

Notice and Declaration in Accordance with Section 357 (1) (f) of the Companies Act 2014

Bord na Móna Resource Recovery Limited has availed of the exemption provided for in Section 357 (1) of the Companies Act 2014 (The “Act”) in respect of the 2024/2025 financial year.

A copy of the guarantee and of the notification as per Section 357 (1) (b) and (c) of the Act are attached.

It is hereby declared that paragraph (a) of subsection (1) of Section 357 of the Act has been complied with in relation to the exemption.



Sonya Mallon
Secretary
15 July 2025

Bord na Móna p.l.c.
An bPríomhshráid,
Droichead Nua,
Co Chill Dara,
W12 XR59

Bord na Móna p.l.c.
Main Street,
Newbridge,
Co Kildare,
W12 XR59

T +353 (0) 45 439 000
F +353 (0) 45 439 001
info@bnm.ie
—
bnm.ie



Notice from shareholder(s) consenting to the Company availing of section 357

TO: Directors, Bord na Móna Resource Recovery Limited (the “Company”)
Board na Móna
Main Street
Newbridge
Co. Kildare

10 October 2025

Dear Directors

We, being all the shareholders of the Company on 10 October 2025, hereby consent to the Company availing of the exemption from the provisions of sections 347 and 348 of the Companies Act 2014, as provided for in section 357 of that Act.

Yours faithfully

A handwritten signature in black ink, appearing to read 'T. Donnellan', is written over a horizontal line.

For an on behalf of Bord na Móna plc

Bord na Móna
Athshlánú Acmhainn
Teoranta
An bPriómhshráid,
Droichead Nua,
Co Chill Dara,
W12 XR59

Bord na Móna
Resource
Recovery
Limited
Main Street,
Newbridge,
Co Kildare,
W12 XR59

T +353 (0) 45 439 000
F +353 (0) 45 439 001
info@bnm.ie
—
bnm.ie



Notice from Company to shareholder(s) regarding the Company availing of section 357

Bord na Móna plc
Main Street
Newbridge
Co. Kildare

15 July 2025

Dear Shareholder

In accordance with section 357(1)(c) of the Companies Act 2014 I write to notify you that Bord na Móna plc has given an irrevocable guarantee of all commitments entered into by the company, including amounts shown as liabilities in the statutory financial statements of the Bord na Móna Resource Recovery Limited (the “**Company**”) in respect of the whole of the Company’s financial year beginning on 28/03/2024 and ending on 26/03/2025.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Sonya O'Keefe', written over a horizontal line.

Company Secretary
Bord na Móna Resource Recovery Limited

Dated the 16 day of July 2024

GUARANTEE AGREEMENT

Sonya Mallon
Secretary

THIS GUARANTEE AGREEMENT is made the 16 day of July 2024 between **Bord na Móna p.l.c.** whose principal office is at Main Street, Newbridge in the County of Kildare, and **Bord na Móna Resource Recovery Limited** having its registered office also at Main Street, Newbridge in the County of Kildare

WHEREAS:

1. Bord na Móna is a public limited company established under the Turf Development Act 1998.
2. **Bord na Móna Resource Recovery Limited** having its registered office also at Main Street, Newbridge in the County of Kildare was incorporated on the 25th day of June 2013 No. 529441 under the Companies Acts 1963.
3. All of the issued Share Capital of **Bord na Móna Resource Recovery Limited** is beneficially owned by **Bord na Móna p.l.c.**
4. The Shareholders and Directors of **Bord na Móna Resource Recovery Limited** have decided to avail of the concession provided for in Section 357 of the Companies Act 2014 to the effect that it intends, for the Financial Year ending on the 27 March 2024 to file the Group Accounts of **Bord na Móna p.l.c.** instead of its own Company Accounts.
5. In pursuance of this decision and in order to comply with the provisions of Section 357 (1) (b) of the Companies Act 2014 **Bord na Móna p.l.c.** and **Bord na Móna Resource Recovery Limited** have decided to enter into this Guarantee Agreement.
6. **Bord na Móna p.l.c.** and **Bord na Móna Resource Recovery Limited** agree to comply by the terms of this Guarantee Agreement in consideration of the payment by **Bord na Móna Resource Recovery Limited** to **Bord na Móna p.l.c.** of the sum of one euro (€1), the receipt and sufficiency of which is acknowledged by **Bord na Móna p.l.c.**


In consideration of Bord na Móna Resource Recovery Limited entering into this Guarantee Agreement with Bord na Móna p.l.c., Bord na Móna p.l.c. shall, for and in respect of the Financial Year ending on the 29th March 2024, guarantee and hereby guarantees all commitments entered into by Bord na Móna Resource Recovery Limited including amounts shown as liabilities in the Statutory Financial Statements; provided that this guarantee shall not extend to any liability or commitment of Bord na Móna Resource Recovery Limited which shall not have arisen otherwise than in respect of that Financial Year or which shall not constitute a liability or loss.

Bord na Móna p.l.c. hereby confirms and undertakes that the accounts of Bord na Móna Resource Recovery Limited are and will be for the Financial Year ending on the 27 March 2024 consolidated into the Group Accounts of Bord na Móna p.l.c. and that the fact of Bord na Móna Resource Recovery Limited availing of the concession under Section 357 of the Companies Act 2014 shall be noted on the said accounts.

Bord na Móna p.l.c. hereby undertakes to notify each and all of the Shareholders of Bord na Móna Resource Recovery Limited of the fact of the existence of this Guarantee.

To avoid all doubt Bord na Móna p.l.c. hereby agrees and declares that the Guarantee contained herein shall at all times be irrevocable.

**For and on behalf of
BORD NA MÓNA P.L.C.**

DocuSigned by:

C350C5DAC0CF441...

Director / Secretary

**For and on behalf of
BORD NA MÓNA RESOURCE
RECOVERY LIMITED**

Signed by:

73A47213C19A4C1...

Director / Secretary



Annual Report 2025



Bord na Móna plc

Directors' Report and Financial Statements

<i>Contents</i>	<i>Page</i>
Statement from the Chairperson	1
Statement from the Chief Executive	2
FY25 Highlights	4
Governance Report	5
Risk Management Report	6
Directors' Report	11
Independent Auditor's Report	26
Consolidated Financial Statements	30
Consolidated Income Statement	31
Consolidated Statement of Total Comprehensive Income	32
Consolidated Balance Sheet	33
Consolidated Statement of Changes in Equity	34
Consolidated Statement of Cash Flows	35
Notes forming part of the Consolidated Financial Statements	36
Entity Financial Statements	110
Company Balance Sheet	111
Company Statement of Changes in Equity	112
Notes forming part of the Company Financial Statements	113

Bord na Móna plc

Statement from the Chairperson

I am pleased, on behalf of the Board, to present the Annual Report for Bord na Móna Plc (trading as BnM) for the financial year ended 26 March 2025.

FY25 marked a year of continued delivery and resilience for BnM, as the company fully embraced its role as the largest generator of renewable electricity in Ireland. The successful completion of major projects across wind, solar, and battery storage demonstrates our capacity to deliver complex infrastructure essential to the national energy transition. These achievements were realised while recording an operating profit of €31.9 million, reflecting the effectiveness of our core operations and our ability to contribute meaningfully to a low-carbon future.

We invested €111 million in renewable energy projects during the year, including €95 million in wholly owned developments and €16 million in joint ventures. This included further progress on our offshore wind ambitions in collaboration with Ocean Winds, aligned with the State's Offshore Wind Framework and the Designated Maritime Area Plan. Our joint ventures with SSE Renewables and ESB also advanced significantly, with a range of projects moving through planning and community consultation phases. These developments are not only delivering clean energy but are rooted in meaningful community engagement and local economic benefit.

This community focus is reflected in a number of ways across the business. Our New Beginnings programme, now in its second year, continues to support former employees affected by the end of peat operations in establishing their own businesses. Together, the first two cohorts have created 35 new jobs in the Midlands, and the programme has been shortlisted for a national Learning and Development award. Our Accelerate Green programme is similarly impactful, helping to grow and scale climate-focused enterprises. Since its inception, the programme has supported over 700 jobs nationwide and remains a core part of our broader contribution to Ireland's sustainability ecosystem.

At the heart of our transformation is a commitment to leadership and inclusion. In 2024, we reported a reverse gender pay gap of -11.25% in hourly rates. Following the appointment of Catherine Guy to the Board, female representation has now reached 60%. These achievements reflect the culture we continue to build at BnM, which is one that is inclusive, forward-thinking, and focused on long-term impact.

None of this progress would be possible without the support and collaboration of many. On behalf of the Board, I extend our thanks to the Minister for Climate, Energy and the Environment, Darragh O'Brien TD, Secretary General Oonagh Buckley and her colleagues at the Department, and to the teams at NewERA and the Department of Public Expenditure, National Development Plan Delivery and Reform for their ongoing engagement.

As I come to the end of my time as Chairman, I want to express my sincere gratitude to my fellow Board members, Chief Executive Tom Donnellan, the Senior Leadership Team, and the wider BnM team. Your dedication, expertise, and shared ambition have been central to the progress we have made. It has been a privilege to serve alongside you.

Together, we are building a cleaner, fairer, and more sustainable future for Ireland.

Geoffrey Meagher
Chairperson

Bord na Móna plc

Statement from the Chief Executive

FY25 has been a pivotal year for BnM, marking our first full year as a fully transformed renewable energy business. While transformation was the story of previous years, FY25 was about embedding that change, operationalising our vision, delivering critical infrastructure, and advancing the partnerships and platforms that will shape our next chapter as Ireland's largest renewable electricity provider.

Central to this progress was the successful delivery of five large scale renewable energy projects during FY25, adding an additional 260MW of generation capacity. These included the commissioning of the Derrinlough Wind Farm and the Cloncreen Battery Energy Storage System, along with the Timahoe North Solar Farm developed in partnership with ESB, as well two major refurbishment projects in our thermal fleet. Collectively, these projects reflect our ability to deliver complex infrastructure that is critical to decarbonising Ireland's energy system.

Alongside these achievements, we are also advancing a €1 billion joint venture with SSE Renewables to deliver up to 800 MW of new onshore wind capacity. This growing capability will be increasingly important as Ireland's reliance on variable renewable electricity continues to expand.

Through these developments, we have built a clean energy portfolio of approximately 1GW, positioning BnM as the number one generator of renewable electricity in the State. This is a role we carry with pride, but more importantly, with a strong sense of responsibility to support Ireland's energy transition.

That responsibility is reflected in the scale of what comes next. BnM has mobilised the largest renewable energy development programme in the history of the State. Over the next two to three years, between 15 and 20 projects representing nearly 3GW of new capacity will progress through the planning system. These projects will play a vital role in delivering national objectives for energy security, competitiveness, and climate action. We have already secured planning approval for 300MW of new wind energy and will continue to build momentum through sustained investment, innovation, and collaboration.

Our overall pipeline now includes approximately 5GW of renewable energy projects in development, spanning onshore wind, solar, and battery storage, as well as longer-term opportunities in offshore wind. This pipeline is underpinned by our investment in enabling infrastructure, with more than €50 million invested in grid development over the past five years to support delivery at scale.

Alongside the development of renewable infrastructure, we continue to progress the Peatlands Climate Action Scheme. BnM restored 2,778 hectares of former peatlands during FY25, representing one of the largest rehabilitation programmes of its kind in Europe. These restored areas now serve as carbon sinks, biodiversity habitats, and community assets. They are central to our vision of responsible land stewardship and long-term sustainability.

As a semi-state body, BnM is committed to delivering renewable energy at scale while ensuring local communities share in the benefits of this transition. In FY25, we invested €1.4 million through our renewable energy community funds, supporting a range of initiatives including near neighbour schemes, education projects, and local enterprise. This included our wind farm scholarship programmes at Cloncreen and Oweninny, which supported 22 students during the year. Since FY24, over €165,000 has been committed to 25 students pursuing further education in science, technology, engineering, mathematics, and sustainability. These local supports are complemented by our national

Bord na Móna plc

Statement from the Chief Executive

Pathways to the Future programme, which continues to assist students across Ireland preparing for careers in climate action and renewable energy.

Our Accelerate Green programme has also continued to demonstrate its impact as Ireland's leading sustainability-focused accelerator. Since its launch in 2022, the programme has supported over 700 jobs and helped climate-focused businesses grow, scale, and reach new markets. Collectively, these businesses are building the green economy that will power Ireland's future.

I would like to take this opportunity to thank our outgoing Chairman, Geoff Meagher, for his exceptional leadership during a defining period in BnM's history. Geoff's support and guidance have been instrumental in shaping the company's transformation, and we are deeply grateful for his contribution.

Finally, I want to thank our employees, our partners, and our stakeholders. Your resilience, professionalism, and shared sense of purpose continue to drive our progress.

As we enter FY26, we do so with confidence, clarity, and conviction. We remain focused on building a secure, resilient, and sustainable energy future for Ireland, and we are proud to play our part in making that future a reality.

Tom Donnellan
Chief Executive



€111m

We invested in renewable projects between wholly owned projects and joint ventures in FY25

Operations commenced at the Derrinlough Wind Farm, Cloncreen Battery project and Timahoe North Solar Farm in FY25

2,778 hectares of rehabilitated peatlands during the year which restores natural habitats for plants and wildlife.



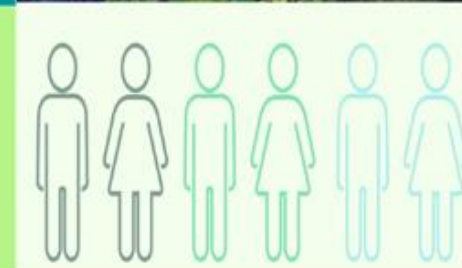
€14m Dividends were paid by Bord na Móna (95% to the Irish Government) during the year based on the profit delivered in FY24.



60 Companies Supported by the Accelerate Green programme since its launch in 2022.



60/40 Female to male board of directors gender composition.



GOVERNANCE REPORT

Contents	<i>Page</i>
Risk Management Report	6
Directors' Report	11
Independent Auditor's Report	26

Bord na Móna plc

Risk Management Report

Risk Management

The Board has overall responsibility for risk management including the nature and extent of significant risks that it is willing to accept in pursuit of its strategic and operational objectives. To address this, the Board has established a risk management system that provides for the continuous identification, assessment, implementation of mitigating actions and controls, and the monitoring and reporting of significant risks within Bord na Móna plc ("BnM").

The Risk and Audit Committee ("RAC") is responsible, under delegated authority, for assisting the Board in fulfilling its obligations with regard to assessing, reviewing and monitoring the risks inherent in the business and the control processes for managing such risks. The RAC is supported by an appointed Chief Risk Officer ("CRO").

The CRO is responsible for overseeing the day-to-day risk management activities and has responsibility for ensuring that an effective risk management system, proportionate to the nature, scale and complexity of the company is developed and maintained. BnM has an enterprise wide risk management system which places a strong emphasis on strategic risks at a Group level (strategic risk register) and on strategic risks at the business level (business risk registers). In this risk management system, a strong focus is placed on managing risks that management can influence through the risk process as well as an emphasis on future action items and the responsibility for these is of key importance. Risk management is embedded across the company at an operating level.

The risk management system provides appropriate governance structures to support risk management practices, formal assignment of risk responsibilities throughout the Company and the procedures to be used, including relevant mitigation actions and controls.

The risk management system includes the following key elements:

- A risk strategy that includes objectives and principles.
- Two types of risk registers, a strategic risk register and business risk registers.
- Clearly defined risk categories based on the strategic risks.
- Assignment of clear mitigating action items and responsibilities for the business risk register risks.
- A framework and reporting cycle to identify, assess, manage, monitor, and report on the risks that BnM is or may be exposed to.
- A risk monitoring plan that outlines the review, challenge, and oversight responsibilities of the CRO and the management team.
- Reporting procedures which ensure that risk information is actively monitored, managed and appropriately communicated at all levels within BnM. The procedures outline the reporting responsibilities of management, the CRO, the RAC and the Board.
- Embed a strong risk management culture across all levels of the Group; and,
- Develop risk appetite statements in conjunction with the strategic risk process, then monitor and report on these statements.

