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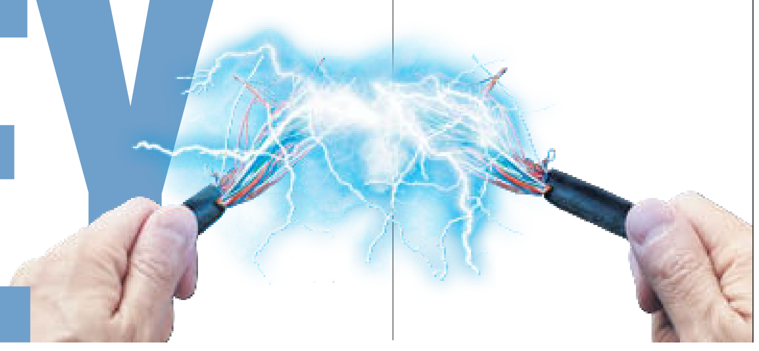

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Offshore wind target all at sea, developers warn

Laura Roddy

Irish and international renewable energy developers have cast doubt over Ireland's ability to reach its 2030 offshore wind target.

The French developer EDF Renewables and the Spanish giant Iberdrola fear that weak grid infrastructure and tight timelines for project completion will thwart Ireland's ambition to have 80 per cent of its energy coming from renewable sources within eight years.

EDF Renewables said it was "deeply concerned" about the country's offshore 2030 plan. It said that Ireland's grid "cannot support 3.5 gigawatts (GW) of offshore wind energy, let alone 5GW".

The submission was made during a public consultation held before the government announced last month that 7GW of offshore wind would be added to the grid.

EDF said that the grid was "the biggest barrier" for Ireland's 2030 target. The developer added that reinforcements of power lines planned by EirGrid were needed "at a minimum" and "must be delivered on time to give Ireland a chance of meeting its targets".

It urged the Department of the Environment, Climate and Communications to work closely with EirGrid on implementing its plans.

Iberdrola, which is working with DP Energy on three wind energy projects, wanted the new Maritime Area Regulatory Authority, which will give consent for new offshore wind farms, to open for business earlier than planned "to ensure sufficient time for projects to secure development permission". The authority is due to be in operation by the first quarter of next year.

Emerald Floating Wind, a joint venture between the Cork-based Simply Blue Group and Shell, said that there was "considerable concern across the industry" around timelines. "Project timescales are extremely tight," Emerald said.

Maritime Area Consent licences, which will allow companies to use a certain part of the seabed, will not be awarded until late next year, which is likely to delay the projects, Emerald said. It would be expected to deliver projects within six to seven years, but said that the average timescale for full commercialisation is a minimum of seven years in a mature market, and ten to 11 years in most others.

Blackstone closes €550m deal for Salesforce Tower

Brian Carey

Blackstone, the world's largest real estate investor, has completed a deal to buy the Salesforce Tower and Samuel Hotel scheme in Dublin docklands from Ronan Group Real Estate (RGRE) and Fortress Investments for more than €550 million, the most expensive single asset office transaction ever in the Dublin market.

It is a big vote of confidence in the market, which has been unsettled in recent weeks by reports of technology companies pulling back from new lettings and subletting floors due to more staff working from home.

RGRE and Fortress are also advancing plans to sell Fibonacci Square, the Ballsbridge office development which is pre-let to Meta, owner of Facebook. The two six-storey office blocks are due for practical completion within the next six weeks. While Meta has indicated that it is delaying the fit-out of the buildings, it is not likely to affect the sale.

Facebook has signed a 25-year lease on the site, formerly part of AIB Bankcentre, at a yearly rent of €22.5 million. The property investment bank Eastdil Secured is handling the sale.

Blackstone is a potential buyer here too, having already purchased the Serpentine extension of the former bank campus for €395 million. It is quite possible that the Fibonacci deal will surpass the Salesforce one as the most expensive office deal.

RGRE has a near 25 per cent stake in the Salesforce development, with a further 5 per cent held by the IT entrepreneur Tom Morrisroe. Fortress, which acquired the debt and equity on the development from Colony Capital last year, owns about 70 per cent.

The return for developer Ronan will have been somewhat dented by the pandemic, which closed the site with interest accruing on the Fortress debt. Ronan acquired the former Spencer Dock site from the National Asset Management Agency in 2015, and later secured Salesforce, one of the world's biggest software companies, as a tenant before construction.

Clouds over tech giants' €2bn data investment

Microsoft and Amazon looking elsewhere after grid connection lockout

Laura Roddy

The tech giants Microsoft and Amazon have put €2 billion of investment in three Irish data centres under review.

A decision to explore alternative locations was made shortly after the Commission for the Regulation of Utilities (CRU) announced in November last year that there would be a moratorium placed on data centres in the greater Dublin region due to grid constraints.

An industry source said that Microsoft was sizing up alternative locations in London, Frankfurt and Madrid, while Amazon has decided to build its data centre near London. While both companies had received planning permission for their facilities, it is understood that Amazon had not received a connection from EirGrid and had been told it would not be eligible for one.

Microsoft's two data centres, in Grange Castle Business Park on Nangor Road, Co Dublin, received planning permission in May last year.

