragraph above, none of the remaining group's or company's trade and other receivables are impaired or past due and no impairment losses on trade and other receivables were recognised in profit and loss in the period (31 March 2024: allowance for doubtful debt of £24,283,000). No provisions were deemed to be required at the reporting date as the group and company has no history of default in respect of its trade and other receivables and no current expectation of such. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The fair value of the group's and company's trade and other receivables is not materially different to their carrying values.

Trade receivables due from fellow subsidiaries are unsecured, interest free and are repayable on demand.

### 7 Financial assets

	30 September 2024 (Unaudited) £'000	31 March 2024 (Audited) £'000
Deposits	126,207	-

Financial assets consist entirely of cash deposits held with banks rated A1 with Moodys with original maturities of between 3 months and 6 months.

### 8 Share capital

	30 September 2024 (Unaudited) £'000	31 March 2024 (Audited) £'000
<b>Allotted, called up and fully paid</b>		
150,000 ordinary A shares of £1 each	150	150
50,000 ordinary B shares of £1 each	50	50
	<b>200</b>	<b>200</b>

The holders of ordinary A shares are entitled to receive dividends, as declared from time to time by the company and are entitled to one vote per share at meetings of the company. The holders of ordinary B shares are not entitled to receive dividends but are entitled to one vote per share at meetings of the company.

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 9 Interest bearing loans and borrowings

	Loans and borrowings £'000	Lease liabilities £'000	Total £'000
Balance at 31 March 2024	60,242	2,015	62,257
<i>Changes from financing cash flows</i>			
Interest paid	(3,082)	-	(3,082)
Lease payments	-	(72)	(72)
Repayment of borrowings	(1,843)	-	(1,843)
<b>Total changes from financing cash flows</b>	<b>(4,925)</b>	<b>(72)</b>	<b>(4,997)</b>
<i>Other changes</i>			
Lease interest expense	-	20	20
Interest expense	1,628	-	1,628
<b>Total non cash changes</b>	<b>1,628</b>	<b>20</b>	<b>1,648</b>
<b>Balance at 30 September 2024</b>	<b>56,945</b>	<b>1,963</b>	<b>58,908</b>

Loans and borrowings represent 2.9376% guaranteed secured bonds 2033 issued to finance the acquisition of Moyle Interconnector Limited and to repay indebtedness owed to members of Viridian Group PLC and are indexed linked to the Retail Price Index. The bond is listed on the London Stock Exchange and is secured by fixed and floating charges over all the assets of the group, and also by way of an unconditional and irrevocable financial guarantee given by Assured Guaranty (Europe) Limited as to scheduled payments of principal and interest, excluding default interest. In return for this guarantee, every six months the group pays an index linked fee of 0.125% of the outstanding balance of the bond. The fair value of the bond is £60,552,000 (31 March 2024: £64,622,000). This fair value has been calculated by discounting the future cash flows using a discount rate of 1.51% (31 March 2024: 1.37%) that reflects the maturity profile of the group's and the company's borrowings.

Lease liabilities represent future payments in respect of Crown Estate leases.

### 10 Trade and other payables

	30 September 2024 (Unaudited) £'000	31 March 2024 (Audited) £'000
Trade payables	1,172	380
Amounts owed to related parties	910	3,413
Accruals	1,780	2,542
VAT	-	707
Other payables	2,156	1,938
	<b>6,018</b>	<b>8,980</b>

All of the group's and company's trade and other payables are denominated in Sterling with the exception of certain balances payable in Euro in relation to Euro sales contracts as follows: i) Trade payables includes €7,000 (£6,000 Sterling equivalent) (31 March 2024: includes €nil owed (£nil Sterling equivalent)); and ii) other payables includes €2,329,000 owed (£1,986,000 Sterling equivalent) (31 March 2024: includes €2,067,000 owed (£1,768,000 Sterling equivalent)).

The fair value of trade and other payables is not materially different from their carrying value.

Included in accruals are capital creditors of £520,000 of which €nil (£nil) is payable in Euro (31 March 2024: £1,274,000 of which €1,127,000 (£964,000) is payable in Euro).

Amounts owed to related parties are unsecured, interest free and are repayable on demand.

## Notes to the condensed consolidated interim financial statements for the six months to 30 September 2024 (continued)

### 11 Related party transactions

During the period the group entered into transactions, in the ordinary course of business, with related parties.

Transactions entered into, and balances outstanding at 30 September 2024 and 31 March 2024 with related parties, are as follows:

		Amounts owed (to)/from related party	
		30 September 2024	31 March 2024
		(Unaudited)	(Audited)
		£'000	£'000
Fellow subsidiary undertakings – current assets		13	13
Parent undertakings – current liabilities		(344)	(411)
Immediate Parent undertakings – current liabilities		(550)	-
Fellow subsidiary undertakings – current liabilities		(16)	(3,002)

  

		Value of transactions to 30 September	
		2024	2023
		(Unaudited)	(Unaudited)
		£'000	£'000
	<b>Nature of transaction</b>		
Parent undertakings	Charges payable	(1,295)	(1,173)
Fellow subsidiary undertakings	Operating costs payable	(76)	(89)

### 12 Ultimate parent undertaking

The immediate parent undertakings are Moyle Holdings No. 2 Limited, a company incorporated in Northern Ireland who owns 150,000 A shares and Moyle Holdings Limited, a company incorporated in Northern Ireland who owns 50,000 ordinary B shares. The ultimate parent undertaking is Mutual Energy Limited, a company incorporated in Northern Ireland.

### 13 Subsequent events

There are no events after the reporting date requiring adjustment or disclosure in the interim financial statements.

## Independent Review Report to Moyle Interconnector (Financing) plc

### Report on the condensed consolidated interim financial statements

#### Conclusion

We have reviewed Moyle Interconnector (Financing) plc's ("the company's") condensed consolidated interim financial statements (the "interim financial statements") in the unaudited condensed consolidated interim financial statements of Moyle Interconnector (Financing) plc for the six month period ended 30 September 2024 (the "period").

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 September 2024;
- the Condensed consolidated statement of profit and loss and other comprehensive income for the period then ended;
- the Condensed consolidated Cash flow statement for the period then ended;
- the Condensed consolidated Statement of changes in equity for the period then ended; and
- selected explanatory notes to the consolidated interim financial statements.

The interim financial statements included in the condensed consolidated interim financial statements of Moyle Interconnector (financing) plc have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements does not give a true and fair view of the financial position of the company as at 30 September 2024, and of its financial performance and cash flows for the six-month period then ended, in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

#### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 (UK) 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.

We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

#### Conclusions 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 the directors have inappropriately adopted the going concern basis of accounting or that the directors 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 (UK) 2410; however, future events or conditions may cause the group to cease to continue as a going concern.

#### Responsibilities of the directors

The condensed consolidated interim financial statements, including the interim financial statements, is the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the condensed consolidated interim financial statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the condensed consolidated interim financial statements, including the interim financial statements, the directors 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 directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

# Moyle Interconnector (Financing) plc

## Independent Review Report to Moyle Interconnector (Financing) plc

### Report on the condensed consolidated interim financial statements (continued)

#### Auditor's responsibilities for the review of the financial information

Our responsibility is to express a conclusion on the interim financial statements in the condensed consolidated interim financial statements based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Grant Thornton NI LLP

Grant Thornton (NI) LLP  
Chartered Accountants  
Belfast  
20 November 2024