Bord na Móna plc




Risk Management Report



Risk & Impact		Risk Climate	Mitigating Actions
Financial	<p>Financial Strength</p> <p>The risk of the failure to maintain BnM’s financial strength and liquidity, due to pressures on performance due to macroeconomic events, underperforming assets, volatility in electricity prices, available investment returns resulting in the inability of the Bord na Móna Group to invest and grow leading to financial loss.</p>		<p>BnM continually monitors its financial position with regular reviews of operational performance and balance sheet strength. Over the past number of years poorly performing business segments have been exited and cash management improved.</p> <p>All capital projects are analysed in detail against various metrics and KPIs. Significant capital projects are reviewed by the Board along with all funding arrangements. A continuous process of monitoring financial covenants is in place and these are closely managed at senior management level.</p> <p>The senior management team continuously reviews ongoing global economic conditions and considers the impact they may have on economic activity and electricity prices.</p>
	<p>Climate</p> <p>The overall risk of the inherent uncertainty of various weather patterns on the operating and financial performance of BnM. Over the short term, these include, the financial impact of low wind yields on the performance of the wind farms which can impact Group profitability. BnM will also examine other risks and opportunities over different time horizons and climate-related scenarios. The uncertainty of weather conditions presents a risk to profits generated by the Group.</p>		<p>Developing a balanced portfolio of businesses and technologies has given the Group a natural “hedge” against any one adverse weather condition in a particular business. The Group has also developed contingency plans to protect profitability across the Group if a particularly adverse weather event occurs. BnM is developing frameworks which describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. BnM has worked with employees and trade unions to implement more flexible work patterns.</p>
	<p>Planning Permission</p> <p>The risk of the Group not obtaining planning permission for a number of key infrastructural projects which are included in the strategic plan due to planning objections or ineffective planning proposals resulting in the non achievement of the strategic plan.</p>		<p>The Group has an experienced management team that have a proven capability in planning, executing and delivering large infrastructure projects and has demonstrated the capability of doing so. It has recruited a number of additional experienced employees over the past number of years. A proven process is in place to ensure that all the necessary documentation and information is submitted to the relevant authorities with each planning application. In addition, the Group engages in extensive community consultation processes to ensure all public concerns are dealt with.</p>




Bord na Móna plc

Risk Management Report

Risk & Impact	Risk Climate	Mitigating Actions
<p>Operational Continued</p> <p>Health and Safety</p> <p>The risk of the failure to comply with health and safety legislation and policies due to a lack of enforcement across the Group, management and employees not following the correct procedures or lack of training, all leading to potential injury or death of an employee or damage to property resulting in financial sanction, financial loss and reputational damage.</p>		<p>Detailed health and safety procedures are in place across the Group and these systems are operated based on the nature and the scale of the risks in each business. The Health and Safety department carries out training of all staff and this is also augmented with external audits carried out by third parties. Insurance cover is maintained at Group level for all significant insurable risks and our insurers conduct extensive audits. The Group's operations are subject to an increasingly stringent range of regulations and inspections and robust monitoring procedures have been designed to prevent a material breach of statutory or other regulatory obligations.</p>
<p>Cyber Security</p> <p>The risk that BnM information technology and / or banking systems are compromised due to being penetrated, hacked or attacked by external or internal parties which results in financial loss and/or reputational damage. Cyber security risk is now recognised as one of the main risks for organisations internationally.</p>		<p>The Group has recognised the importance of managing this risk and continually reviews cyber security across the Group with internal and external expertise engaged. Investments in technology, training and people are continually made to maintain security around information technology systems and our assets to an appropriate standard.</p>
<p>Supply Chain</p> <p>The risk of the lack of availability of raw materials, commodities, or components, when required or at good value, due to extended lead times, low competition, supply chain issues caused by global events, inadequate resourcing, tariff wars and inflation resulting in the non-achievement of plans, strategies and financial loss.</p>		<p>The Group recognises that developing a resilient supply chain is vital to the success of BnM's strategy. Management have identified, and are focused on, several key factors in relation to this. Relationships with strategic partners are central to ensuring a secure supply chain and BnM is resolved to forming strong partnerships at every level. Management has assessed the current supply chain for any potential weaknesses, such as sourcing from only one supplier and these areas have been documented and plans put in place.</p> <p>Management has created contingency plans for disruptions or for bolstering resilience. The current tariff wars has added another layer of uncertainty to pricing and supply chains which management is continuously reviewing.</p> <p>The procurement function has procedures in place to vet key suppliers. The Group requires confirmation that its vendors can meet the demands of the business while understanding that occasional delays or issues are likely to happen. Part of this diligence requires procurement to ensure that suppliers are financially stable. Instability poses an additional risk to our supply chain as well as cybersecurity.</p>


Bord na Móna plc

Risk Management Report

Risk & Impact		Risk Climate	Mitigating Actions
Operational Continued	<p>Project Delivery</p> <p>The Risk of the non delivery of strategic projects due to not being successful in energy auctions, not obtaining offtake agreements, planning permission failures, grid availability, low electricity prices, ineffective project management, return expectations, all resulting in the non delivery of strategic projects in the Group and significant future financial loss to the Bord na Móna Group.</p>		<p>The Group has developed strong expertise in all aspects of project management with experienced planners, engineers, solicitors, accountants etc all working together in cross functional teams delivering strategic projects. The Group has recruited expertise that it did not have available and places all staff on detailed training programs. In certain new technology areas it has formed Joint Ventures as a means of reducing risk and obtaining expertise and resources.</p>
	<p>Retaining and Attracting Staff</p> <p>The risk of the Group failing to retain, attract and develop the skills, talent and resources required to deliver its business plans, leading to a significant loss of knowledge and potentially gaps in the skill sets required for delivering the Group strategy, all impacting on the attainment of strategic goals.</p>		<p>BnM maintains a strong focus on this area and has structured succession planning programs in place along with management development programs. A graduate recruitment programme has been in place over the past few years.</p> <p>The Group is committed to providing quality employment opportunities and are investing in management development programs aimed at achieving greater diversity in senior positions throughout the Group.</p>
	<p>Availability of Key Assets</p> <p>The risk of a failure of critical plant and machinery leading to significant financial loss to the Group.</p>		<p>BnM has several key assets that generate significant cash flows for the Group. It is imperative that these assets are protected and managed in a professional manner. The Group has put in place extensive maintenance programs with professionally qualified staff and it has a spare parts policy which ensures that spares are available for most key components. It also protects the assets and cashflows with property and business interruption insurance for all key assets.</p>

Bord na Móna plc

Risk Management Report

Risk & Impact		Risk Climate	Mitigating Actions
<p>Regulatory</p>	<p>Regulatory</p> <p>The risk of adverse regulatory changes and the impact that these may have on the financial and business model of the Group. Failure to comply with regulations could result in enforcement actions, legal liabilities, damage to the Group’s reputation and loss of shareholder support.</p> <p>Some of the important regulatory risks facing the Group are related to the Integrated Single Electricity Market (I-SEM), the new auction process introduced for capacity payments for power plants and the Climate Action plan; the changing regulatory landscape which is driving increased biomass usage in Edenderry Power station with resulting supply chain and cost implications.</p>		<p>When developing its strategic plan, the Group ensures that plans to deal with the regulatory risks facing the businesses are developed and implemented where possible. Through innovation and supply chain developments, the Group continues to tackle regulatory change that is impacting on the operating performance of the businesses. Capital investment has been approved to address certain regulatory risks. In some cases when dealing with regulatory risks the Group has no option but to accept these risks.</p>

Bord na Móna plc

Directors' Report

I. Introduction

The Directors present their annual report and the audited financial statements of Bord na Móna plc for the financial year ended 26 March 2025.

II. Principal Activities, Business Review and Future Developments

Bord na Móna plc ("BnM") is a leading renewable energy provider supporting Ireland's journey to net zero by delivering secure, renewable energy for businesses across the country. Working with our landbank, strategic partners and local communities we are building a 5GW renewable energy pipeline, including onshore and offshore wind, solar, biomass and biogas projects, enabling industrial growth while contributing to our sustainable future.

The Statement from the Chief Executive on page 2 contains the business review and a review of the development of the BnM group of companies' (the "Group") business during the year, the state of affairs of the business at 26 March 2025, recent events and likely future developments.

III. Results for the year and Dividends

Operating profit for the financial year ended 26 March 2025 was €31.9m (2024: €106.7m). Further details of the financial results of Bord na Móna plc for the financial year ended 26 March 2025 are given on pages 31 –109. An interim dividend of €14.0m was paid during the financial year ending 26 March 2025 (2024: €37.8m).

IV. Corporate Governance

A. Governance

The Board of Bord na Móna plc ("BnM") was established under the provisions of the Turf Development Act 1998. The functions of the Board are set out in the Turf Development Acts. The Board is collectively responsible for leading and directing BnM activities, is accountable to the Minister for Climate, Energy and the Environment and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day to day management, control and direction of BnM are the responsibility of the Chief Executive and the senior leadership team. The Chief Executive and the senior leadership team must follow the broad strategic direction set by the Board and must ensure that all Board Directors have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Board and management of Bord na Móna plc.

Bord na Móna plc

Directors' Report

B. Directors

Policy in BnM is determined by a Board of up to twelve Directors appointed by the Minister for Climate, Energy and the Environment. Up to seven of the Directors are normally appointed for a term not exceeding five years as may be determined by the Minister for Climate, Energy and the Environment. Four of the Directors are appointed for a term of four years, in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988. The Chief Executive is appointed to the Board on appointment to that position. The Directors during the financial period were:

Geoff Meagher (Chair)	Non-executive	Appointed October 2017, reappointed October 2022
Tom Donnellan (Chief Executive)	Executive	Appointed April 2018, reappointed April 2025
Paddy Rowland	Worker Director	Appointed January 2019, reappointed January 2023
Sinead Culleton Lowry	Worker Director	Appointed September 2021, reappointed January 2023
Mary Rose Burke	Non-executive	Appointed September 2019, reappointed September 2024
Margot Slattery	Non-executive	Appointed September 2019, reappointed September 2024
Lorna Conn	Non-executive	Appointed November 2022
Eimear Cahalin	Non-executive	Appointed November 2022
Anne Cusack	Non-executive	Appointed November 2022
Paddy Rigney	Worker Director	Appointed January 2023
Stephen Markham	Worker Director	Appointed January 2023
Catherine Guy	Non-executive	Appointed July 2024

C. Statement of Compliance

The Board has adopted the revised and updated Code of Practice for the Governance of State Bodies (2016) (“the Code”) and has put procedures and measures in place to ensure compliance with the Code in all material respects.

D. Non-Financial Reporting Statement

In line with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 and amendments thereto. The following table is designed to help stakeholders navigate to the relevant sections in the report and on our website which provide additional information on the Group’s approach to our non-financial information.

Bord na Móna plc

Directors' Report

Reporting Requirement	Policies and Standards which Govern our Approach	Additional information and Risk Management
Environmental Matters	<ul style="list-style-type: none"> • Climate Solutions • Peatlands Climate Action Scheme • Environmental compliance • Biomass sustainability¹ 	<ul style="list-style-type: none"> • Ireland has committed to ambitious climate goals; we have designed innovative solutions to help achieve them. www.bordnamona.ie/climate-solutions/overview/ • We are restoring and rehabilitating Ireland's bogs to help meet climate and biodiversity goals. www.bordnamona.ie/peatlands/overview/ • We are regulated by the EPA under nine Integrated Pollution Control (IPC) Licences P0499-01 to P0507-01. Currently, activities on licenced sites are primarily limited to the decommissioning of its historical peat extraction activities and the rehabilitation of the licenced peatlands. • We hold nine waste licenced sites and one waste permitted site and operate under a single waste collection permit. We also manage facilities for other licence holders. All BnM recycling licenced sites are compliant with NSAI ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Health & Safety Management) standards. • BnM is committed to sourcing sustainable biomass to meet applicable EU and national standards.
Employees	<ul style="list-style-type: none"> • Employee Benefits • Code of Conduct¹ • Protected Disclosures Policy¹ • Health & Safety Policy¹ • Diversity & Inclusion Statement • Health & Wellbeing Programme 	<p>As our employees shape meaningful and rewarding careers, they enjoy access to a variety of benefits designed to support their growth and wellbeing www.bordnamona.ie/careers/working-at-bord-na-mona/</p> <ul style="list-style-type: none"> • We operate a hybrid working approach which provides employees with an opportunity to avail of flexible working and an improved work life balance. • All BnM policies and procedures are available to all employees initially through induction and updated on our employee app, OnBord. Policies are regularly updated as required and communicated to all employees. • Policies are aligned to the Risk Management System in place to support the appropriate organisational governance. • Health & Safety systems (page 9 Risk Report Health & Safety Risk). • Our continued focus on creating a supportive work environment through the Group's Employee Resource Group (ERG) network also saw strong progress throughout FY25. • Our Health & Wellbeing programme focuses on themes of general health, physical health, nutrition and workplace health & safety. We have several supports available to employees including Mental Health Ambassadors and a Mental Health at Work policy. We were also reaccredited with the KeepWell Mark award in FY25. • The Group continues to invest significantly in the growth and development of its people, aligning closely with our broader talent and inclusion strategy. Our structured succession planning and leadership development programmes remain a cornerstone of our approach, complemented by ongoing coaching, mentoring, and a robust graduate recruitment pipeline. • Our Pathways to the Future programme successfully supported 11 scholars across varying disciplines related to renewable energy, 10 graduates in FY25 and awarded our first Undergraduate of the year with GradIreland for intake in 2026. • BnM has been shortlisted the 'Most Popular Graduate Recruiter – Utilities, Energy, Renewables', 'The gradireland Sustainability in Early Talent Recruitment Award', and CIPD HR Awards. • The New Beginnings Programme continued to support employees exploring entrepreneurial ambitions. This initiative offered structured guidance, resources, and expert-led workshops to facilitate employees in planning and launching their own business ventures.
Social Matters	<p>Community Benefit scheme include those related to projects at</p> <ul style="list-style-type: none"> • Drehid, Mount Lucas, Bruckana, Cloncreen, Oweninny, Derrinlough and Sliabh Bawn • BnM Recycling Charity Support and Schools Awareness Competitions • Public Amenities - include, the Lough Boora Discovery Park, Sensory Gardens at Mount Lucas & Cloncreen and facilitating Park & Local Runs on BnM sites • BnM Accelerate Green, Irelands first scaling Accelerator Programme, which received support from EU LIFE Program - IPC/IE/000007 (LIFE IP Peatlands and People). 	<ul style="list-style-type: none"> • We are helping to improve quality of life for people across the country, through community funds, charitable contributions and local amenities. www.bordnamona.ie/who-we-are/community/ • We are building public amenities on our peatlands to open up these spaces for everyone's enjoyment. www.bordnamona.ie/peatlands/public-amenities/ • Enabling a more diverse sustainable economy in Ireland with particular focus on the Midlands. www.accelerategreen.ie/

Bord na Móna plc

Directors' Report

Reporting Requirement	Policies and Standards which Govern our Approach	Additional information and Risk Management
Anti-bribery and Corruption	<ul style="list-style-type: none"> Code of Conduct¹ Anti-Bribery Corruption and Fraud Policy¹ 	<ul style="list-style-type: none"> Governance Report (see Page 6)
Human Rights	<ul style="list-style-type: none"> Section 42 of the Irish Human Rights and Equality Commission Act, 2014 	<ul style="list-style-type: none"> In this Financial Year, neither BnM plc nor any of the company's subsidiaries carried out business operations in the UK, and as such the requirements of the UK's Modern Slavery Act 2015 are no longer directly applicable. However, BnM is committed to the principles of preventing modern slavery and safeguarding human rights in its own operations and supply chain. BnM has conducted an assessment of the human rights and equality issues it believes to be relevant to its functions and purposes, and has put in place policies, plans and actions in compliance with Section 42 of the Irish Human Rights and Equality Commission Act, 2014. In addition, BnM has made available to the public, via the weblink below, developments and achievements in preventing discrimination, promoting equality and protecting human rights. www.bordnamona.ie/legal-requirements/
Description of Principle risks and impact of business activity	<ul style="list-style-type: none"> Risk Management Policy¹ 	<ul style="list-style-type: none"> Governance Report: Risk Management Report page 7.
Description of our Business Model	<ul style="list-style-type: none"> BnM is a climate solutions company helping lead Ireland towards a climate neutral future. 	<ul style="list-style-type: none"> Our solutions cover renewable energy, recycling, waste management, peatlands rehabilitation, carbon sequestration and biodiversity conservation. www.bordnamona.ie/who-we-are/overview/ <p>See also our strategic response to climate solutions outlined in the CEO Statement on page 3.</p>
Non-financial key performance indicators	<ul style="list-style-type: none"> Renewable Energy Health & Safety Task Force on Climate Related Financial Disclosures (TCFD) 	<ul style="list-style-type: none"> Renewable electricity generation was 1,084,012 MWh for the year (excluding joint ventures). Our average Total Recordable Incident Rate from a health and safety perspective was 1.53 for the year. The Financial Stability Board created the Task Force on Climate Related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. BnM continues, as part of its broader reporting & disclosures of ESG matters, to gather data and analyse climate related risks & opportunities which are incorporated into our annual Sustainability Update. These Sustainability Updates are publicly available on the company's website.

¹ Certain policies and Standards are not published externally

Bord na Móna plc

Directors' Report

E. The Board

Operations of the Board

The Board is responsible for overseeing and directing the Bord na Móna Group and ensuring its long-term success. Decisions are made after appropriate information has been made available to Board Directors and with due consideration of the risks identified through the risk management process. The Board has reserved a schedule of matters for its decision, including:

- Adoption and approval of Group strategy, rolling business and financial plan, annual budgets and interim and annual financial statements;
- Review of operational and financial performance;
- Approval of major contracts;
- Review of the Group's system of financial control and risk management;
- Appointment of the Chief Executive; and
- Appointment of the Company Secretary.

The Board is provided with regular information on a timely basis which includes Key Performance Indicators for all areas of the business. Reports and papers are circulated to the Directors in preparation for Board and Committee meetings. All Directors of the Board have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring compliance with Board procedures. The Group's professional advisors are available for consultation by Directors, as required. Individual directors may take independent professional advice in line with specified procedures. Each Director received an appropriate briefing on being appointed to the Board and access to training is provided by the Group during a Director's term of office.

Board Meetings

The Board met ten times during the financial year.

Board Evaluation

The Board carried out an external board evaluation of its performance during the financial period ended 26 March 2025, including the performance of each of the five standing Committees of the Board. Recommendations for improvements have been agreed and have been implemented or are underway.

Stakeholder Dialogue

The Board and Management maintain an ongoing dialogue with stakeholders on strategic issues.

Directors' Independence

The Board notes that the Chief Executive and four Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 have contracts of employment with BnM. The Board considers that all other Directors are independent.

Bord na Móna plc

Directors' Report

F. Board Committees

There are five standing Committees of the Board which operate under formal terms of reference.

1. Risk and Audit Committee

In accordance with the provisions of Section 167 of the Companies Act 2014 (the "Act"), the Directors confirm that they have in place a Risk and Audit Committee which meets the requirements of section 167 of the Act.

The members of the Risk and Audit Committee as at 26 March 2025 were Eimear Cahalin (Chair), Margot Slattery and Catherine Guy. There was a vacancy on the Committee during the year and for the period of the vacancy the Committee invited the Chairperson of the Board (Geoffrey Meagher) to attend the Risk and Audit Committee meetings and he provided invaluable support to the Committee during that time. The Committee met four times during the financial year. The Committee meets periodically with the internal auditor, the external auditor and Senior Management to discuss the Group's internal accounting controls, the internal audit function, the choice of accounting policies and estimation techniques, the external audit plan, the statutory audit report, financial reporting, the Group's risk process, procurement compliance, protected disclosures and other related matters. The internal auditor and external auditor have unrestricted access to the Risk and Audit Committee. The Chair of the Committee reports to the Board on all significant issues considered by the Committee, and reports on its meetings are circulated to all Directors.

2. People and Culture Committee

The People and Culture Committee deals with human resource strategy, talent, succession and people management, diversity and inclusion, engagement and other HR matters. The Committee met two times during the financial year. The members as at 26 March 2025 were Margot Slattery (Chair), Paddy Rowland, Lorna Conn and Sinead Culleton Lowry.

3. Finance Committee

The Finance Committee considers the financial aspects of matters submitted to the Board, including the Annual Budget and rolling business and financial plan, significant acquisitions or disposals of assets or property and the terms of major contracts. The members as at 26 March 2025 were Geoffrey Meagher (Chair), Tom Donnellan, Lorna Conn and Anne Cusack. The Committee met five times during the financial year.

