

# Emerald Energy plc Board Meeting: Proposed Growth Strategy

17<sup>th</sup> NOVEMBER 2025



# Strategic & Financial Position Review

Sensitive margins and thermal asset depreciation present cause for concern; Blackridge acquisition attractive recovery route

## Supply Arm Pressure

Margins highly sensitive to input costs. Declining operating profits signal tightening retail margins across Ireland's energy sector

## Generation Advantage

Steadier performance, but rising carbon costs and thermal asset depreciation force strategic re-evaluation toward renewables

## Blackridge Acquisition

Proactive move to expand lower-cost, lower-risk renewable capacity aligned with decarbonisation policy

## Financial Metrics

**36%**

**Asset  
Growth**

2023-2024, bond-financed expansion

**59%**

**Debt  
Ratio**

Up from 48% in 2023

**1.7x**

**Current  
Ratio**

Robust liquidity vs. competitors

**€960m**

**Equity  
Value**

Up from €835m in 2022

Leverage management is critical to protect credit rating and secure lower future borrowing costs for renewable investment

# Governance Structure & Effectiveness

Emerald's governance is formal but lacks autonomy, with concentrated authority limiting effective oversight and strategic integration

## Authority Concentration

- CEO Mike Powers also serves as chair with close personal relations to senior executives, centralising decision-making

## Conflict of Interest

- Performance-related pay may incentivise short-term results over sustainable growth

## Limited NED Oversight

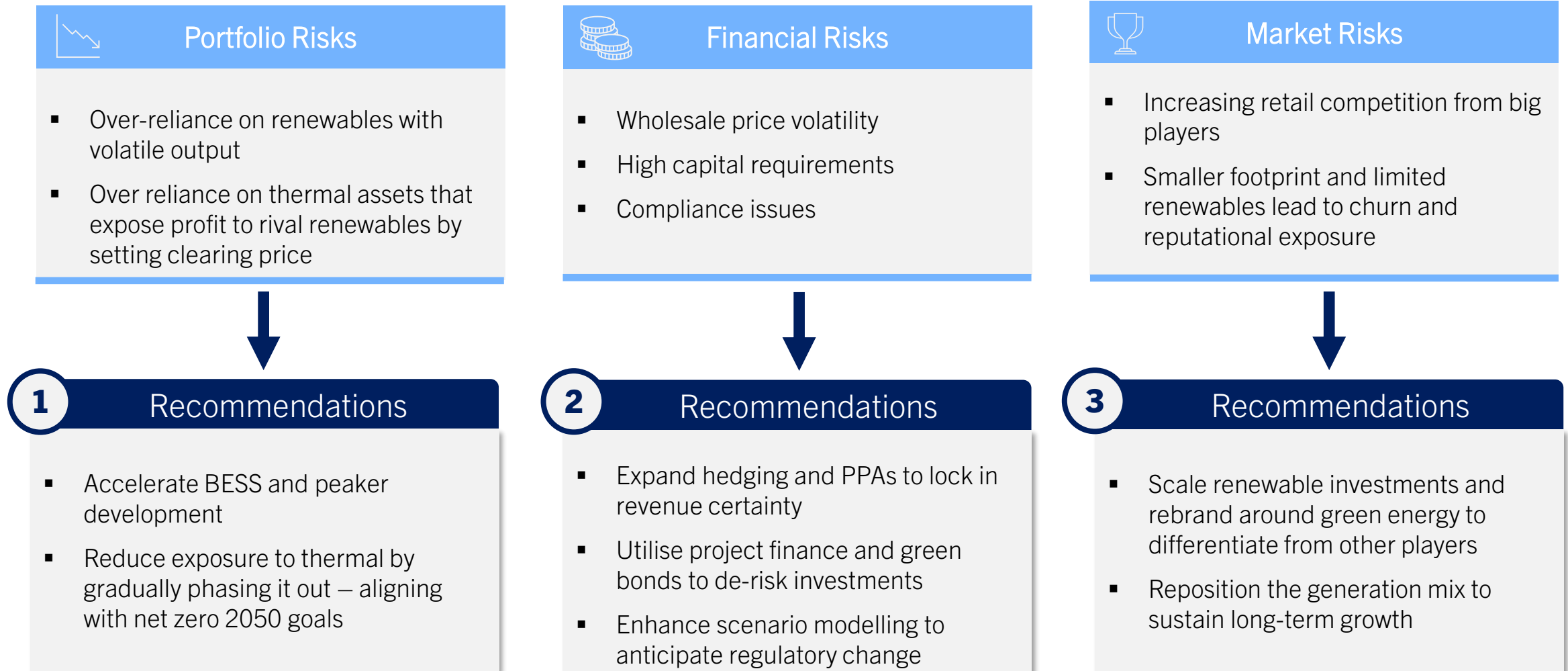
- Five Non-Executive Directors exist, but none sit on subsidiary boards, limiting their ability to challenge operational decisions or gain deep business insight

