Forward looking statements: This presentation contains certain "forward-looking statements" with respect to ESB’s financial condition, results of operations and business and certain of ESB’s plans and objectives with respect to these items. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to and depend upon future events and circumstances. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. All forward-looking statements in the presentation are expressly qualified in their entirety by such factors. ESB does not intend to update any forward-looking statements.

No warranty as to accuracy: Neither ESB nor any person acting on its behalf (i) makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained within this presentation or (ii) shall have any liability whatsoever for loss, howsoever arising, directly or indirectly, from use of the information contained within this presentation.

No invitation to engage in investment activity: This presentation is not an offer to sell, exchange or transfer any securities of ESB and is not soliciting an offer to purchase, exchange or transfer such securities in any jurisdiction.

Presentation not a prospectus: This presentation is not a prospectus for the purposes of Directive 2003/71/EC (as amended) or any implementing legislation in any jurisdiction. Electricity Supply Board and ESB Finance DAC have published a prospectus with respect to their Euro Medium Term Note Programme, copies of which are available from the website of the Central Bank of Ireland (www.centralbank.ie) or from the principal website esb.ie or the offices of Electricity Supply Board at Two Gateway, East Wall Road, Dublin 3, Ireland. This presentation does not purport to contain information which a prospective investor may require in order to evaluate a possible investment in securities of Electricity Supply Board or ESB Finance DAC.
EXECUTIVE SUMMARY
ESB’s Brighter Future Strategy, leading Ireland’s transition to a low carbon economy.

- The target by 2030 is to have at least 40% of total generation to come from zero-carbon sources.

- Robust Green Bond Framework, fully compliant with the Green Bond Principles and has been reviewed by Sustainalytics*.

- ESB expects to be first Irish corporate to issue a publically offered Green Bond.

- An inaugural medium-long dated EUR-denominated Reg-S Green Bond transaction may follow, subject to market conditions.

*In terms of its alignment with relevant industry standards and its robustness and credibility in the meaning of Green Bond Principles (“GBP”) 2018.
ESB OVERVIEW

REGULATED NETWORKS

- Owner of the Regulated Republic of Ireland transmission & distribution networks (2018 RAB €7.9bn)
- Owner of the Regulated Northern Ireland transmission & distribution networks (2018 RAB €1.7bn)

GENERATION

- Portfolio 5.6 GW. Irish* capacity 4.2 GW and 38% market share in 2018. GB capacity 1.4 GW
- Diversified fuel mix. Benefits from capacity and regulatory supports

CUSTOMER SOLUTIONS

- Customer facing businesses including supply of electricity, gas and smart energy services in Ireland and GB
- 33% Irish* electricity supply market share in 2018 and 1.25 million customers accounts

ESB

- Established 1927, Leading Irish Utility, 95% Government-owned. Markets Ireland and Great Britain
- Regulated Networks Businesses account for three quarters of EBITDA and assets
- Solid EBITDA €1,175m for 2018 (2017 €1,276m), Assets €13.1bn, Gearing 56%
- Strong liquidity position and credit ratings A- and A3

*Irish = Republic of Ireland and Northern Ireland
OVERVIEW OF ESB’s STRATEGY
ESB’s purpose
Create a brighter future for our customers by leading the transition to reliable, affordable, low carbon energy

• Meet customers’ energy needs through diverse businesses across energy value chain

• Targeting to increase renewables to 50% of generation capacity (generating 40% electricity) by 2030

• Targeting a 50% reduction in carbon intensity by 2030

Investment Focus
• Smart reliable networks
• Low carbon energy
• New business growth potential
**Delivery on our strategy**

**Generation & Trading:**
- ESB has taken its first steps into Offshore Wind – Galloper (UK) and Oriel (ROI) investments
- Carbon intensity of generation portfolio reduced by 32% to 454 g/KWh (vs 2005)
- Currently developing options to transition Moneypoint out of coal no later than 2025

