



# Historical Cost Separated Accounts

For the year ended 31 December 2022

Financial Statements

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# Introduction

## eircom Limited Historical Cost Separated Accounts

The European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011 (S.I. No. 333 of 2011), the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2011 (S.I. No. 334 of 2011) and the European Communities (Electronic Communications Networks and Services) (Universal Service and Users Rights) Regulations 2011 (S.I. No.337 of 2011) (respectively “the Framework Regulations”, “the Access Regulations” and the “Universal Service Regulations”) establish the framework for the regulation of the provision of electronic communications networks and services in Ireland. Under this framework, the Commission for Communications Regulation (“ComReg”) may designate operators as having Significant Market Power (“SMP”) in respect of specific markets, in which case ComReg may impose on such operators a range of obligations including, pursuant to Regulation 11 of the Access Regulations and Regulation 13 of the Universal Service Regulations, a requirement for accounting separation and cost accounting. Eircom Limited has been designated SMP in a number of markets. Eircom Limited includes its subsidiaries, i.e. undertakings which it controls. Fibre Networks Ireland Limited (FNI) is a subsidiary of eircom Limited. Therefore, Eircom Limited’s accounting separation and cost accounting obligations have also been applied to FNI and therefore the activities of FNI are also incorporated in these Separated Accounts.

The Historical Cost Regulatory Separated Accounts (“Separated Accounts”) for the year ended 31 December 2022 were prepared in accordance with this requirement and the detailed framework and financial statements requirements set out in the following ComReg

Decision Notices (the ‘Decision Notices’) insofar as they apply to the year ended 31 December 2022:

- Decisions No. 6, 8.1, 8.2, 8.4, 8.6, 8.9 and 8.11 set out in Decision Notice D7/01 ‘eircom’s Reference Interconnection Offer & Accounting Separation and Publication of Financial Information for Telecommunications Operators’, dated April 2001
- D3/03 ‘Review of the Price Cap on certain Telecommunications Services’, dated February 2003
- D03/09 ‘Review of regulatory asset lives of eircom Limited’, dated August 2009
- D08/10 ‘Accounting Separation and Cost Accounting Review of eircom Limited’, dated 31 August 2010
- D11/18 ‘Pricing of Wholesale Broadband Services in the WLA and WCA Markets’ dated 19 November 2018
- D03/20 ‘Wholesale High Quality Access at a Fixed Location’ dated 24 January 2020
- D02/20 ‘Access to Non-geographic numbers: Imposition of price control and transparency obligations’ dated 13 April 2021
- ComReg 21/68 ‘Weighted Average Cost of Capital (“WACC”) Annual update - 2021’ dated 29 June 2021
- ComReg 21/60R ‘Direction to Eircom Limited with respect to Access to CEI under ComReg Decision D10/18’ dated 8 October 2021
- D10/21 ‘Assessment Regional Wholesale Central Access (WCA) Market Re-application of geographic assessment criteria set out in ComReg Decision D10/18’ dated 25 November 2021
- D11/21 ‘Regulated Wholesale Fixed Access Charges - Review of the Access Network Model’, dated 17 December 2021.
- ComReg 22/47 ‘Weighted Average Cost of Capital (“WACC”) Annual update - 2022’ dated 28 June 2022
- D05/22 ‘Retail Access to the Public Telephone Network at a Fixed Location for Residential and Non Residential Customers Wholesale Fixed Access and Call Origination’ dated 29 June 2022
- ComReg 22/78 ‘Response to Consultation and Decision - Retail Fixed Telephony Services and Wholesale Fixed Access and Call Origination Markets’ dated 21 September 2022.

## Introduction

The Decision Notices require that Financial Statements are prepared for the following Wholesale Market Groups and, where applicable, individual markets within these Wholesale Market Groups:

Market Group	Markets
Wholesale Access	Wholesale Physical Access Wholesale Broadband Access Wholesale High Quality Access
Wholesale Other	Wholesale Residual (Regulated) Wholesale Residual (Unregulated)

The full definition of these Wholesale Market Groups and individual wholesale markets are set out in Section 2 of the Primary Accounting Documentation, dated 31 May 2023.

The Separated Accounts are prepared in accordance with the Accounting Documents, where the Accounting Documents means the Primary and Secondary Accounting Documentation, as appropriate. The Primary Accounting Documentation set out the framework under which the statements have been prepared.

The Primary Accounting Documentation is made up of the following:

- Regulatory Accounting Principles - which lay out the general rules by which the Separated Accounts should be prepared, for example that all balances should be attributed with reference to cost causality.
- Attribution Methods - which explain how revenue, costs including transfer charges, assets and liabilities are attributed to the

Markets, Network Elements and Activities within those Market Groups, following the Regulatory Accounting Principles, on a fully allocated basis.

- Transfer Charges - which explain how charges are raised between the markets.
- Accounting Policies - which detail the accounting policies adopted in preparing the underlying financial information.

For clarification, the Primary Accounting Documentation contains the high level principles of attribution.

The procedures describing how these principles are applied are contained in the Secondary Accounting Documentation, which identify these procedures in detail. The Secondary Accounting Documentation is provided privately to ComReg, in accordance with the requirements of D08/10.

This introduction does not form part of the Accounting Documents.

## Applicable Rate of Return

The applicable Rate of Return used in these Separated Accounts is 5.43% which is weighted average of two rates in operation during the year ended 31 December 2022.

## Statement of Directors' Responsibilities for the Separated Accounts

The European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011 (S.I. No. 333 of 2011), the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2011 (S.I. No. 334 of 2011) and the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011 (S.I. No. 337 of 2011) (respectively "the Framework Regulations", "the Access Regulations" and the "Universal Service Regulations") establish the framework for the regulation of the provision of electronic communications networks and services in Ireland.

Under this framework, the Commission for Communications Regulation ("ComReg") may designate operators as having Significant Market Power ("SMP") in respect of specific markets; in which case ComReg may impose on such operators a range of obligations including, pursuant to Regulation 11 of the Access Regulations and Regulation 13 of the Universal Service Regulations, a requirement for accounting separation and cost accounting. eircom Limited has been designated with SMP in a number of markets and in each case is subject to obligations of accounting separation and cost accounting. ComReg Decision D08/10 (the "Decision Instrument") of 31 August 2010 specifies the manner in which eircom Limited must meet its obligations of accounting separation and cost accounting. The directors are responsible for preparing the Separated Accounts which present fairly, in accordance with the Decision Instrument and all relevant ComReg Decisions and Directions, the results, mean capital employed and costs incurred by the company and for each of the relevant markets.

The Separated Accounts for the year ended 31 December 2022 were prepared in accordance with Decision D08/10. Each Financial Statement includes:

- an income statement;

- a statement of mean capital employed;
- a statement of average costs and revenue (if applicable);
- a statement of costs (if applicable);
- a network cost market summary (if applicable).

Each Financial Statement is prepared in accordance with the Accounting Documents. Insofar as there is any inconsistency between any or all of the Accounting Documents, the company ensures that each financial statement is prepared in accordance with the Accounting Documents in the following order of priority:

- the regulatory accounting principles;
- the attribution methods;
- the transfer charges; and
- the accounting policies.

The Separated Accounts are reconciled with the eircom Limited Statutory Financial Statements and that reconciliation is demonstrated and explained.

eircom Limited confirms that the Separated Accounts for the year ended 31 December 2022 fairly present, in accordance with the Primary Accounting Documentation dated 31 May 2023, the results, mean capital employed and costs incurred by eircom Limited and comply with the requirements of the Decision Instrument and the governing legislation.

Stephen Tighe

Chief Financial Officer  
On Behalf of the Board  
31 May 2023

# INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED

## Opinion

We have audited the Separated Accounts of eircom Limited (the "Company") for the year ended 31 December 2022, including the Market Financial Statements, which comprise the following:

- the Consolidated Wholesale Income Statement and Consolidated Wholesale Statement of Mean Capital Employed;
- the Income Statements and Statements of Mean Capital Employed in respect of markets (the "Market Financial Statements");
- the Statement of Average Costs and Revenue by Service for Wholesale Broadband Access;
- the Statement of Costs Wholesale Markets;
- the Statement of Network Costs Wholesale Markets; and
- the Notes to the Separated Accounts.

The Market Financial Statements comprise:

- The Income Statement Wholesale Access and Statement of Mean Capital Employed Wholesale Access, including the Income Statements for the Wholesale Access Markets;
- The Income Statement Wholesale Other and Statement of Mean Capital Employed Wholesale Other, including the Income Statements for the Wholesale Other Markets.

The financial reporting framework that has been applied in their preparation is a special purpose framework comprising of:

- Commission for Communications Regulation Decision Notice D08/10 (dated 31 August 2010) ("the Decision Instrument") and subsequent Decision Notices as outlined more fully in Note 1a: Basis of preparation of the Separated Accounts (collectively "the Decision Notices"); and
- The Primary Accounting Documentation for the year ended 31 December 2022 ("the Primary Accounting Documentation").

