Irish Continental Group

2021

Half-Yearly Financial Report

for the half year ended 30 June 2021

THURSDAY 26 AUGUST 2021

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021

Irish Continental Group plc (ICG), the leading Irish-based maritime transport group, reports its financial performance for the half year ended 30 June 2021.

This half-yearly financial report references alternative performance measures (APMs) which are not defined under International Financial Reporting Standards and which are explained at page 22.

Highlights

Financial summary

	HY 2021*	HY 2020**	Change %
Revenue	€141.6m	€130.8m	8.3%
EBITDA (pre non-trading items)	€12.7m	€10.0m	27.0%
EBIT (pre non-trading items)	€(10.3)m	€(9.5)m	-8.4%
Basic earnings per share	(6.8)c	(6.2)c	-9.7%
Adjusted earnings per share	(6.8)c	(6.2)c	-9.7%
Interim dividend	nil	nil	-
Net debt	€112.1m	€103.3m	-8.5%
Net debt (pre-IFRS 16)	€61.7m	€71.5m	13.7%

** HY 2021: Half Year up to 30 June 2021, ** HY 2020: Half Year up to 30 June 2020*

Volume movements

	HY 2021 '000	HY 2020 '000	Change %
Cars	29.8	56.6	-47.3%
RoRo freight	126.7	149.4	-15.2%
Containers shipped (teu*)	176.7	155.7	13.5%
Port lifts	165.5	141.0	17.4%

**teu: twenty foot equivalent units*

The HY 2021 result is reported against the background of continuing restrictions on non-essential passenger travel first imposed in March 2020 across the EU because of the Covid-19 pandemic. Notwithstanding, the Group has continued to focus on its strategic development and has retained a strong liquidity position.

Key highlights in HY 2021 include;

- Group revenue generated totalling €141.6 million, €10.8 million more than HY 2020.
- RoRo freight travel patterns affected by new customs requirements following the exit of the UK from the EU.
- EBIT generated was a loss of €10.3 million, €0.8 million worse than HY 2020.
- EBITDA generated of €12.7 million, €2.7 million more than HY 2020.
- Gross cash balances of €131.1 million (31 December 2020: €150.4 million).
- Net debt at €112.1 million, €23.6 million higher than at the beginning of the year.
- No interim dividend declared (2020: nil).
- Commencement of a new ferry service between Dover (UK) and Calais (France) on 29 June.
- Further investment in environmentally friendly port equipment at Dublin Ferryport Terminals and increased capacity from 2022.

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Commenting on the results, Chairman John B. McGuckian noted;

The continuation of the Covid-19 pandemic in the first half of the year continued to create an exceptionally challenging trading environment for the Group. Travel restrictions in place in the first half of the year, have materially reduced our passenger business. Despite this, as per the prior year the Group has maintained services on all of its shipping routes maintaining critical logistical links to the island of Ireland. These services have facilitated not only key logistical links to Britain and the European Union, but have facilitated passenger travel for essential purposes allowing for the movement of critical staff and the repatriation of citizens. The Group welcomes the introduction of the EU Digital Covid Certificate and the easing of restrictions on non-essential passenger travel, however, the timing of its introduction limits the benefits for our key summer season.

On 31 December 2020, the UK and EU ended the post Brexit transition period. While trade flows have decreased between Ireland and Britain, our flexible fleet has allowed us to adjust capacity on our direct continental RoRo and container shipping services. While this has led to a reduction in RoRo volumes, the change in yield mix has resulted in increased RoRo revenues. This increase in revenue is particularly encouraging as it is against the backdrop of both the Covid-19 pandemic and the introduction of customs requirements on the Irish Sea.

Still of concern to the Group is the lack of implementation of appropriate checks on goods arriving into Northern Ireland from Britain, which are required under the Northern Ireland Protocol. To the extent that goods are destined for the Republic of Ireland, this is causing a distortion in the level playing field as goods that arrive directly into the Republic of Ireland ports from Britain are being checked on arrival.

On 26 March 2021, ICG subsidiary Irish Ferries announced that it would commence a new ferry service on the Dover – Calais route. This new service launched on 29 June 2021, with the introduction of the Isle of Inishmore on the route.

I would like to take this opportunity on behalf of the Group to thank all of our colleagues who have again made the retention of all our services possible. Of particular importance has been the continued dedication of our front line colleagues who have faced into a second year of this pandemic and the restrictions and difficulties it has created. Again, it is the dedication of all our staff in the ports and terminals and the crew of our ships that have kept our ships sailing, our terminals operating and our supply lines open.

Enquiries:

Eamonn Rothwell, Chief Executive Officer	Tel: +353 1 607 5628	Email: info@icg.ie
David Ledwidge, Chief Financial Officer	Tel: +353 1 607 5628	Email: info@icg.ie
Media enquiries:		
Q4 Public Relations	Tel: +353 1 475 1444	Email: press@q4pr.ie

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FOR THE HALF YEAR ENDED 30 JUNE 2021 - CONTINUED

Results

Financial Highlights

	HY 2021	HY 2020	Change %	FY 2020*
Revenue	€141.6m	€130.8m	8.3%	€277.1m
EBITDA (pre non-trading items)	€12.7m	€10.0m	27.0%	€42.1m
EBIT (pre non-trading items)	€(10.3)m	€(9.5)m	-8.4%	€0.8m
EBIT (including non-trading items)	€(10.3)m	€(9.5)m	-8.4%	€(10.4)m

Non-trading items: HY 2021: €nil; HY 2020: €nil; FY 2020: €(11.2) million.

** FY 2020 = Year End up to 31 December 2020*

ICG reports its results for HY 2021 against the background of continuing restrictions on non-essential passenger travel first imposed in March 2020 across the EU because of the Covid-19 pandemic**.**

The Group recorded revenue of €141.6 million compared with €130.8 million in HY 2020, an increase of 8.3%. Earnings before interest, tax, depreciation and amortisation (EBITDA) before non-trading items were €12.7 million compared with €10.0 million in HY 2020. Group fuel costs increased by €5.6 million (32.7%) to €22.7 million from €17.1 million. Earnings before interest and tax (EBIT) were €(10.3) million compared with €(9.5) million in HY 2020. A loss before tax of €12.2 million is reported compared with a loss before tax of €11.2 million in HY 2020.

There was a net finance charge of €1.9 million (2020: €1.7 million) which includes net bank interest payable of €1.3 million (2020: €1.3 million), lease interest €0.6 million (2020: €0.5 million) and net pension interest income of €nil (2020: €0.1 million). The tax charge amounted to €0.5 million (2020: €0.4 million). Basic EPS was (6.8)c compared with (6.2)c in HY 2020. Adjusted EPS amounted to (6.8)c versus (6.2)c for HY 2020.

Operational Review

Ferries Division

Financial Highlights

	HY 2021	HY 2020	Change %	FY 2020
Revenue*	€62.9m	€61.6m	2.1%	€141.4m
EBITDA (pre non-trading items)	€(0.6)m	€1.1m	-154.5%	€22.3m
EBIT (pre non-trading items)	€(18.9)m	€(15.3)m	-23.5%	€(12.3)m
EBIT (including non-trading items)	€(18.9)m	€(15.3)m	-23.5%	€(23.5)m

Non-trading items: HY 2021: €nil; HY 2020: nil; FY 2020: €(11.2) million.

**Includes intersegment revenue of €5.8 million (HY 2020: €3.5 million)*

The division comprises Irish Ferries, a leading provider of passenger and freight ferry services between Ireland / UK, Ireland / France and the UK / France and the chartering of vessels.

Revenue in the division was €62.9 million (2020: €61.6 million) while EBITDA was €(0.6) million (2020: €1.1 million). EBIT was a loss of €18.9 million compared to a loss of €15.3 million in HY 2020.

The performance of the ferries operations in HY 2021 was significantly affected by the continuation of travel restrictions on non-essential travel across the EU as a response to the Covid-19 pandemic. With only essential travel permitted ex Ireland, the suspension, on a rolling basis, of the seasonal Dublin Swift fastcraft sailings was retained. A full schedule of the Irish Ferries conventional ferry services, with reduced passenger capacity, was operated to facilitate those customers who were required to travel for essential reasons.

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Operational Review – continued

Ferries Division – continued

Irish Ferries commenced a new service on the Dover – Calais route on 29 June 2021, initially with one vessel, the Isle of Inishmore, which underwent upgrading works prior to entering service on that route. The Rosslare – Pembroke route previously served by the Isle of Inishmore is now operated by the Blue Star 1. The Blue Star 1 has been chartered for a period of up to two years.