**Networks:**
- Commencement of the roll-out of the National Smart Metering Programme (NSMP)
- 5.5 GW of renewable generation connected to Networks in ROI & NI
- Dingle Project – trialling new technologies

**Customer Solutions:**
- Electric Ireland’s Smarter Home and All Electric Offer
- Approved €26m capital expenditure to upgrade Electric Vehicle (EV) infrastructure

**CDP score of B- issued to ESB in Feb 2019, above sector average of C**
# Overview of Green Bond Framework

## Use of Proceeds
- The net proceeds from the Green Bond will be used to finance Eligible Green Projects.
- Spend on those projects will be included in the next 24 months or has been incurred in the previous 24 months.
- Exclusions: Financing any power generation project wholly or partly powered by fossil fuels or nuclear power.

## Evaluation & Selection
- A dedicated Green Finance Committee has been created to ensure compliance with the Green Bond Framework and oversee the entire issuance process.
- The Committee will review proposed projects with respect to the Eligibility Criteria.

## Management of Proceeds
- In accordance with the evaluation and selection process an amount equal to the Green Bond net proceeds will be allocated to Eligible Green projects.
- Unallocated proceeds will be held in cash or cash equivalent.

## Reporting
- ESB will produce an Allocation and Impact report at least annually.
- This report will be produced until full allocations of the Green Bond proceeds.

---

### Table: Use of Proceeds

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The net proceeds from the Green Bond will be used to finance Eligible Green Projects.</td>
</tr>
<tr>
<td>Spend on those projects will be included in the next 24 months or has been incurred in the previous 24 months.</td>
</tr>
<tr>
<td>Exclusions: Financing any power generation project wholly or partly powered by fossil fuels or nuclear power.</td>
</tr>
</tbody>
</table>

### Table: Evaluation & Selection

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A dedicated Green Finance Committee has been created to ensure compliance with the Green Bond Framework and oversee the entire issuance process.</td>
</tr>
<tr>
<td>The Committee will review proposed projects with respect to the Eligibility Criteria.</td>
</tr>
</tbody>
</table>

### Table: Management of Proceeds

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>In accordance with the evaluation and selection process an amount equal to the Green Bond net proceeds will be allocated to Eligible Green projects.</td>
</tr>
<tr>
<td>Unallocated proceeds will be held in cash or cash equivalent.</td>
</tr>
</tbody>
</table>

### Table: Reporting

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESB will produce an Allocation and Impact report at least annually.</td>
</tr>
<tr>
<td>This report will be produced until full allocations of the Green Bond proceeds.</td>
</tr>
</tbody>
</table>
### Eligible Green Project Category

<table>
<thead>
<tr>
<th>Renewable Energy</th>
<th>Energy Efficiency</th>
<th>Clean Transportation</th>
<th>Green Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable power - Wind and Solar</td>
<td>Energy efficiency solutions including smart metering and other technologies designed to manage/reduce demand</td>
<td>Electric Vehicles</td>
<td>Green Certified Sustainable Buildings</td>
</tr>
<tr>
<td>Infrastructure required to connect renewables to the grid</td>
<td></td>
<td>Infrastructure to facilitate EV penetration</td>
<td></td>
</tr>
</tbody>
</table>

### Examples of Potential Projects

- **Renewable Energy**
  - MW of installed renewables
  - MW of renewables connected
  - Estimated annual GHG emissions avoided / reduced

- **Energy Efficiency**
  - Number of smart meters installed
  - Number of customers using smart meters
  - Annual energy savings
  - Capacity of energy storage facilities installed
  - Estimated annual GHG emissions avoided / reduced

- **Clean Transportation**
  - Number of EV charging points installed or upgraded
  - Number of EV’s in ESB Fleet

- **Green Buildings**
  - Annual energy savings
  - Certification (BREEAM)
  - Estimated annual GHG emissions avoided / reduced
Board Approved *Brighter Future* Strategy