In our opinion:

- the Separated Accounts of the Company for the year ended 31 December 2022 present fairly, in all material respects, in accordance with the Regulations (including the Decision Instrument) and the Primary Accounting Documentation, the results, mean capital employed and costs incurred by eircom Limited and comply with the Regulations;
- each of the Market Financial Statements for the year ended 31 December 2022, present fairly in all material respects, in accordance with the Primary Accounting Documentation, the results, mean capital employed and costs incurred by eircom Limited and comply with the Regulations.

## Basis for Opinion

As explained in the "Basis of Preparation" in note 1a, the Company prepared the Separated Accounts by disaggregating balances recorded in the general ledgers and other accounting records of eircom Limited and its subsidiaries (together the "Group"), by directions published by ComReg.

We audited the Statutory Financial Statements of eircom Limited for the year ended 31 December 2022 on which we expressed an unqualified audit opinion. In conducting our subsequent examination of the Separated Accounts, and in providing the opinions above, we have not performed any additional tests of the transactions and balances which are recorded in the general ledgers and other accounting records beyond those already performed for the purpose of the audit of the Statutory Financial Statements.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including 'ISA (UK) 800 (Revised) Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks' and having regard to the guidance contained in the ICAEW Technical Release 02/16AAF (Revised) Reporting to

# INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED (CONTINUED)

## Basis for Opinion (Continued)

*regulators on regulatory accounts.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separated Accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the fact that the Separated Accounts have been prepared in accordance with a special purpose framework, the Regulations (including the Decision Instrument) issued by ComReg and the Primary Accounting Documentation. The nature, form and content of the Separated Accounts are determined by ComReg. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for ComReg's purposes. Accordingly, we make no such assessment. The Separated Accounts are separate from the Statutory Financial Statements of the Company and have not been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Financial information other than that prepared in accordance with IFRS does not necessarily represent a true and fair view of the financial performance or financial position of a company as shown in statutory financial statements prepared in accordance with the Companies (Jersey) Law 1991.

Our opinion is not modified in respect of this matter.

## Other matter

The Statutory Financial Statements of eircom Limited have been prepared on the going concern basis. As noted in the Primary Accounting Documentation, the Statutory Financial Statements were approved on 20 March 2023, and directors' assessment of the Company's ability to continue as a going concern was performed as of that date. The assessment reflects the financial position of the Company at 20 March 2023 and the Directors are not required to and have not performed an updated assessment for the purposes of the Separated Accounts. We have not performed an assessment in respect of going concern for the purposes of the Separated Accounts.

## Other information

The other information comprises the information included in the Historical Cost Separated Accounts, other than the Separated Accounts and our auditor's report thereon. The directors are responsible for the other information contained within the Historical Cost Separated Accounts.

Our opinion on the Separated Accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separated Accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Separated Accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED (CONTINUED)**

## **Responsibilities of the Directors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the Separated Accounts and for such internal control as management determines is necessary to enable the preparation of Separated Accounts that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Separated Accounts**

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

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with

both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the financial reporting aspects of the ComReg regulations;
- We understood how eircom Limited is complying with those frameworks by making enquiries of management. We corroborated our enquiries through reading the board minutes and we noted that there was no contradictory evidence;
- We assessed the susceptibility of the Company's Separated Accounts to material misstatement, including how fraud might occur by enquiry of management, those charged with governance and others within the Company, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journal entries and were designed to provide reasonable assurance that the Separated Accounts were free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **INDEPENDENT AUDITOR'S REPORT TO THE COMMISSION FOR COMMUNICATIONS REGULATION ("COMREG") AND THE DIRECTORS OF EIRCOM LIMITED (CONTINUED)**

## **Use of our report**

This report is made, on terms that have been agreed, solely by the Company and ComReg in order to meet the requirements of the Regulations (including the Decision Instrument) and the Primary Accounting Documentation. Our audit work has been undertaken so that we might state to the Company and ComReg those matters that we have agreed to state to them in our report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and ComReg, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Separated Accounts is separate from our opinion on the Statutory Financial Statements of the Company for the year ended 31 December 2022 on which we reported on 20 March 2023, which are prepared for a different purpose. Our audit report in relation to the Statutory Financial Statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with the Companies (Jersey) Law 1991. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Ernst & Young  
Chartered Accountants and Registered Auditor

Dublin  
31 May 2023

**Consolidated**

<b>WHOLESALE INCOME STATEMENT</b> <b>For the year ended 31 December 2022</b>	<b>Twelve months to 31 December 2022</b>			<b>Eighteen months to 31 December 2021- Restated</b>		
	Total €'000	Wholesale Access €'000	Wholesale Other €'000	Total €'000	Wholesale Access €'000	Wholesale Other €'000
<b>Revenue</b>	<b>615,674</b>	<b>400,426</b>	<b>215,248</b>	<b>957,538</b>	<b>588,123</b>	<b>369,415</b>
<b>Operating costs</b>	<b>409,743</b>	<b>207,082</b>	<b>202,661</b>	<b>658,061</b>	<b>313,405</b>	<b>344,656</b>
<b>Return</b>	<b>205,931</b>	<b>193,344</b>	<b>12,587</b>	<b>299,477</b>	<b>274,718</b>	<b>24,759</b>
<b>Mean capital employed</b>	<b>1,656,126</b>	<b>1,107,662</b>	<b>548,464</b>	<b>1,518,781</b>	<b>987,318</b>	<b>531,463</b>
<b>Return on capital employed</b>	<b>12%</b>	<b>17%</b>	<b>2%</b>	<b>20%</b>	<b>28%</b>	<b>5%</b>
<b>Return on capital employed (annualised)*</b>	<b>12%</b>	<b>17%</b>	<b>2%</b>	<b>13%</b>	<b>19%</b>	<b>3%</b>

\*In these Separated Accounts, Return on capital employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE for the period ended 31 December 2021.

**Consolidated**

**WHOLESALE STATEMENT OF MEAN CAPITAL EMPLOYED  
as at 31 December 2022**

	31 December 2022			31 December 2021- Restated		
	Total €'000	Wholesale Access €'000	Wholesale Other €'000	Total €'000	Wholesale Access €'000	Wholesale Other €'000
<b>Non Current Assets</b>						
Property, Plant and Equipment	1,619,976	1,072,687	547,289	1,579,046	1,020,502	558,544
Intangible Assets	22,312	13,138	9,174	22,754	13,384	9,369
Right of Use Assets	85,378	45,338	40,040	90,054	50,129	39,924
Other Non Current Assets	9,402	5,606	3,796	9,145	5,153	3,992
<b>Total Non Current Assets</b>	<b>1,737,068</b>	<b>1,136,769</b>	<b>600,299</b>	<b>1,700,999</b>	<b>1,089,169</b>	<b>611,829</b>
<b>Current Assets</b>						
Inventories	10,369	6,593	3,776	8,076	4,844	3,232
Trade and other receivables	74,343	41,902	32,441	70,284	30,179	40,105
Cash and cash equivalents	218,779	136,258	82,521	134,103	75,563	58,540
<b>Total Current Assets</b>	<b>303,491</b>	<b>184,753</b>	<b>118,738</b>	<b>212,463</b>	<b>110,586</b>	<b>101,877</b>
<b>Total Assets</b>	<b>2,040,559</b>	<b>1,321,522</b>	<b>719,037</b>	<b>1,913,461</b>	<b>1,199,755</b>	<b>713,706</b>
<b>Liabilities</b>						
Trade and other payables	(232,925)	(136,164)	(96,761)	(235,807)	(128,917)	(106,890)
Provisions for liabilities and charges	(151,508)	(77,696)	(73,812)	(158,873)	(83,520)	(75,353)
<b>Total Liabilities</b>	<b>(384,433)</b>	<b>(213,860)</b>	<b>(170,573)</b>	<b>(394,680)</b>	<b>(212,437)</b>	<b>(182,243)</b>
<b>Mean Capital Employed for the period</b>	<b>1,656,126</b>	<b>1,107,662</b>	<b>548,464</b>	<b>1,518,781</b>	<b>987,318</b>	<b>531,463</b>