Tourism

	HY 2021	HY 2020	Change %	FY 2020
Car volumes (‘000)	29.8	56.6	-47.3%	137.1
Passenger volumes (‘000)	132.8	233.9	-43.2%	519.0
Passenger revenue	€10.1m	€14.3m	-29.4%	€33.7m

In HY 2021 total cars carried were 29,800, down 47.3% on the same period in HY 2020. Total passenger carryings were 132,800, a decrease of 43.2% on HY 2020. This decline in carryings reflects a full six month period of travel restrictions, in comparison with HY 2020, where restrictions on non-essential travel were imposed from mid-March in response to the Covid-19 pandemic. The effects of these restrictions were accentuated by the Irish government not fully reciprocating the Common Travel Area protocols between the Republic of Ireland and the UK, whereby throughout HY 2021 Ireland continued to impose restrictions on travellers arriving from Britain, whereas such restrictions were not operated by the UK on travellers arriving from the Republic of Ireland.

Freight

	HY 2021	HY 2020	Change %	FY 2020
RoRo freight volumes (‘000)	126.7	149.4	-15.2%	335.5
RoRo freight revenue	€44.0m	€40.8m	7.8%	€92.2m

Freight carryings in HY 2021 were 126,700 units, a decrease of 15.2% over HY 2020, whereas freight revenues increased 7.8%. The increase in revenues reflects a greater share of carryings on our higher yielding direct Ireland France services against the carrying reductions on the Ireland UK services.

The overall volume decline is reflective of a change in RoRo freight travel patterns due to new customs requirements for goods arriving into Ireland from the UK following the end of the transition period on 31 December 2020. To bypass these customs formalities there has been a diversion of traffic to and from Britain from ports in the Republic of Ireland to ports in Northern Ireland where customs checks have been suspended, or in the case of landbridge movements to Continental Europe via the UK to direct services between Ireland and France where free movement of goods is permitted. The initial magnitude of this shift between routes is slowly reversing as customers adapt to the new custom formalities. However, a return to previous route shares between routes serving Britain from Northern Ireland and the Republic of Ireland will be delayed while Northern Ireland customs formalities remain suspended beyond the transitional period previously agreed between the UK government and the EU.

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FOR THE HALF YEAR ENDED 30 JUNE 2021 - CONTINUED

Operational Review – continued

Ferries Division – continued

Chartering

	HY 2021	HY 2020	Change %	FY 2020
Charter revenue	€8.8m	€6.5m	35.4%	€14.5m

The division owns six container vessels, four of which are chartered internally to Eucon and two chartered externally. The increase in revenue primarily relates to a strong charter market driven by increased global trade and a shortage of vessels. The comparison is also affected by off-hire days during HY 2020 while certain of the container vessels were undergoing upgrading works. Charter revenue also includes earnings from the long term receivable relating to the bareboat hire purchase contract arising from the disposal of the Oscar Wilde in a prior period.

Costs

	HY 2021	HY 2020	Change %	FY 2020
Depreciation, impairment and amortisation	€18.3m	€16.4m	11.6%	€34.6m
Employee benefits expense	€7.9m	€8.5m	-7.1%	€13.1m
Other operating costs	€55.6m	€52.0m	6.9%	€104.8m
Total operating costs	€81.8m	€76.9m	6.4%	€152.5m

Costs in the division increased by €4.9 million in HY 2021 compared to HY 2020. In addition to activity related variances, fuel costs increased to €17.1 million from €11.8 million in HY 2020; the increase related to higher global fuel prices in comparison with HY 2020.

Container and Terminal Division

Financial Highlights

	HY 2021	HY 2020	Change %	FY 2020
Revenue*	€85.2m	€73.2m	16.4%	€146.5m
EBITDA	€13.3m	€8.9m	49.4%	€19.8m
EBIT	€8.6m	€5.8m	48.3%	€13.1m

**Includes intersegment revenue of €0.6 million (HY 2020: €0.5 million)*

Operational Highlights

	HY 2021	HY 2020	Change %	FY 2020
Volumes	'000	'000		'000
Containers shipped (teu)	176.7	155.7	13.5%	316.3
Port lifts	165.5	141.0	17.4%	292.4

The Container and Terminal Division includes the intermodal shipping line Eucon as well as the division's strategically located container terminals in Dublin and Belfast.

Revenue in the division increased by 16.4% to €85.2 million (2020: €73.2 million), EBITDA increased to €13.3 million (2020: €8.9 million) while EBIT increased to €8.6 million (2020: €5.8 million).

Total containers shipped by Eucon were up 13.5% at 176,700 teu (2020: 155,700 teu). In response to increased demand as supply chains restocked following Covid-19 disruptions, the division increased its core fleet to six vessels in January 2021 having off-hired a vessel in April 2020. Fuel costs increased to €5.6 million from €5.3 million in HY 2020 due to a combination of increased fleet size and increases in global fuel prices. Other costs increased in line with capacity changes and volumes, together with increases in charter rates.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021 – CONTINUED

Operational Review – continued

Container and Terminal Division– continued

Containers handled at our container terminals in Dublin and Belfast rose 17.4% to 165,500 lifts (2020: 141,000 lifts). Dublin Ferryport Terminals' activity was up 16.8% and activity at Belfast Container Terminal was up 18.5%.

Statement of Financial Position

A summary Statement of Financial Position as at 30 June 2021 is presented below:

	30 Jun 2021 €m	30 Jun 2020 €m	31 Dec 2020 €m
Property, plant and equipment and intangible assets	316.5	324.3	314.7
Right-of-use assets	50.6	31.7	38.3
Long term receivable	15.1	18.0	16.6
Retirement benefit surplus	16.1	9.5	1.0
Other assets	66.2	59.4	57.9
Cash and bank balances	131.1	132.5	150.4
Total assets	**595.6**	**575.4**	**578.9**
Non-current borrowings	143.5	219.8	140.9
Retirement benefit obligations	1.4	3.6	2.2
Other non-current liabilities	1.4	0.7	0.8
Current borrowings	99.7	16.0	98.0
Other current liabilities	80.3	65.6	71.2
Total liabilities	**326.3**	**305.7**	**313.0**
Total equity	**269.3**	**269.7**	**265.9**
Total equity and liabilities	**595.6**	**575.4**	**578.9**

The analysis of key movements in the period since 31 December 2020 is set out below.

The principal movements in property, plant and equipment and intangible assets relate to the upgrades on the Isle of Inishmore, acquisition of new plant at Dublin Ferryport Terminals and scheduled replacement expenditure less depreciation charge in the period. The movement in right-of-use assets mainly relates to the charter of the vessel Blue Star 1 to service the Rosslare – Pembroke route allowing the Isle of Inishmore to be redeployed on the new Dover – Calais route. The long-term receivable relates to deferred sales proceeds receivable under the hire purchase sale agreement entered into on the sale of a surplus vessel in a prior period.

The increase in other current assets is attributable to increased trade debtors relating to higher freight revenues and prepayments on asset purchases. The increase in other current liabilities mainly relates to the seasonal increase in passenger deferred revenue balances.

The assumptions used to value pension obligations were reviewed against the background of market conditions as at 30 June 2021. This review resulted in a change in discount and inflation rate assumptions while other assumptions were retained at 31 December 2020 levels. A net actuarial gain of €15.9 million arose in HY 2021 comprising gains on assets in excess of previous return assumptions together with reductions in liabilities attributable to the change in financial assumptions.

Shareholders' equity increased to €269.3 million from €265.9 million over the period. The movements primarily comprised of the loss for the financial period of €12.7 million, net actuarial gains of €15.9 million arising on retirement benefit schemes and settlement of share options. No dividends were paid in HY 2021.

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Cash Flow and Financing

A summary of cash flows in the half year to 30 June 2021 is presented below:

	HY 2021 €m	HY 2020 €m	FY 2020 €m
Operating loss (EBIT)*	(10.3)	(9.5)	(10.4)
Non-trading items	-	-	11.2
Depreciation, impairment and amortisation	23.0	19.5	41.3
EBITDA* (pre non-trading items)	**12.7**	**10.0**	**42.1**
Working capital movements	6.1	6.9	10.6
Pension payments in excess of service costs	-	(0.6)	(1.1)
Other	0.1	(0.5)	(0.4)
Cash generated from operations	**18.9**	**15.8**	**51.2**
Interest paid	(2.8)	(1.7)	(3.7)
Tax paid	(0.3)	(0.3)	(1.4)
Intangible asset additions	(0.6)	(0.3)	(1.0)
Capital expenditure excluding strategic capital expenditure	(10.2)	(8.2)	(9.8)
Free cash flow before strategic capital expenditure*	**5.0**	**5.3**	**35.3**
Strategic capital expenditure	(10.4)	(12.9)	(19.3)
Repayment of vessel contract deposit	-	33.0	33.0
Free cash flow after strategic capital expenditure*	**(5.4)**	**25.4**	**49.0**
Net asset sales	1.4	2.6	4.9
Share issue	0.2	-	0.2
Share buyback	-	(1.8)	(1.7)
Net cash flows	**(3.8)**	**26.2**	**52.4**
Opening net debt	(88.5)	(129.0)	(129.0)
Lease liability non-cash movements	(19.3)	(1.2)	(12.5)
Translation / other	(0.5)	0.7	0.6
Closing net debt	**(112.1)**	**(103.3)**	**(88.5)**

**Additional information in relation to these Alternative Performance Measures (APMs) is disclosed on page 22.*

The Group funds its activities from a combination of cash generated from day-to-day operating activities and borrowings, including revolving credit facilities, term loans, loan notes and leasing arrangements. Net debt at 30 June 2021 increased to €112.1 million from €88.5 million at 31 December 2020.