## Regulatory Silos

- EU unbundling and Irish ring fencing exclude Supply MD from plc board, reducing cohesive group integration and alignment on long-term strategy

# Managing Risk, Shaping Strategy

Key threats to Emerald Energy's growth are concentrated across portfolio, financial and market risks



# Strategic Capital Recycling: Funding Renewable Expansion

Blackridge Wind Farm presents a compelling opportunity to expand operations into renewables

## Objective

- Recycle capital from mature thermal assets into renewables, avoiding additional debt (currently 59%)

## Recommendation

- Acquire Blackridge Wind Farm: 100 MW capacity, 15-year fixed Corporate PPA at €71.35/MWh

**100**  
**MW**  
**Capacity**

Blackridge Wind Farm  
operational capacity

**15**  
**Year**  
**PPA**

Fixed Corporate Power  
Purchase Agreement

**5**  
**GW**  
**Target**

Renewable capacity goal  
for Emerald Energy

## Acquisition Justification

- Acting decisively capitalises on competitors' refinancing challenges and favourable valuations
- Short-term cash flow decline offset by long-term earnings enhancement, positioning Emerald as Ireland's leading renewable operator

# Immediate Priorities: Management & Governance Reform

Swift action should be taken to address the customer data breach and board independence risk

1

## Customer Data Breach

### Proposed Response:

- Release immediate public statement addressing customer data leak
- Ensure containment and transparency to mitigate regulatory, reputational and governance risks following media attention

2

## Governance Reform

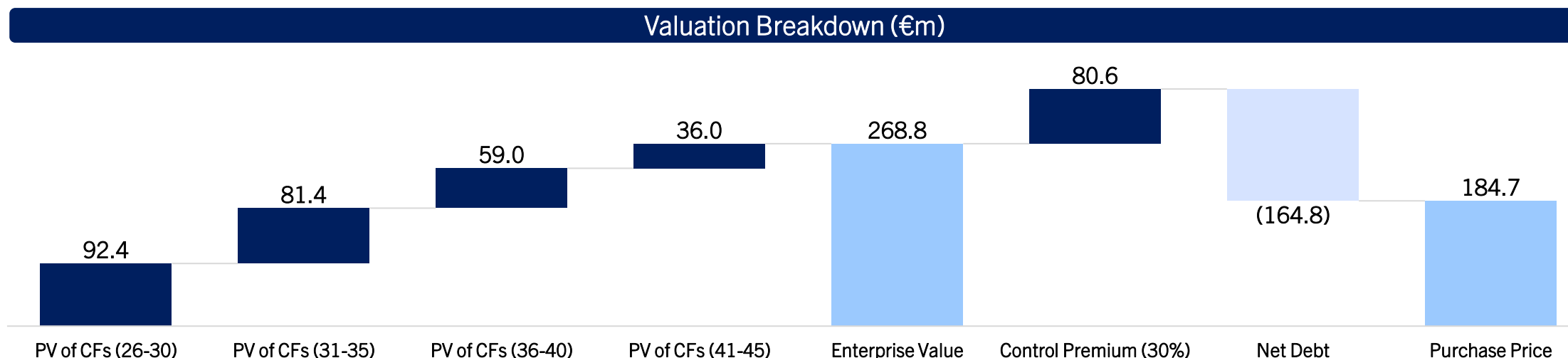
### Proposed Response:

- Strengthen board independence by appointing non-executive directors to subsidiary boards
- Address conflicts of interest such as COO's wife on Eirgrid board to align with best-practice standards