4. Health and Safety Committee

The Health and Safety Committee reviews plans and policy on Health and Safety and reports to and advises the Board on Health and Safety matters within the BnM Group. The members as at 26 March 2025 were Mary Rose Burke (Chair), Tom

Bord na Móna plc

Directors' Report

Donnellan, Paddy Rigney, Stephen Markham. The Committee met four times during the financial year.

5. **Nominations and Governance Committee**

The Nominations and Governance Committee deals with the remuneration and succession of the Chief Executive and senior management within Government guidelines, reviews remuneration policy generally and considers pension arrangements, facilitates a Board performance evaluation process each year, including an independent third party process every three years and advises the Board on the outcome of the evaluation process and any corrective actions required, reviews the skills and composition of the Board and provides guidance on the Group's ESG & Sustainability strategy in conjunction with the Risk & Audit Committee. The members as at 26 March 2025 were Geoffrey Meagher (Chair), Tom Donnellan and Mary Rose Burke. The Committee met five times during the financial year.

Bord na Móna plc

Directors' Report

G. Attendance at Board and Committee Meetings

The table below summarises the attendance of the Directors at Board and Committee meetings which they were eligible to attend during the financial year ended 26 March 2025.

Board Member	FY25	
	Board Meetings Attended/ Eligible	Committee Meetings Attended/ Eligible
G Meagher (Chairman)	10/10	12/12*
T Donnellan (Chief Executive)	10/10	14/14
P Rowland	8/10	1/2
MR Burke	10/10	9/9
M Slattery	10/10	6/6
S Culleton Lowry	10/10	1/2
L Conn	10/10	6/7
E Cahalin	10/10	4/4
A Cusack	9/10	4/5
P Rigney	10/10	4/4
S Markham	9/10	4/4
C Guy	8/8	2/2

*G Meagher was invited and attended 2 of 4 Risk and Audit Committee meetings due to a vacancy on the Committee throughout the year

H. Board Fees/Remuneration of Directors

Fees for Directors are determined by the Government and set out in writing by the Minister for Climate, Energy and the Environment. Directors' remuneration is outlined in note 5 to the financial statements on page 63.

The total expenses paid to the Directors in the financial year ended 26 March 2025 was €7,583 (FY24: €8,105).

Bord na Móna plc

Directors' Report

I. Accounting Records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the obligation to keep adequate accounting records, by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records are kept at the Group's registered office, Main Street, Newbridge, Co Kildare, W12 XR59.

V. Companies Acts 2014

Director's Compliance Statement

It is the policy of BnM to comply with the Company's relevant obligations, as defined in section 225 of the Companies Act 2014. Each of the Directors acknowledge that they are responsible for the Company's compliance with its "relevant obligations" and confirm as follows:

- A compliance policy statement has been drawn up setting out the Company's policies regarding compliance by the Company with its "relevant obligations";
- Appropriate arrangement and structures designed to secure material compliance with the Company's "relevant obligations" have been put in place; and
- A review of the aforementioned arrangements and structures has been conducted during the financial year.

Relevant Audit Information

In accordance with the provisions of section 330 of the Companies Act 2014, each of the Directors confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the statutory auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

VI. Internal Controls

On behalf of the Company the Directors' acknowledge the Board's responsibility for ensuring that an effective system of internal controls is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable but not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way. The system of internal control, which accords with guidance issued by the Department of Public Expenditure, National Development Plan Delivery and Reform has been in place in BnM for the period ended 26 March 2025 and up to the date of approval of the financial statements.

The principal procedures which have been put in place by the Board include:

- an organisation structure with clear operating and reporting procedures, authorisation limits, segregation of duties and delegated authorities;
- a code of conduct that requires all Directors and employees to maintain the highest ethical standards in conducting business;

Bord na Móna plc

Directors' Report

- clearly defined management responsibilities have been established throughout the Group and the services of qualified personnel have been secured and duties properly allocated among them;
- a statement of decisions reserved to the Board;
- a risk management process which enables the identification and assessment of risks that could impact business performance and objectives and ensures that appropriate mitigation plans are formulated to minimise the residual risk;
- a comprehensive budgeting process for each business, function and business services culminating in an annual Group budget approved by the Board;
- a comprehensive planning process for each business, function and the business services culminating in an annual Group long-term plan, approved by the Board;
- a comprehensive financial reporting system with actual performance against budget, prior year, forecasts, performance indicators and significant variances reported monthly to the senior leadership team and Board;
- a set of policies and procedures relating to operational and financial controls including capital expenditure;
- a Protected Disclosures Policy to provide employees and others with a confidential means to report any fraud or ethical concerns;
- procedures for addressing the financial aspects of major business risks, including financial policies and procedures, delegation practices, and segregation of duties and these are supported by appropriate oversight;
- management at all levels are responsible for internal control over their respective business functions and provide annual management assurance statements and a self-assessment questionnaire; and
- procedures for monitoring the effectiveness of the internal control systems include management reviews, the use of external consultants, Internal Audit and the work of the Risk and Audit Committee.

Internal Audit in conjunction with external consultants considers the Group's control systems by examining key internal controls on a cyclical basis, by testing the accuracy of transactions and by otherwise obtaining management's assurance that the control systems are operating in accordance with the Group's policies and control requirements. Internal audit report directly to the Risk and Audit Committee on the risk based internal audit plan including the operation of internal controls and make recommendations on improvements to the control environment if appropriate. Where weaknesses in internal control systems have been identified action plans for strengthening them are put in place which are regularly monitored until complete.

The Group has a framework in place to review the adequacy of risk management and internal controls covering strategic, financial, operational, and compliance controls. Management are responsible for establishing formal procedures for monitoring control processes and control deficiencies. Since the end of the financial year an independent consultant examined the system of internal control and evaluated whether it operated effectively throughout the reporting period. This included the system of internal reporting in place and assessing whether it gave adequate early warning of control failures and emerging risks. The findings were communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way.

Bord na Móna plc

Directors' Report

The Directors confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

The Directors confirm that BnM has procedures to monitor the effectiveness of its risk management and control procedures. BnM's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, external consultants, the Risk and Audit Committee which oversees their work, and the senior leadership team within BnM responsible for the development and maintenance of the internal control framework.

The Directors confirm that the Board conducted an annual review of the effectiveness of the internal controls for the period ended 26 March 2025 and up to the date of approval of the financial statements. The process used to review the effectiveness of the system of internal controls includes:

- review and consideration of the internal audit work programme and consideration of its reports and findings;
- review of the regular reporting from Internal Audit on the status of the internal control environment and the status of recommendations raised previously from their own reports and reports from the external auditor;
- review of reports from the external auditor which contain details of any material internal control issues identified by them in their work as auditors;
- a designated Risk Management function in BnM;
- review of the risk register reports, the counter measures in place to mitigate the risk, the remaining residual risk and actions required or being taken to further mitigate the risks;
- a review of the procurement compliance update provided to the Risk and Audit Committee;
- a review of Group Health and Safety as presented quarterly to the Health and Safety Committee and the Board;
- a review of compliance with the Company's obligations under the Companies Acts as presented to the Risk and Audit Committee; and
- a Financial and Operational review carried out monthly with senior management, quarterly with the Finance Committee and with the Board at each Board meeting.

No material weaknesses in internal control were identified in relation to the reporting period that require disclosure in the financial statements.

Bord na Móna plc

Directors' Report

VII. Going Concern

The Directors, having made enquiries, believe that BnM has adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

VIII. Disclosures required under the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that BnM has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016 and any amendments. The following disclosures are required by the Code:

Travel and Subsistence

The total costs incurred in relation to travel and subsistence in the Bord na Móna Group in the financial year ended 26 March 2025 was €1,544,094 (FY24: €1,415,598).

Hospitality

The aggregate total expenditure incurred in the Bord na Móna Group in relation to hospitality (including expenditure on staff well-being, contribution to sports and social clubs, Christmas parties, vouchers etc.) in the financial year ended 26 March 2025 was as follows:

Staff hospitality: €734,821 (FY24: €788,691)

Client hospitality: €nil (FY24: €nil)

Consultancy Costs

Expenditure on external consultants' fees including the cost of external advice to management and excluding outsourced business as usual functions in the Bord na Móna Group in the financial year ended 26 March 2025 was €6,534,780 (FY24: €5,703,487).

IX. Prompt Payments of Accounts

The Directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the Prompt Payments of Accounts Act 1997, the European Communities (Late Payment in Commercial Transactions) Regulations 2002 and the European Communities (Late Payment in Commercial Transactions) Regulations 2012 - 2016 (the "Regulations"). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable but not absolute assurance against material non-compliance with the Regulations. The Directors are satisfied that BnM has complied in all material respects with the relevant requirements of the Regulations in relation to external supplier payments within the EU. In 2015, the Government launched the Prompt Payment Code of Conduct and BnM is a signatory to this code and undertakes to pay suppliers within agreed terms.

X. Official Languages Act 2003 and 2021

The Directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the Official Languages Act 2003 and 2021. A member of Senior Management has been appointed to oversee the performance of our obligations under the Act

Bord na Móna plc

Directors' Report

and report to the Chief Executive as appropriate. Procedures have been implemented to ensure, among other things, appropriate consideration for the Irish language in media, advertising and publications in the context of the Act requirements. Such procedures provide reasonable but not absolute assurance against material non-compliance with the Act. The Directors are satisfied that BnM has complied in all material respects with the relevant requirements of the Act.

XI. Risks and Uncertainties

The Board has overall responsibility for risk management including determining the nature and extent of significant risks that it is willing to accept in pursuit of its strategic and operational objectives. To address this, the Board has established a Risk Management System that provides for continuous identification, assessment, implementation of mitigating actions and controls, and the monitoring and reporting of significant risks within BnM. Details of the principal risks facing the Group and the operation of the Risk Management System of BnM in the financial year ended 26 March 2025 are given on pages 7 - 10.

XII. Directors' and Secretary's Shareholdings

The Trustee of the Bord na Móna Employee Share Ownership Plan (ESOP) continues to hold circa 5% of the total ordinary shares in Bord na Móna plc on behalf of 1,899 participants (serving and retired employees) in the Bord na Móna Employee Share Ownership Trust or the Bord na Móna Approved Profit Sharing Scheme (APSS).

Paddy Rigney, Stephen Markham, Sinead Culleton Lowry and Paddy Rowland are participants in the Bord na Móna Employee Share Ownership Plan. At the start and end of the financial year Stephen Markham had a notional allocation of 759 ordinary shares in Bord na Móna and the other three Directors outlined above each had a notional allocation of 1,771 ordinary shares in Bord na Móna. These shares are held in the Bord na Móna Approved Profit Sharing Scheme. The other Directors and their families had no interests in the shares of Bord na Móna or any other Group company during the year ended 26 March 2025 or in the prior year.

XIII. Subsequent Events

There have been no events requiring disclosure between the balance sheet date and the date on which the financial statements were approved.

XIV. Principal Subsidiaries and Partnerships

Details of the Group's principal operating subsidiaries (including overseas branches) and partnerships are set out in note 25 of the financial statements.

XV. Research and Development

The research and development costs incurred during the year by the Group were €14.9 million (FY24: €15.3 million).

XVI. Political Donations

The Board made no political donations during the year (FY24: €nil).

Bord na Móna plc

Directors' Report

XVII. Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditor KPMG, Chartered Accountants, who were re-appointed, will continue in office.

On behalf of the Board:

DocuSigned by:

644EBE16FE514CA

Geoffrey Meagher
Chairman and Director

Signed by:

C84AB708703D484

Tom Donnellan
Chief Executive

Bord na Móna plc

Directors' Report

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group and Company are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website <https://www.bordnamona.ie/who-we-are/publications-reports/>. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

DocuSigned by:

644EBF16FF514CA...
Geoffrey Meagher
Director

Signed by:

C84AB708703D484...
Tom Donnellan
Chief Executive

18 June 2025

Independent Auditor's Report to the members of Bord na Móna plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bord na Móna Plc ('the Company') and its consolidated undertakings ('the Group') for the year ended 26 March 2025 set out on pages 31 to 117, which comprise the Consolidated and Company Balance Sheets, the Consolidated Income Statement, the Consolidated Statement of Total Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity, and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014 and FRS 101 Reduced Disclosure Framework.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 26 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent Auditor's Report to the members of Bord na Móna plc (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the non-financial statement included on the company's website at www.bordnamona.ie/legal-requirements/ and the information included in the statement from the chairperson and the statement from the chief executive and the risk management report.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Independent Auditor's Report to the members of Bord na Móna plc (*continued*)

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Under the Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code as included in the Directors' Report on page(s) 11 to 24 does not reflect the Group's compliance with paragraph 1.9 (iv) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.

The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 25, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company'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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the members of Bord na Móna plc (continued)

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

18 June 2025

Brian MacSweeney
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green

CONSOLIDATED FINANCIAL STATEMENTS

Contents	Page
Consolidated Income Statement	31
Consolidated Statement of Total Comprehensive Income	32
Consolidated Balance Sheet	33
Consolidated Statement of Changes in Equity	34
Consolidated Statement of Cash Flows	35
Notes forming part of the Consolidated Financial Statements	36

Bord na Móna Plc

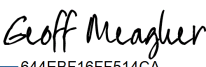
Consolidated Income Statement

for the year ended 26 March 2025

	Note	26 March 2025 €'000	27 March 2024 €'000
Continuing Operations			
Revenue	3	254,205	278,710
Cost of sales		(180,951)	(190,317)
Gross profit		73,254	88,393
Other income	7	8,392	73,543
Distribution expenses		(4,638)	(3,812)
Administrative expenses	6	(45,080)	(49,904)
Impairment of property, plant and equipment	10	-	(1,490)
Operating profit		31,928	106,730
Finance income	8	7,644	7,040
Finance costs	8	(7,184)	(5,210)
Net finance costs		460	1,830
Share of profit of equity-accounted investees	15	1,675	4,553
Profit before tax		34,063	113,113
Income tax expense	9	(8,292)	(10,903)
Profit for the year		25,771	102,210
Profit attributable to:			
Owners of the Company		25,723	101,899
Non-controlling interests		48	311
		25,771	102,210

The accompanying notes are an integral part of these financial statements.

On behalf of the board

DocuSigned by:

 644EBF16FF514CA...
 Geoffrey Meagher
 Chairman

Signed by:

 C84AB708703D484...
 Tom Donnellan
 Chief Executive

18 June 2025

Bord na Móna Plc

Consolidated Statement of Total Comprehensive Income for the year ended 26 March 2025

	Note	26 March 2025 €'000	27 March 2024 €'000
Profit for the year		25,771	102,210
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit pension liability	26	(1,530)	(2,691)
Related tax on remeasurements of defined benefit pension liability	9	342	336
Investment property revaluation reserve	11	-	415
		<u>(1,188)</u>	<u>(1,940)</u>
Items that are or may be reclassified to profit or loss			
Cash flow hedges - changes in fair value		(33,003)	41,849
Related tax on changes in fair value of hedges		4,125	(5,231)
Cash flow hedges - reclassified to profit or loss		(4,486)	(46,166)
Related tax on cash flow hedges reclassified to profit or loss		561	5,771
Share of other comprehensive income of equity-accounted investees	15	(2,806)	(3,238)
		<u>(35,609)</u>	<u>(7,015)</u>
Other comprehensive expense net of tax		(36,797)	(8,955)
Total comprehensive income for the year		(11,026)	93,255
Total comprehensive income attributable to:			
Owners of the Company		(11,074)	92,944
Non-controlling interests		48	311
		<u>(11,026)</u>	<u>93,255</u>

The accompanying notes are an integral part of these financial statements.

Bord na Móna Plc

Consolidated Balance Sheet

for the year ended 26 March 2025

	Note	26 March 2025 €'000	27 March 2024 €'000
Assets			
Non-current assets			
Property, plant and equipment	10	468,086	398,251
Investment property	11	2,700	1,400
Intangible assets	12	15,474	16,684
Right of use assets	13	14,541	9,899
Equity-accounted investees	15	117,488	108,034
Retirement benefit asset	26	42,576	43,539
Total non-current assets		660,865	577,807
Current assets			
Inventories	14	19,679	16,747
Trade and other receivables	16	106,671	135,099
Derivative financial instruments	28	-	18,053
Cash and cash equivalents	23	33,238	68,346
Total current assets		159,588	238,245
Total assets		820,453	816,052
Equity			
Equity attributable to owners of the company			
Share capital	21	82,804	82,804
Share premium	21	1,959	1,959
Cash flow hedge reserve		(17,006)	15,797
Other reserves		8,606	11,412
Retained earnings		327,905	317,370
Equity attributable to owners of the Company		404,268	429,342
Non-controlling interests		1,643	1,595
Total equity		405,911	430,937
Liabilities			
Non-current liabilities			
Retirement benefit obligations	26	772	2,317
Loans and borrowings	20	183,309	124,769
Lease liabilities	13	10,727	6,947
Provisions	19	62,304	66,797
Derivative financial instruments	28	6,422	-
Deferred tax liabilities	9	13,484	16,520
Total non-current liabilities		277,018	217,350
Current liabilities			
Loans and borrowings	20	6,486	6,786
Lease liabilities	13	3,957	3,126
Provisions	19	17,646	25,475
Derivative financial instruments	28	13,014	-
Trade and other payables	17	96,421	132,378
Total current liabilities		137,524	167,765
Total liabilities		414,542	385,115
Total equity and liabilities		820,453	816,052

The accompanying notes are an integral part of these financial statements.

On behalf of the board

Geoffrey Meagher
Chairman

DocuSigned by:
Geoff Meagher
644EBF16FF514CA...

Tom Donnellan
Chief Executive

Signed by:
Tom Donnellan
18 June 2025
C84AB708703D484...