Cash generated from operations in the period amounted to €18.9 million, a €3.1 million improvement on the prior year. Total capital expenditure including intangibles amounted to €21.2 million. Overall net cash outflows in the period of €3.6 million, combined with the recognition of leases liabilities of €19.3 million, mainly relating to vessel charter commitments, were the main elements behind the increased net debt.

HALF-YEARLY FINANCIAL REPORT

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An analysis of the movements in net debt are set out in the table below.

Net debt

	Cash €m	Origination Fees €m	Bank Loans & PP Notes €m	Lease Liabilities €m	Net Debt €m
At 31 December 2020	150.4	0.9	(201.3)	(38.5)	(88.5)
Lease liability non-cash movements	-	-	-	(19.3)	(19.3)
Cash flows	(19.4)	-	7.8	7.8	(3.8)
Translation / other	0.1	(0.2)	-	(0.4)	(0.5)
At 30 June 2021	**131.1**	**0.7**	**(193.5)**	**(50.4)**	**(112.1)**

The borrowing facilities available to the Group at 30 June 2021 were as follows;

Borrowing Facilities

	Facility €m	Committed €m	Committed facilities drawn €m	Committed facilities undrawn €m
Revolving credit	125.0	75.0	-	75.0
Private placement	231.4	50.0	50.0	-
Bank loans	143.5	143.5	143.5	-
Lease liabilities	50.4	50.4	50.4	-
Overdraft and other	15.4	15.4	-	15.4
	565.7	**334.3**	**243.9**	**90.4**

At 30 June 2021 the Group had total lending facilities of €565.7 million available of which €334.3 million were committed facilities. €243.9 million of the committed facilities were drawn. In addition to the committed lines of credit, the Group had arranged uncommitted facilities of €231.4 million with utilisation dates expiring within three years.

On 2 July 2021, the Group repaid from cash resources the principal balance of €76.0 million on a term loan previously drawn to finance the building of a cruise ferry which was cancelled due to the insolvency of the shipbuilder.

Dividend

Due to the effects of Covid-19 on Group profitability in financial year 2020, no dividends were paid during 2020 or in the year to date. The Directors note the improvement in trading conditions following the adoption of the EU Digital Covid Certificate arrangements on 19 July 2021 and continuing robustness in freight revenues. However, in light of the result to 30 June 2021 and continuing uncertainty around the possibility of future passenger travel restrictions while Covid-19 threats remain prevalent, the Directors continue to consider it prudent not to declare a dividend at this time.

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Fuel

	HY 2021	HY 2020	Change %	FY 2020
Fuel costs	€22.7m	€17.1m	32.7%	€32.8m

Group fuel costs in the first half of 2021 amounted to €22.7 million (2020: €17.1 million). The movement in fuel costs was due to higher global fuel costs and an increase in the operated container fleet.

The Group has in place fuel surcharge mechanisms for freight customers which mitigates the effects of movements in Euro fuel costs. The Group has invested in exhaust gas cleaning systems (EGCS) on two of its cruise ferries and four of its owned container vessels, all of which are operated on Group services. EGCS allow the consumption of lower cost fuels while meeting all current emission regulations. Other vessels are required to consume higher cost fuels to meet the same regulations.

While the Group complies with all current fuel and emissions regulations, the Group notes new regulations being considered at both the EU and global level in response to climate change concerns. While the Company acknowledges the role it must play in protecting the environment, the level of surcharges may have to be adjusted to pass any increased compliance costs through the supply chain.

In the reporting period the Group did not engage in financial derivative trading to hedge its fuel costs.

Post Brexit Developments

The transition period following the UK exit from the EU ended on 31 December 2020. There have been two main effects on our RoRo freight business since then;

- Diversion of landbridge movements to direct services.
- Diversion of Irish Sea UK trade from ports in Ireland to ports in Northern Ireland due to non-implementation of full customs requirements.

While the above has negatively affected overall freight carrying numbers out of Republic of Ireland ports, the re-allocation of capacity to direct services combined with the higher yields has allowed the Group to maintain and increase previous levels of revenues. The initial diversion of traffic from ports in the Republic of Ireland to ports in Northern Ireland has partly reversed as hauliers familiarise themselves with the new arrangements. However, it is with concern that we note the continuing suspension of customs formalities past previously agreed transitionary dates at Northern Ireland ports on goods arriving from Britain. This is continuing the distortion in the level playing field between Northern Ireland and Republic of Ireland ports, where full customs requirements are imposed.

Our container shipping and container port services have been largely unaffected by Brexit.

Strategic Developments

The Group's Irish Ferries operations commenced a new ferry service on the Dover – Calais route on 29 June 2021, with the transfer of the Isle of Inishmore to the route. The Blue Star 1 was chartered to replace the Isle of Inishmore on the Irish Sea Rosslare – Pembroke route. The commencement of the Dover – Calais represents a strategic milestone in the development of the Group. It is intended to introduce a second vessel onto the route later in 2021 which will increase the attractiveness of our offering with 20 sailings per day. The English Channel "Short Straits" market is a multiple of the size of the Ireland - UK market where the Group currently offers services and provides the opportunity to significantly scale up its existing ferries business model.

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Strategic Developments – continued

The Group placed an order for five electrically powered remotely operated rubber-tyred gantries (RTGs) at its Dublin Ferryport Terminals following the previous successful commissioning of four similar RTGs. These form part of a replacement and expansion program at Dublin Ferryport Terminals which will see the terminal fully electrically operated with the removal of all diesel powered units. The first two RTGs will be delivered in Q2 2022 with the other three RTG's delivered in 2023. The delivery and commissioning of these RTGs along with the relocation of our depot for storage of empty containers to the Dublin Inland Port will increase the capacity at our DFT terminal in the second half of 2022.

At Belfast Container Terminal, the developments are continuing in conjunction with Belfast Harbour Commissioners. The final phase of civil works has commenced to build two new RTG stacks and the final three of eight RTGs delivered will be commissioned in Q4 2021.

In 2020, the Group was successful in the public tender to operate a container depot at the new Dublin Inland Port. The Group has signed an agreement to enter into a 20-year lease for this operation on completion of certain civil works by the landlord. The facility is expected to become operational prior to year end. This facility will be used for the remote storage, maintenance and upgrade of empty container boxes, releasing valuable capacity for the handling of containers in the port area.

Sustainability

The Group recognises the threat posed by climate change to humanity and overall biodiversity. The report published on 9 August 2021 by the Intergovernmental Panel on Climate Change (IPCC) unequivocally establishes human-caused emissions to have dangerously and permanently changed our planet.

While transport by sea is one of the most efficient modes of transport, these activities still have an unavoidable impact on the environment. The maritime transport industry is responsible for approximately 2.5% of the world's total CO2 emissions each year. Our industry, which relies heavily on carbon-based fuels must play its part. Key to the Group's sustainability strategy is achieving compliance with the International Maritime Organization (IMO) targets to reduce carbon intensity by 40% by 2030 versus 2008 levels.

Among the activities undertaken in 2021 to deliver continuous improvements in line with the Group's environmental framework include;

- The continuation of the 'Green Voyage' programme across the fleet, utilising real time analytics and ship-to-shore communications to optimise fuel consumption and use of machinery.
- The use of a biofuel blend on a trial basis on board the Dublin Swift which, if successful, can be introduced more prominently across suitable vessels.
- Planned trials for hull installation of new air lubrication technologies aimed to reduce water resistance and ultimately fuel consumption.
- The delivery of 400 new Eucon container units fitted with eco-friendly bamboo flooring, adding to an existing 650 container units with bamboo flooring in the fleet. Approximately 25% of the Group's owned container fleet now contain bamboo flooring.
- The ongoing phased replacement of diesel-powered cranes with electric units at our Dublin and Belfast terminal facilities.
- The continued upgrade of the Group's truck and forklift fleet to European Stage V non-road emissions standard.
- The planned installation of solar tiles on buildings at our Dublin terminal in the second half of the year.

The Group is also assessing and monitoring developments on the draft legislative proposals from the European Commission released on 14 July 2021, which include the proposed FuelEU Maritime Regulation and the application of the EU Emissions Trading System and Energy Taxation Directive to the maritime industry.

The Group notes the disclosure requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) which will be mandatory for the 2021 Annual Report.

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Related Party Transactions

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period other than in respect of remuneration paid to key management personnel.