The Amazon Web Services (AWS) centre was being built in Clonee, Co Meath, by EngineNode, an Irish data centre company founded in 2018 by two former Eir executives, Jason O'Conaill and Ronan Kneafsey.

It is understood that AWS and EngineNode entered a joint venture on the project, with the American investment fund Sustainable Development Capital backing EngineNode. The overall project was estimated to cost between €800 million and €1 billion.

The AWS facility received planning permission in July last year but faced a High Court challenge from Mannix and Amy Coyne, a father and daughter who live near the site. They argued the planners did not take into account the environmental impact of the scheme and said it would damage their equine business.

The storage facility was expected to create 500 jobs during construction and 275 when it was operational. AWS has now decided to begin building the data centre in London, sources said. Neither Amazon nor EngineNode responded to a request for comment. Microsoft said it did not comment on speculation.

The Industrial Development Agency said that it could not comment on the plans of individual clients. It added: "Ireland is just one of a number of locations in Europe where data centre operators invest. Multi-location expansion is consistent with the growth in their business and also with the growth in the cloud computing sector in general."

EirGrid said that since the CRU's direction last November it had not granted licences to connect to the grid in the Dublin area, which is constrained at present. "EirGrid is now applying these criteria to all data centre applicants, many of which have decided not to progress their developments," a spokesman said.

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INFLUENCER AGENCY IS EN VOGUE

The television presenter and DJ Vogue Williams, above, is among a number of famous backers of a new talent management agency in Ireland, *writes Linda Daly*. Williams is a shareholder in Matchstick Group, a UK company, which is opening an Irish operation. The model Holly Carpenter, presenter and podcaster James Kavanagh and influencer Grace Mongey are also investors.

Matchstick Group was set up last year by the London-based entrepreneur Max Parker. The company has more than 60 clients on its books, including social media influencers, pop stars and actors. It has been trying to tap into the growing social influencer market, which is predicted to be worth $85 billion (€84 billion) a year by 2028.

Due to launch later this week, Matchstick Ireland already has 11 people on its books, including Kavanagh, the fitness influencer Sarah Godfrey and the photographer Eimear Varian Barry. It will represent Williams on Irish bookings.

McGregor outbid in quest for Dublin pub

Brian Carey

Two overseas investors are believed to have separately swooped to buy landmark Dublin pubs once owned by the former billionaire Seán Quinn.

John Mahon, a Longford man with extensive pub interests in New York, has agreed to purchase JW Sweetman in Dublin city centre while Paul Doyle has secured the Barge on Charlemont Street.

The Currency reported this weekend that Mahon had outbid the MMA fighter Conor McGregor for JW Sweetman with an offer of €5.5 million. McGregor had posted on social media that he had purchased the pub, which he described as "the Shelbourne Hotel of pubs", and said that he looked forward to welcoming CNN to the haunt for St Patrick's Day. However, it is understood that low-profile Mahon, who also has interests in property and bloodstock in America, is in final contract negotiations to buy the pub.

Like Mahon, it is understood that the Barge, a well-known haunt for south city office workers, will be Doyle's first foray into the Dublin market, having built his interest overseas.

Doyle is believed to have paid more than €3.5 million for the pub. Both properties were put on the market by the estate agent John Ryan of CBRE on behalf of the liquidators of IBRC, Kieran Wallace and Eamonn Richardson.

IBRC, which had advanced €2.3 billion to the cement and property tycoon Quinn, took control of the pubs almost a decade ago.

CHIPS OFF THE OLD BLOCK

Coming from a successful family is no guarantee of an easy career in business, says *Brian Carey*

FULL SPEED AHEAD FOR RALLY DRIVER'S ROBOT WAREHOUSE

● **Sam Moffett**'s automated warehouse is going gangbusters, hiring an additional 30 staff and exporting to customers in ten countries. He is backed by his father, Robert, who played a part in masterminding two great engineering feats: the Moffett Mounty, a mountable forklift truck, and the Aisle Master, the articulated forklift made by Martin McVicar's Combilift. Sam Moffett's robotic pallet stackers are going live on projects in four countries and his company is an Enterprise Ireland high-potential start-up. Moffett, 33, is also a world rally car driver, another family tradition. He sits on the board of the family investment company that owns a primary care clinic in Balbriggan, Co Dublin, 50 acres at Profile Park, Clondalkin, where it hopes to develop data centres, residential development land in Co Wicklow and offices in Dublin.

EX-BANKER SET FOR A WINDFALL

● **Alister Musgrave** has managed to carve a very successful career outside his family's wholesaling business. A former investment banker with Morgan Stanley, he founded MoneyHero, a financial comparison site based in Hong Kong. Then he co-founded the CompareAsia Group, now known as Hyphen. In 2020 he joined bolttech, an insurance exchange, as general manager of its Hong Kong business. Backed by the Hong Kong billionaire Richard Li, bolttech raised $247 million last year, securing its unicorn status. The company connects insurers, distributors and customers to make it easier to buy and sell products. It is earmarked for a future stock market listing, which should lead to a windfall for the Cork scion. His wife, Dervla Louli, founded Compare Retreats, a health and fitness travel booking portal.