## Market Financial Statements

INCOME STATEMENT WHOLESAL ACCESS For the year ended 31 December 2022	Twelve months to 31 December 2022				Eighteen months to 31 December 2021- Restated			
	Total	Wholesale Physical Access	Wholesale Broadband Access	Wholesale High Quality Access	Total	Wholesale Physical Access	Wholesale Broadband Access	Wholesale High Quality Access
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>								
External revenue	196,501	25,623	138,403	32,475	276,998	20,243	210,994	45,761
Internal revenue - Inter	23,313	-	-	23,313	30,812	28	-	30,784
Internal revenue - Intra	180,612	-	145,918	34,694	280,313	-	230,067	50,246
<b>Total revenue</b>	<b>400,426</b>	<b>25,623</b>	<b>284,321</b>	<b>90,482</b>	<b>588,123</b>	<b>20,272</b>	<b>441,061</b>	<b>126,790</b>
<b>Costs</b>								
Cost of Sales	15,900	15,704	175	21	15,268	14,985	80	203
Product development and management	754	101	369	284	1,317	153	661	503
Marketing and sales	564	22	420	122	870	14	610	246
Repair and maintenance	27,446	116	24,607	2,723	43,418	147	39,183	4,088
Finance	2,061	48	1,692	321	2,443	40	2,045	359
Installation/Provisioning	951	125	523	303	2,101	232	1,102	767
Network support	19,909	487	15,822	3,600	29,402	356	24,706	4,340
General management	8,094	165	6,600	1,329	9,310	154	7,623	1,533
Accommodation	14,170	362	11,068	2,740	21,886	535	17,468	3,883
Information Technology	3,321	81	2,666	574	6,298	118	5,156	1,024
Transport	3,603	132	3,009	462	5,048	151	4,355	542
Personnel and administration	897	23	700	174	1,312	24	1,056	232
Other operating expenses	736	509	183	44	979	732	220	27
Credit management and billing	306	20	107	179	386	25	187	174
Depreciation	107,418	1,975	88,178	17,265	174,257	1,681	144,845	27,731
<b>Total HCA wholesale operating costs</b>	<b>206,130</b>	<b>19,870</b>	<b>156,119</b>	<b>30,141</b>	<b>314,297</b>	<b>19,347</b>	<b>249,296</b>	<b>45,654</b>
<b>Transfer charges from Retail</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Exceptional (Gain) / Loss</b>	<b>952</b>	<b>36</b>	<b>796</b>	<b>120</b>	<b>(892)</b>	<b>(27)</b>	<b>(770)</b>	<b>(95)</b>
<b>Total Operating costs</b>	<b>207,082</b>	<b>19,906</b>	<b>156,915</b>	<b>30,261</b>	<b>313,405</b>	<b>19,320</b>	<b>248,526</b>	<b>45,559</b>
<b>Return</b>	<b>193,344</b>	<b>5,717</b>	<b>127,406</b>	<b>60,221</b>	<b>274,718</b>	<b>952</b>	<b>192,535</b>	<b>81,231</b>
<b>Mean capital employed</b>	<b>1,107,662</b>	<b>23,080</b>	<b>927,766</b>	<b>156,816</b>	<b>987,318</b>	<b>771</b>	<b>848,399</b>	<b>138,148</b>
<b>Return on capital employed</b>	<b>17%</b>	<b>25%</b>	<b>14%</b>	<b>38%</b>	<b>28%</b>	<b>124%</b>	<b>23%</b>	<b>59%</b>
<b>Return on capital employed (annualised)*</b>	<b>17%</b>	<b>25%</b>	<b>14%</b>	<b>38%</b>	<b>19%</b>	<b>82%</b>	<b>15%</b>	<b>39%</b>

\*In these Separated Accounts, Return on capital employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE for the period ended 31 December 2021.

## Market Financial Statements

INCOME STATEMENT WHOLESAL OTHER For the year ended 31 December 2022	Twelve months to 31 December 2022			Eighteen months to 31 December 2021- Restated		
	Total €'000	Wholesale Residual (Regulated) €'000	Wholesale Residual (Unregulated) €'000	Total €'000	Wholesale Residual (Regulated) €'000	Wholesale Residual (Unregulated) €'000
<b>Revenue</b>						
External revenue	95,758	5,828	89,930	155,192	11,394	143,797
Internal revenue - Inter	10,045	949	9,096	18,938	1,750	17,188
Internal revenue - Intra	109,445	2,276	107,169	195,286	4,079	191,207
<b>Total revenue</b>	<b>215,248</b>	<b>9,053</b>	<b>206,195</b>	<b>369,415</b>	<b>17,223</b>	<b>352,192</b>
<b>Costs</b>						
Cost of Sales	26,607	-	26,607	52,108	6	52,102
Product Development and management	804	325	479	1,382	612	770
Marketing and Sales	798	26	772	1,274	37	1,237
Repair and maintenance	22,628	2,903	19,725	41,574	4,036	37,538
Finance	1,537	169	1,368	2,028	188	1,840
Installation/Provisioning	3,777	118	3,659	7,286	267	7,019
Network support	14,214	1,782	12,432	22,181	1,571	20,610
General management	6,440	892	5,548	8,680	926	7,754
Accommodation	9,669	2,197	7,472	14,071	3,058	11,013
Information Technology	2,911	396	2,515	5,516	859	4,656
Transport	3,028	200	2,828	4,119	244	3,874
Personnel and administration	749	85	664	1,126	116	1,010
Other operating expenses	6,472	49	6,423	11,476	30	11,447
Credit management and billing	166	105	61	809	245	563
Depreciation	57,721	5,222	52,499	98,963	8,863	90,101
<b>Total HCA wholesale operating costs</b>	<b>157,521</b>	<b>14,469</b>	<b>143,052</b>	<b>272,593</b>	<b>21,059</b>	<b>251,534</b>
<b>Transfer charges from Wholesale / Revenue transfer to Retail</b>	<b>44,358</b>	<b>2,440</b>	<b>41,917</b>	<b>72,787</b>	<b>5,008</b>	<b>67,779</b>
<b>Exceptional (Gain) / Loss</b>	<b>782</b>	<b>49</b>	<b>734</b>	<b>(723)</b>	<b>(41)</b>	<b>(683)</b>
<b>Total Operating costs</b>	<b>202,661</b>	<b>16,958</b>	<b>185,703</b>	<b>344,656</b>	<b>26,026</b>	<b>318,631</b>
<b>Return</b>	<b>12,587</b>	<b>(7,905)</b>	<b>20,492</b>	<b>24,759</b>	<b>(8,802)</b>	<b>33,561</b>
<b>Mean capital employed</b>	<b>548,464</b>	<b>38,703</b>	<b>509,761</b>	<b>531,463</b>	<b>36,943</b>	<b>494,520</b>
<b>Return on capital employed</b>	<b>2%</b>	<b>-20%</b>	<b>4%</b>	<b>5%</b>	<b>-24%</b>	<b>7%</b>
<b>Return on capital employed (annualised)*</b>	<b>2%</b>	<b>-20%</b>	<b>4%</b>	<b>3%</b>	<b>-16%</b>	<b>5%</b>

\*In these Separated Accounts, Return on capital employed was multiplied by 12 and divided by 18 to arrive at an annualised ROCE for the period ended 31 December 2021.

## Market Financial Statements

STATEMENT OF MEAN CAPITAL EMPLOYED WHOLESALE ACCESS as at 31 December 2022	31 December 2022				31 December 2021- Restated			
	Total Wholesale Access €'000	Wholesale Physical Access €'000	Wholesale Broadband Access €'000	Wholesale High Quality €'000	Total Wholesale Access €'000	Wholesale Physical Access €'000	Wholesale Broadband Access €'000	Wholesale High Quality Access €'000
<b>Non Current Assets</b>								
Property, Plant and Equipment	1,072,687	33,829	901,559	137,299	1,020,502	13,209	880,492	126,802
Intangible Assets	13,138	493	10,623	2,022	13,384	200	11,581	1,604
Right of Use Assets	45,338	927	33,706	10,705	50,129	1,022	38,510	10,597
Other Non Current Assets	5,606	495	4,334	777	5,153	302	4,203	648
<b>Total Non Current Assets</b>	<b>1,136,769</b>	<b>35,744</b>	<b>950,222</b>	<b>150,803</b>	<b>1,089,169</b>	<b>14,733</b>	<b>934,786</b>	<b>139,651</b>
<b>Current Assets</b>								
Inventories	6,593	53	5,877	663	4,844	14	4,172	659
Trade and other receivables	41,902	1,991	19,584	20,327	30,179	695	11,930	17,554
Cash and cash equivalents	136,258	10,869	108,309	17,080	75,563	4,427	61,630	9,506
<b>Total Current Assets</b>	<b>184,753</b>	<b>12,913</b>	<b>133,770</b>	<b>38,070</b>	<b>110,586</b>	<b>5,136</b>	<b>77,731</b>	<b>27,719</b>
<b>Total Assets</b>	<b>1,321,522</b>	<b>48,657</b>	<b>1,083,992</b>	<b>188,873</b>	<b>1,199,755</b>	<b>19,868</b>	<b>1,012,516</b>	<b>167,370</b>
<b>Liabilities</b>								
Trade and other payables	(136,164)	(19,849)	(97,149)	(19,166)	(128,917)	(15,985)	(96,275)	(16,656)
Provisions for liabilities and charges	(77,696)	(5,729)	(59,076)	(12,891)	(83,520)	(3,112)	(67,842)	(12,566)
<b>Total Liabilities</b>	<b>(213,860)</b>	<b>(25,578)</b>	<b>(156,225)</b>	<b>(32,057)</b>	<b>(212,437)</b>	<b>(19,098)</b>	<b>(164,117)</b>	<b>(29,222)</b>
<b>Mean Capital Employed for the period</b>	<b>1,107,662</b>	<b>23,079</b>	<b>927,767</b>	<b>156,816</b>	<b>987,318</b>	<b>771</b>	<b>848,399</b>	<b>138,148</b>