Principal Risks and Uncertainties

The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business on an ongoing basis. The principal risks and uncertainties faced by the Group as set out in detail on pages 54 to 61 of the 2020 Annual Report are categorised as: commercial & market, business continuity, safety & environmental protection, operational compliance, human capital, financial loss, fraud, economic volatility, retirement benefit scheme and information security & cyber threats.

These risks areas remain the most likely risks to affect the Group during the second half of the financial year and the Group will continue to be affected by the uncertainty around the potential re-imposition of travel restrictions in response to Covid-19.

The Group will actively manage these and all other risks through its risk management structure.

Board Changes

The Board of Irish Continental Group plc is pleased to announce the co-option to the Board of Dan Clague as a non-executive Director. The appointment is effective immediately.

Dan Clague is a Managing Director of Stephens Europe, an independent investment bank for middle market companies where Dan leads the Transport Services and Infrastructure Group. With over 25 years' experience in investment banking, Dan has previously held senior positions with Hawkpoint Partners, SG Hambros, ABN Amro and Baring Brothers. Prior to entering investment banking, Dan spent a number of years working in the maritime sector as a shipping and ports manager. He has global experience of both public and private company mergers and acquisitions across the transport industry including the RoRo, LoLo and port sectors. Dan is based in London.

Change of Auditor

KPMG were appointed auditor to the Company following the approval of shareholders at the Annual General Meeting held on 12 May 2021.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021 - CONTINUED

Going Concern

The Company had previously reported in its 2020 Annual Report that it had modelled a number of scenarios for its businesses including retention of travel restrictions on non-essential travel for all of 2021. The Company notes that these restrictions remained in place for HY 2021. Passenger revenues in HY 2021 were broadly in line with the scenario projections while freight revenues exceeded expectations. Effective from 19 July 2021, the restrictions on non-essential travel have been removed with the Irish Government adopting the EU Digital Covid Certificate arrangements based on vaccination status.

In the period since removal of travel restrictions up to the date of approval of these Condensed Financial Statements, the Group has experienced increased passenger revenues on its existing routes in excess of those previously modelled. The Group has updated its projections based on a gradual return of previous travel patterns, together with the expected contribution from its new Dover - Calais route which commenced in June.
Notwithstanding the uncertainty in the rate of recovery of passenger revenues, on the basis of these projections the Group expects to generate sufficient cash from operations to enable it to retain sufficient liquidity to operate and meet its financial obligations and has continued to adopt the going concern assumption in the preparation of these Condensed Financial Statements.

Events after the Reporting Period

On 2 July 2021, the Group repaid from existing cash resources the outstanding principal of €76.0 million on a term loan advanced by the European Investment Bank. The Group has contracted to take delivery of a ropax ferry during the second half of 2021, which is intended to be deployed within the Group’s ferry operations.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021 - CONTINUED

Current Trading and Outlook

Travel restrictions remained in place until 19 July 2021 when the Irish Government adopted the EU Digital Covid Certificate arrangements based on vaccination status. Since adoption of the new rules, the Group has experienced an uplift in passenger numbers traveling on existing services compared to the prior year. Freight carryings since 1 July 2021 have remained robust across all the Group operations, taking into consideration the change in underlying RoRo routing patterns post Brexit.

The Dover – Calais service commenced on 29 June 2021. The Group will develop this service offering with the intention of introducing a second vessel on this route later in 2021.

Ferries

Activity in the Ferries Division on existing routes (excluding the new Dover – Calais service), in the period from 1 July 2021 to 21 August 2021 compared to the same period last year is set out below;

- Car carryings were 38,000 cars, an increase of 30%. Pre-restriction volumes in the same period in 2019 were 112,200 cars.
- RoRo freight carryings were 38,300 units, a decrease of 21%, whereas underlying revenues were in line with the same period last year due to the change in underlying mix of traffic.

Cumulatively, in the period from 1 January 2021 to 21 August 2021 compared to the same period last year activity was;

- Car carryings were 67,800 cars, a decrease of 21%. Pre-restriction volumes in the same period in 2019 were 273,300 cars.
- RoRo freight carryings were 165,000 units, a decrease of 17%, whereas underlying revenues increased by 6% due to the change in underlying mix of traffic.

Container and Terminal

Activity in the Container and Terminal Division in the period from 1 July 2021 to 21 August 2021 compared to the same period last year was;

- Containers shipped were 49,900 teu, an increase of 11%.
- Port lifts were 48,800 lifts, an increase of 21%.

Cumulatively, in the period from 1 January 2021 to 21 August 2021 compared to the same period last year activity was;

- Containers shipped were 226,600 teu, an increase of 13%.
- Port lifts were 214,300 lifts, an increase of 18%.

It is very difficult to estimate the full year financial outturn for the Group, given uncertainty around the pace of recovery in passenger travel and continuing risk of travel restrictions should future waves of Covid-19 arise. While passenger carryings remain significantly behind the pre-restriction levels of 2019, the current recovery in passenger volumes on existing routes since 19 July 2021 and continuing strength in freight revenues are encouraging, as is the commencement of our new Dover – Calais service. Activity in the container shipping and terminal operations for the remainder of the year is expected to exceed the prior year levels, though there are some cost pressures being experienced. The Group has remained cash generative on an operational basis and remains in a strong financial position to weather any further disruption to passenger travel and leverage any appropriate strategic opportunities which may arise.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021 - CONTINUED

Auditor Review

This half-yearly financial report has not been audited or reviewed by the auditors of the Group.

Forward-Looking Statements

This report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. These forward-looking statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group plc and its subsidiaries when viewed as a whole.

Website

This half-yearly financial report is available on the Group's website www.icg.ie.

John B. McGuckian
Chairman

25 August 2021

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021 - CONTINUED

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the related Transparency Rules of the Central Bank of Ireland and IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Each of the Directors confirm that to the best of their knowledge and belief:

- the Group Condensed Financial Statements for the half year ended 30 June 2021 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34 Interim Financial Reporting) adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year, their impact on the Group Condensed Financial Statements for the half year ended 30 June 2021, and a description of the principal risks and uncertainties for the remaining six months; and
- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Eamonn Rothwell	**David Ledwidge**
Director	Director

25 August 2021

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2021

	Notes	HY 2021 Unaudited €m	HY 2020 Unaudited €m	FY 2020 Audited €m
Revenue	4	141.6	130.8	277.1
Depreciation, impairment and amortisation		(23.0)	(19.5)	(41.3)
Employee benefits expense		(10.3)	(11.1)	(18.0)
Other operating expenses		(118.6)	(109.7)	(217.0)
		(10.3)	**(9.5)**	**0.8**
Non-trading items	6	-	-	(11.2)
Operating loss		**(10.3)**	**(9.5)**	**(10.4)**
Finance income		-	0.1	0.2
Finance costs		(1.9)	(1.8)	(7.8)
Loss before taxation		**(12.2)**	**(11.2)**	**(18.0)**
Income tax expense		(0.5)	(0.4)	(1.0)
Loss for the financial period: all attributable to equity holders of the parent	4	**(12.7)**	**(11.6)**	**(19.0)**
Earnings per ordinary share – expressed in cent per share				
Basic	7	(6.8)c	(6.2)c	(10.2)c
Diluted	7	(6.8)c	(6.2)c	(10.2)c