HIGH HOPES FOR CBD PRODUCTS

● After working for years with her father Michael Burke at Chanelle Pharma, the animal health company that carries her name, **Lady McCoy**'s journey into cannabinoid products has not been without challenges. Chanelle McCoy Health (CMH) was ahead of the pack in getting approvals from the UK Food Safety Authority, owning three of only 57 fully validated products. When the London-quoted Cellular Goods, backed by David Beckham, sought to sell CMH's oils under its own brand, the authority decided that these were new products and the company had to join the queue. CMH, which sells under the Pureis brand, and Cellular are now joining forces in a campaign to encourage Google and Meta to allow cannabigerol and cannabidiol products to be advertised on their platforms.

GAMBLE THAT HASN'T PAID OFF

● Though his father made a number of fortunes in packaging, not least at the family firm, **Dermot Smurfit Jr's** venture into gambling software has been no sure thing. After years selling not-for-cash simulated gaming software, the legalisation of online gambling in America sent GAN stock into orbit. In February 2021, a month after its $175.9 million purchase of Coolbet, an online sport betting and casino company, GAN's value on Nasdaq soared above $1 billion. It's down 90 per cent since. In May the Coolbet founder Jan Svendsen, who took 840,000 GAN shares in part payment for his stake in the company, launched a withering attack on Smurfit and GAN on LinkedIn, calling for the chief executive to be ousted. The stock fell by 16 per cent last week after lacklustre results.

PROPERTY COMPANY IS TEEING UP EXPANSION PLAN

● **BJ Eastwood**, grandson of the late bookmaker and boxing promoter Barney Eastwood, leads Wirefox, a Belfast property company. Eastwood, 37, a golf nut who lost five years of schooling due to treatment for a brain tumour, made a splash when Wirefox bought the CastleCourt shopping centre in Belfast for £123 million in 2018. It was marked down in value to £50 million during Covid, but should bounce back. Last year, with Links Collection Capital from America, Wirefox bought the Scores Hotel overlooking the first tee at St Andrews golf course in Scotland, and got planning for a five-storey extension. This year it added the Bushmills Inn in Co Antrim, which dates from 1608. It got Stormont executive debt funding to develop Paper Exchange, an 11-storey office block in Belfast, and has a large Scottish property portfolio.

Danger, high voltage
Sparks fly in data centre wars

Can Ireland appease the demands of big tech while also addressing energy security fears? By *Laura Roddy*

A string of WhatsApp texts between Microsoft, the IDA and Sarah O' Neill, special adviser to the tanaiste, late last year highlighted some of the mixed messaging around Ireland's data centre policy.

The exchange occurred in the run up to the Commission for the Regulation of Utilities' decision in November to place a moratorium on the building of any further data centres in the greater Dublin area because of their huge energy demand on the state's creaking electricity grid. The messages sent by Ciaran Conlon, Microsoft's head of public policy, to O'Neill and Donal Travers, who heads the IDA's Enterprise Technology Group, suggest that it came as a shock to the multinational.

In early November Conlon said that top officials in EirGrid were "heavily discounting a moratorium" but that had changed completely by January. "Despite all the assurances it still looks like a moratorium on DCs [data centres] in the GDA [greater Dublin area]," he wrote.

Perhaps it shouldn't have been a huge surprise with EirGrid's blackout warnings and concerns about the increasing number of centres in the pipeline. At the same time the IDA had been promoting Ireland as an investment hub for the infrastructure abroad.

Big multinational players such as Microsoft have since largely kept their lips sealed about how the freeze will affect their operations in Ireland. Yet the cracks are beginning to show just as opposition to the facilities heightens amid an energy crisis spurred on by the Russian invasion of Ukraine.

Changes to south Dublin's development plan to ban the construction of any data centre until 2028 have been the final straw. The council's decision prompted a direction from Peter Burke, junior planning minister, that the ban must be removed because it contravenes national policy – data centres are seen as "critical infrastructure".

Echelon, the Irish company that is building TikTok's data centre, has started judicial review proceedings against the council. Preparations for these probably began shortly after June 22 when concerned councillors voted on a motion brought forward by Madeleine Johansson, a People Before Profit councillor, that 34 data centres within their council boundary was enough.

EdgeConneX, CyrusOne and Vantage Data Centers have since joined Echelon in challenging the council's decision.

Politicians and An Taisce have repeatedly raised concerns over the impact the centres have on the grid, and questioned the value of their contribution to the economy. Ian Lumley, An Taisce's head of advocacy, said that the squeeze on the grid had been "exacerbated by government policy" and that the scale of data centre development around Dublin was of "particular concern".

He said: "Local authorities and, in particular, An Bord Pleanala are granting permissions without the proper consideration required under the environmental impact assessment directive."

The charity will lodge an appeal with An Bord Pleanala against the €450 million Art Data Solutions centre that got the go-ahead from Clare council two weeks ago. Lumley said that more data centres should simply not be built considering Ireland's weak energy security, which relies on fossil fuel imports from the UK.

> **This is not an à la carte menu; it all goes together. You can't separate a company from its infrastructure**

Yet data centre providers say Ireland is a knowledge-based economy with an ICT sector, financial services and a pharmaceutical industry that depend heavily on the infrastructure to operate. You can't have the high-tech jobs if you don't have the data centres, they say.

Government support is trying to tread a line between both camps. Leo Varadkar, the tanaiste, said that the centres were an essential part of the economy but the country needed to "balance the fact that we have issues around the amount of electricity at the moment".