## Market Financial Statements

STATEMENT OF MEAN CAPITAL EMPLOYED WHOLESALE OTHER as at 31 December 2022	31 December 2022			31 December 2021- Restated		
	Total	Wholesale Residual (Regulated)	Wholesale Residual (Unregulated)	Total	Wholesale Residual (Regulated)	Wholesale Residual (Unregulated)
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Non Current Assets</b>						
Property, Plant and Equipment	547,289	36,047	511,242	558,544	35,538	523,006
Intangible Assets	9,174	682	8,492	9,369	662	8,707
Right of Use Assets	40,040	13,165	26,875	39,924	10,882	29,042
Other Non Current Assets	3,796	359	3,437	3,992	281	3,711
<b>Total Non Current Assets</b>	<b>600,299</b>	<b>50,253</b>	<b>550,046</b>	<b>611,829</b>	<b>47,363</b>	<b>564,466</b>
<b>Current Assets</b>						
Inventories	3,776	911	2,865	3,232	764	2,468
Trade and other receivables	32,441	1,851	30,590	40,105	2,427	37,678
Cash and cash equivalents	82,521	6,999	75,522	58,540	4,119	54,421
<b>Total Current Assets</b>	<b>118,738</b>	<b>9,761</b>	<b>108,977</b>	<b>101,877</b>	<b>7,309</b>	<b>94,567</b>
<b>Total Assets</b>	<b>719,037</b>	<b>60,014</b>	<b>659,023</b>	<b>713,706</b>	<b>54,673</b>	<b>659,033</b>
<b>Liabilities</b>						
Trade and other payables	(96,761)	(7,707)	(89,054)	(106,890)	(6,442)	(100,448)
Provisions for liabilities and charges	(73,812)	(13,604)	(60,208)	(75,353)	(11,287)	(64,065)
<b>Total Liabilities</b>	<b>(170,573)</b>	<b>(21,311)</b>	<b>(149,262)</b>	<b>(182,243)</b>	<b>(17,730)</b>	<b>(164,513)</b>
<b>Mean Capital Employed for the period</b>	<b>548,464</b>	<b>38,703</b>	<b>509,761</b>	<b>531,463</b>	<b>36,943</b>	<b>494,520</b>

## Statement of Average Cost and Revenue by Service

Wholesale Broadband Access  
For the year ended 31 December 2022  
Market summary

	External revenue	Internal revenue	Total revenue	Total operating costs	Return	Return on Turnover	Mean capital employed	ROCE
	€'000	€'000	€'000	€'000	€'000		€'000	
<b>Twelve months to 31 December 2022</b>	138,403	145,918	<b>284,321</b>	156,915	<b>127,406</b>	44.81%	<b>927,766</b>	13.73%

Service	External revenue	Internal revenue	Total revenue	Volume	Unit	Average revenue	FAC average cost	Average revenue / cost
	€'000	€'000	€'000	000's		€	€	
WBA Connections	5,890	9,720	<b>15,610</b>		n.m			
CGA Rental	13,311	16,446	<b>29,757</b>	120	Lines	<b>20.62</b>	<b>22.38</b>	92%
NGA Rental	117,762	116,567	<b>234,329</b>	833	Lines	<b>23.44</b>	<b>13.75</b>	171%
CGA Usage	292	177	<b>469</b>	96	Lines	<b>0.41</b>	<b>5.10</b>	8%
NGA Usage	1,148	3,008	<b>4,156</b>	565	Lines	<b>0.61</b>	<b>2.30</b>	27%

	External revenue	Internal revenue	Total revenue	Total operating costs	Return	Return on Turnover	Mean capital employed	ROCE
	€'000	€'000	€'000	€'000	€'000		€'000	
<b>Eighteen months to 31 December 2021- Restated</b>	210,994	230,067	<b>441,061</b>	248,526	<b>192,535</b>	43.65%	<b>848,399</b>	22.69%

Service	External revenue	Internal revenue	Total revenue	Volume	Unit	Average revenue	FAC average cost	Average revenue / cost
	€'000	€'000	€'000	000's		€	€	
WBA Connections	7,132	15,005	<b>22,137</b>		n.m			
CGA Rental	25,263	33,598	<b>58,861</b>	160	Lines	<b>20.49</b>	<b>20.31</b>	101%
NGA Rental	175,298	176,381	<b>351,678</b>	803	Lines	<b>24.33</b>	<b>14.64</b>	166%
CGA Usage	554	406	<b>960</b>	127	Lines	<b>0.42</b>	<b>4.26</b>	10%
NGA Usage	2,747	4,678	<b>7,425</b>	551	Lines	<b>0.75</b>	<b>2.91</b>	26%

Average Rental revenue and costs are monthly averages

The year on year fluctuations in average revenue are as a result of a pricing rebalance between usage and rental as part of D11/18.

Rental volumes are average volumes

n.m = not measurable



**Statement of Network Costs Wholesale Markets**

For the year ended 31 December 2022

Full allocated cost (€'000)	Operating costs	Exceptional Operating Costs	Mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs	Volume ('000)	Average costs per unit
Copper Access Network	71,006	350	585,789	5.43%	31,808	103,164	1,006	102.52
Fibre/High Speed Access Network	9,403	94	85,564	5.43%	4,646	14,143	11	1,272.63
NGA	75,485	250	627,436	5.43%	34,070	109,805	(a)	(a)
Pole Access (NBI)	1,722	17	19,144	5.43%	1,040	2,779	(a)	(a)
Duct Access (NBI)	464	1	8,798	5.43%	478	943	(a)	(a)
DSL Equipment	6,124	1	11,895	5.43%	646	6,771	(a)	(a)
Other Access Equipment	518	-	2,155	5.43%	117	635	(a)	(a)
Provisioning	5,957	45	4,487	5.43%	244	6,246	(a)	(a)
Repair	45,389	795	25,447	5.43%	1,382	47,566	(a)	(a)
<i>Line Sensitive</i>								
Subscriber Unit	9,495	4	33,671	5.43%	1,828	11,327	260	43.52
<i>Call Sensitive</i>	3,330	8	8,187	5.43%	445	3,783	(a)	(a)
<i>Traffic sensitive</i>	3,805	11	11,000	5.43%	597	4,413	(a)	(a)
Interconnect Equipment	142	-	(574)	5.43%	31	111	(a)	(a)
Intelligent Network	403	-	196	5.43%	11	414	1,123,896	0.037
Other Switching Elements	53	-	58	5.43%	3	56	(a)	(a)
<u>Transmission network</u>								
<i>Transmission: Non-length dependent</i>								
PSTN link	7,316	9	10,536	5.43%	572	7,897	1,974,197	0.400
Interconnect link	504	1	992	5.43%	54	559	(a)	(a)
Data incl leased Lines link	2,160	2	3,226	5.43%	175	2,337	(a)	(a)
DSL transmission link	3,240	4	4,616	5.43%	251	3,495	(a)	(a)
Other data link	1,135	1	1,756	5.43%	95	1,231	(a)	(a)
NGN link	21,679	34	47,708	5.43%	2,591	24,304	(a)	(a)
Other transmission link	1,692	2	3,388	5.43%	184	1,878	(a)	(a)
<i>Transmission: Length dependent</i>								
PSTN length	2,160	3	14,119	5.43%	767	2,930	642,554	0.004560
Interconnect Length	54	-	259	5.43%	14	68	(a)	(a)
Data incl leased Lines length	560	1	3,632	5.43%	197	758	(a)	(a)
DSL transmission length	972	2	6,428	5.43%	349	1,323	(a)	(a)
Other data length	1,671	3	8,926	5.43%	485	2,159	(a)	(a)
Transmission: Optical	2,793	4	19,098	5.43%	1,037	3,834	(a)	(a)
NGN length	9,881	15	63,175	5.43%	3,430	13,326	(a)	(a)
Other transmission length	184	-	799	5.43%	43	227	(a)	(a)
<u>Data platforms</u>								
Legacy Leased Lines	1,638	2	3,510	5.43%	191	1,831	(a)	(a)
Other Data	1,402	2	6,071	5.43%	330	1,734	(a)	(a)
IMS Platform	7,225	3	18,107	5.43%	983	8,211	(a)	(a)
Outpayments	40,036	-	17,800	5.43%	967	41,003	(a)	(a)
Carrier Administration	6,628	14	9,264	5.43%	503	7,145	(a)	(a)
Carrier billing	4,094	4	20,110	5.43%	1,092	5,190	(a)	(a)
Other SMP elements	2,278	-	(7,720)	5.43%	(419)	1,859	(a)	(a)
Non-SMP elements	11,053	52	(22,927)	5.43%	(1,245)	9,860	(a)	(a)
<b>Total</b>	<b>363,651</b>	<b>1,734</b>	<b>1,656,126</b>	<b>5.43%</b>	<b>89,930</b>	<b>455,315</b>		

(a) These components include a number of different elements which are used in different proportions for the delivery of services within this heading