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2021

	Notes	HY 2021 Unaudited €m	HY 2020 Unaudited €m	FY 2020 Audited €m
Loss for the financial period		**(12.7)**	**(11.6)**	**(19.0)**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		0.8	(1.2)	(1.2)
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain / (loss) on defined benefit pension schemes	14	15.9	(3.5)	(0.8)
Deferred tax on defined benefit pension schemes		(0.9)	0.4	0.3
Other comprehensive income for the financial period		**15.8**	**(4.3)**	**(1.7)**
Total comprehensive income for the financial period: all attributable to equity holders of the parent		**3.1**	**(15.9)**	**(20.7)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	30 Jun 21 Unaudited €m	30 Jun 20 Unaudited €m	31 Dec 20 Audited €m
Assets				
Non-current assets				
Property, plant and equipment	8	314.8	323.7	313.5
Right-of-use assets	9	50.6	31.7	38.3
Intangible assets		1.7	0.6	1.2
Long term receivable	10	15.1	18.0	16.6
Retirement benefit surplus	14	16.1	9.5	1.0
Deferred tax asset		0.1	-	0.3
		398.4	**383.5**	**370.9**
Current assets				
Inventories		3.0	1.9	1.9
Trade and other receivables		63.1	57.5	55.7
Cash and bank balances	11	131.1	132.5	150.4
		197.2	**191.9**	**208.0**
Total assets		**595.6**	**575.4**	**578.9**
Equity and liabilities				
Equity				
Share capital		12.2	12.2	12.2
Share premium		19.9	19.5	19.7
Other reserves		(9.1)	(10.1)	(9.3)
Retained earnings		246.3	248.1	243.3
Equity attributable to equity holders		**269.3**	**269.7**	**265.9**
Non-current liabilities				
Borrowings	11	109.5	192.7	113.1
Lease liabilities	11	34.0	27.1	27.8
Deferred tax liabilities		1.2	0.3	0.5
Provisions		0.2	0.4	0.2
Retirement benefit obligations	14	1.4	3.6	2.2
		146.3	**224.1**	**143.8**
Current liabilities				
Borrowings	11	83.3	11.3	87.3
Lease liabilities	11	16.4	4.7	10.7
Trade and other payables		78.0	63.7	69.2
Current income tax liabilities		0.3	0.3	-
Provisions		2.0	1.6	2.0
		180.0	**81.6**	**169.2**
Total liabilities		**326.3**	**305.7**	**313.0**
Total equity and liabilities		**595.6**	**575.4**	**578.9**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2021	**12.2**	**19.7**	**7.5**	**5.1**	**(21.9)**	**243.3**	**265.9**
Loss for the financial period	-	-	-	-	-	(12.7)	(12.7)
Other comprehensive income	-	-	-	-	0.8	15.0	15.8
Total comprehensive income for the financial period	**-**	**-**	**-**	**-**	**0.8**	**2.3**	**3.1**
Employee share-based payments expense	-	-	-	0.9	-	-	0.9
Share issue	-	0.2	-	-	-	-	0.2
Settlement of share options through market purchase	-	-	-	-	-	(0.8)	(0.8)
Transfer to retained earnings on exercise of options	-	-	-	(1.5)	-	1.5	-
Total movements in the financial period	**-**	**0.2**	**-**	**(0.6)**	**0.8**	**3.0**	**3.4**
Balance at 30 June 2021	**12.2**	**19.9**	**7.5**	4.5	**(21.1)**	**246.3**	**269.3**

FOR THE HALF YEAR ENDED 30 JUNE 2020 (UNAUDITED)

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2020	**12.2**	**19.5**	**7.5**	**5.9**	**(20.7)**	**263.5**	**287.9**
Loss for the financial period	-	-	-	-	-	(11.6)	(11.6)
Other comprehensive income	-	-	-	-	(1.2)	(3.1)	(4.3)
Total comprehensive income for the financial period	**-**	**-**	**-**	**-**	**(1.2)**	**(14.7)**	**(15.9)**
Employee share-based payments expense	-	-	-	1.0	-	-	1.0
Share issue	-	-	-	-	-	-	-
Share buy back	-	-	-	-	-	(1.8)	(1.8)
Settlement of share options through market purchase	-	-	-	-	-	(1.5)	(1.5)
Transfer to retained earnings on exercise of options	-	-	-	(2.6)	-	2.6	-
Total movements in the financial period	**-**	**-**	**-**	**(1.6)**	**(1.2)**	**(15.4)**	**(18.2)**
Balance at 30 June 2020	**12.2**	**19.5**	**7.5**	**4.3**	**(21.9)**	**248.1**	**269.7**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (AUDITED)

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2020	**12.2**	**19.5**	**7.5**	**5.9**	**(20.7)**	**263.5**	**287.9**
Loss for the financial period	-	-	-	-	-	(19.0)	(19.0)
Other comprehensive income	-	-	-	-	(1.2)	(0.5)	(1.7)
Total comprehensive income for the financial period	**-**	**-**	**-**	**-**	**(1.2)**	**(19.5)**	**(20.7)**
Employee share-based payments expense	-	-	-	1.9	-	-	1.9
Share issue	-	0.2	-	-	-	-	0.2
Share buy back	-	-	-	-	-	(1.7)	(1.7)
Settlement of share options through market purchase	-	-	-	-	-	(1.7)	(1.7)
Transfer to retained earnings on exercise of options	-	-	-	(2.7)	-	2.7	-
Total movements in the financial period	**-**	**0.2**	**-**	**(0.8)**	**(1.2)**	**(20.2)**	**(22.0)**
Balance at 31 December 2020	**12.2**	**19.7**	**7.5**	**5.1**	**(21.9)**	**243.3**	**265.9**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2021

	Notes	HY 2021 Unaudited €m	HY 2020 Unaudited €m	FY 2020 Audited €m
Net cash inflow from operating activities	15	**15.8**	**13.8**	**46.1**
Cash flow from investing activities				
Net proceeds on disposal of property, plant and equipment		1.4	2.6	4.9
Refund of vessel deposit		-	33.0	33.0
Purchases of property, plant and equipment	8	(20.3)	(21.1)	(29.1)
Purchases of other assets		(0.9)	(0.3)	(1.0)
Net cash (outflow) / inflow from investing activities		**(19.8)**	**14.2**	**7.8**
Cash flow from financing activities				
Dividends paid to equity holders of the Company	5	-	-	-
Repayment of lease liabilities		(7.8)	(4.6)	(9.2)
Proceeds on issue of ordinary share capital		0.2	-	0.2
Repayments of bank loans		(7.8)	-	(3.7)
Share buy back		-	(1.8)	(1.7)
Net cash (outflow) from financing activities		**(15.4)**	**(6.4)**	**(14.4)**
Net (decrease)/ increase in cash and cash equivalents		(19.4)	21.6	39.5
Cash and cash equivalents at the beginning of the period		**150.4**	**110.9**	**110.9**
Effect of foreign exchange rate changes		0.1	-	-
Cash and cash equivalents at the end of the period	11	**131.1**	**132.5**	**150.4**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

1. General information

The Group Condensed Financial Statements are considered non-statutory financial statements for the purposes of the Companies Act 2014 and in compliance with section 340(4) of that Act we state that:

- the Group Condensed Financial Statements for the half year ended 30 June 2021 have been prepared to meet our obligation to do so under the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended);
- the Group Condensed Financial Statements for the half year ended 30 June 2021 do not constitute the statutory financial statements of the Group;
- the figures disclosed relating to 31 December 2020 have been derived from the statutory financial statements for the financial year ended 31 December 2020 which were audited, received an unqualified audit report and have been filed with the Registrar of Companies; and
- the interim figures included in the Group Condensed Financial Statements for the half year ended 30 June 2021 and the comparative amounts for the half year ended 30 June 2020 have been neither audited nor reviewed by the auditors of the Group.

Certain financial measures set out in our Half-Yearly Financial Report to 30 June 2021 are not defined under International Financial Reporting Standards (IFRS). Presentation of these Alternative Performance Measures (APMs) provides useful supplementary information which, when viewed in conjunction with the Group's IFRS financial information, allows for a more meaningful understanding of the underlying financial and operating performance of the Group. These non-IFRS measures should not be considered as an alternative to financial measures as defined under IFRS. Descriptions of the APMs included in this report are disclosed below.

APM	Description	Benefit of APM
EBITDA	EBITDA represents earnings before non-trading items*, interest, tax, depreciation and amortisation.	Eliminates the effects of financing and accounting decisions to allow assessment of the profitability and performance of the Group.
EBIT	EBIT represents earnings before interest and tax.	Measures the Group's earnings from ongoing operations.
Free cash flow before strategic capital expenditure	Free cash flow comprises operating cash flow less capital expenditure before strategic capital expenditure which comprises expenditure on vessels excluding annual overhaul and repairs, and other assets with an expected economic life of over 10 years which increases capacity or efficiency of operations.	Assesses the availability to the Group of funds for reinvestment or for return to shareholders.
Net debt	Net debt comprises total borrowings less cash and cash equivalents.	Measures the Group's ability to repay its debts if they were to fall due immediately.
Adjusted EPS	EPS is adjusted to exclude non-trading items and net interest cost on defined benefit obligations.	A key indicator of long term financial performance and value creation of a public listed company.

*Non-trading items are material non-recurring items that derive from events or transactions that fall outside the ordinary activities of the Group and which individually, or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

In addition to the above APMs the Group utilises additional APMs of Return on Average Capital Employed and Schedule Integrity in relation to full year performance which are not meaningful at the half year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

2. Accounting policies

The Group Condensed Financial Statements for the six months ended 30 June 2021 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the Central Bank (Investment Market Conduct) Rules 2019 and with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The accounting policies and methods of computation applied in preparing these Group Condensed Financial Statements are consistent with those set out in the Group Annual Report for the financial year ended 31 December 2020, which is available at www.icg.ie.

The following amendments to standards became effective for the Group commencing 1 January 2021;

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 & IFRS 16 – Phase 2 amendments in relation to Interest Rate Benchmark Reform

The adoption of these amendments did not have a material impact on these financial statements.

3. Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. In preparing these Condensed Financial Statements the approach to the making of these judgements, estimates and assumptions is consistent with that used in the Group Annual Report for the financial year ended 31 December 2020. Key sources of estimation uncertainty relate to post-employment benefits and assessment of useful lives for property, plant and equipment. Critical accounting judgements are made in respect of identifying indications of impairment, assessment of non-cancellable lease terms rate and adoption of the going concern assumption.