Bord na Móna Plc

Consolidated Statement of Changes in Equity

for the year ended 26 March 2025

	Share capital	Share premium	Other reserves	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 29 March 2023	82,804	1,959	14,235	19,574	(511)	255,649	373,710	1,284	374,994
Total comprehensive income									
Profit for the year	-	-	-	-	-	101,899	101,899	311	102,210
Other comprehensive income									
Remeasurements of defined benefit liability	-	-	-	-	-	(2,355)	(2,355)	-	(2,355)
Cash flow hedge - changes in fair value	-	-	-	36,618	-	-	36,618	-	36,618
Cash flow hedge - reclassified to profit and loss	-	-	-	(40,395)	-	-	(40,395)	-	(40,395)
Investment property revaluation	-	-	415	-	-	-	415	-	415
Share of other comprehensive income of equity-accounted investees	-	-	(3,238)	-	-	-	(3,238)	-	(3,238)
Translation reserve reclassified to profit and loss on disposal of subsidiary	-	-	-	-	511	-	511	-	511
Transactions with owners of the company									
Dividends	-	-	-	-	-	(37,823)	(37,823)	-	(37,823)
At 27 March 2024	82,804	1,959	11,412	15,797	-	317,370	429,342	1,595	430,937
Total comprehensive Income									
Profit for the year	-	-	-	-	-	25,723	25,723	48	25,771
Other comprehensive income									
Remeasurements of defined benefit liability	-	-	-	-	-	(1,188)	(1,188)	-	(1,188)
Cash flow hedge - changes in fair value	-	-	-	(28,878)	-	-	(28,878)	-	(28,878)
Cash flow hedge - reclassified to profit and loss	-	-	-	(3,925)	-	-	(3,925)	-	(3,925)
Share of other comprehensive income of equity-accounted investees	-	-	(2,806)	-	-	-	(2,806)	-	(2,806)
Transactions with owners of the company									
Dividends	-	-	-	-	-	(14,000)	(14,000)	-	(14,000)
At 26 March 2025	82,804	1,959	8,606	(17,006)	-	327,905	404,268	1,643	405,911

The accompanying notes are an integral part of these financial statements.

Bord na Móna plc

Consolidated Statement of Cash Flows

for the year ended 26 March 2025

	Note	26 March 2025 €'000	27 March 2024 €'000
Cash flows from operating activities			
Profit for the year		25,771	102,210
Adjustment for :			
Depreciation of property, plant and equipment	10	24,860	28,045
Amortisation of intangible assets	12	1,605	2,028
Profit on disposal of interest in subsidiaries and joint ventures	7	-	(64,416)
Profit on sale of property, plant and equipment	7	(5,607)	(3,617)
Capital grants amortisation		(71)	(1,024)
Impairment of property, plant and equipment	10	-	1,490
Emission allowances	12	76	2,276
Profit of equity-accounted investees	15	(1,675)	(4,553)
Net finance income	8	(460)	(1,830)
Tax charge	9	8,292	10,903
		52,791	71,512
Operating cash flows before changes in working capital and provisions			
Changes In:			
Trade and other payables		(36,147)	1,995
Trade and other receivables	16	29,117	(45,264)
Inventories		(2,932)	(3,616)
Provisions		(13,556)	(12,785)
Excess of cash contributions over pension charge	26	(273)	(2,476)
		(23,791)	(62,146)
Interest paid		(3,385)	(768)
Tax paid		(6,230)	(14,597)
		19,385	(5,999)
Cash generated from / (used in) operating activities			
Cash flows from investing activities			
Proceeds on disposal of interest in subsidiaries and joint ventures	7	-	63,032
Proceeds on disposal of property, plant and equipment	10	5,607	3,755
Intangible asset purchase	12	(471)	(2,538)
Purchase of property, plant and equipment	10	(94,695)	(131,944)
Advances of loans to equity-accounted investees	15	(16,512)	(33,981)
Distributions from equity-accounted investees	15	5,926	2,188
Interest received	8	5,805	3,720
		(94,340)	(95,768)
Net cash used in investing activities			
Cash flows from financing activities			
Funds received on revolving credit facility	20	65,000	45,000
Long term borrowings	20	(6,785)	(3,589)
Repayment of lease liabilities	13	(4,368)	(3,393)
Dividends paid to shareholders	27	(14,000)	(37,823)
		39,847	195
Net cash from financing activities			
Net decrease in cash and cash equivalents		(35,108)	(101,572)
Cash and cash equivalents at the beginning of year		68,346	169,918
Cash and cash equivalents at the end of year	23	33,238	68,346

The accompanying notes are an integral part of these financial statements

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements

1 Reporting entity

Bord na Móna plc (the "Company") is a company domiciled in Ireland. The financial statements as at and for the year ended 26 March 2025 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees. The Company's registered office is Main Street, Newbridge, Co. Kildare, W12 XR59. The registered number of the Company is 297717.

One ordinary share is held by the Minister for Climate, Energy and the Environment. 5% of the ordinary shares are held by the employees of the Group through an Employee Share Ownership Plan (ESOP). The remainder of the issued share capital is held by the Minister for Finance (whose shares stand transferred to the Minister for Public Expenditure, National Development Plan Delivery and Reform under the Ministers and Secretaries Act 2011).

2 Material accounting policies (including use of estimates and judgements)

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements and have been consistently applied by all Group entities.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101"). A separate Company income statement is not presented in these financial statements as the Company has availed of the exemption provided by Section 304 of the Companies Act 2014.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items on the balance sheet:

- the defined benefit plan asset is recognised as the net of the fair value of plan assets and the present value of the defined benefit obligation;
- investment property is measured at fair value; and
- derivatives are measured at fair value.

Functional currency

The financial statements are presented in Euro, which is the functional currency of the Group. All financial information presented in Euro has been rounded to the nearest thousand, except where otherwise indicated.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Use of estimates and judgements

The preparation of the consolidated financial statements and Company financial statements in conformity with IFRS and FRS 101 respectively requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The judgements in applying accounting policies that have the most significant effect on amounts recognised in the consolidated and Company financial statements are outlined below:

- During the year ended 26 March 2025, the Group entered into a process to dispose of its subsidiary “Bord na Móna Recycling Limited”. At 26 March 2025, the process was subject to CCPC approval and Ministerial consent. The business has not been classified as held for sale or discontinued operations in these financial statements, as the necessary substantive conditions under IFRS 5 were not fully met as of the reporting date. CCPC approval for the transaction was subsequently obtained on 11 April 2025 however Ministerial consent had not been obtained at the date of signing these financial statements.

The key estimates in applying accounting policies that have the most significant effect on amounts recognised in the consolidated and Company financial statements are:

- Measurement of revenue from generating assets under the Renewable Energy Feed In Tariff (“REFIT”) scheme. See note 3.
- Useful lives of property, plant and equipment and intangible assets. See notes 10 and 12.
- Measurement of provisions. See note 19.
- Valuation of pension scheme assets and liabilities. See note 26.
- Valuation of derivative financial instruments. See note 28.

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 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).

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Measurement of fair values (continued)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring fair values is included in the note on Financial Instruments and Risk Management (See Note 28).

For financial assets and liabilities not measured at fair value, the carrying amount presented in these financial statements is a reasonable approximation of fair value.

Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period from 28 March 2024 to 26 March 2025 (prior year: 52-week period from 30 March 2023 to 27 March 2024).

Going concern

The Group and Company financial statements are prepared on the going concern basis of accounting. The Group and Company have considerable financial resources and the Directors believe that the Group is well placed to manage its risks successfully. The Group has significant available resources, including €33.2 million of cash and cash equivalents available to the Group at 26 March 2025 (2024: €68.3 million) (see note 23) and committed undrawn bank facilities of €90 million at 26 March 2025 (2024: €155 million) (see note 28). Further details of the Group's liquidity position are provided in note 28 of the financial statements.

The Board has a reasonable expectation that the Group has sufficient resources to continue in operation for at least twelve months from the date of approval of the financial statements. When completing the going concern assessment, the Board has considered the principal risks and uncertainties as detailed in the Risk Management Report.

Changes in accounting policies

Standards effective during the year

The Group has applied the following standards and amendments for the first time in the financial year commencing 28 March 2024:

- Amendments to IAS 1: *Classification of liabilities as current or non-current*
- Amendments to IAS 1: *Non-current liabilities with covenants*
- Amendments to IFRS 16: *Lease liability in a sale and leaseback*
- Amendments to IAS 7 and IFRS 7: *Supplier finance arrangements*
- Amendments to IAS 21: *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Changes in accounting Policies (continued)

These newly effective standards did not have a material impact on the results of the Group.

Standards not yet effective

The following standards are not effective for the 26 March 2025 reporting period and have not been adopted early by the Group:

- Amendments to IFRS 9 and IFRS 7: *Classification and measurement of financial instruments*
- IFRS 18: *Presentation and disclosure of financial statements*

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

- IFRS 19: *Subsidiaries without public accountability: Disclosures*

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Changes in accounting Policies (continued)

These standards and amendments are not expected to have a material impact on the financial statements.

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Gains and losses on such settlements are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not subsequently re-measured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint ventures

A joint venture is an arrangement over which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its individual assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, until the date on which joint control ceases.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Basis of consolidation (continued)

Associate

An associate is an entity in which the Group has significant influence but not control or joint control. Interests in associates are accounted for using the equity method.

Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Subsequently they are allocated their share of total comprehensive income.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiaries are carried at cost less impairment in the financial statements of the Company.

Foreign currency

Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currency of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not retranslated.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. An arrangement is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In assessing whether an arrangement conveys the right to control the use of an identified asset, the Group uses the definition of a lease contained in IFRS 16.

An arrangement may contain both lease and non-lease components. The Group allocates the consideration per the arrangement to the lease and non-lease components based on their relative stand alone prices. For property leases the Group has elected not to separate lease and non-lease components and accounts for these as a single lease component.

The Group recognises a lease liability and right of use asset at the lease commencement date. The lease liability is initially measured at the present value of the following lease payments:

- fixed payments, including in-substance fixed payments, less any incentives receivable;
- variable lease payments which are based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments in an optional renewal period, if the Group is reasonably certain to exercise an extension option; and
- penalty payments for early termination of the lease, unless the Group is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used.

To determine the incremental borrowing rate, the Group obtains interest rates from various external financing sources and makes adjustments to reflect the terms of the lease and the nature of the leased asset.

The lease liability is subsequently measured at amortised cost using the effective interest method. The Group is exposed to potential future increases in variable lease payments based on an index or rate; which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to achieve a constant rate of interest on the remaining balance of the liability.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Leases (continued)

The right of use asset is initially measured at cost comprising the following amounts:

- the initial measurement of the lease liability;
- lease payments made on or before the commencement date less any lease incentive received;
- initial direct costs; and
- restoration costs.

The right of use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the asset. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over its useful life. In addition, the right of use asset may be periodically reduced by impairment losses, if any, and adjusted for reassessments of the lease liability.

The Group has elected not to recognise lease liabilities and right of use assets for short term leases and leases of low value assets. Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the unwind of discounts or provisions;
- the net interest cost on defined benefit pensions;
- the net gain or loss on financial assets at fair value through profit and loss;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the net gain or loss on hedging instruments that are recognised in profit or loss; and
- the reclassification of amounts related to cash-flow hedges previously recognised in OCI.

Interest income or expenses are recognised using the effective interest method.

The Group's finance cost excludes interest capitalised on assets in the course of construction.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Taxation

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

Current tax represents the amount expected to be payable or receivable in respect of taxable profit or loss for the year and any adjustment to the tax payable and receivable in respect of previous years. It is calculated using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Revenue

Generation and Trading – Revenue from power generation (Republic of Ireland)

Integrated-Single Electricity Market (“I-SEM”)

The I-SEM is the wholesale electricity market arrangement for the Republic of Ireland and Northern Ireland. There are two ex-ante markets for energy; the Day-Ahead Market and the Intraday Market. In addition, energy balancing services are offered into the Balancing Market by generators (energy producers) and suppliers (energy consumers). Capacity is a commitment by a generator or interconnector owner to be available to deliver energy into the grid, if called on to do so. Capacity providers who are successful in the Capacity Market Auctions receive a regular capacity payment, which assists with funding generation capacity. Revenue from the sale of electricity in the I-SEM markets is recognised over time on consumption of electricity and an I-SEM receivable is recognised on the balance sheet and settled daily for the ex-ante market and weekly for the ex-post market.

Capacity income is received through the 'Capacity Remuneration Mechanism' (“CRM”) where a capacity payment is made to a participant in respect of a generator unit in each capacity period on the basis of the unit’s eligible availability, which is based on the unit’s availability profile. Revenue is recognised over time, recognised as an I-SEM receivable on the balance sheet and settled within one month.

Ancillary income is received through 'Delivering a Secure Sustainable Electricity System' (“DS3”) programme for provision of services to the grid. Ancillary income is recognised over time in line with services provided. Ancillary income is recognised as a receivable on the balance sheet and settled within one month.

The measurement of revenue from the electricity market is occasionally uncertain and subject to change. The Group identifies and estimates variable elements within transactions, considering available information, historical data, market conditions, and relevant factors. A constraint is applied to ensure revenue is only recognised to the extent that it is highly probable that a reversal in the amount will not occur.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Revenue (continued)

Recycling

Domestic and commercial waste collection

Customers obtain the benefit of domestic and commercial waste collection services when waste is collected from their premises. Invoices are usually payable on typical industry terms. Discounts are provided in certain circumstances.

Revenue is recognised (net of discounts) over time as the services are rendered. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. Revenue related to the payment for services received in advance of the service being rendered are recognised as a contract liability until the benefit has passed to the customer.

Landfill revenue

Customers obtain the benefit of landfill services when the waste is delivered at the landfill. Invoices are usually payable on typical industry terms. Discounts are provided in certain circumstances.

Deferred revenue and accrued revenue

On receipt of payment from customers in advance of the performance of the Group's contractual performance obligations to its customers, the Group recognises deferred revenue on the balance sheet, representing the Group's unperformed obligations under the contract terms. When the Group performs its obligations and thereby obtains the right to consideration, the related revenue is recognised in the income statement. The costs associated with the delivery of the services are charged to cost of sales as incurred.

Revenue earned on goods and services delivered but unbilled is recognised in accordance with contractual terms as accrued revenue on the balance sheet.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Property, plant and equipment

Recognition and measurement

Freehold land is measured at cost less any accumulated impairment losses. All other items of property, plant and equipment are measured at cost less accumulated depreciation, depletion and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs associated with this; and
- capitalised borrowing costs.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) and depreciated separately.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Borrowings costs that are directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets. Where funds are borrowed specifically for the purpose of financing the construction of property, plant and equipment, the amount of finance costs capitalised is limited to the actual costs incurred on the borrowings during the period in respect of expenditure on the property, plant and equipment. The capitalisation of borrowing costs ceases when the asset is commissioned or where active development has been interrupted for an extended period of time.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depletion and depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over the estimated useful lives. Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Property, plant and equipment (continued)

Depletion and depreciation (continued)

Property, plant and equipment is depreciated from the date that they are available for use or in respect of assets in the course of construction from the date that the asset is completed and ready for use.

There are a number of different useful lives over which the assets are depreciated as below:

Assets on a straight-line basis

Items of property, plant and equipment are depreciated on a straight-line basis at the rates indicated:

Plant and machinery	5% to 33%	per annum
Wind farms	5%	per annum
Motor Vehicles	20%	per annum
Buildings	5% to 10%	per annum
IT equipment	20% to 33%	per annum

Other asset categories

Generating assets

The Group's generating assets are depreciated on a straight-line basis with the charge calculated to write the cost of the asset to its estimated residual value. The use of the straight-line basis of depreciation reflects the anticipated consumption of the economic benefit of the assets on a consistent basis over the useful life (twenty years) of the generating assets based on their availability to the grid.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Property, plant and equipment (continued)

Landfill

The infrastructural cost of the landfill asset is depreciated over the licensed life of twenty years. The landfill cells and the related capitalised costs for which there is a related environmental provision are depreciated on the basis of the usage of void space.

Assets in course of construction

No depreciation is charged on assets in the course of construction.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item at the end of the previous reporting period) is recognised in profit or loss.

Intangible assets and goodwill

Recognition and measurement

Goodwill Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development Expenditure on research and development activities is recognised in profit or loss as incurred.

Other intangible assets (excluding emissions allowances) Other intangible assets, including contracts, grid connections, customer lists and software are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Intangible assets and goodwill (continued)

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss.

The estimated useful lives are as follows:

- Grid connection 20 years
- Software 3-8 years
- Customer relationships 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Goodwill is not amortised but is subject to annual impairment reviews.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value.

Bioenergy inventories are valued at weighted average actual cost.

Net realisable value is based on estimated selling price in the ordinary course of business less the estimated cost of completion necessary to make the sale.

Employee benefits

The Group has both defined benefit and defined contribution pension arrangements.

Short term employee benefits

Short term employee benefits are expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution schemes

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit schemes

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Employee benefits (continued)

Defined benefit schemes (continued)

Where the scheme rules require a surplus arising in the scheme to be shared between employer and the members, the amount attributable to the members is treated as an increase in the scheme liabilities. The movement in the share attributable to members is recognised in the Statement of Other Comprehensive Income (“OCI”).

Re-measurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit liability (asset) at the previous reporting date, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of these benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Financial instruments – Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it has been designated as a hedging instrument and is not designated as FVTPL. Financial assets measured at FVOCI are accounted for in accordance with the accounting policy for cash flow hedges set out on page 59.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 28). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Financial assets – Business model assessment (continued)

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities (continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets at amortised cost

The Group recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward looking information.

The Group recognises ECLs at a probability weighted estimate of credit losses for financial assets less than 90 days past due (see note 28). The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Measurement of ECLs (continued)

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL on the Balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 120 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term deposits.

Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

In the statement of cash flows cash and cash equivalents are shown net of short-term overdrafts which are repayable on demand.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Derivative financial instruments and hedge accounting

The Group may hold derivative financial instruments to hedge its exposure to foreign currency risk, interest rate risk and market risks such as electricity prices. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognised initially at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss unless hedge accounting is being applied.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Financial derivative instruments are used by the Group to hedge interest rate and commodity price exposures. All such derivatives are recognised at fair value and are re-measured to fair value at the balance sheet date. The majority of other derivative financial instruments are designated as being held for hedging purposes.

The designation of the hedge relationship is established at the inception of the contract. The treatment of gains and losses on subsequent re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a fair value or cash flow hedge. All fair value movements on derivatives that are not part of hedging relationships are recorded through the income statement.

The Group uses derivative financial instruments to hedge its exposure to commodity price and interest rate risk arising from operational, financing and investing activities. The principal derivatives used include interest rate swaps and contracts for difference. Commodity contracts are used to hedge the Group's exposures to the purchase of fuel and sale of electricity.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

2 Material accounting policies (continued)

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from retained earnings, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when paid.