# Acquisition Overview: Blackridge Wind Farm

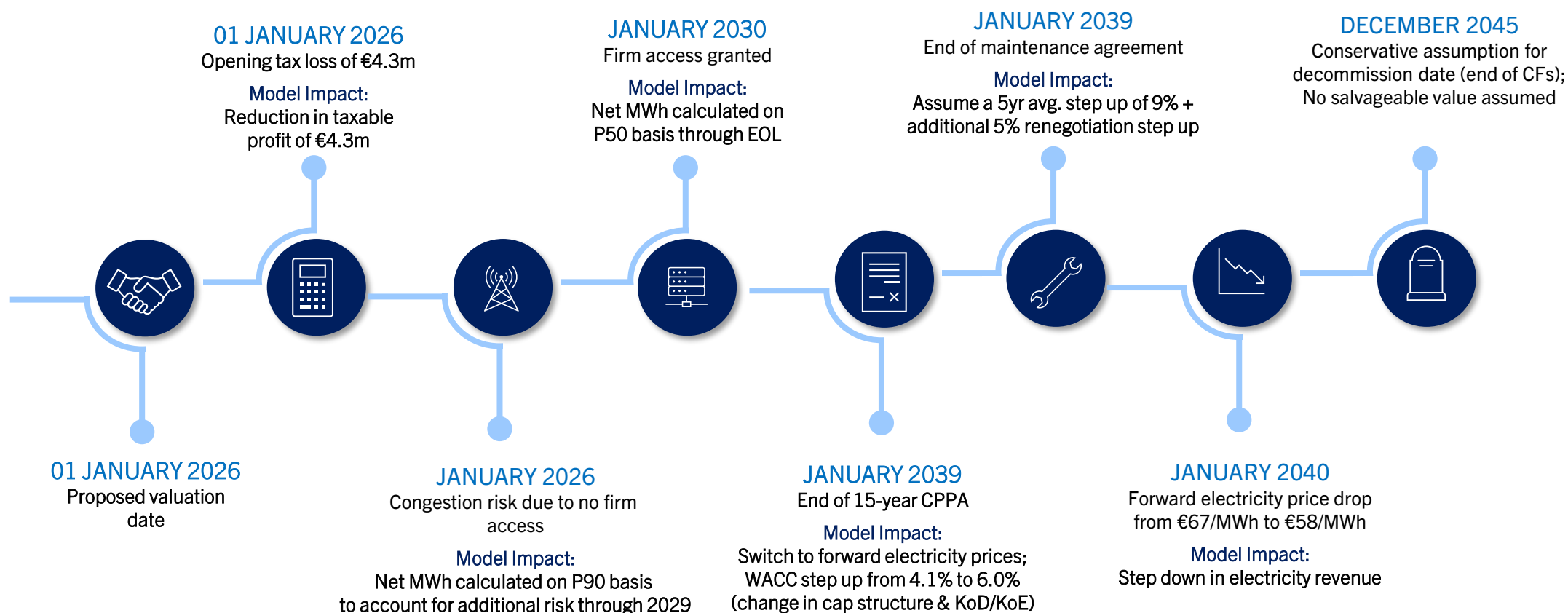
We arrive at a purchase price of €184.7m for Blackridge Wind Farm (30% control premium)

Asset Overview	Valuation Overview	Transaction Overview
<ul style="list-style-type: none"> <li>22 Nordex N149 wind turbines</li> <li>Commenced operation: Q1 2024</li> <li>Installed capacity: 100 MW (91 MW MEC)</li> <li>Gross P50: 38.50%; Gross P90: 34.65%</li> <li>Net MWh – 2026-2029: 349,975 (P90)</li> <li>Net MWh – 2030-2045: 388,861 (P50)</li> </ul>	<ul style="list-style-type: none"> <li><b>Enterprise Value: €268.8m</b></li> <li>20-year discounted cash flow analysis</li> <li>P90 capacity 2026-2029, P50 2030-2045</li> <li>WACC of 4.1% through 2039, 6.0% post-CPPA period (change in cap structure &amp; KoD + KoE)</li> <li>Decommission Date: 2045</li> </ul>	<ul style="list-style-type: none"> <li><b>Purchase Price: €184.7m</b></li> <li>Control Premium: 30%</li> <li>Proposed Funding Sources: Mixture of bond issuance and disposal of non-core thermal assets</li> <li>Assumed capital structure: 60% debt, 40% equity</li> </ul>



# Valuation Timeline

Evolution of cash flow variables throughout the course of the asset's life





# Concluding Remarks

## Key takeaways from evaluation, recommendations and valuation

### Emerald Energy's Overall Corporate Position

- Strong, diversified portfolio. Shift toward renewables signalled by the Blackridge acquisition
- Financially stable, operating with a leveraged position
- Formal governance structure but weak independence

### Risks and Strategic Options

- Exposed to volatile prices, strong competition, and decarbonisation pressure
- Stronger hedging and clearer governance needed
- Balanced reposition of the generation mix suitable for longevity

### Recommendations

- Address recent data breach
- Seek additional information on Blackridge Wind Farm's operational and financial performance
- Governance reform and remuneration package changes

### Valuation of Potential Acquisition

- Purchase Price: €184.7m
- Risks: curtailment, price exposure, auction swings
- Further due-diligence required



*Thank You For Listening!*