Other than the changes to assumptions used in relation to the valuation of retirement benefit obligations set out in note 14 to these Condensed Consolidated Financial Statements there have been no material changes in estimates that had previously been made in the prior year financial statements to 31 December 2020.

Impact of Covid-19

The Group has considered the continuing impact of Covid-19 in respect of the accounting judgements and estimates made in the preparation of these Condensed Consolidated Financial Statements. Key considerations included whether the continuing impact of Covid-19 affected the ongoing adoption of the going concern assumption or amounted to an indication of impairment.

<u>Going Concern</u>
The Company had previously reported in its 2020 Annual Report that it had modelled a number of scenarios for its businesses including retention of travel restrictions on non-essential travel for all of 2021. The Company notes that these restrictions remained in place for HY 2021. Passenger revenues in HY 2021 were broadly in line with the scenario projections while freight revenues exceeded expectations. Effective from 19 July 2021, the restrictions on non-essential travel have been removed with the Irish Government adopting the EU Digital Covid Certificate arrangements based on vaccination status.

In the period since removal of travel restrictions up to the date of approval of these Condensed Financial Statements, the Group has experienced increased passenger revenues on its existing routes in excess of previously modelled. The Group has updated its projections based on a gradual return of previous travel patterns, together with the expected contribution from its new Dover – Calais route which commenced in June.

Notwithstanding the uncertainty in the rate of recovery of passenger revenues, on the basis of these projections the Group expects to generate sufficient cash from operations to enable it to retain sufficient liquidity to operate and meet its financial obligations and has continued to adopt the going concern assumption in the preparation of these Condensed Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

3. Critical Accounting Estimates and Judgements - continued

Impact of Covid-19 - continued

Impairment Indicators

At 31 December 2020 the Group performed an assessment of possible indicators of impairment with a focus on current and near term profit performance, idle capacity and consideration of developments in the second-hand vessel market. At that time, based on the review performed no internal or external indications of impairment were identified for any material asset and consequently no impairment assessment was deemed necessary.

During HY 2021, the Group continued to experience a decline in passenger carryings due to the continuation of government imposed restrictions placed on travel in the jurisdictions that we offer services. The continuation of these restrictions throughout 2021 was a scenario considered at 31 December 2020 and was then assessed that these travel restrictions did not amount to an indication of impairment. The Company maintained that assessment as at 30 June 2021 noting Ireland's intention, announced on 28 May 2021, to adopt the EU Digital COVID Certification arrangements from 19 July 2021, leading to a passenger carrying expectation better than that previously modelled.

The fastcraft Dublin Swift, which was not operated during the travel restriction period, returned to scheduled service on 6 August following adoption of the new travel arrangements. The Group has noted a continued strengthening during HY 2021 in the demand for and value of second-hand vessels of the types comprised in the Group's owned fleet.

Based on the above no internal or external indications of impairment were identified at 30 June 2021 for any material asset and no impairment review was required.

4. Segmental information

The Board is deemed the chief operating decision maker within the Group. Under IFRS 8: Operating Segments, the Group has determined that the operating segments are (i) Ferries and (ii) Container and Terminal.

These segments are the basis on which the Group reports internally and are the only two revenue generating segments of the Group. The principal activities of the Ferries segment are the operation of combined RoRo passenger ferries and chartering of vessels. The principal activities of the Container and Terminal segment are the provision of door-to-door and feeder LoLo freight services, stevedoring and other related terminal services. There has been no change in the basis of segmentation or in the basis measurement of segment profit or loss in the period.

i) Revenue Analysis

By business segment:

	HY 2021	HY 2020	FY 2020
	€m	€m	€m
Ferries			
Passenger	10.1	14.3	33.7
Freight	44.0	40.8	92.2
Charter	8.8	6.5	15.5
	62.9	61.6	141.4
Container and Terminal			
Freight	85.2	73.2	146.5
Inter-segment revenue	(6.5)	(4.0)	(10.8)
Total	**141.6**	**130.8**	**277.1**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

4. Segmental information – continued

i) Revenue Analysis – continued

The continued travel restrictions imposed across the EU because of the Covid-19 pandemic led to a significant reduction in passenger traffic, however, freight activity grew strongly in the half year ended 30 June 2021 compared to the half year ended 30 June 2020.

As revenues are recognised over short time periods of no more than days, a key determinant to categorising revenues is whether they principally arise from a business to customer (passenger contracts) or a business to business relationship (freight and charter contracts) as this impacts directly on the uncertainty of cash flows. On this basis, revenue by business segment is a reasonable approximation of revenue disaggregation.

By geographic origin of booking:

	HY 2021	HY 2020	FY 2020
	€m	€m	€m
Ireland	68.9	63.6	116.2
United Kingdom	14.5	16.5	55.1
Netherlands	35.5	29.8	58.6
Belgium	17.4	15.4	31.7
France	0.6	0.4	1.3
Other	4.7	5.1	14.2
	141.6	**130.8**	**277.1**

No single external customer in the current or prior financial periods amounted to 10 per cent of the Group's revenues.

ii) (Loss) / Profit for the financial year

	Ferries			Container and Terminal			Group Total		
	HY 2021	HY 2020	FY 2020	HY 2021	HY 2020	FY 2020	HY 2021	HY 2020	FY 2020
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Operating (loss) / profit	(18.9)	(15.3)	(12.3)	8.6	5.8	13.1	(10.3)	(9.5)	0.8
Finance income	-	0.1	0.2	-	-	-	-	0.1	0.2
Finance costs	(1.4)	(1.1)	(6.4)	(0.5)	(0.7)	(1.4)	(1.9)	(1.8)	(7.8)
Non-trading items	-	-	(11.2)	-	-	-	-	-	(11.2)
(Loss) / profit before tax	**(20.3)**	**(16.3)**	**(29.7)**	**8.1**	**5.1**	**11.7**	**(12.2)**	**(11.2)**	**(18.0)**
Income tax expense	0.1	-	(0.3)	(0.6)	(0.4)	(0.7)	(0.5)	(0.4)	(1.0)
(Loss) / profit for the financial year	**(20.2)**	**(16.3)**	**(30.0)**	**7.5**	**4.7**	**11.0**	**(12.7)**	**(11.6)**	**(19.0)**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

4. Segmental information – continued

iii) Statement of Financial Position

	Ferries			Container and Terminal			Group Total		
	30 Jun 21 €m	30 Jun 20 €m	31 Dec 20 €m	30 Jun 21 €m	30 Jun 20 €m	31 Dec 20 €m	30 Jun 21 €m	30 Jun 20 €m	31 Dec 20 €m
Assets									
Segment assets	365.3	355.0	341.4	99.2	87.9	87.1	464.5	442.9	428.5
Cash and cash equivalents	115.1	105.0	117.2	16.0	27.5	33.2	131.1	132.5	150.4
Consolidated total assets	**480.4**	**460.0**	**458.6**	**115.2**	**115.4**	**120.3**	**595.6**	**575.4**	**578.9**
Liabilities									
Segment liabilities	49.3	41.6	48.2	33.8	28.3	25.9	83.1	69.9	74.1
Borrowings	196.0	180.3	190.7	47.2	55.5	48.2	243.2	235.8	238.9
Consolidated total liabilities	**245.3**	**221.9**	**238.9**	**81.0**	**83.8**	**74.1**	**326.3**	**305.7**	**313.0**

iv) Seasonality

In periods prior to 2020, Group revenue and profit before tax was weighted towards the second half of the year principally due to passenger revenue patterns in the Ferries Division whereas operating costs are more evenly distributed over the year. The disruption to travel in HY 2021 and HY 2020 from the imposition of travel restrictions by government authorities in response to the Covid-19 pandemic has affected these seasonality weightings.

5. Dividend

	HY 2021 €m	HY 2020 €m	FY 2020 €m
Interim dividend	-	-	-
Final dividend	-	-	-
	-	**-**	**-**

No dividends were paid in the six months ended 30 June 2021. The Board did not propose a final dividend in respect of the results for the financial year ended 31 December 2020.

No interim dividend in respect of 2021 had been declared by the Directors at the date of approval of these Condensed Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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6. Non-trading items

In the prior period, the Trustee of the Group's principal defined benefit pension scheme entered into a transaction whereby the liabilities relating to pensions in payment at the transaction date were transferred to a third-party insurer on payment of a premium of €160.6 million. This gave rise to a non-cash settlement loss of €9.3 million being the difference between the present value of the transferred liabilities discounted at the AA corporate bond rate used for IAS 19 valuation purposes at the transaction date and the premium paid.

The Trustee, in agreement with the Company, also augmented the pension benefits of certain members resulting in an augmentation cost of €1.1 million being the present value of the future benefit changes. The Group's subsidiary Irish Ferries Limited, the sponsoring employer of the scheme, underwrites the scheme's administration expenses and incurred expenses totalling €0.8 million relating to the above transaction.