Provisions and contingent liabilities

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

Grants

Government grants other than emission allowances are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Climate Change

The Group continues to develop and enhance its assessment of the potential long-term impacts of climate change on the assets and liabilities in its financial statements. The impact of climate change has been considered in the preparation of these financial statements across a number of areas, predominantly in respect of the valuation of the property, plant and equipment held by the Group.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

3 Revenue

	26 March 2025	27 March 2024
	€'000	€'000
Renewable Energy	149,239	160,859
Recycling	96,324	103,945
Home Heating	-	3,973
Land & Habitats	4,809	5,419
Other	3,833	4,514
	254,205	278,710

Included in the above is an estimate of revenue earned by generating assets under Renewable Energy Feed In Tariff (“REFIT”) arrangements for the period 1 October 2024 to 26 March 2025. The key assumptions included within the estimate are the day ahead market (“DAM”) prices and forecasted wind generation for the period 27 March 2025 to 30 September 2025 as the REFIT year runs from 1 October to 30 September.

The Home Heating business which previously operated the Derrinlough Briquette Factory ceased trading in June 2023.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

4 Employee benefit expenses

The average number of persons employed by the Group (excluding non-executive directors) during the year, analysed by category, is as follows:

	26 March 2025	27 March 2024
	Number	Number
Operations	543	835
Administration	482	412
Total	<u>1,025</u>	<u>1,247</u>
Peak Employment	<u>1,064</u>	<u>1,328</u>

The aggregated payroll costs of these persons were as follows:

	26 March 2025	27 March 2024
	€'000	€'000
Wages and salaries	60,882	63,099
Social security costs	6,644	7,307
Pension costs (defined contribution)	1,911	1,895
Pension costs (defined benefit)	387	586
	<u>69,824</u>	<u>72,887</u>
Staff costs capitalised	<u>(2,717)</u>	<u>(2,752)</u>
Net staff costs	<u>67,107</u>	<u>70,135</u>

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

5 Directors' remuneration

	26 March 2025 €'000	27 March 2024 €'000
Directors' fees	144	137
Salary	225	225
Company contributions to pension schemes	72	69
Taxable benefits	52	55
Other remuneration	241	225
	734	711

The directors' remuneration disclosure is made up of remuneration paid by Bord na Móna plc to all the directors of the Company, namely the Worker Participation directors, non-executive directors and the executive director. The number of directors to whom retirement benefits accrued amounted to 5 (2024: 5). Some of the directors are currently in the defined benefit pension schemes. The aggregate amount paid or payable for past directors' retirement benefits (excluding amounts where the scheme was adequately funded) was €149,000 (2024: €206,000).

	Fees €'000	Other Remuneration €'000	Company Contribution to pension €'000	Total €'000
Non Executive Directors:				
(i) Directors appointed in accordance with the Worker Participation (State Enterprise) Acts 1977 and 1988 (4)				
(Number of worker directors; 2025: 4 / 2024: 4)				
26 March 2025	50	241	16	307
27 March 2024	50	225	13	288
(ii) Other non-executive Directors				
(Number of other non-executive directors; 2025: 7 / 2024: 6)				
26 March 2025	94	-	-	94
27 March 2024	87	-	-	87

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension schemes €'000	Taxable benefits €'000	Total €'000
Executive directors						
Tom Donnellan	-	225	-	56	52	333
Year Ended 26 March 2025	-	225	-	56	52	333
Tom Donnellan	-	225	-	56	55	336
Year Ended 27 March 2024	-	225	-	56	55	336

The non-executive chairman receives an annual fee of €21,600 and each of the Directors, excluding the Chief Executive, receive an annual fee of €12,600. These amounts are adjusted on a pro rata basis where a term of office commences or concludes during the year.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

5 Directors' remuneration (continued)

The directors who held office at the end of the financial year had the following interest in the ordinary shares at the start of the year, or at their date of appointment if later, and at the end of the year to 26 March 2025:

	26 March 2025	27 March 2024
Paddy Rowland	1,771	1,771
Sinead Culleton Lowry	1,771	1,771
Stephen Markham	759	759
Padraig Rigney	1,771	1,771

The above shares owned by the directors are held through the Employee Share Ownership Programme ("ESOP").

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

6 Statutory and other information

The profit for the year is arrived at after charging/(crediting):

	26 March 2025	27 March 2024
	€'000	€'000
Depreciation (note 10)	24,860	28,045
Profit on disposal of property, plant and equipment (note 7)	(5,607)	(3,617)
Amortisation of intangible assets (note 12)	1,605	2,028
Impairment of property, plant and equipment (note 10)	-	1,490
Research and business development expenditure	14,853	15,267
Capital grants amortised (note 18)	(253)	(1,024)
Impairment losses on trade receivables arising on contracts with customers	3,677	1,194
Foreign exchange gain	(41)	18
	26 March 2025	27 March 2024
	€'000	€'000
Auditor's remuneration		
Audit services	358	371
Other assurance services	44	43
Other	456	1,063
Tax services	89	248
Total	947	1,725

The audit fee for the Company is €13,000 (2024: €13,000). The above includes out-of-pocket expenses of €5,000 (2024: €5,000) that were reimbursed to the auditor.

The Risk and Audit Committee review the level of non-audit services provided by the external auditors annually to ensure auditor independence is not compromised. The external auditors confirm their adherence to procedures safeguarding their objectivity and independence.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

7 Other income

	26 March 2025 €'000	27 March 2024 €'000
Other income	2,785	5,510
Profit on disposal of property, plant and equipment	5,607	3,617
Profit on disposal of interest in subsidiaries	-	57,107
Profit on disposal of interest in joint venture	-	7,309
	8,392	73,543

Other income includes rental income from third parties and joint ventures.

There were no disposals of interests in subsidiaries or joint ventures during the year ended 26 March 2025. The comparative amounts relate to the disposal of the Group's 50% interest in 8 subsidiary companies to SSE Renewables Wind Farms (Ireland) Limited and the disposal of the Group's 50% interest in Electricity Exchange DAC to its joint venture partners, Viotas Holdings Limited, in the prior financial year.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

8 Net finance costs

	26 March 2025 €'000	27 March 2024 €'000
Finance income:		
Interest income	5,805	4,908
Net interest income on defined benefit pensions	1,839	2,132
	<u>7,644</u>	<u>7,040</u>
Finance costs:		
Interest on overdraft and revolving credit facilities	(3,639)	(441)
Interest on project financing	(1,330)	(1,726)
Unwind of discount on provisions (note 19)	(1,460)	(1,155)
Amortisation of issue costs	(341)	(360)
Interest on lease liabilities (note 13)	(329)	(257)
Notional interest loss on provisions	(85)	(1,271)
	<u>(7,184)</u>	<u>(5,210)</u>
Net finance income	460	1,830

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

9 Income taxes

(a) Amounts recognised in income statement

	26 March 2025 €'000	27 March 2024 €'000
Current tax:		
Irish corporation tax	5,253	7,938
Adjustments in respect of prior years	601	(20)
Total current tax	5,854	7,918
Deferred tax		
Origination and reversal of temporary differences:		
Property, plant and equipment - allowances	571	190
Investment property - capital gains	430	-
Release of pension obligations	350	540
Provisions, unutilised losses and other	1,087	2,255
Total deferred tax	2,438	2,985
Income tax expense on continuing operations	8,292	10,903

(b) Reconciliation of effective tax rate

	26 March 2025 €'000	27 March 2024 €'000
Profit on ordinary activities before tax	34,063	113,113
Tax using standard corporation tax rate in Ireland of 12.5% (2023: 12.5%)	4,258	14,139
<i>Tax effect of:</i>		
Depreciation and amortisation in excess of capital allowances		
Amortisation of intangible assets	(9)	-
Other non deductible expenses	2,116	2,657
Deferred tax adjustment	(47)	(146)
Deferred tax on reduction in pension liability	-	336
Changes in estimates related to prior years	1,865	45
Adjustment in respect of prior years	-	14
Pension payment in excess of pension cost charge	-	(1,126)
Non-taxable income on provision charges	(17)	-
Ineligible depreciation	-	983
Impact of different tax rates	501	(6,509)
Exempt franked investment income	(375)	-
Capital gains	-	510
Income tax expense	8,292	10,903
Effective tax rate	24%	10%

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

9 Income taxes (continued)

(c) Movements in deferred tax balances

	Balance at 27 March 2024 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 26 March 2025 €'000
Deferred Tax assets						
Property, plant and equipment - capital allowances	1,237	-	511	-	-	1,748
Provisions	2,322	-	(1,447)	-	-	875
Unutilised losses	1,482	446	511	-	-	2,439
Defined benefit pensions	-	-	-	-	-	-
Derivatives	-	-	-	2,430	-	2,430
Total	5,041	446	(425)	2,430	-	7,492
	Balance at 27 March 2024 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 26 March 2025 €'000
Deferred tax liabilities						
Property, plant and equipment - capital allowances	(13,380)	-	(1,082)	-	-	(14,462)
Provisions	(289)	-	(152)	-	-	(441)
Defined benefit pensions	(5,636)	-	(350)	342	-	(5,644)
Derivatives	(2,256)	-	-	2,256	-	-
Investment property	-	-	(429)	-	-	(429)
Total	(21,561)	-	(2,013)	2,598	-	(20,976)
Net Deferred Tax Liability	(16,520)	446	(2,438)	5,028	-	(13,484)

The combined net deferred tax liability of €13.5 million has been shown on the balance sheet.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

9 Income taxes (continued)

	Balance at 29 March 2023 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 27 March 2024 €'000
Deferred tax assets						
Property, plant and equipment - capital allowances	1,951	-	(714)	-	-	1,237
Provisions	4,344	-	(2,022)	-	-	2,322
Unutilised losses	1,514	-	(32)	-	-	1,482
Defined benefit pensions	-	-	-	-	-	-
Total	7,809	-	(2,768)	-	-	5,041
	Balance at 29 March 2023 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 27 March 2024 €'000
Deferred tax liabilities						
Property, plant and equipment - capital allowances	(13,909)	-	529	-	-	(13,380)
Provisions	(69)	-	(220)	-	-	(289)
Defined benefit pensions	(5,446)	-	(526)	336	-	(5,636)
Derivatives	(2,796)	-	-	540	-	(2,256)
Total	(22,220)	-	(217)	876	-	(21,561)
Net Deferred Tax Liability	(14,411)	-	(2,985)	876	-	(16,520)

The combined net deferred tax liability of €16.5 million has been shown on the balance sheet.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

9 Income taxes (continued)

(d) Unrecognised deferred tax assets

The following deferred tax assets were not recognised in the prior year because it was not probable that future taxable profit would be available against which the Group could use the benefits therefrom:

	26 March 2025 €'000	27 March 2024 €'000
Deferred tax assets		
Unused tax losses	-	-
Total	-	-

There are no unrecognised deferred tax assets for the year ended 26 March 2025.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

10 Property, plant and equipment

2025	Peatland, drainage and production buildings €'000	Landfill €'000	Railway, plant and machinery €'000	Generating assets €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group Total €'000
Cost							
At 27 March 2024	142,260	69,384	198,674	469,584	20,201	169,884	1,069,987
Additions	563	434	1,199	4,900	43	87,556	94,695
Disposals/retirements	(143)	-	(78,094)	-	(55)	-	(78,292)
Transfers out of assets under construction	-	-	-	233,895	249	(234,144)	-
At 26 March 2025	142,680	69,818	121,779	708,379	20,438	23,296	1,086,390
Depreciation and impairment							
At 27 March 2024	137,562	64,798	188,147	265,993	15,236	-	671,736
Depreciation charge for year	660	2,488	2,656	18,255	801	-	24,860
Disposals/retirements	(143)	-	(78,094)	-	(55)	-	(78,292)
At 26 March 2025	138,079	67,286	112,709	284,248	15,982	-	618,304
Carrying amount							
At 26 March 2025	4,601	2,532	9,070	424,131	4,456	23,296	468,086
At 27 March 2024	4,698	4,586	10,527	203,591	4,965	169,884	398,251

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

10 Property, plant and equipment (continued)

2024	Peatland, drainage and production buildings €'000	Landfill €'000	Railway, plant and machinery €'000	Generating assets €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group Total €'000
Cost							
At 29 March 2023	144,255	66,883	223,250	458,315	20,136	53,641	966,480
Additions	146	251	1,720	8,159	-	121,668	131,944
Disposals/retirements	(1,156)	-	(26,296)	-	-	-	(27,452)
Reclassification	(985)	-	-	-	-	-	(985)
Transfers out of assets under construction	-	2,250	-	3,110	65	(5,425)	-
At 27 March 2024	142,260	69,384	198,674	469,584	20,201	169,884	1,069,987
Depreciation and impairment							
At 29 March 2023	137,941	61,590	209,526	247,948	12,510	-	669,515
Depreciation charge for year	761	3,208	3,305	18,045	2,726	-	28,045
Impairment charge for year	-	-	1,490	-	-	-	1,490
Disposals/retirements	(1,140)	-	(26,174)	-	-	-	(27,314)
At 27 March 2024	137,562	64,798	188,147	265,993	15,236	-	671,736
Carrying amount							
At 27 March 2024	4,698	4,586	10,527	203,591	4,965	169,884	398,251
At 29 March 2023	6,314	5,293	13,724	210,367	7,626	53,641	296,965

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

10 Property, plant and equipment (continued)

Additions include:

- (i) An amount of €62.4 million (2024: €81.7 million) relating to the construction of the Derrinlough windfarm.
- (ii) An amount of €9.2 million (2024: €22.6 million) relating to the construction of the Cloncreen Battery Storage facility.
- (iii) €2.5 million (2024: €10.5 million) relating to the upgrade of the Cushaling Peaking Plant.
- (iv) €13.6 million relating to the upgrade of the Edenderry Power Station for the conversion to 100% biomass.
- (iii) Borrowing costs of €0.5 million (2024: €0.5 million) were capitalised in respect of assets in course of construction during the year.
- (iv) Transfers from assets in course of construction include upgrades to generating assets and engineered landfill cells which became operational during the year. The balance at year-end represents wind development, administrative buildings and engineered landfill cells.

No property, plant and equipment is held as security for any loans or borrowings of the Group except for the Cloncreen Windfarm. This project is 100% owned by BnM and was project financed with non-recourse debt with security given on the assets of the company.

In accordance with the Group's accounting policies, the Directors undertake an annual review of the carrying amount of all property, plant and equipment at the reporting date to determine whether there is any indication of impairment.

During the year, no impairment losses were recognised on property, plant and equipment (2024: €1.5 million related to production equipment in the Recycling business).

The Group has reviewed its tangible assets for indicators of impairment and no indicators of impairment were noted.

In determining an asset's recoverable amount the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the property, plant and equipment. The estimates and assumptions used are based on historical experience, industry knowledge and other factors that are believed to be reasonable based on information available.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

11 Investment property

	26 March 2025 €'000	27 March 2024 €'000
At beginning of the year	1,400	-
Transfers from property, plant and equipment	-	985
Revaluation	1,300	415
Fair value at end of the year	2,700	1,400

Investment property comprises commercial property in the Republic of Ireland that is currently leased to third parties.

The fair value of investment property was determined having regard for an external, independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

12 Intangible assets

	Software €'000	Grid Connection €'000	Other €'000	Goodwill €'000	Assets in course of construction €'000	Total €'000
2025						
Cost						
At beginning of the year	39,922	25,420	84,558	11,068	2,685	163,653
Additions	129	-	-	-	342	471
Disposals	(3,147)	-	-	-	-	(3,147)
Settlement of emission allowances	-	-	(76)	-	-	(76)
At end of the year	36,904	25,420	84,482	11,068	3,027	160,901
Amortisation and impairment						
At beginning of the year	39,633	13,516	83,102	10,718	-	146,969
Charge for year	146	860	599	-	-	1,605
Disposals	(3,147)	-	-	-	-	(3,147)
At end of the year	36,632	14,376	83,701	10,718	-	145,427
Carrying amounts						
At 26 March 2025	272	11,044	781	350	3,027	15,474
At 27 March 2024	289	11,904	1,456	350	2,685	16,684
2024						
Cost						
At beginning of the year	41,138	25,420	86,834	11,068	196	164,656
Additions	49	-	-	-	2,489	2,538
Disposals	(1,265)	-	-	-	-	(1,265)
Settlement of emission allowances	-	-	(2,276)	-	-	(2,276)
At end of the year	39,922	25,420	84,558	11,068	2,685	163,653
Amortisation and impairment						
At beginning of the year	40,577	12,700	82,211	10,718	-	146,206
Charge for year	321	816	891	-	-	2,028
Disposals	(1,265)	-	-	-	-	(1,265)
At end of the year	39,633	13,516	83,102	10,718	-	146,969
Carrying amounts						
At 27 March 2024	289	11,904	1,456	350	2,685	16,684
At 29 March 2023	561	12,720	4,623	350	196	18,450

Other includes investments in customer lists and carbon emissions credits. Upon settlement of emissions liabilities the credits are released from intangible assets.

In accordance with the Group's accounting policies, the Directors undertake an annual review of the carrying amount of all intangible assets at the reporting date to determine whether there is any indication of impairment.

The Group has reviewed its intangible assets for indicators of impairment and no indicators of impairment were noted.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

13 Leases

The Group leases land and buildings, plant and machinery and motor vehicles, which have average lease periods of 14 years, 4 years and 5 years respectively. Leases do not contain renewal or extension options but may contain options for early termination. The Group does not consider that early termination options, where available, are reasonably certain to be exercised. The following tables provide information for leases where the Group is a lessee.

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
26 March 2025				
Right of use assets				
At 27 March 2024	2,198	165	7,536	9,899
Depreciation	(497)	(48)	(3,637)	(4,182)
Additions	-	-	8,824	8,824
At 26 March 2025	1,701	117	12,723	14,541
27 March 2024				
Right of use assets				
29 March 2023	2,750	265	6,962	9,977
Depreciation	(552)	(100)	(2,657)	(3,309)
Additions and other	-	-	3,231	3,231
At 27 March 2024	2,198	165	7,536	9,899
	26 March 2025 €'000	27 March 2024 €'000		
Lease liabilities				
Opening lease liability	10,073	10,129		
Interest expense	329	257		
Repayments	(4,368)	(3,393)		
Additions	8,650	3,080		
Terminations	-	-		
Closing lease liability	14,684	10,073		
Of which:				
Current	3,957	3,126		
Non-current	10,727	6,947		

The lease interest expense for the year was €0.3 million (2024: €0.3 million) and is included within finance costs on the consolidated income statement.