**Statement of Network Costs Wholesale Markets**

For the 18 months ended 31 December 2021- Restated

Full allocated cost (€'000)	Operating costs	Exceptional Operating Costs	Mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs	Volume ('000)	Average costs per unit
Copper Access Network	120,742	(349)	597,193	9.25%	55,220	175,613	1,135	154.71
Fibre/High Speed Access Network	12,015	(73)	72,818	9.25%	6,733	18,675	11	1,654.60
NGA	113,188	(270)	542,561	9.25%	50,169	163,087	(a)	(a)
Pole Access (NBI)	1,085	(3)	6,499	9.25%	601	1,682	(a)	(a)
Duct Access (NBI)	211	(0)	2,743	9.25%	254	465	(a)	(a)
DSL Equipment	10,865	(4)	10,893	9.25%	1,007	11,869	(a)	(a)
Other Access Equipment	1,101	-	2,391	9.25%	221	1,322	(a)	(a)
Provisioning	10,789	(47)	11,510	9.25%	1,064	11,806	(a)	(a)
Repair	69,603	(669)	19,117	9.25%	1,768	70,702	(a)	(a)
<i>Line Sensitive</i>								
Subscriber Unit	15,187	(12)	21,522	9.25%	1,990	17,164	888	19.32
<i>Call Sensitive</i>	5,613	(7)	6,550	9.25%	606	6,212	(a)	(a)
<i>Traffic sensitive</i>	6,507	(7)	9,965	9.25%	921	7,421	(a)	(a)
Interconnect Equipment	251	(0)	(736)	9.25%	68	183	(a)	(a)
Intelligent Network	586	(0)	(228)	9.25%	21	564	1,896	0.30
Other Switching Elements	97	(0)	163	9.25%	15	111	(a)	(a)
<u>Transmission network</u>								
<i>Transmission: Non-length dependent</i>								
PSTN link	9,320	(10)	10,175	9.25%	941	10,252	4,002,552	0.256
Interconnect link	784	(1)	1,186	9.25%	110	893	(a)	(a)
Data incl leased Lines link	2,800	(3)	3,210	9.25%	297	3,095	(a)	(a)
DSL transmission link	4,629	(5)	4,881	9.25%	451	5,075	(a)	(a)
Other data link	1,493	(1)	1,778	9.25%	164	1,655	(a)	(a)
NGN link	39,452	(26)	47,667	9.25%	4,408	43,834	(a)	(a)
Other transmission link	2,334	(2)	3,585	9.25%	332	2,664	(a)	(a)
<i>Transmission: Length dependent</i>								
PSTN length	3,542	(5)	14,205	9.25%	1,313	4,850	1,302,735	0.372
Interconnect Length	102	(0)	327	9.25%	30	131	(a)	(a)
Data incl leased Lines length	977	(1)	3,886	9.25%	359	1,334	(a)	(a)
DSL transmission length	1,842	(3)	7,460	9.25%	690	2,529	(a)	(a)
Other data length	2,869	(3)	10,046	9.25%	929	3,795	(a)	(a)
Transmission: Optical	3,770	(4)	16,538	9.25%	1,529	5,295	(a)	(a)
NGN length	16,672	(26)	64,770	9.25%	5,989	22,635	(a)	(a)
Other transmission length	243	(0)	663	9.25%	61	304	(a)	(a)
<u>Data platforms</u>								
Legacy Leased Lines	3,385	(4)	4,368	9.25%	404	3,785	(a)	(a)
Other Data	1,725	(2)	5,548	9.25%	513	2,236	(a)	(a)
IMS Platform	13,010	(3)	18,116	9.25%	1,675	14,682	(a)	(a)
Outpayments	63,584	-	11,564	9.25%	1,069	64,653	(a)	(a)
Carrier Administration	10,364	(9)	5,917	9.25%	547	10,902	(a)	(a)
Carrier billing	5,608	(4)	13,170	9.25%	1,218	6,822	(a)	(a)
Other SMP elements	4,483	(0)	(5,424)	9.25%	(502)	3,981	(a)	(a)
Non-SMP elements	26,066	(60)	(27,817)	9.25%	(2,572)	23,434	(a)	(a)
<b>Total</b>	<b>586,890</b>	<b>(1,616)</b>	<b>1,518,781</b>	<b>9.25%</b>	<b>140,435</b>	<b>725,710</b>		

(a) These components include a number of different elements which are used in different proportions for the delivery of services within this heading

**Network Cost Market Summary Wholesale Markets**  
**For the year ended 31 December 2022**

<b>Full allocated Cost (€'000)</b>	Total Operating and Capital Costs	Wholesale Physical Access	Wholesale Broadband Access	Wholesale High Quality Access	Wholesale Residual (Regulated)	Wholesale Residual (Unregulated)
Copper access network	103,164	-	32,991	353	89	69,731
Fibre/High Speed Access Network	14,143	-	24	11,769	1,037	1,313
NGA	109,805	-	109,805	-	-	-
Pole Access (NBI)	2,779	2,779	-	-	-	-
Duct Access (NBI)	943	943	-	-	-	-
DSL equipment	6,771	-	6,771	-	-	-
Other access equipment	635	-	43	287	-	305
Provisioning wholesale networks	6,246	99	2,089	441	167	3,450
Repair wholesale networks	47,566	-	23,644	545	1,078	22,299
<i>Line Sensitive</i>						
Subscriber unit - line sensitive	11,327	-	-	-	-	11,327
<i>Call Sensitive</i>	3,783	-	-	-	2,309	1,474
<i>Traffic sensitive</i>	4,413	-	-	-	2,577	1,836
Interconnect equipment	111	-	-	-	116	(5)
Intelligent Network	414	-	-	-	194	220
Other switching elements	56	-	-	-	6	50
<u>Transmission network</u>						
<i>Transmission: Non-length dependent</i>						
PSTN link	7,897	-	-	-	4,748	3,149
Interconnect link	559	-	-	-	559	-
Data incl leased lines link	2,337	-	7	1,927	76	327
DSL transmission link	3,495	-	3,495	-	-	-
Other data link	1,231	-	415	655	5	156
NGN Link	24,304	-	11,979	11,308	236	781
Other transmission link	1,878	-	4	288	267	1,319
<i>Transmission: Length dependent</i>						
PSTN length	2,930	-	-	-	1,755	1,175
Interconnect length	68	-	-	-	68	-
Data incl leased lines length	758	-	2	655	19	82
DSL transmission length	1,323	-	1,323	-	-	-
Other data length	2,159	-	228	1,605	17	309
Transmission: Optical	3,834	-	-	2,483	-	1,351
NGN length	13,326	-	10,211	3,106	-	9
Other transmission length	227	-	14	73	7	133
<u>Data platforms</u>						
Legacy leased lines	1,831	-	6	950	70	805
Other data platforms	1,734	-	992	259	15	468
IMS Platform	8,211	-	-	-	-	8,211
Outpayments	41,003	15,940	180	21	(140)	25,002
Carrier administration	7,145	814	1,223	1,131	528	3,449
Carrier billing	5,190	438	1,170	648	446	2,488
Other SMP elements	1,859	29	677	272	372	509
Non-SMP elements	9,860	117	-	-	-	9,743
<b>Total Wholesale Costs</b>	<b>455,315</b>	<b>21,159</b>	<b>207,293</b>	<b>38,776</b>	<b>16,621</b>	<b>171,466</b>

**Network Cost Market Summary Wholesale Markets**  
**For the 18 months ended 31 December 2021 - Restated**

<b>Full allocated Cost (€'000)</b>	<b>Total Operating and Capital Costs</b>	<b>Wholesale Physical Access</b>	<b>Wholesale Broadband Access</b>	<b>Wholesale High Quality Access</b>	<b>Wholesale Residual (Regulated)</b>	<b>Wholesale Residual (Unregulated)</b>
Copper access network	175,613	-	58,519	512	163	116,419
Fibre/High Speed Access Network	18,676	-	32	14,645	1,980	2,018
NGA	163,086	-	163,086	-	-	-
Pole Access (NBI)	1,682	1,682	-	-	-	-
Duct Access (NBI)	464	464	-	-	-	-
DSL equipment	11,869	-	11,869	-	-	-
Other access equipment	1,322	-	74	501	-	747
Provisioning wholesale networks	11,806	440	3,428	1,074	392	6,473
Repair wholesale networks	70,701	-	34,919	764	1,203	33,815
<i>Line Sensitive</i>						
Subscriber unit - line sensitive	17,164	-	-	-	-	17,164
<i>Call Sensitive</i>						
	6,212	-	-	-	3,441	2,770
<i>Traffic sensitive</i>						
	7,421	-	-	-	3,911	3,511
Interconnect equipment	182	-	-	-	202	(20)
Intelligent Network	564	-	-	-	250	314
Other switching elements	112	-	-	-	22	90
<u>Transmission network</u>						
<i>Transmission: Non-length dependent</i>						
PSTN link	10,251	-	-	-	5,575	4,677
Interconnect link	893	-	-	-	893	-
Data incl leased lines link	3,094	-	8	2,592	91	403
DSL transmission link	5,076	-	5,076	-	-	-
Other data link	1,655	-	539	930	7	180
NGN Link	43,834	-	23,579	18,805	81	1,370
Other transmission link	2,664	-	5	441	481	1,736
<i>Transmission: Length dependent</i>						
PSTN length	4,849	-	-	-	2,536	2,313
Interconnect length	132	-	-	-	131	0
Data incl leased lines length	1,335	-	3	1,165	30	137
DSL transmission length	2,529	-	2,529	-	-	-
Other data length	3,795	-	434	2,887	23	451
Transmission: Optical	5,295	-	-	3,492	-	1,803
NGN length	22,635	-	17,943	4,673	-	20
Other transmission length	304	-	11	92	11	191
<u>Data platforms</u>						
Legacy leased lines	3,785	-	11	1,945	132	1,697
Other data platforms	2,236	-	1,147	404	3	682
IMS Platform	14,682	-	-	-	-	14,682
Outpayments	64,654	14,974	82	208	(82)	49,471
Carrier administration	10,903	1,294	2,713	1,761	1,212	3,923
Carrier billing	6,821	347	(625)	865	1,153	5,081
Other SMP elements	3,981	13	1,585	575	590	1,218
Non-SMP elements	23,433	175	8	6	-	23,244
<b>Total Wholesale Costs</b>	<b>725,710</b>	<b>19,391</b>	<b>326,973</b>	<b>58,335</b>	<b>24,434</b>	<b>296,578</b>