7. Earnings per share

Number of shares	HY 2021 '000	HY 2020 '000	FY 2020 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	187,011	187,076	186,981
Effect of dilutive potential ordinary shares: Share options	-	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**187,011**	**187,076**	**186,981**

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the period and excludes treasury shares. The dilutive effect of share options capable of exercise during the period ended 30 June 2021 was 1,113,000 shares which have been excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share as they are antidilutive.

Loss attributable to ordinary shareholders

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

Earnings	HY 2021 €m	HY 2020 €m	FY 2020 €m
Earnings for the purpose of basic and diluted earnings per share – Loss for the financial period attributable to equity holders of the parent	(12.7)	(11.6)	(19.0)
Effect of non-trading items after tax	-	-	11.2
Effect of net interest income on defined benefit pension schemes	-	(0.1)	(0.2)
Earnings for the purpose of adjusted earnings per share	**(12.7)**	**(11.7)**	**(8.0)**

	Cent	**Cent**	**Cent**
Basic earnings per share	(6.8)	(6.2)	(10.2)
Diluted earnings per share	(6.8)	(6.2)	(10.2)
Adjusted basic earnings per share	(6.8)	(6.2)	(4.3)
Adjusted diluted earnings per share	(6.8)	(6.2)	(4.3)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

8. Property, plant and equipment

	Assets under construction €m	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost					
At 31 December 2020	0.7	444.2	64.8	26.0	535.7
Additions	0.4	14.1	1.1	0.1	15.7
Disposals	-	(7.4)	(4.5)	-	(11.9)
Reclassification	(0.5)	0.5	-	-	-
Currency adjustment	-	0.9	0.2	-	1.1
At 30 June 2021	**0.6**	**452.3**	**61.6**	**26.1**	**540.6**
Accumulated depreciation					
At 31 December 2020	-	166.5	46.0	9.7	222.2
Charge for period	-	13.2	1.7	0.2	15.1
Disposals	-	(7.4)	(4.5)	-	(11.9)
Currency adjustment	-	0.3	0.1	-	0.4
At 30 June 2021	**-**	**172.6**	**43.3**	**9.9**	**225.8**
Carrying amount					
At 30 June 2021	**0.6**	**279.7**	**18.3**	**16.2**	**314.8**
At 31 December 2020	0.7	277.7	18.8	16.3	313.5
At 30 June 2020	5.6	284.9	16.6	16.6	323.7

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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9. Right-of-use assets

	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost				
At 31 December 2020	21.0	8.0	28.8	57.8
Additions	17.2	2.4	-	19.6
Currency adjustment	-	-	0.5	0.5
At 30 June 2021	**38.2**	**10.4**	**29.3**	**77.9**
Accumulated depreciation				
At 31 December 2020	11.3	4.0	4.2	19.5
Charge for period	5.9	0.8	1.1	7.8
Currency adjustment	-	-	-	-
At 30 June 2021	**17.2**	**4.8**	**5.3**	**27.3**
Carrying amount				
At 30 June 2021	**21.0**	**5.6**	**24.0**	**50.6**
At 31 December 2020	9.7	4.0	24.6	38.3
At 30 June 2020	2.3	3.9	25.5	31.7

Additions of right-of-use assets include €0.3 million (2020: €nil) of directly attributable costs relating to new leases commenced in the period.

10. Lease receivable

	30 Jun 21 €m	30 Jun 20 €m	31 Dec 20 €m
Operating activities			
Current finance lease receivable	2.9	2.8	2.8
Non – current finance lease receivable	15.1	18.0	16.6
Total	**18.0**	**20.8**	**19.4**
Beginning of reporting period	19.4	22.1	22.1
Additions	-	-	-
Amounts received	(1.8)	(1.7)	(3.6)
Net benefit recognised in period	0.4	0.4	0.9
End of reporting period	**18.0**	**20.8**	**19.4**

The long term receivable relates to amounts due under a bareboat hire purchase sale agreement for the disposal of the vessel Oscar Wilde in FY 2019. The deferred consideration has been treated as a finance lease receivable at an amount equivalent to the net investment in the lease. Capital amounts received in the financial period are classified as net proceeds on disposal of property, plant and equipment in the Condensed Consolidated Statement of Cash Flows.

None of the lease receivable at 30 June 2021 was past due and taking into account the payment experience up to the date of approval of these Condensed Financial Statements together with retention of legal title no provision for expected credit losses was considered to be required.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

11. Net cash and borrowing facilities

i) The components of the Group's net debt position at the reporting date and the movements in the period are set out in the following table:

	Cash €m	Bank loans €m	Loan notes	Lease liabilities €m	Origination fees €m	Total €m
At 1 January 2021						
Current assets	150.4	-	-	-	-	150.4
Creditors due within one year	-	(87.3)	-	(10.7)	0.1	(97.9)
Creditors due after one year	-	(64.0)	(50.0)	(27.8)	0.8	(141.0)
	150.4	**(151.3)**	**(50.0)**	**(38.5)**	**0.9**	**(88.5)**
Movements during the period						
Cash flow	(19.4)	7.8	-	7.8	-	(3.8)
Non cash flow changes						
Amortisation	-	-	-	-	(0.2)	(0.2)
Right-of-use assets recognised	-	-	-	(19.3)	-	(19.3)
Early termination	-	-	-	-	-	-
Currency adjustment	0.1	-	-	(0.4)	-	(0.3)
	(19.3)	**7.8**	**-**	**(11.9)**	**(0.2)**	**(23.6)**
At 30 June 2021						
Current assets	131.1	-	-	-	-	131.1
Creditors due within one year	-	(83.5)	-	(16.4)	0.2	(99.7)
Creditors due after one year	-	(60.0)	(50.0)	(34.0)	0.5	(143.5)
	131.1	**(143.5)**	**(50.0)**	**(50.4)**	**0.7**	**(112.1)**
At 30 June 2020						
Current assets	132.5	-	-	-	-	132.5
Creditors due within one year	-	(11.5)	-	(4.7)	0.2	(16.0)
Creditors due after one year	-	(143.5)	(50.0)	(27.1)	0.8	(219.8)
	132.5	**(155.0)**	**(50.0)**	**(31.8)**	**1.0**	**(103.3)**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

11. Net cash and borrowing facilities – continued

ii) The maturity profile and available borrowing and cash facilities available to the Group at 30 June 2021 are set out in the following table:

				Maturity Profile			
	Facility €m	Undrawn €m	On-hand / drawn €m	Less than 1 year €m	Between 1 – 2 years €m	Between 2 – 5 years €m	More than 5 years €m
Cash	-	-	131.1	131.1	-	-	-
Committed lending facilities							
Bank overdrafts	15.4	15.4	-	-	-	-	-
Bank loans	218.5	75.0	143.5	83.5	7.5	22.5	30.0
Loan notes	50.0	-	50.0	-	-	50.0	-
Leases	50.4	-	50.4	16.4	10.2	9.1	14.7
Origination fees	(0.7)	-	(0.7)	(0.2)	(0.2)	(0.2)	(0.1)
Committed lending facilities	**333.6**	**90.4**	**243.2**	**99.7**	**17.5**	**81.4**	**44.6**
Uncommitted lending facilities							
Bank loans	50.0						
Loan notes	181.4						
Uncommitted lending facilities	**231.4**						

Bank overdrafts are stated net of trade guarantee facilities utilised of €0.6 million.

Following the cancellation of a contract for the construction of a new cruise ferry, due to the insolvency of the shipbuilder, a term loan advanced by the European Investment Bank with outstanding principal of €76.0 million at 30 June 2021 became repayable. This loan has been classified within current liabilities. This principal was repaid out of cash resources on 2 July 2021.

At 30 June 2021 and the date of approval of these Condensed Financial Statements, the Group satisfies the conditions for drawing under the committed facilities.

Obligations under the Group borrowing facilities have been cross guaranteed by the parent company and certain subsidiaries but are otherwise unsecured except for lease obligations which are secured by the lessors' title to leased assets.

12. Tax

Corporation tax for the interim period is estimated based on the best estimate of the weighted average annual corporation tax rate expected to apply to each taxable entity for the full financial year.

The Company and subsidiaries that are Irish Resident for tax purposes have elected to be taxed under the Irish tonnage tax scheme. Under the tonnage tax scheme, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the ships utilised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

13. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks including market risk (such as interest rate risk, foreign currency risk, commodity price risk), liquidity risk and credit risk. The Group's funding, liquidity and exposure to interest and foreign exchange rate risks are managed by the Group's treasury and accounting departments. Treasury management practices are used to manage these underlying risks.