While data centres are using 14 per cent of all electricity on the grid, he said there were "concerns about supply" during peak time as data centres need the same continual amount of energy to operate. Making reference to the government's policy statement on data centres last month, he said the country would have to "slow down the number of new data centres being connected, at least until we can ramp up the generation of renewable energy". In the interim, "we'll prioritise those that are linked to major jobs in Ireland, can use renewable energy and are in areas where the grid is strong".

For Maurice Mortell, managing director of Ireland and emerging markets at Equinix, a data centre provider, the commitment is there for the sites to become more sustainable, but the technology isn't. Last year Mortell paused a second data centre with planning permission at Profile Park in Clondalkin, Co Dublin, after the company failed to secure a grid connection.

Government policy states that centres must align with the EU Climate Neutral Data Centre Pact, which recommends that all data centres have the ability to generate 1.3 times the energy they use.

According to Mortell, wind and solar options cannot generate 100 per cent of electricity, and green hydrogen energy technology isn't mature enough. "In order for us to deliver hydrogen at scale, we would have to build another facility the equivalent size as a data centre itself," he said.

He thinks the focus should be on increasing renewables on the grid – and the trends are good. Research carried out by the Sustainable Energy Authority of Ireland showed that from 2015 to 2020 Ireland added 1,121 gigawatt hours (GWh) of renewable electricity, while at the same time the average increase in data centre demand was 357GWh. Many in the industry think that once the rate of renewable energy additions to the grid accelerates further, the consumption of data centres will not be as problematic.

Seamus Dunne, who operates Digital Realty's Irish data centre services, proposed a $300 million expansion to a data centre in Grange Castle in January but this was rejected by Mark Foley, the head of EirGrid. Half of Dunne's clients include multinationals and the rest are Irish.

Dunne had to tell his clients that he could not help them continue their growth trajectory in Ireland because he was unable to build more centres. He said the news had received pushback from two large American clients.

The expansion was one of 30 projects that had been in the pipeline. In February DataPlex, an Irish data centre provider that was led by Eddie Kilbane, went into voluntary liquidation because it did not receive power contracts from EirGrid for two sites it had bought in Dublin. Kilbane had secured €100 million from the Dubai-based Damac Group to help to build its operations.

Dunne said it did not make sense for a company to headquarter itself in Ireland and build its data centres in a different country. Closeness to servers is important for the speed at which companies access their data. Location of data is also important from a legal context, he said. "This isn't an à la carte menu; it all goes together and you cannot separate companies from their infrastructure."

Garry Connolly, founder of Host in Ireland, an industry body, said that the country needed to reframe its thinking. He said that 20 years ago Ireland was the largest exporter of data in the world, but it was on the floppy disk. In 1998 the country overtook the United States when its software exports amounted to $3.29 billion, compared with America's $2.69 billion.

Paul Deane, an energy researcher at University College Cork, said that the next few years would be telling for the operators. He said that a complete banning of data centres was not the way forward. Companies that champion the use of renewable energy in their plants will do well but huge amounts of capital will be needed to fund their renewable projects.

"There is a pathway that we can carve out for the right types of data centres, that can use clean power every hour," he said. "They would have very little impact on environmental emissions and will use renewable energy or energy storage and could actually feed back to the grid."

How Brexit led to a Dublin bond windfall

Linda Daly

The trading floor at TD Securities' Dublin office was abuzz with activity last month as a five-year, $4 billion bond from the World Bank was traded among the world's central banks, bank treasuries and asset managers, as well as first-time investors.

TD Securities traders did their trades while pacing the floor with their headsets on or sitting in front of giant screens. For Laura Quinn, her work was done. Quinn's role as head of origination and syndication at TD Securities involves pitching for deals and feeding market updates to clients, which include the European Union, European Investment Bank and the World Bank. She assesses the appetite for investment and prepares the bonds for sale before the big trades.

"I am like a midwife in the labour ward bringing the bonds to life," she says.

In June TD Securities was one of five banks that underwrote the European Commission's €5 billion NextGenerationEU green bond. The money has been earmarked for climate change and digitalisation projects, as well as helping EU member states to recover from the pandemic.

The NextGenerationEU programme will eventually bring in €800 billion for the EU and about €989 million of that has been earmarked for Ireland.

TD Securities was one of a handful of banks paid to drum up interest from investors for the latest bond issue and also to underwrite it – if the bond failed to sell, the bank would have had to buy what was left.

"For the EU, it was like going into a shop with a solid customer return policy," Quinn says. "It feels amazing that I am back from London, doing this for the European Union and I am helping with projects that will have an impact on Ireland."

It could have all been very different. The Canadian-owned Toronto Dominion Bank, which trades as TD Bank and employs nearly 100,000 people worldwide, had decided to wind down its Irish operations before Brexit happened. In 2017 it decided to expand instead, and the bank established a bonds trading business in Dublin.

Quinn, who hails from Castledermot in Co Kildare, had been working in London for TD Securities since 2006. She was asked to move home, which she did in early 2020.

The company took 10,000sq ft of space on the top floor of One Molesworth Street, off Dawson Street. When the new office opened there were 30 staff, working under the Irish chief executive, Kevin Ahern. The office now employs 150 people and is expanding further over the next 12 to 18 months.