Total cash outflow for leases for the year ended 26 March 2025 was €4.4 million (2024: €3.4 million).

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

14 Inventories

	26 March 2025	27 March 2024
	€'000	€'000
Raw materials	16,415	13,372
Finished goods	503	571
Maintenance spares - consumables	2,761	2,804
Total	19,679	16,747

Inventory balances are net of provisions of €4.0 million (2024: €5.9 million).

During the year, inventories of €39.2 million (2024: €41.2 million) were recognised as an expense and included in cost of sales.

Maintenance spares – consumables represent items included in the operating cycle.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

15 Equity accounted investees

	26 March 2025	27 March 2024
	€'000	€'000
Joint venture undertakings (a)	103,779	91,838
Associate undertakings (b)	13,709	16,196
	117,488	108,034

(a) Joint venture undertakings

	26 March 2025	27 March 2024
	€'000	€'000
At the beginning of the year	91,838	58,951
Movement in investments	13,535	32,733
Share of profit	879	3,020
Share of equity-accounted investees other comprehensive income	(2,473)	(2,866)
At the end of the year	103,779	91,838

(b) Associate undertakings

	26 March 2025	27 March 2024
	€'000	€'000
At the beginning of the year	16,196	15,975
Movement in investments	(2,949)	(940)
Share of profit	796	1,533
Share of equity-accounted investees other comprehensive income	(334)	(372)
At the end of the year	13,709	16,196

The following companies have been included in the Group's consolidated financial statements as joint ventures using equity accounting:

Company Name	Partner(s)	% Shareholding	Carrying Value of Equity Interest	
			26 March 2025	27 March 2024
			€'000	€'000
Owenniny Power Holdings DAC	ESB	50%	18,447	19,558
Owenniny Power 2 Holdings DAC	ESB	50%	30,819	30,906
Sundew Solar DAC	ESB	50%	53,111	39,947
Realt na Mara Offshore Wind Farm Holding DAC	Ocean Winds	50%	841	726
Celtic Horizon Offshore Wind Farm Holding DAC	Ocean Winds	50%	558	-
Littleton Wind Farm DAC	SSE Renewables	50%	-	206
Leamanaghan Wind Farm DAC	SSE Renewables	50%	3	205
Garryhinch Wind Farm DAC	SSE Renewables	50%	-	131
Bellair Wind Farm DAC	SSE Renewables	50%	-	41
Derryfadda Wind Farm DAC	SSE Renewables	50%	-	41
Coolnagun Wind Farm DAC	SSE Renewables	50%	-	38
Cornafulla Wind Farm DAC	SSE Renewables	50%	-	8
Kilberry Wind Farm DAC	SSE Renewables	50%	-	31
Sliabh Bawn Wind Holdings DAC	Coillte, Greencoat	37.5%	13,709	16,196
Interest in Equity Accounted Investees at 26 March 2025			117,488	108,034

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

15 Equity accounted investees (continued)

Oweninny Power

The Group owns a 50% interest in Oweninny Power Holdings DAC (“Oweninny”) which was incorporated in September 2011 as a joint venture between Bord na Móna Powergen Limited and ESB Wind Development Limited. The joint venture operates an 89MW wind farm in Oweninny, Co. Mayo.

Oweninny Power 2

The Group owns a 50% interest in Oweninny Power 2 Holdings DAC (“Oweninny 2”) which was incorporated in April 2018 as a joint venture between Bord na Móna Powergen Limited and ESB Wind Development Limited. The joint venture operates an 83MW wind farm in Oweninny, Co. Mayo.

Sundew Solar DAC

The Group owns a 50% interest in Sundew Solar DAC which was incorporated in April 2019 as a joint venture between Bord na Móna Powergen Limited and ESB Wind Development Limited. The solar farm located in Timahoe, Co. Kildare commenced operations during the year.

Realt na Mara and Celtic Horizon

The Group owns a 50% interest in two offshore wind farm projects: Celtic Horizon Offshore Wind Farm Holding Limited and Realt na Mara Offshore Wind Farm Holding Limited. The companies are joint ventures between Bord na Móna Powergen Limited and Ocean Winds Ireland Limited.

Joint Ventures with SSE

The Group owns a 50% interest in eight project development companies which are joint ventures between Bord na Móna Powergen Limited and SSE Renewables Wind Farms (Ireland) Limited to develop onshore wind farms. The eight project companies are: Littleton Wind Farm DAC, Leamanaghan Wind Farm DAC, Garryinch Wind Farm DAC, Bellair Wind Farm DAC, Derryfadda Wind Farm DAC, Coolnagun Wind Farm DAC, Cornafulla Wind Farm DAC and Kilberry Wind Farm DAC.

Sliabh Bawn

The Group owns a 37.5% interest in Sliabh Bawn Wind Holdings DAC (“Sliabh Bawn”), which has developed and operates a 64MW wind farm in Strokestown, Co. Roscommon. Sliabh Bawn is accounted for as an associate in the Group’s consolidated financial statements.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

15 Equity accounted investees (continued)

The Group's aggregate share of income, expenses, assets and liabilities in respect of its interest in equity accounted investees is shown below:

Summarised Income Statement	26 March 2025	27 March 2024
	€'000	€'000
Revenue	60,029	78,559
Cost of sales	(19,176)	(23,365)
Depreciation and amortisation	(21,750)	(21,219)
Interest expense	(8,210)	(8,615)
Other expenses	2,221	(11,548)
Income tax expense	(3,849)	(3,577)
Cashflow hedge movement	(5,835)	(6,683)
	<u>3,430</u>	<u>3,552</u>
Group's share of profit/(loss) and total comprehensive income	(1,132)	1,315

Summarised Balance Sheet	26 March 2025	27 March 2024
	€'000	€'000
Non-current assets	451,435	444,106
Current assets	88,158	99,381
Non-current liabilities	(433,121)	(433,960)
Current liabilities	(44,858)	(39,476)
Net assets (100%)	61,614	70,051
Group's share of net assets	26,967	31,330
Group's loans in joint ventures and associates	90,521	76,704
Carrying value of equity interest	117,488	108,034

Cashflow hedge movement relates to the fair value movement of derivatives designated as cash flow hedges in Owenniny, Owenniny 2 and Sliabh Bawn.

Where the Group's share of losses in a joint venture exceeds its interest in that joint venture, the Group discontinues recognising its share of further losses unless there is a legal or constructive obligation to do so.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

16 Trade and other receivables

	26 March 2025	27 March 2024
	€'000	€'000
Trade receivables	17,039	19,441
Prepayments	3,016	5,821
Grants receivable (note 18)	15,665	20,190
PSO receivables	40,835	62,302
Other receivables	5,438	6,897
Accrued revenue	16,807	17,496
Value added tax	4,209	1,480
Corporation tax	3,662	1,472
Total	106,671	135,099

PSO receivables are a function of the electricity market whereby amounts have been paid by the Group in prior years and are being returned to the Group periodically over the next number of months.

17 Trade and other payables

	26 March 2025	27 March 2024
	€'000	€'000
Trade payables	17,060	37,869
Accruals	39,068	52,126
Deferred income	11,650	10,633
Grants (note 18)	7,352	9,986
Other payables	11,201	13,736
Creditors in respect of tax and social welfare	10,090	8,028
Total	96,421	132,378
Creditors in respect of tax and social welfare comprise:		
Income tax deducted under PAYE	784	895
Pay-related social insurance	886	946
Corporation tax	1,415	946
Value-added tax	7,005	5,239
Other taxes	-	2
Total	10,090	8,028

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

18 Grants

(a) Income grants

Peatlands Climate Action Scheme

The Department of Climate, Energy and the Environment has approved ongoing grant funding up to €108 million to BnM in relation to the enhanced rehabilitation of its peatlands under the Peatlands Climate Action Scheme. This funding is provided by the European Union's Recovery and Resilience Facility as part of Ireland's National Recovery and Resilience Plan. This has been accounted for as a government grant in accordance with IAS 20. Costs are incurred directly by BnM in respect of approved works and are reclaimed from the department quarterly.

Grants receivable	26 March 2025	27 March 2024
	€'000	€'000
At beginning of the year	20,190	16,671
Receivable for work performed and/or approved	10,447	16,328
Reimbursements	(14,972)	(12,809)
At end of the year	15,665	20,190

Grant income of €12.2 million (2024: €16.9 million) earned during the financial year is offset against the costs incurred within cost of sales on the consolidated income statement. €8.7 million (2024: €11.5 million) of which is receivable from the department at year end and is included within grants receivable in note 16. An amount of €7.0 million (2024: €8.7 million) has also been recognised within grants receivable (see note 16) and as deferred grant income (see note 17) on the balance sheet in respect of future grant income receivable from this scheme.

The department reserves the right to claw back grant funding in the event of non-compliance or non-performance of BnM's obligations under the grant agreement.

EU Life IP Peatlands and People

BnM, in its capacity as co-ordinating beneficiary, received an advance payment of €2.0 million from the European Union in respect of the EU LIFE IP Peatlands and People project during the year ended 31 March 2021. There are four other beneficiaries to the grant. As at 26 March 2025 €1.2 million (2024: €0.8 million) had been drawn down by the beneficiaries in aggregate. The balance of this advance payment is included within trade and other payables on the consolidated balance sheet at year end (see note 17).

EU Just Transition Fund Regenerative Tourism and Placemaking Scheme

Grant income of €1.0m has been received during the financial year in respect of the Failte Ireland Trail Network Development Scheme.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

19 Provisions

	Environmental reinstatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
2025					
At beginning of the year	66,199	15,661	7,057	3,355	92,272
Provisions made during the year	3,527	-	1,100	-	4,627
Provisions used during the year	(4,178)	(7,692)	(873)	-	(12,743)
Provisions reversed during the year	(1,811)	(2,940)	(1,000)	-	(5,751)
Unwind of discount	1,460	-	-	-	1,460
Impact of change in discount rates	85	-	-	-	85
At end of the year	65,282	5,029	6,284	3,355	79,950
Amounts due as follows :					
Current	6,674	5,029	2,658	3,285	17,646
Non-current	58,608	-	3,626	70	62,304
Total	65,282	5,029	6,284	3,355	79,950
2024					
At beginning of the year	68,896	27,839	8,404	3,932	109,071
Provisions made during the year	3,918	53	1,150	-	5,121
Provisions used during the year	(5,679)	(12,231)	(1,497)	(371)	(19,778)
Provisions reversed during the year	(3,362)	-	(1,000)	(206)	(4,568)
Unwind of discount	1,155	-	-	-	1,155
Impact of change in discount rates	1,271	-	-	-	1,271
At end of the year	66,199	15,661	7,057	3,355	92,272
Amounts due as follows:					
Current	7,814	12,028	2,348	3,285	25,475
Non-current	58,385	3,633	4,709	70	66,797
Total	66,199	15,661	7,057	3,355	92,272

(a) Environmental Reinstatement

Environmental reinstatement costs include:

(i) Peatlands

Costs that will be incurred to decommission and rehabilitate the peatlands. In accordance with IAS 37, provision was made for these costs when circumstances arose giving rise to the obligation under the Group's Integrated Pollution Prevention Control licence to decommission and reinstate the peatlands post peat production. The provision of €28.0 million (2024: €28.9 million) as at 26 March 2025 represents the present value of the expected future costs of decommissioning and reinstatement.

The key assumptions included within the provision are the cost of machine hours and man hours and the related level of activity required to carry out the decommissioning and rehabilitation works. A reasonable change at the reporting date of 10% to the man hours assumption, holding other assumptions constant, would have increased/(decreased) the provision by +/- €1.4m. The majority of the obligation will unwind over a ten-year timeframe, but the exact timing of the payment is not certain.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

19 Provisions (continued)

(ii) Waste Facilities Environmental Provisions

Environmental provisions of €1.3 million (2024: €4.3 million) recognised in accordance with IAS 37 in respect of the Group's assessment of environmental liabilities in relation to environmental obligations under existing waste licences. It is expected that this provision will unwind over a twenty-year timeframe.

(iii) Drehid Landfill

Provisions are held in respect of the cost of maintaining the landfill facility post closure and the cost of capping existing engineered cells in use. The Group's estimate of minimum unavoidable costs measured at present value amount to €20.5 million (2024: €21 million) at 26 March 2025. The Group continues to review the composition and quantum of these costs which may be impacted by a number of factors including changes in legislation and technology. The key assumptions included in the total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. A reasonable change at the reporting date of 10% to the volume assumption, holding other assumptions constant, would have increased/(decreased) the provision by €1.3m and (€1.5m) respectively. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years after the expiry of the operational license in 2028.

(iv) Environmental Restoration

Certain other environmental restoration costs of €2.1 million (2024: €2.1 million) are recognised in accordance with IAS 37, being the Group's estimate of waste removal and waste management costs associated with certain of its lands. These costs may be impacted by a number of factors including changes in legislation and technology. These estimates are reviewed annually based on advice from third party environmental experts. The majority of the obligation will unwind over a three-year timeframe but the exact timing of the payments is not certain.

(v) Power Station and Wind-farm closure

A provision of €10.3 million (2024: €7.8 million) is held for the power station and wind-farm closure and decommissioning costs based on the present value of the current estimate of the costs of closure and decommissioning of generating assets at the end of their useful economic lives. The key assumptions in determining these costs include management's best estimate of future engineering costs required to dismantle the facilities.

The majority of the obligation will unwind over a twenty five year timeframe but the exact timing of the payments is not certain.

(vi) Briquette and Horticulture Site closure costs

A provision of €1.9 million (2024: €2.1 million) is held for site decommissioning costs based on the present value of the current estimate of the costs of closure of briquette and horticulture plants.

The majority of the obligations will unwind within the next financial year.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

19 Provisions (continued)

(b) Reorganisation and Redundancy

The Board have taken the decision in previous years to restructure the Group as part of a long-term decarbonisation plan. A provision is held which represents the directors best estimate of the cost of these measures and it is expected to be utilised within the short term. The key assumptions are the number of redundancies and the cost per person.

(c) Insurance

The insurance provision relates to employer, public and product liability claims covered under the Group's self-insurance policy. This provision is determined on completion of a case by case assessment. The provision includes a sum for incidents incurred but not reported at the balance sheet date.

(d) Other

Other provisions include various anticipated costs.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

20 Loans and borrowings

	26 March 2025 €'000	27 March 2024 €'000		
Current and Non-current liabilities				
Long term borrowings	82,221	89,006		
Revolving credit facility	107,574	42,549		
Total	189,795	131,555		
Analysis of changes in net debt	At beginning of year €'000	Cash Flow €'000	Non Cash €'000	At end of year €'000
Long term borrowings	(89,006)	6,785	-	(82,221)
Revolving credit facility	(42,549)	(65,000)	(25)	(107,574)
Total loans and borrowings	(131,555)	(58,215)	(25)	(189,795)
Cash	68,346	(35,108)	-	33,238
Net debt	(63,209)	(93,323)	(25)	(156,557)

The Group has a Revolving Credit Facility of €160 million with a group of three banks up to February 2028. At 26 March 2025, €110 million of this facility was drawn down (2024: €45 million). The Revolving Credit Facility has a condition which requires BnM to maintain certain financial covenants in respect of Interest, EBITDA and Net Debt. Failure to comply with financial covenants at a reporting date would result in the debt becoming repayable on demand. At 26 March 2025, BnM is compliant with the financial covenant requirements pertaining to this facility.

The construction of the Cloncreen Windfarm was project financed by Bank of Ireland and the European Investment Bank (EIB). At 26 March 2025, €82 million was outstanding on this project financing (2024: €89 million). This financing arrangement will be repaid in full by December 2037 and requires the Cloncreen Windfarm to maintain certain financial covenants in respect of Interest, EBITDA and Net Debt. At 26 March 2025, BnM is compliant with the financial covenant requirements pertaining to this facility.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

21 Capital and reserves

Called up share capital and share premium

	26 March 2025	27 March 2024
	€'000	€'000
Share capital	82,804	82,804
Share premium	1,959	1,959
	<u>84,763</u>	<u>84,763</u>

Authorised share capital

	26 March 2025	27 March 2024
	€'000	€'000
300,000,000 ordinary shares of €1.27 each	<u>380,921</u>	<u>380,921</u>
Issued and fully paid		
65,212,639 ordinary shares of €1.27 each	<u>82,804</u>	<u>82,804</u>

Ordinary Share Capital

The Company has one class of shares referred to as Ordinary shares. All shares rank equally. The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Nature and purpose of reserves

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other reserve

The other reserve comprises the Group's share of the other comprehensive income of equity-accounted investments.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

22 Guarantees and contingent liabilities

In the normal course of business, the Company provides guarantees in respect of liabilities of certain of its subsidiaries.

From time to time Group companies are party to various negotiations over contractual commitments or obligations, various legal proceedings and in respect of industrial relations matters arising in the normal course of business. It is the opinion of the Directors that these negotiations and proceedings will have no material adverse impact on the financial position of the Group.

23 Cash and cash equivalents

	26 March 2025 €'000	27 March 2024 €'000
Cash	33,238	68,346
Cash and cash equivalents	33,238	68,346

24 Commitments

Capital expenditure commitments

	26 March 2025 €'000	27 March 2024 €'000
Authorised and contracted for	15,300	54,050
Authorised and not contracted for	-	-
	15,300	54,050

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

25 Subsidiaries and investees

The following is a list of principal subsidiaries and investees of the Group at 26 March 2025:

Pursuant to the provisions of Section 357 of the Companies Act, 2014, the Company has guaranteed the liabilities of its Irish subsidiaries. As a result, these companies will be exempted from the filing provisions of Sections 347 and 348 of the Companies Act, 2014. It has not guaranteed the liabilities of its joint ventures.