# Notes to the Separated Accounts

## Note 1a: Basis of preparation of the Separated Accounts

In June 2022, the group completed the transaction with InfraVia Capital Partners for its wholesale fibre broadband network that will help to accelerate the roll-out of ultrafast fibre-to-the-home broadband across Ireland. A new subsidiary was formed, Fibre Networks Ireland Limited (“FNI”), with InfraVia taking a substantial minority share in the group’s fibre network. InfraVia, is a leading independent private equity firm specialising in infrastructure and technology investments. The group retain a controlling interest of 50.01% in FNI.

Given that Eircom has effective control of FNI, all balances and transactions between Eircom and FNI are eliminated in preparing these Separated Accounts and as such these Separated Accounts includes results of both FNI and Eircom.

The financial information for the year ended 31 December 2022 in these Separated Accounts is prepared by attributing the balances in general ledgers and other accounting records to the Markets and disaggregated Activities.

The structure of the Separated Accounts required under the Decision Notices does not correspond to the way in which the group is organised and hence the way the statutory accounting records are structured. The Separated Accounts are therefore produced by overlaying the requirements of the Decision Notices on the statutory accounting record structure of eircom Limited.

These Separated Accounts are prepared by attributing the balances in eircom Limited’s general ledgers and other accounting records (as amended by Directions and Decisions by ComReg) to the Markets and disaggregated Activities. As required by the Decision Notices, wherever possible, revenue, costs, assets and liabilities are directly associated with either a Market or Network element using information recorded within eircom Limited’s accounting records and are directly attributed to that item. Where no such direct attribution is possible, the revenue, costs, assets and liabilities are apportioned between two or more Activities, Network Elements or Markets on a basis that reflects the causality of the revenue, cost, asset or liability. Residual costs for which no direct or indirect method of apportionment can be identified are allocated using an equal proportionate mark-up method. Details of this process are given in the Attribution Methods sections within the Accounting Documents.

Typically, in a fully allocated accounting system, a number of attribution methods are available. In selecting financial attribution methods and appropriate non-financial data for use within the attribution models employed in the production of the Separated Accounts, eircom Limited has had to make certain estimates and exercise its judgement, having regard to the regulatory principles, including cost causality and objectivity, in order to comply with the requirements of the relevant directions.

## Notes to the Separated Accounts

Certain non-financial data used in the preparation of these Separated Accounts have been derived using sampling techniques appropriate to that data. Eircom Limited will continue to review and update attribution methods on an on-going basis and, where deemed appropriate, make necessary improvements.

The financial data included in these Separated Accounts are presented in thousands, and has been subject to rounding adjustments. As a result, the totals of the data in this document may vary slightly from the actual arithmetic totals.

The Separated Accounts are required to be prepared for the wholesale market groups and for individual markets within these wholesale market groups, as set out in the Decision Notices, and as agreed annually with ComReg. The table below shows the specific Separated Accounts requirements for the year ended 31 December 2022 which differ from the requirements for the 18 month period ended 31 December 2021 (see Explanatory Report for further details).

Market Group	Markets
Wholesale Access	Wholesale Physical Access Wholesale Broadband Access Wholesale High Quality Access
Wholesale Other	Wholesale Residual (Regulated) Wholesale Residual (Unregulated)

### Note 1b: Comparative Figures and Methodology Changes

ComReg requires that where data for the previous financial year is not comparable, as a result of a material change in accounting policy, cost attribution or material error, the figures for the preceding year must be adjusted to the extent that it is reasonable to do so.

The Group changed its financial year end date from 30 June to 31 December in 2021. The financial period ended 31 December 2022 covers a 12 month period; however the prior period covers an 18 month period from 1 July 2020 to 31 December 2021. As a consequence of reporting on 18 months in the prior year means that the trends to the FY22 12 month period are not directly comparable. Return on Mean Capital Employed has been disclosed on an annualised basis for comparability.

The preparation of these Separated Accounts requires estimation of the appropriate utilisation of network equipment by pre-defined product and service offerings. The principles under which the Separated Accounts are prepared require that the network cost components are aligned as closely as possible with the external and IBU revenues arising in respect of these specific products. The determination of the appropriate usage of network components requires a level of estimation and certain assessments have been revised in this respect in the current year to more closely align the revenues and costs at the product level. The material re-statements are documented in the following paragraph:

- Deregulation of the Fixed Access Call Origination Market:** Eircom Limited changed the attribution of its revenues and costs following the deregulation of the Fixed Access Call Origination Market (D05/22). The HCA Separated Accounts report all the costs and revenues associated with the provision of Wholesale Local Access services, such as FTTC based VUA, within the same

## Notes to the Separated Accounts

statement. All broadband products using the copper access network are now allocated copper costs, i.e. not just standalone broadband products. The relevant revenues have also been allocated to Broadband from Narrowband. As this is a material change, we have restated the prior year values which resulted in a movement of Mean Capital Employed (MCE) €171M, Operating cost (Opex) €50M, External revenue €50M, IBU revenue €19M and IBU cost of €19M from Wholesale Other Unregulated to Wholesale Broadband Access.

- 2. Core Access duct allocation:** By making use of Access Fibre records, we were able to refine the methodology used to calculate the split between Core and Access. This resulted in moving MCE €1.3M from Wholesale High Quality Access and €0.2M from Wholesale Other Regulated to Wholesale Broadband Access €0.1M and Wholesale Other Unregulated €1.4M. There was also a minor movement of €0.1M Opex from Wholesale High Quality Access market to Wholesale Other Unregulated market.

In the Network Statement of Cost (NSOC), MCE of Transmission decreased by €3.7M with a corresponding increase of €3.1M and €0.6M in Copper Access and NGA, respectively. Copper Access Opex increased by €0.3M with a corresponding decrease in the Transmission.

- 3. NGN length costs:** We have identified an input data error in the core length distribution process. This has been addressed as part of the FY2021 restatements and resulted in a MCE decrease of €0.1M from Wholesale High Quality Access, €1.1M from Wholesale Other Unregulated, €1.1M from Wholesale Other Regulated and increase of €2.3M in Wholesale Broadband Access market.

In the NSOC, MCE of NGN increased by €4.2M with a corresponding decrease of €3.5M and €0.7M in Legacy Transmission and Optical, respectively. NGN Opex increased by €1M with a corresponding decrease of €0.8M and €0.2M in Legacy Transmission and Optical, respectively.

- 4. Sub-duct costs:** A calculation error in the valuation of FY2021 Sub-duct resulted in an overstatement of NGA Access costs. This has been addressed as part of FY2021 restatements and MCE of Wholesale Broadband Access decreased by €2M with a corresponding increase in Wholesale Other Unregulated. There was also a minor movement of €0.1M Opex from Wholesale Other Unregulated to Wholesale Broadband Access market.

In the NSOC, MCE of NGA decreased by €3M with a corresponding increase of €2.8M and €0.2M in Copper Access and NGN, respectively. NGA Opex increased by €0.1M with a corresponding decrease in the Copper Access.

- 5. Call out charge:** We identified a data source which enabled us to report on the number of missed appointments for retail broadband installations. Using such data retrospectively resulted in a prior year impact of €1.2M revenue increase in Wholesale Broadband Access and cost to Retail of the same amount.

## Notes to the Separated Accounts

The overall impact of these changes is summarised below.