Laura Quinn, of TD Securities, likens herself to a "midwife in the labour ward bringing the bonds to life"

> **It feels amazing to be back from London**

Quinn leads the debt capital markets team, working closely with the EU and other clients. Because the information she and her team deal in is "super sensitive", they are housed away from the traders. "If they had the information we have, it could be considered insider trading," she says.

Quinn has spent more than 20 years working in the finance industry. After studying at University College Cork she moved to London in 2000 and got a job with RBC Capital Markets, a global investment bank.

"I remember being told they wanted to offer me the job but had some concerns. I was a young Irish Catholic girl straight off the boat and would be coming on to a trading floor. They were concerned about how I would find the environment because the language could get spicy. I told them I was the eldest of five children with three brothers and I could teach them some new words. I got the job."

Quinn's first deal was a 50 million South African rand bond transaction for the European Investment Bank, which has long since matured. "It was a three-year bond and I was a bag of nerves, but over the moon when it all went smoothly."

It wasn't always plain sailing. In her second year in the business she was responsible for showing a price to investors and accidentally moved the decimal point by one place.

"I cost the trader £10,000 and was very upset but he told me other people's mistakes had run into the millions," she says. "Despite his kind words, I never made that mistake again. This is such a fast-paced job, with huge amounts of money at risk, you have to be on top of your game."

Quinn has worked through 9/11 and the Lehman Brothers collapse but says the present market malaise should not ruin investors' appetite for bonds. "There was a period during the early days of Covid when the markets were suspended and there was a lot of uncertainty, but that righted itself after a few weeks. In our business, what we are selling is effectively a proxy for government debt – so it's a safe haven investment in that regard."

After becoming the first female managing director of TD Securities' London office, Quinn now leads a team where women slightly tip the scales. "It's a great team with a good mix of people, and it's great fun. The best thing about working in Dublin is that it will show Irish men and women who are interested in a career in finance that they don't have to get on a plane to London or New York to have it."

Scaffolding sale will help O'Brien business scale greater heights

Brian Carey

Actavo, the engineering services company owned by the businessman Denis O'Brien, banked €42 million from the sale of its British scaffolding and hire business last year, allowing the company to pay off its term debt in full.

The company is now focused on delivering on a number of "growth enablers" across its various divisions, its chief executive Brian Kelly said, and is even considering acquiring businesses.

The company, formerly known as Siteserv, installs broadband in homes and rolls out internet networks for infrastructure providers. It has interests in modular construction, and an events business that supplies barriers, floors and seating to concerts and events such as the St Patrick's Day parade and Electric Picnic. It also has an industrial support business that provides engineers and tradespeople to Aramco, the Saudi oil and gas company.

The sale of Actavo Hire and Sales to Altrad, the French multinational, came after an approach. "We got a very good offer we couldn't refuse," Kelly said last week. The deal was not without irony. Altrad was outbid by O'Brien for Siteserv in 2012. A judicial inquiry into the Siteserv sales process is due to be published shortly.

The division was Actavo's most profitable, contributing €6.6 million to the bottom line in 2020. Yet the chance to wipe out the group's borrowings, which had peaked as high as €71 million in 2016, meant that the management could fully exploit opportunities elsewhere.

O'Brien and his fellow shareholders also passed up taking a dividend to further help support growth ambitions. As a result, the group started this year with net cash of €16.5 million.

Kelly: eye on Saudi markets

The sale is a fresh start for the business, which has undergone a restructuring since Kelly joined in 2018.

Revenue grew by almost 10 per cent last year to €158.2 million, and staff numbers rose above 2,100. In 2016 Actavo's revenues peaked at €455 million and it ended the year with more than 6,000 staff. At that time, it was involved in providing scaffold services to oil rigs in Kazakhstan and the decommissioning of nuclear power plants in Britain. It had overstretched and was headed for big losses.

Kelly is confident about Actavo's prospects. Its networks division is now the biggest part of the group with €100 million in sales. This year it will lay broadband fibre past 150,000 homes in Ireland, the UK and the Caribbean for clients such as National Broadband Ireland and O'Brien's Digicel. Actavo "re-established" its business with Gigaclear last year, and its timing looks good before a new wave of investment in fibre infrastructure.

The group's modular construction business, based in Kill, Co Kildare, started out making pre-fabricated huts for building sites but in the past four years has been overhauled. It has completed four school buildings in Gorey, Co Wexford, for the Department of Education and is now is working on a National Standards Authority of Ireland certification to get approval for residential projects, which will further boost the business.

During the pandemic the group maintained a presence in Saudi Arabia, working with engineering, procurement and construction contractors that service Aramco. It has 440 people there, and should benefit when projects restart.

The events business, which pivoted into Covid testing in the pandemic, has come back strongly, Kelly said, and it too has an eye on Saudi Arabia as a growth market. The company provided seats for the state's first Formula One grand prix last year and hopes to tap into the Saudi tourism and events boom. "It's an interesting market," he said. One of many, it seems.

Belgians invest €600m in Irish nursing homes

Linda Daly

Belgian nursing home investors have spent nearly €600 million in the Irish market over the past 18 months, as the nursing home sector undergoes rapid consolidation.

In the latest investment Aedifica has paid €161 million to Richard Barrett's Bartra group for four healthcare properties in Dublin. This brings the company's total investment in the Irish market to €460 million to date, with the purchase of 17 sites.