**Green Finance Committee**
Treasury, Sustainability & Strategy

**Eligible Projects**
Proposed by Business Units
Eligibility Criteria
Environmental Risk Process

**Green Bond Allocation**
Used to finance Eligible Projects

**Framework**
Second Party Opinion

**Annual Report**
until Full Allocation

**Eligible Projects**
Proposed by Business Units
Eligibility Criteria
Environmental Risk Process

**Green Bond Allocation**
Used to finance Eligible Projects
MANAGEMENT OF PROCEEDS

- Green Bond net proceeds to be allocated to Eligible Green projects
- Full allocation to Eligible Projects is expected within 2 years of the Green Bond issuance
- A register and internal controls will be put in place to track the net proceeds on Eligible Green Projects and this will be reported to the Green Finance Committee
- ESB will maintain a minimum level of cash or cash equivalents to the unallocated funds of the Green Bond.
- During the life of the issued Green Bond, if the Eligible Projects are sold, cease to fulfil the Eligibility Criteria, or are otherwise determined to be incompatible with the environmental objectives of the Green Bond Framework, the proceeds will be re-allocated to replacement Eligible Projects that comply with the Eligibility Criteria, as soon as reasonably practicable.
**Allocation and Impact Report will be produced annually**

**Annual reporting covering:**
- Total funds distributed per eligible category
- Total funds used for refinancing or allocated to newly financed projects
- Amount unallocated

<table>
<thead>
<tr>
<th>Eligible Category</th>
<th>Example Impact Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy</td>
<td>• Breakdown of Renewable Energy project by energy type</td>
</tr>
<tr>
<td></td>
<td>• MW of Installed Renewables</td>
</tr>
<tr>
<td></td>
<td>• MW renewables connected</td>
</tr>
<tr>
<td></td>
<td>• MWh Expected annual renewable energy generation</td>
</tr>
<tr>
<td></td>
<td>• Estimated annual GHG emissions avoided/reduced</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>• Number of smart meters installed</td>
</tr>
<tr>
<td></td>
<td>• Number of customers using smart meters</td>
</tr>
<tr>
<td></td>
<td>• Capacity of energy storage facilities installed</td>
</tr>
<tr>
<td></td>
<td>• Annual energy savings (kWh)</td>
</tr>
<tr>
<td></td>
<td>• Estimated annual GHG emissions reduced/avoided</td>
</tr>
<tr>
<td>Clean Transportation</td>
<td>• Number of EV charging points installed or upgraded</td>
</tr>
<tr>
<td></td>
<td>• Number of EV’s in ESB Fleet</td>
</tr>
<tr>
<td>Green Buildings</td>
<td>• Certification (BREEAM)</td>
</tr>
<tr>
<td></td>
<td>• Annual energy savings (MWh)</td>
</tr>
<tr>
<td></td>
<td>• Estimated annual GHG emissions avoided/reduced</td>
</tr>
</tbody>
</table>
GREEN BOND PROJECTS
**Example Green Bond Projects**

- Onshore & Offshore wind
- Connecting Renewables to Grid
- Sustainable Head Office
- Electric Vehicles
• 114 MW Onshore Windfarm
• 38 wind turbines
• 70,000 homes
• 30km of underground 110kV grid connections

**BENEFITS OF THE DEVELOPMENT**

- **Clean Electricity**
  - 70,000 Homes
  - For homes, farms, hospitals, schools and businesses across Ireland

- **Rates Paid**
  - By the wind farm to Kerry County Council will support the provision of local services

- **Stone and Concrete**
  - Used for construction will be sourced from local quarries

- **Support the Transition**
  - From Ireland’s reliance on imported fossil fuels to clean, locally generated renewable energy sources. Make a significant contribution towards Ireland’s commitment of sourcing 40% of our electricity needs from renewable sources by 2020

- **Over 3.6 M**
  - Total value of the Community Benefit Fund to support local projects and amenities/recreational facilities

- **6 Full Time Jobs**
  - Associated with wind farm maintenance during operational phase