	2021 Original Return €'000	2021 Restated Return €'000	2021 Original M.C.E. €'000	2021 Restated M.C.E. €'000	2021 Original R.O.C.E. %	2021 Restated R.O.C.E. %
Wholesale Physical Access	954	952	802	771	119%	124%
Wholesale Broadband Access	130,325	192,535	676,652	848,399	19%	23%
Wholesale High Quality Access	81,112	81,231	139,503	138,148	58%	59%
Total Wholesale Access	212,390	274,718	816,957	987,318	26%	28%
Wholesale Residual (Regulated)	(9,116)	(8,802)	38,294	36,943	(24%)	(24%)
Wholesale Residual (Unregulated)	95,035	33,561	663,528	494,520	14%	7%
Total Wholesale Other	85,919	24,759	701,822	531,463	12%	5%
Total Wholesale	298,309	299,477	1,518,779	1,518,781	20%	20%

There have been no other material changes in accounting policy, cost attribution or material errors noted which require restatement.



**Note 2: Intra/Inter Business Turnover Reconciliation**

FROM / TO		Wholesale Access	Wholesale Other	Retail	Total	Wholesale Access	Wholesale Other	Retail	Total
		31-Dec-22 Intra €'000	31-Dec-22 Intra €'000	31-Dec-22 Intra €'000	31-Dec-22 Intra €'000	31-Dec-22 Inter €'000	31-Dec-22 Inter €'000	31-Dec-22 Inter €'000	31-Dec-22 Inter €'000
<b>Wholesale Access:</b>	Wholesale Physical Access	-	-	-	-	-	-	-	-
	Wholesale Broadband Access	-	11,503	134,415	145,918	-	-	-	-
	Wholesale Leased Lines	-	1,005	33,689	34,694	-	-	23,313	23,313
	<b>Total</b>	-	12,508	168,104	180,612	-	-	23,313	23,313
<b>Wholesale Other:</b>	Wholesale Residual (Regulated)	-	1,139	1,137	2,276	-	-	949	949
	Wholesale Residual (Unregulated)	-	-	107,169	107,169	-	-	9,095	9,096
	<b>Total</b>	-	1,139	108,305	109,445	-	-	10,044	10,045
<b>Retail</b>	<b>Total</b>	-	2,176	-	2,176	248	4,619	9,609	14,475
<b>TOTAL</b>		-	15,824	276,409	292,233	248	4,619	42,966	47,833

### Note 3: Income Statement Reconciliation

#### Consolidated Wholesale Market Groups For the year ended 31 December 2022

	Twelve months to 31 December 2022			Eighteen months to 31 December 2021		
	Revenue	Operating costs	Return	Revenue	Operating costs	Return
	€'000	€'000	€'000	€'000	€'000	€'000
Wholesale Access	400,426	207,082	193,344	588,123	313,405	274,718
Wholesale Other	215,248	202,661	12,587	369,415	344,656	24,759
<b>Total Wholesale Market Groups</b>	<b>615,674</b>	<b>409,743</b>	<b>205,931</b>	<b>957,538</b>	<b>658,061</b>	<b>299,477</b>
Other Markets - Retail	943,923	797,945	145,978	1,380,414	1,177,697	202,716
<b>Total Market Groups</b>	<b>1,559,597</b>	<b>1,207,688</b>	<b>351,909</b>	<b>2,337,952</b>	<b>1,835,758</b>	<b>502,194</b>
<b>Adjustments</b>						
Elimination of Inter Business turnover and costs between wholesale and retail	(37,396)	(37,396)	-	(56,242)	(56,242)	-
Transfer charges between Retail and Wholesale	(292,233)	(291,310)	(923)	(480,479)	(478,642)	(1,837)
Interest payable and similar charges disallowed			(80,756)			(131,309)
Profit/(loss) on disposal of investments and impairment		(65,754)	65,754		(153,944)	153,944
Profit on disposal of Lease assets		(503)	503		(5,031)	5,031
Share of profit of associates			1,355			11,518
Tax on profits on ordinary activities			(16,748)			(15,097)
Impact of change to asset lives		27,857	(27,857)		38,294	(38,294)
Brand Amortisation disallowed			-		6,350	(6,350)
Fair Value Adjustments		19,240	(19,240)		37,406	(37,406)
IFRS 16 impairment adjustment		(4,951)	4,951		(6,576)	6,576
IFRS pension finance cost disallowed			(4,596)			(10,281)
Fair Value Lease Adjustment		(897)	897		(1,459)	1,459
Non relevant eircom operating costs		228,892	(228,892)		107,083	(107,083)
<b>As in the statutory financial statements</b>	<b>1,229,968</b>	<b>1,082,865</b>	<b>46,357</b>	<b>1,801,231</b>	<b>1,322,995</b>	<b>333,065</b>

**Note 4: Statement of Mean Capital Employed Reconciliation**  
**Consolidated Wholesale Market Groups**

**Statement of Mean Capital Employed Reconciliation**  
**For the year ended 31 December 2022**

	<b>Capital employed</b>	<b>Restated</b>
	<b>December-2022</b>	<b>December-2021</b>
	<b>€'000</b>	<b>€'000</b>
<b>Shareholders' funds as in the statutory financial statements</b>	(1,149,339)	(1,364,879)
<b>Reconciling items</b>		
Finance Income Payable / (Receivable) Net	4,396	5,633
Taxation	(2,041)	9,509
Deferred Taxation provision (net)	105,421	67,415
Restructuring Provision	24,179	20,046
Pension Benefit (Asset)/Liability	(716,217)	(349,389)
Capitalised interest	(210)	(217)
Liabilities for non relevant eircom operating costs	73,637	77,385
IFRS 3 Purchase Price Allocation Adjustment	(6,744)	(25,345)
Deferred connections	(7,560)	(8,484)
ROU asset impairment	63,299	59,188
Goodwill	(267,645)	(267,645)
Elimination of financing balances	697,320	(45,848)
Elimination of intercompany financing balances	2,963,241	3,310,775
<b>Closing capital employed</b>	<b>1,781,736</b>	<b>1,488,146</b>
<b>Opening capital employed</b>	<b>1,488,146</b>	<b>1,341,986</b>
<b>Total adjusted mean capital employed before determined adjustments</b>	<b>1,634,941</b>	<b>1,415,066</b>
Impact of changes to asset lives	545,772	515,065
<b>Total mean capital employed</b>	<b>2,180,713</b>	<b>1,930,130</b>
Wholesale Access	1,107,662	987,318
Wholesale Other	548,464	531,463
Retail	524,587	411,348
<b>Total mean capital employed</b>	<b>2,180,713</b>	<b>1,930,130</b>

## **Annex 1: Explanatory Report**

## Explanatory Report – HCA Separated Accounts

This explanatory report sets out, and clarifies, trends relating to relevant wholesale markets including any significant future impact on eir's business of Regulatory Decisions, which have been published by ComReg. The report includes commentary in respect of:

- Trends relating to revenue, by Relevant Wholesale Market;
- Trends relating to volumes, by Relevant Wholesale Market;
- Significant period on period movements in the reported performance and balances;
- One-off or exceptional events in the period; and
- The impact of material changes in accounting policies, methodologies and estimation techniques (if any) and the extent to which they impact on eir's Separated Accounts.

The requirements that arise from both Decision D08/10 and the Decision Notices are reviewed and agreed annually with ComReg. The following changes have been incorporated in this year's statements:

1. Given the roll out of the National Broadband Plan, we have agreed to disclose the Physical Infrastructure Access market separately;
2. Following the deregulation of the Fixed Access Call Origination Market and in line with ComReg's proposed treatment that the HCA Separated Accounts report all the costs and revenues associated with the provision of Wholesale Local Access services, such as FTTC based VUA, within the same statement Eircom Limited is changing the attribution of these revenues and costs. This requires that the revenues and costs associated with all copper loops both full loops

and sub-loops that are used in the provision of an FTTC based service are reported as an FTTC VUA related revenue and cost and included in the Broadband Market. Revenues and Costs associated with Standalone WLR lines both PSTN and ISDN will be included in the Wholesale Other Unregulated Market. Furthermore copper costs and related revenues for CGA POTS and bitstream lines bundled with WLR are also reported in the Broadband Market

3. With the deregulation of Fixed Access Call Origination (FACO) Market, results of this market are now included in Wholesale Other Unregulated;

4. Further consequence of deregulation of FACO market is that we no longer separately disclose the results of the voice interconnection market. Call termination is now included in wholesale other regulated and call origination and transit are now included in the unregulated business.

5. The Wholesale Leased Line Market has been relabelled as Wholesale High Quality Access in line with EU market designation.

The Group changed its financial year end date from 30 June to 31 December in 2021. The financial period ended 31 December 2022 covers a 12 month period; however the prior period covers an 18 month period from 1 July 2020 to 31 December 2021. As a consequence of reporting on 18 months in the prior year means that the trends to the FY22 12 month period are not directly comparable. Therefore, this explanatory report uses an average monthly basis to explain trends and movements in revenues and costs.

## Explanatory Report – HCA Separated Accounts

Average monthly revenue in the wholesale market reported a decrease of 4% in FY22 mainly due to reduction in volumes of wholesale access lines during the year. Average monthly operating costs in these markets also show a decrease of 7% which is attributed to reduction in pay related costs, ARO provision charges and lower insurance compensation offset by an increase in the IAS 19 pension charge.