Cofinimmo, another Belgian nursing home investor, has spent more than €100 million since it entered the market last year. It has purchased seven properties so far. Meanwhile, Care Property Invest paid €33 million for three nursing homes in two separate deals in March.

Barrett, right: sales success

In the latest Aedifica deal the company has purchased nursing homes in Skerries and Santry, as well as a HSE transitional care unit in Artane. It has also bought Clondalkin Lodge nursing home, which is under development. Between them, the four properties will have the capacity to accommodate more than 600 people.

This is the second deal between Aedifica and Bartra, after the former agreed to pay €32 million for a nursing home that is being built by Bartra in Crumlin, Dublin.

Bartra Healthcare will continue to operate all of the nursing homes under a 25-year consumer price index-linked lease, which is typical of the Irish market.

There are 32,000 beds in nursing homes in Ireland at present, with 70 per cent of these operated by the private sector. More than €400 million has been invested in the sector this year alone. Aedifica has 600 sites across Europe and assets worth more than €5.3 billion. In its half-year report it said that contractual rents for its investments in Ireland amounted to €7.5 million.

Debt fund deal for ChannelSight

Brian Carey

ChannelSight, a Dublin company that helps some of the world's largest businesses devise their ecommerce strategies, has secured debt funding from Mars Growth Capital, a Singaporean investment fund.

Founded in 2013 by John Beckett and Niall O'Gorman, ChannelSight has worked for Duracell, Colgate, Candy Hoover and Johnson & Johnson. It also helped the American drug company Perrigo devise an online sales strategy for NiQuitin, its range of nicotine replacement products.

It is backed by the Spanish venture capital company Nauta Tech Invest and Irish investor ACT Venture Capital. Richard Burrows, the former chief executive of Irish Distillers, is a shareholder.

The company posted a loss of €800,000 last year on sales of €5.4 million. It ended the year with €4 million in cash, having paid off a debt facility with Kreos Capital, another tech lender.

Mars Growth Capital says it offers "non-dilutive, affordable, and liability-free growth capital for fast-growing startups and tech companies".

It is a joint venture between Japan's MUFG Bank and Israel-based Fintech Liquidity Capital.

As of December 2021 Mars Growth Capital had signed loan agreements with 12 growing start-up companies from its first $200 million fund. In January it also launched a $300 million debt fund aimed at later-stage, pre-unicorn and unicorn companies which aim to go public in the near future.

Lawyer drops claim over €4m Malin founder shares

John Given, the top corporate lawyer, has withdrawn his claim over close to €4 million worth of shares in the life sciences investment company Malin Corporation, *writes Brian Carey*.

Given, a former Malin chairman, the company's former chief executive G Kelly Martin and Sean Murphy, a former Abbott Laboratories executive, sought to have 2.9 million founder or A shares converted into ordinary stock, claiming a conversion had been triggered by a so-called change of control event.

In High Court proceedings launched in October the founders claimed that Malin's sale of a 65 per cent stake in Altan for €68 million amounted to a change of control. Malin rejected the conversion notices.

Malin Corporation, which is backed by the Ireland Strategic Investment Fund, confirmed last week that Crow Rock Capital, which is controlled by Given and his wife, had withdrawn its claim against Malin and surrendered its A shares. Crow Rock Capital controlled 787,032 A shares which, if successfully converted into ordinary shares, would be worth €3.9 million.

Given: rejected legal claim

Given was hired as head of legal services at KPMG in June. He was previously a senior partner and head of M&A at the solicitors A&L Goodbody and Philip Lee. He is chairman of Dunmore Group, a hospitality investment company.

Malin said that its board "will take all necessary steps to vigorously defend the company and shareholders against the remaining founders' claims in the proceedings".

Kelly Martin is president and chief executive of Radius Health, a US company whose drugs include Tymlos, used in the treatment of postmenopausal women with osteoporosis. It was purchased last week by Gurnet Point Capital and Patient Square Capital.

Bodybuilders add muscle to Glanbia's sales

Brian Carey Agenda

It's like the old Warren Buffet adage: when the tide goes out, we get to see who's been swimming naked. When inflation rises, it become stark who holds pricing power. Smurfit Kappa knocked it out of the park, so too Kingspan. If you are a consumer goods company, then it's difficult to ship without a box. If you are a builder, it's hard to scrimp on the insulation.

Glanbia is interesting. It plays at the sharper end of the inflation war. At its performance nutrition business – the star of the group – its end consumers are Joe Public. Optimum Nutrition (ON) sells protein shakes to bodybuilders and SlimFast sells powdery drinks to slimmers. They are both top brands.

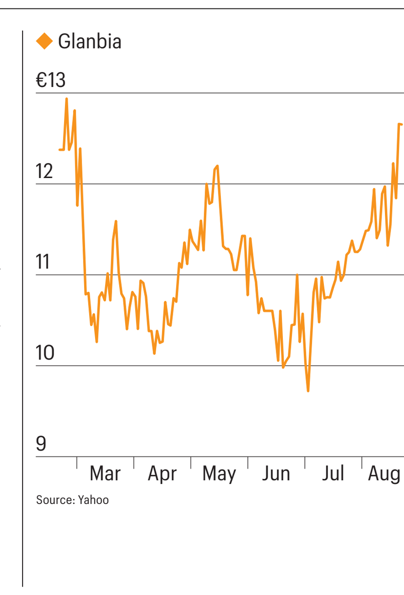
In the first six months of this year ON powered ahead, with sales rising 23 per cent, while SlimFast suffered a 12 per cent decline. Thankfully for Glanbia shareholders, ON accounts for 53 per cent of performance nutrition sales while SlimFast represents 16 per cent.