The Company has a shareholding in the following companies:

Subsidiary Undertaking	Business	Registered Office	Shareholding
Bord na Móna Energy Limited	Production and sale of milled peat	Main St, Newbridge, Co Kildare	100%
Bord na Móna Biomass Limited	Production and sale of milled peat	Main St, Newbridge, Co Kildare	100%
Bord na Móna Powergen Limited	Power generation	Main St, Newbridge, Co Kildare	100%
Edenderry Power Limited	Power generation	Main St, Newbridge, Co Kildare	100%
Edenderry Power Operations Limited	Maintenance of generating assets	Main St, Newbridge, Co Kildare	100%
Cushaling Power Limited	Power generation	Main St, Newbridge, Co Kildare	100%
Edenderry Supply Company Limited	Wholesale distribution of electricity	Main St, Newbridge, Co Kildare	100%
Renewable Energy Ireland Limited	Power generation	Main St, Newbridge, Co Kildare	100%
Mount Lucas Wind Farm Limited	Power generation	Main St, Newbridge, Co Kildare	100%
Mount Lucas Supply Company Limited	Wholesale distribution of electricity	Main St, Newbridge, Co Kildare	100%
Bruckana Wind Farm Limited	Power generation	Main St, Newbridge, Co Kildare	100%
Bruckana Supply Company Limited	Wholesale distribution of electricity	Main St, Newbridge, Co Kildare	100%
Bord na Móna Fuels Limited	Former production, sale and distribution of solid fuels	Main St, Newbridge, Co Kildare	100%
Bord na Móna Horticulture Limited	Former production and sale of horticultural products	Main St, Newbridge, Co Kildare	100%
Bord na Móna UK Limited	Dissolved 14 May 2025	Simonswood Moss Perimeter Road, Kirkby, Liverpool, England L33 3AN	100%
Bord na Móna Environmental Limited	Dissolved 18 May 2025	Main St, Newbridge, Co Kildare	100%
The Greener Gardening Company (Kirkby) Limited	In liquidation	Simonswood Moss Perimeter Road, Kirkby, Liverpool, England L33 3AN	100%
Bord na Móna ESOP Trustee DAC	Trustee of employee share ownership plan	Main St, Newbridge, Co Kildare	100%
Bord na Móna Resource Recovery Limited	Resource recovery and recycling company	Main St, Newbridge, Co Kildare	100%
Bord na Móna Recycling Limited	Resource recovery and recycling company	Main St, Newbridge, Co Kildare	100%
Bord na Móna Property DAC	Dormant	Main St, Newbridge, Co Kildare	100%
Bord na Móna Treasury DAC	Treasury holdings	Main St, Newbridge, Co Kildare	100%
Derryarkin Sand and Gravel DAC	Extraction and sale of sand and gravel	Main St, Newbridge, Co Kildare	55%
Cloncreen Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	100%
Cloncreen Wind Farm Holdings DAC	Holding company	Main St, Newbridge, Co Kildare	100%
Cloncreen Supply DAC	Wholesale distribution of electricity	Main St, Newbridge, Co Kildare	100%
Bord na Móna New Business Limited	Business development	Main St, Newbridge, Co Kildare	100%
Derrinlough Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	100%
Derrinlough Wind Farm Holdings DAC	Holding company	Main St, Newbridge, Co Kildare	100%
Derrinlough Wind Farm Supply DAC	Wholesale distribution of electricity	Main St, Newbridge, Co Kildare	100%
Timahoe North Supply DAC	Energy Supply	Main St, Newbridge, Co Kildare	100%
Cloncreen BESS DAC	Battery Storage	Main St, Newbridge, Co Kildare	100%

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

25 Subsidiaries and investees (continued)

Joint venture / associate company	Business	Registered Office	Shareholding
Oweninny Power Holdings DAC	Power generation	27 Fitzwilliam Street Lower, Dublin 2	50%
Oweninny Power DAC	Power generation	27 Fitzwilliam Street Lower, Dublin 2	50%
Oweninny Power 2 DAC	Power generation	27 Fitzwilliam Street Lower, Dublin 2	50%
Oweninny Power 2 Holdings DAC	Power generation	27 Fitzwilliam Street Lower, Dublin 2	50%
Sliabh Bawn Wind Holdings DAC	Power generation	Dublin Road, Newtownmountkennedy, Co. Wicklow	37.50%
Sliabh Bawn Power DAC	Power generation	Dublin Road, Newtownmountkennedy, Co. Wicklow	37.50%
Sliabh Bawn Supply DAC	Wholesale distribution of electricity	Dublin Road, Newtownmountkennedy, Co. Wicklow	37.50%
Littleton Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Lemanaghan Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Garryhinch Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Bellair Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Derryfadda Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Coolnagun Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Cornafulla Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Kilberry Wind Farm DAC	Power generation	Main St, Newbridge, Co Kildare	50%
Sundew Solar DAC	Power generation	27 Fitzwilliam Street Lower, Dublin 2	50%
Celtic Horizon Offshore Wind Farm Holding Limited	Power generation	70 Sir John Rogerson's Quay, Dublin 2	50%
Celtic Horizon Offshore Wind Farm Limited	Power generation	70 Sir John Rogerson's Quay, Dublin 2	50%
Réalt na Mara Offshore Wind Farm Holding Limited	Power generation	70 Sir John Rogerson's Quay, Dublin 2	50%
Réalt na Mara Offshore Wind Farm Limited	Power generation	70 Sir John Rogerson's Quay, Dublin 2	50%

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

26 Retirement benefit obligations

	26 March 2025	27 March 2024
	€'000	€'000
Total market value of pension scheme assets	270,985	288,532
Present value of defined benefit obligation	(216,487)	(233,948)
Excess of scheme assets over liabilities	54,498	54,584
Members share of surplus on RWESS scheme	(12,694)	(13,362)
Employee retirement benefit asset before tax	41,804	41,222

The net defined benefit asset of €41.8 million (2024: €41.2 million) comprises defined benefit pension schemes in an asset position of €42.6 million (2024: €43.5 million) and defined benefit schemes in a deficit of €0.8 million (2024: €2.3 million). The pension asset and liability are shown separately in the Group balance sheet as €42.6 million and €0.8 million respectively.

(a) Description of the BnM Pension schemes

The Group operates three contributory defined benefit pension schemes, each of which is funded by contributions from the Group and the active members. Contributions are based on the advice of a professional qualified actuary obtained at regular intervals at average rates of pensionable emoluments.

The three schemes in operation are;

- the General Employees Superannuation Scheme (GESS) which covers management, professional and clerical employees;
- the Regular Works Employees Superannuation Scheme (RWESS) which covers remaining categories of employees; and
- the BnM Fuels Pension scheme which covers employees who became Group employees on the acquisition of the Coal Distributors Group, Stafford North East, Sutton Group and Sheehan and Sullivan.

On retirement from one of the defined benefit schemes a member is entitled to a pension equal to the number of pensionable years' service divided by 80 of net retiring salary and a gratuity equal to 3/80 of retiring salary for each year of pensionable service.

Bord na Móna plc has also awarded unfunded pension benefits to certain retired employees including former chief executives and their dependants. The future cost of funding these pensions is recognised in the balance sheet at €0.8 million based on an actuarial valuation at 26 March 2025 (2024: €2.3 million).

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

26 Retirement benefit obligations (continued)

Actuarial valuations and funding position of schemes

At 26 March 2025, the ratio of the fair value of assets to the defined benefit obligation was 125.2% (2024: 123.3%). The actuarial method used (aggregate method) determines a contributory rate which should, if continued until the last of the present members retires, provide a fund which is sufficient to provide their benefits. The assumptions which have the most significant effect on the results of the actuarial valuation are those relating to the return on investments and the discount rate applied to the calculation of future liabilities.

The most recent funding valuation for the GESS and RWESS schemes are dated 31 March 2023 and the BnM Fuels scheme valuation dated 1 April 2024. These valuations are updated for the most recent census data. The actuarial valuation for the GESS assumed that the scheme's investments will earn a nominal rate of investment return of 1.06% per annum in excess of Eurozone swap yield curve reducing to 0.37% in excess of Eurozone swap yield curve by 2027. The actuarial valuation for the RWESS assumed that the scheme's investments will earn a nominal rate of investment return of 0.78% per annum in excess of Eurozone swap yield curve. In the latest actuarial valuations for GESS, RWESS and BnM Fuels the market value of the schemes' investments was €290.8 million.

The most recent actuarial valuations of these three schemes showed the following:

1. A surplus of €12.2 million on the GESS scheme
2. A surplus of €5.6 million on the RWESS scheme
3. A surplus of €2.1 million on the BnM Fuels scheme

At 31 March 2023 after allowing for expected future increases in earnings and pensions in payment, the valuations indicated that the actuarial value of total scheme assets was sufficient to cover 111%, 100% and 129% of the benefits that had accrued to the members of the GESS, RWESS and BnM Fuels (April 2024) schemes respectively at the valuation dates.

Liabilities are computed using the aggregate method, which is considered an appropriate method for defined benefit pension schemes that are closed to new entrants and would expect the average age to increase. All schemes are now in surplus when the total value of the respective scheme assets is compared to the actuarial value of the accrued benefits of the members.

A GESS funding proposal to address the previous scheme deficit was approved by the Board, shareholders, active members and the Pension Board in June 2021. Under the revised funding arrangement, the Group was to pay up to €12.5 million over a five-year period, with €2.5 million to be paid annually between 2023 and 2027 if required. The requirement for the Group to provide funding under this proposal ceased in April 2024 as the scheme returned to a surplus position. No additional liability has been recognised for the funding commitments over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

26 Retirement benefit obligations (continued)

The Group expects to pay €0.7 million in contributions to its defined benefit plans in the year ending 25 March 2026.

Movement in net defined benefit liability	Defined benefit liability		Fair Value of Plan assets		Net Defined benefit asset	
	26 March 2025	27 March 2024	26 March 2025	27 March 2024	26 March 2025	27 March 2024
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at the beginning of the financial year	(247,310)	(249,202)	288,532	288,506	41,222	39,304
Included in income statement						
Current Service Cost	(263)	(242)	-	-	(263)	(242)
Past Service Cost	-	(723)	-	-	-	(723)
Interest Cost	(7,828)	(8,504)	-	-	(7,828)	(8,504)
Interest Income	-	-	9,667	10,637	9,667	10,637
	(8,091)	(9,469)	9,667	10,637	1,576	1,168
Included in OCI						
Remeasurements Actuarial Gain/(Loss) arising from:						
Financial Assumptions	14,616	(6,579)	-	-	14,616	(6,579)
Experience adjustment	(7,401)	110	-	-	(7,401)	110
Return on plan assets excluding interest income	-	-	(9,413)	791	(9,413)	791
Impact of members	668	2,987	-	-	668	2,987
	7,883	(3,482)	(9,413)	791	(1,530)	(2,691)
Other						
Contributions by members	(389)	(604)	389	604	-	-
Contributions paid by the employer	-	-	536	3,441	536	3,441
Benefits paid	18,726	15,447	(18,726)	(15,447)	-	-
	18,337	14,843	(17,801)	(11,402)	536	3,441
Balance at end of financial year	(229,181)	(247,310)	270,985	288,532	41,804	41,222

(a) Plan assets

	26 March 2025	27 March 2024
	€'000	€'000
Equity securities	19,822	18,879
Debt securities	146,069	153,333
Property	-	6,445
Other	105,094	109,875
	270,985	288,532

All equity securities and bonds have quoted prices in active markets. All government bonds are issued by European governments and are rated BBB, AAA or AA. Property assets are based in Ireland. The investments in the RWESS, GESS and BnM Fuels scheme include an increased allocation to bonds which match the profile of some benefit obligations. The investment strategy is to divest from equities and move the funds to bonds and other long term matching assets.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

26 Retirement benefit obligations (continued)

(b) Investment Strategy

- (i) GESS – There is a plan to move to an 80% matched position over the term of the funding plan to 2027. The scheme uses passive management for both equities and bonds, with active managers being used for absolute return/diversified growth funds and alternative long term assets. Currently the holding is 69% defensive assets and 31% growth assets which will mostly reallocate to matching based on market conditions.
- (ii) RWESS – The current the asset allocation is 74% defensive assets and 26% growth assets which reflects the schemes intention to move towards a matched portfolio in the long term. The scheme uses passive management for both equities and bonds, with active managers being used for absolute return/diversified growth funds.
- (iii) BnM Fuels Scheme – At present the scheme holds 87% in defensive assets and 13% in growth assets. The scheme uses passive management for both equities and bonds with active managers being used for absolute return/diversified growth funds.

(b) Defined benefit obligation

(i) Actuarial assumptions

	2025	2024
Discount rate	3.90%	3.45%
Inflation rate (CPI)	2.00%	2.20%
Rate of increase in salaries	3.00%	3.00%
Rate of increase in pensions in payment - RWESS	1.55%	1.70%
Rate of increase in pensions in payment - GESS	0.00%	0.00%

RWESS

Life expectancy at age 65 for pensioners currently aged

65 years

	2025	2024
Male	21.7	22.0
Female	24.2	24.4

Other

Life expectancy at age 65 for pensioners currently aged

65 years

	2025	2024
Male	21.7	22.0
Female	24.2	24.4

RWESS

Life expectancy at age 65 for pensioners currently aged

45 years

	2025	2024
Male	23.0	23.3
Female	25.6	25.8

Other

Life expectancy at age 65 for pensioners currently aged

45 years

	2025	2024
Male	23.0	23.3
Female	25.6	25.8

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

26 Retirement benefit obligations (continued)

At 26 March 2025, the weighted average duration of the defined benefit obligation was in 10 years (2024: 11 years).

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown.

(ii) Sensitivity analysis

Impact in thousands of euro on gross defined benefit obligations	2025	%
Discount rate (0.25% increase)	(5,238)	-2%
Salary inflation (0.25% increase)	413	0%
Pension escalation (0.25% increase)	4,796	2%
Impact in thousands of euro on gross defined benefit obligations	2024	%
Discount rate (0.25% increase)	(6,140)	-3%
Salary inflation (0.25% increase)	637	0%
Pension escalation (0.25% increase)	5,523	2%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(c) Pension Risks

The following are the risks associated with the pension plans:

Asset Volatility

The plan's liabilities are calculated using a discount rate set with reference to corporate bond yields; if a plan's assets underperform this yield, this will create a deficit. The plans hold a reasonable proportion of equities and absolute return funds which are expected to outperform corporate bonds in the long-term while increasing volatility and risk in the short-term. As the plans mature, the Trustees of the plans will reduce the level of investment risk by investing more in assets that better match the liabilities.

The Trustees believe that due to the long-term nature of the plans' liabilities and the strength of the supporting Company, a level of continuing equity and absolute return fund investment is an appropriate element of the Trustees' long term strategy to manage the Plan efficiently.

Changes in Bond Yields

A decrease in corporate bond yields will increase the plans' liabilities. A decrease in corporate bond yields will also increase the plans' assets to the extent that a plan is invested in corporate bonds.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

26 Retirement benefit obligations (continued)

Inflation Risk

Some of the pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

Life Expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Investment Risk

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The assets of the plans are invested in a wide range of asset classes including equities, bonds, property and absolute return funds.

27 Related party disclosure

(a) Transactions with key management personnel

(i) Key management personnel compensation

Key management personnel comprise the worker participation directors, non-executive directors, the executive director and his direct reports. The compensation attributable to these personnel comprised the following:

	26 March 2025 €'000	27 March 2024 €'000
Short-term employee benefits*	2,389	2,468
Post-employment benefits	195	197
Termination benefits	-	351
	2,584	3,016

*Includes directors fees paid to non-executive directors and worker directors

(ii) Key management personnel interests

See note 5 for information on the interests of the directors in the ordinary shares of the Company.

(iii) Key management personnel transactions

There are no key management personnel transactions other than disclosed above.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

27 Related party disclosure (continued)

(b) Parent and ultimate controlling party

The Group is a state-owned company. 95% of the issued share capital is held by the Minister for Finance (whose shares stand transferred to the Minister for Public Expenditure, National Development Plan Delivery and Reform under the Ministers and Secretaries Act 2011). The other 5% is held by Bord na Móna ESOP on behalf of the employees. One ordinary share is held by the Minister for Climate, Energy and the Environment.

(c) Other related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Associates and Joint Ventures

The Group provided services amounting to €0.8 million (2024: €2.5 million) in the areas of planning, project management, legal, finance and administration to its associates and joint ventures. These services are charged in accordance with arrangements agreed between the shareholders of the associates and joint ventures.

The associates and joint ventures owed the Group €90.5 million at 26 March 2025 (2024: €76.7 million). During the year shareholder loans of €10 million were advanced to Sundew Solar for the construction of its Solar Farm in Timahoe North, Co. Kildare. Shareholder loans of €1.9 million were advanced to the joint venture partnership with SSE.

Entities controlled by the Irish Government

In the ordinary course of its business the Group engaged in commercial transactions with entities controlled by the Irish Government.

The Group purchased electricity from ESB during the year in the amount of €2.0 million (2024: €1.6 million). During the year, the Group provided €0.7 million (2024: €1.2 million) of environmental services to ESB of which no amount was receivable at year end (2024: €nil).

The Group provides ancillary services to Eirgrid under the terms of a supply contract, in the year ended 26 March 2025 these services amounted to €4.1 million (2024: €4.8 million) of which no amount was receivable at year end (2024: €nil). The Group also purchases transmission services from Eirgrid and the amount of services purchased and settled in the year was €4.1 million (2024: €4.0 million).

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

27 Related party disclosure (continued)

(d) Other related party transactions (continued)

During the year ended 26 March 2025 the Group purchased goods from Coillte in the amount of €2.9 million (2024: €2.2 million), of which no amount was payable at year end (2024: €nil). The Group also paid €0.2m in respect of a land lease agreement with Coillte (2024: €0.2 million).

The Group provided waste collection services to a number of county councils and government agencies during the year. The combined value of these sales was €5.0 million (2024: €6.0 million) of which €1.0 million was receivable at year end (2024: €0.9 million).

From time to time the Group places monies on deposit with financial institutions controlled by the State. At year end the Group had €0.9 million on deposit (2024: €0.9 million) with such institutions.

The following dividends were paid by the Company during the years ended 26 March 2025 and 27 March 2024.