- **Jobs 70**
  - Construction jobs at peak employment
• 353 MW offshore wind project
• 56 turbine farm to power 380,000 homes
• Acquired 12.5% stake - March 2018
• Commercial Operation - Sept 2018
Smart, Reliable Networks

- Enabling connection of renewables and distributed generation to the grid. 5.5GW of renewables currently connected to grid (all Island).
  - Grousemount (114MW) requires 30km underground 110kV grid connections
- 20KV conversion which improves energy efficiency by reducing losses and improving resilience/performance of Network
- Commencement of the roll-out of the National Smart Metering Programme (NSMP)
Project Fitzwilliam

- New ESB Head Office – 30,000 Sq Meters, 2 Office Blocks
- Target BREEAM Excellent, BER A3
- Near Zero Energy Building
- New building will be 65% more energy efficient than existing building
- Energy & Heating provided by Solar PV and Air Source heat pumps
- Building designed to minimise use of replacement materials.
- Biodiversity - courtyards and roofs will be planted, bee hives will be introduced at roof level
- Sustainable Transport - Extensive facilities for cyclists, Capacity for 59 EV’s, Multiple public transport options
Electric Vehicles

- Electric Vehicle Charging Infrastructure rollout 2011
- Recently approved investment to fund the rollout of high powered chargers across ESB ecars network;
  - 50 high power charging hubs;
  - In addition 50 chargers will be upgraded to fast chargers;
- This will support the Government’s ambition to have more than 500,000 EVs on Irish roads by 2030.
FINANCIAL OVERVIEW
### Key Credit Strengths

#### Leading Irish Energy Utility
- 95% Irish Government owned
- Markets - Ireland and Great Britain
- Owns all networks in ROI and NI
- Irish electricity market: 38% share of generation and 33% share of supply in 2018

#### Stable Business Profile
- Regulated electricity networks businesses in Ireland account for approximately three quarters of EBITDA and assets
- Supported by established and transparent regulatory frameworks regarded as robust by credit rating agencies

#### Consistent Financial Performance
- FY 2018 EBITDA €1.2bn & Gearing 56% (2017 EBITDA €1.3bn & Gearing 52%)
- Diversified funding and strong liquidity position
- Credit ratings of A- and A3
**CONSISTENT FINANCIAL PERFORMANCE**

### EBITDA (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,301</td>
</tr>
<tr>
<td>2015</td>
<td>1,348</td>
</tr>
<tr>
<td>2016</td>
<td>1,324</td>
</tr>
<tr>
<td>2017</td>
<td>1,276</td>
</tr>
<tr>
<td>2018</td>
<td>1,175</td>
</tr>
</tbody>
</table>

### Net Debt (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4,639</td>
</tr>
<tr>
<td>2015</td>
<td>4,975</td>
</tr>
<tr>
<td>2016</td>
<td>4,524</td>
</tr>
<tr>
<td>2017</td>
<td>4,377</td>
</tr>
<tr>
<td>2018</td>
<td>4,915</td>
</tr>
</tbody>
</table>

### Capital Expenditure (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>960</td>
</tr>
<tr>
<td>2015</td>
<td>873</td>
</tr>
<tr>
<td>2016</td>
<td>897</td>
</tr>
<tr>
<td>2017</td>
<td>867</td>
</tr>
<tr>
<td>2018</td>
<td>1,165</td>
</tr>
</tbody>
</table>

### Gearing (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gearing (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>53%</td>
</tr>
<tr>
<td>2015</td>
<td>55%</td>
</tr>
<tr>
<td>2016</td>
<td>51%</td>
</tr>
<tr>
<td>2017</td>
<td>52%</td>
</tr>
<tr>
<td>2018</td>
<td>56%</td>
</tr>
</tbody>
</table>
Included above are 2 bonds issued in 2018:

• NIE Networks £350m bond issued September 2018, maturity October 2025 with 2.5% coupon
• ESB €500m bond issued October 2018, maturity 2033 with a coupon of 2.125%
**DEBT REPAYMENT PROFILE AS AT 31 DECEMBER 2018**

Note: Excludes Joint Venture Debt