The markets are going in opposite directions. It seems that those seeking muscle mass are much less price-conscious than those battling the bulge.

The fall in SlimFast's first-half sales came on top of an annual decline of 0.6 per cent last year and a sluggish enough 2020. But in 2019, the first full year of Glanbia ownership, sales rose by an astonishing 49 per cent. Now the pandemic obviously had an impact, and lapping meteoric sales growth year on year is always a challenge, yet it still points to a much more volatile market.

In its first two years of ownership – Glanbia paid $350 million for the business – all the focus was on keto fat bombs. These are energy boosts for those on high-fat, low-carb keto diets. Now the focus is intermittent fasting.

Glanbia's chief executive Siobhan Talbot told analysts last week that more than 12 million households in America use intermittent fasting for weight loss and management. SlimFast is launching a new line of shakes, meal bars and energising hydration sticks next month to fill the gaps for the fasters. It is looking to broaden its reach from the dedicated, on-a-programme slimmer to the mildly-concerned weight watcher. It reckons it will go from targeting the cupboards of ten million households to 30 million. So a brand refresh is coming.



Source: Yahoo

Talbot is still a huge believer. Yet it is a fickle and faddish market. The good news is that SlimFast accounts a very small percentage of group sales. ON is more the boring moneymaker, more like cardboard boxes or insulation.

O'Grady makes a comeback

Bank of Ireland has chosen Myles O'Grady as its new chief executive, ahead of the Spanish banker Alicia Reyes Revuelta. It's a safe choice: O'Grady knows the game plan, having only left the bank for the wholesaler Musgrave five months ago. He is respected and should skip through the Central Bank's fitness and probity test in jig time.

Investors are fairly jaded about changes in Irish bank leadership, so they are likely to accept an old face as the new face. Nobody was looking forward to a six-month vetting of the new boss. The only question now is how much O'Grady will be paid. When he left Bank of Ireland, all the talk was about salary inadequacies and a lack of bonuses. Will he get the €950,000 paid to his predecessor Francesca McDonagh or the €500,000 paid to the AIB boss Colin Hunt? Technically, it should be the latter, in all likelihood it will be the former. And the bank pay farce continues.

More fibre makes Virgin healthier

Virgin Media's deal to sell its services over the Siro network, jointly owned by Vodafone and ESB, is a landmark one. Traditionally Virgin stayed exclusively on its network as it was the fastest, and it could keep it that way. Fibre changed the game. If anything, Virgin is souping up its network to keep pace. By using Siro elsewhere, it will increase its reach from 49 to 70 per cent of the population. It should now get more bang for its marketing spend. Will Virgin now open its network to rivals such as Sky and Vodafone? It has to, eventually. As Eir showed by selling a chunk of its network to InfraVia, a French fund, the value is now wires in the ground. Infrastructure trumps brands.

Footnote: Share price changes quoted for Draft Kings last week were incorrect. The right comparison is that, despite owning the market-leading Fan Duel online sport better in America, Flutter was up 37 per cent in the last month, while Draft Kings was up 60 per cent.

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BOYLESPORTS SCORES UK EXPANSION

IAN HODGSON/PA

Ireland's biggest retail bookmaker, BoyleSports, has beefed up its British portfolio with the acquisition of nine shops in Greater Manchester, *writes Brian Carey*.

The bookie has acquired the Lewis chain of shops, and is in the process of refurbishing and modernising the outlets.

The acquisition will bring the total number of shops in its British portfolio to 44, including three shops on the Isle of Man. BoyleSports has more than 250 shops on the island of Ireland.

Vlad Kaltenieks , the BoyleSports chief executive, said that the company would continue to look at opportunities to purchase chains while also growing organically in the market.

BoyleSports has a team seeking out opportunities for greenfield sites. The bookie recently opened its first shop in Cardiff.

Its rival Paddy Power grew its UK chain exclusively through greenfield expansion, not acquisitions. It has more than 350 shops in the UK.

BoyleSports has invested heavily in sponsorships in the UK to raise its profile. It is the shirt sponsor of Coventry City, which with the Swedish striker Viktor Gyökeres, *pictured*, is pressing for a place in the play-offs for promotion to the Premier League. The shirt deal is due to expire at the end of this season. Last week it was announced that the Premier League is to ban gambling companies from shirt sponsorship after the 2025-26 season.

Eleven data centres approved to tap Gas Networks for power

Tech giants sidestep move by regulator to block access to national grid

Laura Roddy

Eleven data centres have received the green light to be connected to the Gas Networks Ireland (GNI) pipeline as the industry faces a lockout from the electricity grid.

The figures were revealed in a letter sent by Aoife MacEvilly, the commissioner at the Commission for Regulation of Utilities (CRU), to the joint Oireachtas committee on environment and climate action in March.