The FY22 annualised return on wholesale markets decreased by 1 percentage point in comparison with that of FY2021.

The group continued to significantly invest in access network infrastructure, as we rolled out the Irish Fibre Network (IFN). As of 31 December 2022, the roll out of our high speed fibre network had passed approximately 987,000 Irish premises (31 December 2021: 746,000).

Each of the relevant wholesale markets are considered in more detail in the following sections.

**Note 1 - Wholesale Network Input (WNI):** As described in the Primary Accounting Documentation, the WNI has not been applied to the transfer charges. If the WNI were to be applied, we would expect wholesale transfer charges to be lower.

**Note 2 - Volumes:** References to volumes in this report relate to average volumes in FY22 and growth trends refer to year on year movements in such average volumes compared to the prior year. Such movements may differ considerably from changes between opening and closing volumes in the financial year, and in particular from growth measures in ComReg Report 23/21, which contains Key Data for the market for the year ended 31 December 2022.

# Explanatory Report - Wholesale Access Business - Wholesale Physical Access

## Market Definition

The Wholesale Physical Access are facilities or elements associated with an electronic communications network, which enable or support the provision of services, and include buildings or entries to buildings, building wiring, antennae, poles, towers and other supporting constructions, ducts, conduits, masts, inspection chambers, manholes, and cabinets. Physical infrastructure that can host an electronic communications network is essential for the deployment of new networks. Physical, or civil engineering, infrastructure is the most upstream market of all electronic communications markets as, in the majority of cases, fixed and mobile networks rely on ducts and poles to install copper, fibre and cable lines. Physical infrastructure represents a significant proportion of investment in networks.

## Key Market Products

Physical infrastructure ('PI') market consists of the poles, ducts and other equivalent conduits (and associated facilities) that are capable of supporting wired Electronic Communication Networks ('ECN(s)'), which in turn supply Electronic Communication Services ('ECS's'). The term PI is also synonymous with Civil Engineering Infrastructure ('CEI'). Access to Eircom's CEI is currently regulated under the 2018 WLA Market Decision.

Physical infrastructure are facilities or elements associated with an electronic communications network, which enable or support the provision of services, and include buildings or entries to buildings, building wiring, antennae, poles, towers and other supporting

constructions, ducts, conduits, masts, inspection chambers, manholes, and cabinets. Physical infrastructure that can host an electronic communications network is essential for the deployment of new networks.

## Regulatory Decisions in the period

ComReg published its consultation and draft decision 23/04 2023 "Physical Infrastructure Access (PIA) Market Review" dated 09 January 2023.

## Trends in Reported Balances

### Revenues/Volumes

Average monthly revenues in the Wholesale Physical Access market have increased by 90% in FY22 as NBI rolls out its own FTTH network in the Intervention area. The main increase relates to repayment work for duct remediation and sub duct install works. There has also been an increase in duct and pole rental revenues as open eir's network is utilised by NBI.

### Operating Costs

Average monthly operating costs in this market have increased by 54% in FY22 which is mainly attributed to increase in cost of sales driven by higher volumes of remediation and sub duct install repayment work during the year.

# Explanatory Report - Wholesale Access Business - Wholesale Physical Access

## Return on Capital Employed (ROCE)

Average monthly revenues have increased by 90% in FY22. Mean Capital Employed increased due to NBI using an increased share of open air's poles and duct infrastructure. The ROCE decreased from 82% to 25% in FY22.

The underlying duct rental prices are based on the Revised CAM per ComReg D03/16. The Revised CAM assumes a number of network dimensioning rules that are different to that deployed in the actual network (i.e., as reflected in the HCAs). For example, the cable dimensioning rule in the Revised CAM assumes a perfectly efficient network with minimum cable deployment and perfect demand knowledge, whereas, for historical deployment reasons a number of additional cables may have been deployed to serve the expanding network demand in the same duct route. This results in different cost allocations between the HCA accounts and those assumed in the Revised CAM – which in turn can lead to a deviation in returns.

## Exceptional Events/Methodology Changes

Exceptional losses arise from the disposal of assets which are no longer required.



# Explanatory Report - Wholesale Access Business - Wholesale Broadband Access

## Market Definition

The market is defined by ComReg as consisting of:

- Current Generation Wholesale Local and Central Access ('CG WCA and CG WLA) provided over xDSL/copper network infrastructure; and
- Next Generation Wholesale Local and Central Access ('NG WCA and NGA WLA) Fibre to the cabinet and G.PON/fibre network infrastructure to the premises.

## Key Market Products

Open eir's Wholesale Bitstream Access Reference Offer (WBARO) currently includes the following principal product types:

- ADSL Legacy Bitstream access, which is regarded as Current Generation Access (CGA);
- ADSL Bitstream Managed Backhaul (BMB) access, including port rental and traffic (also regarded as CGA);
- Bitstream Plus Next Generation Access (NGA) products, provided by a combination of:
  - fibre to the premises or home (FttP/FttH)
  - VDSL, launched from exchange buildings (EVDSL) or cabinet (FTTC)
- Multicast Bitstream service, which supports delivery of linear TV services (regarded as NGA).

These products are segmented by service characteristic, primary line speed and contention ratio. The products are offered both externally to OAOs and internally to eir Retail operations.

The WBA market includes returns from the largely deregulated Urban Wholesale Central Access Market. The Urban market includes 0.96m (69%) of a total of 1.4m lines per D10/21. These accounts do not distinguish between Regional and Urban markets.

## Regulatory Decisions in the period

ComReg has consulted on the Market Reviews of the Wholesale Local Access (WLA) provided at a fixed location Wholesale Central Access (WCA) provided at a fixed location for mass-market products in the document Consultation and Draft Decision Reference: ComReg 23/03 on the 9 January 2023.

As a consequence of the FACO decision as described in the introduction, Eircom has reported the revenue and costs associated with the copper loop used by all Broadband Services i.e. Standalone and POTS in this statement.

# Explanatory Report - Wholesale Access Business - Wholesale Broadband Access

## Trends in Reported Balances

### Revenues/Volumes

The rate of decline in the CGA base continued in FY22. The rate of decline in average CGA base during FY 22 was 25% (FY2021: 29%). The NGA base continues to grow as the FTTH Irish Fibre Network programme is rolled out in the urban footprint.

Average monthly revenues in the WBA market decreased 3% in FY2022 due an overall drop in broadband lines 9k (1%) and price reductions directed in D11/21 which applied from 1 March 2022 to CGA and FTTC prices.

open eir has applied a discount to zero for all FTTH connections and migrations from 1 October 2022 to 31 March 2023.

### Operating Costs

Overall average monthly operating costs decreased by 5% mainly due to reduction in pay related costs, repair and maintenance costs, ARO provision charge, lower insurance and compensation costs offset by increased IAS 19 pension charge

### Return on Capital Employed (ROCE)

MCE has increased by 9%, due to continued increased investment in NGA and increased allocation of the asset base into this market. Due to decrease in average monthly operating profit, the annualized ROCE declined from 15% in FY2021 to 14% in FY22.

## Exceptional Events/Methodology Changes

Exceptional gains arise from the disposal of assets which are no longer required.

# Explanatory Report - Wholesale Access Business - Wholesale High Quality Access

## Market Definition

This market consists of the supply of all leased line connectivity to OAOs and eir Retail. This market consists of three broad leased lines categories:

- Wholesale Ethernet Services;
- Wholesale Leased Lines; and
- Partial Private Circuits (PPC).

## Key Market Products

These products are segmented by service characteristic, primary capacity/bandwidth and distance.

ComReg issued the market review “Wholesale High Quality Access at a Fixed Location”. ComReg has defined six separate WHQA Markets having regard to an assessment of demand-side and supply-side conditions, as well as the effectiveness of indirect constraints emanating from the Relevant Retail LL Markets. As part of this decision notice, Zone A and Zone B’s were defined. Each zone corresponded to a specific geographic area distinguishable according to a grouping of ‘Small Areas’, where ComReg considered that the conditions of competition in Zone A are similar or sufficiently homogeneous and which can be distinguished from the Zone B area in which the prevailing conditions of competition are appreciably different. These accounts do not distinguish between Zone A and Zone B areas.

## Regulatory Decisions in the period

There were no new Regulatory Decisions during the year ended 31 December 2022.

## Trends in Reported Balances

### Revenues/Volumes

Average monthly revenue increased by 7% due to continued growth in average monthly Ethernet revenue (9%). Legacy PPC and Leased Line rental average monthly revenue decreased by 6% as volumes continue to decline due to migration to Ethernet services and increased competition from alternative infrastructure, including self-supply by OAOs.

### Operating Costs

Average monthly costs remained stable on overall level mainly due to increased other operating expenses offset by lower insurance compensation and ARO provision charge.

### Return on Capital Employed (ROCE)

The annualized ROCE decreased by 1 percentage point to 38%, impacted primarily by increased capital employed. Mean capital employed increased by 14%.

## Exceptional Events/Methodology Changes

The exceptional losses arise from the disposal of assets which are no longer required.