These interim Condensed Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2020 Annual Report. There have been no changes to the risk management procedures or policies since the 2020 year end.

i) Carrying value and fair value estimation of financial assets and liabilities

The table below sets out the carrying value and fair values of the Group's financial assets and liabilities at the reporting date.

	30 Jun 21		30 Jun 20		31 Dec 20	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Financial assets						
Lease receivable	18.0	18.0	20.8	20.8	19.4	19.4
Trade and other receivables	60.2	60.2	54.7	54.7	52.9	52.9
Cash and cash equivalents	131.1	131.1	132.5	132.5	150.4	150.4
Total financial assets	**209.3**	**209.3**	**208.0**	**208.0**	**222.7**	**222.7**
Financial liabilities						
Borrowings	192.8	194.1	204.0	211.9	200.4	208.4
Lease liabilities	50.4	50.4	31.8	31.8	38.5	38.5
Trade and other payables	57.8	57.8	63.7	63.7	52.3	52.3
Total financial liabilities	**301.0**	**302.3**	**299.5**	**307.4**	**291.2**	**299.2**

ii) Fair value hierarchy

The Group has adopted the following fair value measurement hierarchy for financial assets and liabilities:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group did not hold any financial assets or financial liabilities at the reporting dates required to be carried at fair value in the Condensed Statement of Consolidated Financial Position.

iii) Fair value of financial assets and financial liabilities measured at amortised cost

With the exception of the financial liabilities related to borrowings set out in the table at (i) above it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in these half year financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

13. Financial instruments and risk management – continued

iii) Fair value of financial assets and financial liabilities measured at amortised cost - continued

The fair value of borrowings are classified within Level 3 of the fair value hierarchy. Fair value has been estimated based on discounted cash flow analysis with the most significant input being the discount rate reflecting the Group's own credit risk. The discount rate is derived from observable market interest rates at the reporting date and observable credit spread market movements since inception of the borrowings. For lease liabilities the Group considers that the incremental borrowing rate used to calculate the carrying value includes a fair estimate of counterparty risk and the carrying value approximates fair value.

iv) Derivative financial instruments

At 30 June 2021, 31 December 2020, and 30 June 2020 the Group did not hold any positions relating to derivative financial instruments.

14. Retirement benefit schemes

The assumptions used to value pension obligations were reviewed against the background of market conditions as at 30 June 2021 leading to a change in discount and inflation rate assumptions while demographic and other assumptions were retained at 31 December 2020 levels. Scheme assets have been valued as per investment managers' valuations at 30 June 2021. In consultation with the actuary to the principal Group defined benefit pension schemes, the discount rate used in relation to the pension scheme liabilities is 1.15% for Euro liabilities (31 December 2020: 0.70%) and 1.85% for Sterling liabilities (31 December 2020: 1.30%).

At 30 June 2021, the Group's total obligation in respect of defined benefit schemes totals €133.0 million (31 December 2020: €140.8 million). The schemes held assets of €147.7 million (31 December 2020: €139.6 million), giving a net pension surplus of €14.7 million (31 December 2020: €1.2 million net deficit).

The principal assumptions used for the purpose of the actuarial valuations at 30 June 2021 were derived using techniques consistent with those used for the assumptions used for the 31 December 2020 valuations. The assumptions, which were set after considering independent actuarial advice and which are reflective of market conditions that existed at 30 June 2021, were as follows:

	30 Jun 21		30 Jun 20		31 Dec 20	
	Sterling	Euro	Sterling	Euro	Sterling	Euro
Discount rate	1.85%	1.15%	1.55%	0.90%	1.30%	0.70%
Inflation rate	3.45%	1.70%	3.05%	1.10%	3.15%	1.20%
Rate of increase of pensions in payment	3.25%	0.70%	2.85%	0.20% - 0.30%	3.05%	0.30% - 0.40%
Rate of pensionable salary increases	1.05%	0.00% - 1.60%	0.85%	0.00% - 0.80%	0.95%	0.00% - 0.90%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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14. Retirement benefit schemes – continued

The movements in the net surplus on the retirement benefit schemes were as follows:

	HY 2021	HY 2020	FY 2020
Movement in retirement benefit schemes net surplus	**€m**	**€m**	**€m**
Opening (deficit) / surplus	(1.2)	8.8	8.8
Current service cost	(0.9)	(0.7)	(1.7)
Settlement loss	-	-	(9.3)
Augmentation cost	-	-	(1.1)
Employer contributions paid	0.9	1.3	2.8
Net interest income	-	0.1	0.2
Actuarial gain / (loss)	15.9	(3.5)	(0.8)
Currency adjustment	-	(0.1)	(0.1)
Net surplus / (deficit)	**14.7**	**5.9**	**(1.2)**
Schemes in surplus	16.1	9.5	1.0
Schemes in deficit	(1.4)	(3.6)	(2.2)
Net surplus / (deficit)	**14.7**	**5.9**	**(1.2)**

The movement in the net pension surplus since 31 December 2020 includes actuarial gains which are recognised in the Condensed Consolidated Statement of Comprehensive Income.

	HY 2021	HY 2020	FY 2020
Actuarial gains / (losses) recognised in the Condensed Consolidated Statement of Comprehensive Income	**€m**	**€m**	**€m**
Return on scheme assets excluding amounts recognised as finance income	0.5	(11.7)	5.2
Remeasurement adjustments on scheme liabilities			
- Changes in demographic assumptions	-	6.7	-
- Changes in financial assumptions	5.2	1.4	(12.0)
- Experience adjustments	10.2	0.1	6.0
Actuarial gains / (losses) recognised in the Condensed Consolidated Statement of Comprehensive Income	**15.9**	**(3.5)**	**(0.8)**

The actuarial gain arising on scheme assets, which are mainly invested in across a number of equity and bond funds, is reflective of market movements while there were also reductions in liabilities attributable to the change in financial assumptions.

No provision has been made against scheme surpluses as the Group expect, having reviewed the rules of the relevant schemes, that the surplus will accrue to the Group in the future.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

15. Net cash inflow from operating activities

	HY 2021	HY 2020	FY 2020
	€m	€m	€m
Operating activities			
Loss for the financial period / year	(12.7)	(11.6)	(19.0)
Adjustments for:			
Finance costs (net)	1.9	1.7	7.6
Income tax expense	0.5	0.4	1.0
Retirement benefit scheme funding in excess of amounts expensed to Income Statement	-	(0.6)	9.3
Depreciation, impairment and amortisation expense	23.0	19.5	41.3
Share-based payment expense less cost of options settled	0.1	(0.5)	0.2
Gain on disposal of property, plant and equipment	-	-	-
Increase in provisions	-	-	0.2
Operating cash flow before movements in working capital	**12.8**	**8.9**	**40.6**
(Increase) / decrease in inventories	(1.1)	1.2	1.2
(Decrease) / increase in receivables	(2.7)	(0.6)	1.6
Increase in payables	9.9	6.3	7.8
Cash generated from operations	**18.9**	**15.8**	**51.2**
Income taxes paid	(0.3)	(0.3)	(1.4)
Interest paid	(2.8)	(1.7)	(3.7)
Net cash inflow from operating activities	**15.8**	**13.8**	**46.1**

At 30 June 2021 and 30 June 2020, the overall working capital movements amounted to €6.1 million and €6.9 million respectively, which relate to seasonal working capital inflows that are expected to unwind in the second half of the year.

An increase in other prepayments totalling €4.6 million in the period ended 30 June 2021 has been included within cash flows from investing activities on the Condensed Consolidated Statement of Cash Flows.

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16. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

During the six months ended 30 June 2021 there were no material changes to, or material transactions between Irish Continental Group plc and its key management personnel or members of their close family, other than in respect of remuneration. There were no other material related party transactions in the period.

17. Contingent assets / liabilities

There have been no material changes in contingent assets or liabilities as reported in the Group's financial statements for the year ended 31 December 2020.

18. Impairment

Under IFRS, goodwill and other indefinite-lived intangible assets are required to be tested at least annually for impairment. As the Group does not have these types of assets no impairment review is required.

In relation to assets other than those listed above, the Group assessed those assets to determine if there were any indications of impairment. No internal or external indications of impairment were identified and consequently no impairment review was performed. In assessing the existence of internal or external indications of impairment, the Group considered the impacts of Covid-19.

19. Composition of the entity

There have been no changes in the composition of the entity during the half year ended 30 June 2021.

20. Commitments

	HY 2021 €m	HY 2020 €m	FY 2020 €m
Commitments for the acquisition of property, plant and equipment – approved and contracted for, but not accrued	17.2	3.6	1.9

21. Events after the reporting period

On 2 July 2021 the Group repaid from existing cash resources the outstanding principal of €76.0 million on a term loan advanced by the European Investment Bank. The Group has contracted to take delivery of a ropax ferry during the second half of 2021, which is intended to be deployed within the Group's ferry operations. The contractual amounts due on delivery are disclosed within capital commitments at note 20.

22. Board approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 25 August 2021.