	26 March 2025 €'000	27 March 2024 €'000
To the Minister for Finance	13,300	35,932
To Bord na Móna ESOP Trustee Limited	700	1,891
	<u>14,000</u>	<u>37,823</u>

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instrument and risk management

(a) Fair Value

	Carrying Amount				Fair Value			Total
	Assets at amortised cost €'000	Liabilities at amortised cost €'000	Hedging instruments at fair value €'000	Total carrying amount €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	
26 March 2025								
Contracts for difference	-	-	(19,436)	(19,436)	-	-	(19,436)	(19,436)
Trade receivables	17,039	-	-	17,039	-	17,039	-	17,039
Cash and cash equivalents	33,238	-	-	33,238	33,238	-	-	33,238
Accrued revenue	16,807	-	-	16,807	-	16,807	-	16,807
Other receivables	72,825	-	-	72,825	-	72,825	-	72,825
Trade payables	-	(17,060)	-	(17,060)	-	(17,060)	-	(17,060)
Other payables	-	(60,359)	-	(60,359)	-	(60,359)	-	(60,359)
Long term borrowings	-	(189,795)	-	(189,795)	-	-	(189,795)	(189,795)
	139,909	(267,214)	(19,436)	(146,741)	33,238	29,252	(209,231)	(146,741)
27 March 2024								
Contracts for difference	-	-	18,053	18,053	-	-	18,053	18,053
Trade receivables	19,441	-	-	19,441	-	19,441	-	19,441
Cash and cash equivalents	68,346	-	-	68,346	68,346	-	-	68,346
Accrued revenue	17,496	-	-	17,496	-	17,496	-	17,496
Other receivables	98,162	-	-	98,162	-	98,162	-	98,162
Trade payables	-	(37,869)	-	(37,869)	-	(37,869)	-	(37,869)
Other payables	-	(73,890)	-	(73,890)	-	(73,890)	-	(73,890)
Long term borrowings	-	(131,555)	-	(131,555)	-	-	(131,555)	(131,555)
	203,445	(243,314)	18,053	(21,816)	68,346	23,340	(113,502)	(21,816)

Estimation of fair values

The principal methods and assumptions used in estimating the fair values of financial assets and liabilities are explained below.

Cash and cash equivalents including the short-term bank deposits

For short term bank deposits and cash and cash equivalents, all of which have a maturity of less than three months, the carrying value is deemed to reflect a reasonable approximation of fair value.

Trade and other receivables/payables

For the receivables and payables with a remaining term of less than one year or demand balances, the carrying amount less impairment allowances, where appropriate, is a reasonable approximation of fair value.

Loans

The fair value of borrowings is calculated based on discounted future principal and interest cash flows. The carrying amount is deemed to reflect a reasonable approximation of fair value.

Contracts for difference

The fair value of contracts for difference are valued using the discounted cashflow method. Cash flows are determined using forward electricity curve rates at the reporting date, contracted settlement prices and present value calculations. The significant unobservable inputs used in determining the fair value of contracts for difference are forward electricity prices and generation volumes.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(a) Fair Value (continued)

The following table shows a reconciliation of Level 3 financial instruments from opening balances at 28 March 2024 to the year end 26 March 2025:

	€'000
At the beginning of the year	131,555
Additions	81,639
Settlements	(6,785)
At the end of the year	206,409

The below table shows the impact to the fair value of derivative financial instruments from reasonably possible changes in one of the significant unobservable inputs, holding other inputs constant:

Impact on OCI - Gain / (Loss)	€'000
€1 price increase	(3,728)
10% generation volume increase	(1,661)
1% discount rate increase	(637)

(b) Financial risk management

The Group's operations expose it to various financial risks that include credit risk, liquidity risk and market risk. The Group has a risk management framework in place which seeks to limit the impact of these risks on the financial performance of the Group. It is the policy of the Group to manage these risks in a non-speculative manner.

This note presents information about the Group's exposure to each of the above risks and the objectives, policies and processes for measuring and managing the risks. Further quantitative and qualitative disclosures are included throughout this note.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(b) Financial risk management (continued)

The Group Risk and Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Risk and Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk and Audit Committee.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and cash and cash equivalents.

The carrying amounts of financial assets represent the maximum credit exposure.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors which may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is vetted individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings and trade references when available. Credit limits are established for each customer and reviewed annually or by exception when required. Credit limits are approved via an approval matrix which contains members of the Senior Management Teams, both in the business and in the Group Centre. In monitoring customer credit risk, customers are grouped according to their characteristics, including their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

At 26 March 2025, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

	26 March 2025 €'000	27 March 2024 €'000
Ireland	17,039	19,441
	<u>17,039</u>	<u>19,441</u>

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(c) Credit risk (continued)

Expected credit loss (“ECL”) assessment for individual customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 26 March 2025 and 27 March 2024.

	Weighted average loss rate	Gross carrying amount €'000	Loss allowance €'000	Credit impaired
At 26 March 2025				
Current (not past due)	0.2%	13,347	27	No
1 - 30 days past due	4.3%	1,531	66	No
31 - 60 days past due	10.0%	1,202	120	No
61 - 90 days past due	15.0%	681	102	No
More than 90 days past due	85.0%	3,955	3,362	No
		<u>20,716</u>	<u>3,677</u>	
At 27 March 2024				
Current (not past due)	0.1%	16,005	16	No
1 - 30 days past due	5.0%	1,697	85	No
31 - 60 days past due	10.0%	554	55	No
61 - 90 days past due	15.0%	865	130	No
More than 90 days past due	60.0%	1,514	908	No
		<u>20,635</u>	<u>1,194</u>	

Loss rates are based on actual credit loss experience over the last year. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(c) Credit risk (continued)

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows.

	€'000
Balance at 28 March 2024	1,194
Impairment loss recognised	2,578
Utilisation of the provision	(95)
Balance at 26 March 2025	3,677

Cash and cash equivalents

The Group held cash and cash equivalents of €33.2 million at 26 March 2025 (2024: €68.3 million). The cash and cash equivalents are held with banking and financial institution counterparties, which are rated BBB+ or higher, based on Standard & Poors ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Available liquidity

The group has the following undrawn overdraft and loan facilities

Facility	Drawn amount at 26 March 2025 €'000	Total of Facility €'000	Available Headroom €'000
Revolving credit facility	110,000	160,000	50,000
Bank overdraft	-	40,000	40,000
Total	<u>110,000</u>	<u>200,000</u>	<u>90,000</u>

The Company and certain subsidiary companies have entered into a "Cashpool Agreement" with their principal bankers. The Cashpool Agreement includes a master cash netting agreement in respect of specified accounts contained within that agreement. All Irish subsidiaries are included in this Cashpool Agreement.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(d) Liquidity risk (continued)

Contractual Maturities

The following are the contractual maturities of the Group financial liabilities, including estimated interest payments.

	Carrying Amount €'000	Contractual Cash Flows €'000	Less than 1 Year €'000	1-2 Years €'000	2-5 Years €'000	More than 5 Years €'000
At 26 March 2025						
Long term borrowings	189,795	(199,940)	(8,537)	(116,797)	(22,610)	(51,996)
Derivative Financial Instruments	19,436	(29,875)	(23,207)	(8,587)	(7,008)	8,927
Lease Liabilities	14,684	(15,171)	(4,289)	(3,827)	(6,897)	(158)
Trade and other payables	77,419	(77,419)	(77,419)	-	-	-
Total	301,334	(322,405)	(113,452)	(129,211)	(36,515)	(43,227)
At 27 March 2024						
Borrowings:						
Long term borrowings	89,006	(89,006)	(6,786)	(6,486)	(19,945)	(55,789)
Lease Liabilities	10,073	(10,432)	(3,223)	(2,652)	(4,295)	(262)
Trade and other payables	111,759	(111,759)	(111,759)	-	-	-
Total	210,838	(211,197)	(121,768)	(9,138)	(24,240)	(56,051)

(e) Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group and Company's income or the value of its holdings of financial instruments.

Foreign exchange rate risk

The Group is not materially exposed to foreign exchange rate risk as transactions are predominately denominated in Euro.

(f) Interest rate risk

The Group adopts a policy of ensuring a balance between variable interest rate risk exposure and fixed interest rate risk exposure.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	26 March 2025 €'000	27 March 2024 €'000
Fixed rate instruments:		
Loans and borrowings	82,221	89,006
Lease liabilities	14,684	10,073
Variable rate instruments:		
Revolving credit facility	110,000	45,000

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(f) Interest rate risk (continued)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by €0.8 million after tax (2024: €0.9 million). This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit and Loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments:				
2025	(963)	963	(963)	963
2024	(394)	394	(394)	394

(g) Other price risk

Commodity price risk management

The Group is exposed to commodity price risk, principally in relation to the purchase of biomass as feedstock for the Edenderry Power Station as well as the price of electricity. The Group manages this risk through its biomass procurement process and through contracts for difference for the supply of electricity, which provide a hedge to commodity price risk exposure.

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

28 Financial instruments and risk management (continued)

(g) Other price risk (continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through annual prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

Forward electricity contracts

For hedges of forward electricity contracts, the Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. Ineffectiveness may arise if the timing or quantity of the forecast transaction changes from what was originally estimated, or if there are changes in credit risk. Hedge ineffectiveness for forward electricity contracts is measured using the hypothetical derivative method.

Contracts for difference are recognised within derivative financial instruments in the Consolidated Balance Sheet and all movements to the cashflow hedge reserve relate to forward electricity contracts. No hedge ineffectiveness arose during the year or prior year.

Cash flow hedges

At 26 March 2025, the Group held the following instruments to hedge exposures to changes in electricity prices.

Contract for differences (net exposure):	Nominal Amount MWh	Carrying Amount €'000	Less than 1 Year €'000	More than 1 Year €'000
2025	5,206,463	(19,436)	(13,014)	(6,422)
2024	455,318	18,053	18,053	-

A general decrease of 10% in the wholesale electricity price of the I-SEM at 26 March 2025 would impact other comprehensive income by the amounts set out below. This analysis assumes that all other variables, remain constant. A 10% increase would have an equal and opposite effect, on the basis that all other variables remained constant.

	26 March 2025 €'000	27 March 2024 €'000
Impact on other comprehensive income and equity (net of tax)		
Gain due to 10% reduction in electricity prices	1,700	1,579

Bord na Móna plc

Notes forming part of the Consolidated Financial Statements (continued)

29 Subsequent events

There have been no events between the reporting date and the date on which the financial statements were approved by the Board, which would require disclosure in and/or adjustment to the financial statements.

30 Approval of financial statements

The financial statements of the Company were approved by the Directors on 18 June 2025.

DRAFT

Entity financial statements of the Company

For the year ended 26 March 2025

Bord na Móna plc

Company Balance Sheet

as at 26 March 2025

	Note	26 March 2025 €'000	27 March 2024 €'000
Assets			
Non-current assets			
Property, plant and equipment	31 (c)	5,784	3,213
Right of use assets		74	120
Intangible assets	31 (d)	539	320
Financial assets	31 (b)	37,314	40,292
Amounts due from joint ventures		88,334	71,591
Amounts due from group companies		236,793	164,889
Retirement benefit asset	31 (i)	40,001	41,485
Total non-current assets		408,839	321,910
Current assets			
Trade and other receivables	31 (e)	110,168	66,053
Cash and cash equivalents		1,701	11,145
Total current assets		111,869	77,198
Total assets		520,708	399,108
Equity			
Equity attributable to owners of the company			
Share capital	21	82,804	82,804
Share premium	21	1,959	1,959
Foreign currency translation reserve		(65)	(65)
Retained earnings		189,367	105,242
Total equity		274,065	189,940
Liabilities			
Non-current liabilities			
Retirement benefit obligations	31 (i)	778	2,317
Loans and borrowings		109,350	44,464
Right of use liabilities		29	75
Amounts due to group companies		22,000	22,000
Provisions	31 (h)	3,874	6,152
Deferred tax liabilities	31 (g)	4,721	4,954
Total non-current liabilities		140,752	79,962
Current liabilities			
Right of use liabilities		46	46
Bank overdraft		46,357	68,830
Provisions	31 (h)	7,109	6,478
Trade and other payables	31 (f)	52,379	53,852
Total current liabilities		105,891	129,206
Total liabilities		246,643	209,168
Total equity and liabilities		520,708	399,108

The accompanying notes are an integral part of these financial statements

On behalf of the board
Geoffrey Meagher
Chairman

DocuSigned by:
Geoff Meagher
644EBF16FF514CA...

Tom Donnellan
Chief Executive

Signed by:
Tom Donnellan
C84AB708703D484...

18 June 2025

Bord na Móna plc

Company Statement of Changes in Equity

for the year ended 26 March 2025

	Share Capital €'000	Share Premium €'000	Foreign currency reserve €'000	Retained Earnings €'000	Total €'000
At 29 March 2023	82,804	1,959	(65)	46,690	131,388
Total comprehensive income					
Profit for the year	-	-	-	98,459	98,459
Other comprehensive income					
Remeasurements of defined benefit liability	-	-	-	(2,084)	(2,084)
Foreign currency reserve - movement in foreign operations	-	-	-	-	-
Transactions with owners of the company					
Dividends paid to shareholders	-	-	-	(37,823)	(37,823)
At 27 March 2024	82,804	1,959	(65)	105,242	189,940
Total comprehensive Income					
Profit for the Year	-	-	-	99,710	99,710
Other comprehensive income					
Remeasurements of defined benefit liability	-	-	-	(1,585)	(1,585)
Foreign currency reserve - movement in foreign operations	-	-	-	-	-
Transactions with owners of the company					
Dividends paid to shareholders	-	-	-	(14,000)	(14,000)
At 26 March 2025	82,804	1,959	(65)	189,367	274,065

The accompanying notes are an integral part of these financial statements.

Bord na Móna Plc

Notes forming part of the Company Financial Statements

for the year ended 26 March 2025

31 (a) Statement of compliance

The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework (“FRS 101”). The Company financial statements have adopted certain disclosure exemptions available under FRS 101. These include:

- a cashflow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures;
- Certain disclosures required by IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases.

31 (b) Financial assets

		Subsidiary Undertakings			
		Unlisted Shares	Capital Contributions	Loans	Total
		€'000	€'000	€'000	€'000
2025					
	At the beginning of the financial year	11	37,303	2,978	40,292
	Settled during the year	-	-	(2,978)	(2,978)
	At the end of the financial year	11	37,303	-	37,314
		Unlisted Shares	Capital Contributions	Loans	Total
		€'000	€'000	€'000	€'000
2024					
	At the beginning of the financial year	11	37,303	2,978	40,292
	At the end of the financial year	11	37,303	2,978	40,292

At 26 March 2025, the carrying amount of the investment in subsidiary undertakings was reviewed for impairment in accordance with Group accounting policies. No impairment loss was recognised in respect of those subsidiary undertakings (2024: *€nil*). A list of the entity’s subsidiary undertakings is set out in note 25.

Bord na Móna Plc

Notes forming part of the Company Financial Statements (continued)

for the year ended 26 March 2025

31 (c) Property, plant and equipment

	Peatland, drainage and production buildings €'000	Railway, plant and machinery €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group Total €'000
2025					
Cost					
At 27 March 2024	559	3,182	11,928	864	16,533
Additions	-	-	43	3,080	3,123
Transfers out of assets under construction	-	-	41	(41)	-
At 26 March 2025	559	3,182	12,012	3,903	19,656
Depreciation and impairment					
At 27 March 2024	-	3,119	10,201	-	13,320
Depreciation charge	-	33	519	-	552
At 26 March 2025	-	3,152	10,720	-	13,872
Carrying amount					
At 26 March 2025	559	30	1,292	3,903	5,784
At 27 March 2024	559	63	1,727	864	3,213
2024					
Cost					
At 29 March 2023	559	3,182	11,863	152	15,756
Additions	-	-	-	777	777
Transfers out of assets under construction	-	-	65	(65)	-
At 27 March 2024	559	3,182	11,928	864	16,533
Depreciation and impairment					
At 29 March 2023	-	2,996	7,880	-	10,876
Depreciation charge	-	123	2,321	-	2,444
At 27 March 2024	-	3,119	10,201	-	13,320
Carrying amount					
At 27 March 2024	559	63	1,727	864	3,213
At 29 March 2023	559	186	3,983	152	4,880

Bord na Móna Plc

Notes forming part of the Company Financial Statements (continued)

for the year ended 26 March 2025

31 (e) Trade and other receivables

	26 March 2025	27 March 2024
	€'000	€'000
Trade receivables	-	-
Prepayments	1,050	673
Amounts owed by group companies	107,549	64,931
Other receivables	39	110
Value added tax	1,526	339
Corporation tax	4	-
Total	110,168	66,053

31 (f) Trade and other payables

	26 March 2025	27 March 2024
	€'000	€'000
Trade payables	2,174	2,483
Accruals	6,844	7,402
Other payables	1,578	1,927
Amounts due to group companies	40,112	40,197
Creditors in respect of tax and social welfare	1,671	1,843
Total	52,379	53,852
Creditors in respect of tax and social welfare comprise:		
Income tax deducted under PAYE	784	895
Pay-related social insurance	887	948
Total	1,671	1,843

31 (g) Deferred tax

	26 March 2025	27 March 2024
	€'000	€'000
Deferred tax liability at beginning of financial year	4,954	4,599
Recognised in profit or loss	169	142
Recognised in other comprehensive income	(402)	213
Deferred tax liability at end of financial year	4,721	4,954

Bord na Móna Plc

Notes forming part of the Company Financial Statements (continued)

for the year ended 26 March 2025

31 (h) Provisions

	Environmental restatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Total €'000
2025				
At beginning of the year	2,363	3,210	7,057	12,630
Provisions made during the year	-	-	1,100	1,100
Provisions used during the year	-	(349)	(873)	(1,222)
Provisions released during the year	-	(525)	(1,000)	(1,525)
At end of the year	2,363	2,336	6,284	10,983
Amounts due as follows :				
Current	2,115	2,336	2,658	7,109
Non-current	248	-	3,626	3,874
Total	2,363	2,336	6,284	10,983
2024				
At beginning of the year	2,363	3,840	8,404	14,607
Provisions made during the year	-	-	1,150	1,150
Provisions used during the year	-	(630)	(1,497)	(2,127)
Provisions released during the year	-	-	(1,000)	(1,000)
At end of the year	2,363	3,210	7,057	12,630
Amounts due as follows:				
Current	2,115	2,015	2,348	6,478
Non-current	248	1,195	4,709	6,152
Total	2,363	3,210	7,057	12,630

For further detail on the above provisions, see Note 19 in the Group financial statements.

31 (i) Pension fund liabilities

There are two pension schemes held within the balance sheet of Bord na Móna plc (RWESS and GESS). In addition to this, the unfunded scheme is also recognised on the balance sheet. The third pension scheme (BnM Fuels pension scheme) has been recognised on the balance sheet of Bord na Móna Fuels Limited. Information has been provided on these pension schemes as per note 26 of the consolidated financial statements. There are no material differences between the information given in the consolidated notes and the company information.

31 (j) Approval of financial statements

The financial statements were approved by the Directors on 18 June 2025.