In a response to a question on how many "islanded" data centres were connected to the pipeline, MacEvilly said there was one already connected and another 11 contracted as of February.

The term "islanded data centre" refers to a facility that has been locked out of the electricity grid.

The issue was raised at last week's climate committee by Lynn Boylan, a Sinn Fein senator, who asked the Department of the Environment, Climate and Communications how the loophole was in line with Ireland's 2030 climate goals. A CRU decision in late 2021 ruled that no new data centre would be added to the electricity infrastructure due to constraints. Under the Gas Act, any Irish business can apply for a connection to GNI's pipeline.

Eighty per cent of the data centres in Ireland are owned by Amazon, Google and Microsoft.

All of these companies have applied for industrial emissions (IE) licences from the Environmental Protection Agency to cover "back-up" gas and diesel generation at sites across Dublin since the CRU ruling was made.

An industrial emissions licence is required when the units generate more than 50MWh of power and are considered "large combustion plants".

Google applied to have 24 back-up generators at its data centre near Clondalkin.

Microsoft applied for a licence last September for its gas generators. Meanwhile, Amazon has applied for IE licences at nine data centre sites across Dublin since the CRU ruling. One application sought a licence for 105 back-up diesel generators at a new data centre in north Dublin.

It is understood that Microsoft has received several gas network connections for back-up generators at its data centres. GNI would not comment on which data centre operators had applied for connections.

A spokesman said the company was "working to replace natural gas with renewable gases and green hydrogen". GNI has an ambition for methane to make up 20 per cent of its overall gas mix by 2030. An Taisce has argued that GNI also wishes to grow its volume of gas production in the next seven years, which will further contribute to emissions and displace its efforts to incorporate biogas.

A CRU official said "applications for connection to the gas network may relate to back-up generation capacity" – despite MacEvilly responding to a query on "islanded" data centres.

The spokesman added that the CRU is working on a "demand side strategy", which will consider how large energy users can give back to the energy system and support Ireland's transition to a zero-carbon system.

He said that, in the coming months, the CRU will focus on large energy users and their access to gas and electricity connections and added that other incoming policies such as the green hydrogen strategy and biogas strategy "will aim to decarbonise our gas consumption".

Amazon, Google and Microsoft declined to comment.

Investors flip Enva for €300m profit

Brian Carey

Investors in Enva are set to earn a near £300 million profit on their investment from the sale of the waste and recycling business to I Squared Capital, an American infrastructure investment manager.

It is believed that I Squared is to acquire Enva at enterprise value of more than £600 million (€674 million).

Exponent, a private equity company, and Niall Wall, the former Ardagh Glass chief executive, bought Enva from DCC, the publicly quoted services group, for £215 million in 2017.

The 2017 acquisition was funded through equity of £1 million, shareholder loans of £96 million and bank debt. At the time of last week's takeover by I Squared Capital's ISQ Global Infrastructure Fund III, debt had risen to £250 million.

Allowing for a shareholder distribution last year and an equity incentive for senior Enva managers led by chief executive Tom Walsh, the two lead investors are likely to have made a 300 per cent return on their investment.

Wall held just short of 20 per cent of the business and stands to make almost £60 million from the deal.

The former Ardagh boss is a shareholder and loan note holder and, as executive chairman, would have earned sweat equity alongside management. The Enva sale also represents another successful Irish exit for Exponent, which bought Fintrax for €170 million in 2012 before selling the Galway outfit to Eurazeo for €585 million three years later.

Under Exponent's ownership, Enva posted compound annual growth of 12 per cent in earnings. The waste business has 1,600 employees across 34 operational facilities in the UK and Ireland. Walsh is to stay on as chief executive.

IT service company Nostra explores sale

Gretchen Friemann

Nostra, a Dublin-based IT services provider, has hired EY to explore a sale of all or part of the business in a deal that could value it at €65 million to €70 million.

Mid-market private equity firms have swooped on the potential deal amid a resurgence in mergers and acquisitions activity in the IT services sector.

A slew of Irish technology companies have changed hands in recent months. The Sunday Times reported last week that Clanwilliam Group, a Dublin-based global healthcare, technology and services provider, is also on the block for up to €300 million.

Goodbody is handling that sale, with a deal expected to be signed shortly.

Nostra was founded in 2006 by Kevin O'Loughlin, an EY Entrepreneur of the Year finalist; his brother, Barry; Gary Byrne; and Senan Finucane. The company, which is targeting a turnover of €50 million by 2026, provides full IT support and maintenance to about 200 businesses, including Dawn Farm Foods, BoyleSports and Avolon, the aircraft lessor.

Latest accounts for Nostra show net profits fell by €343,120 to €631,769 in 2021, while discounted earnings, or ebitda, rose by almost €200,000 to €1.5 million.

Nostra is expected to sell for a multiple of 13 to 14 times on a forward ebitda of €5 million. The Currency reported this weekend that Nostra had acquired Passax Business Systems, a 20-year-old firm owned equally by Padraic Murphy and Liam McCallion.

Opposition to salary increase for FBD boss

FBD Holdings, Ireland's only listed insurer, has come under fire for a planned "excessive" pay rise to Tomás O'Midheach, its chief executive, *writes Gretchen Friemann*.

Glass Lewis, an influential proxy adviser, has urged investors to oppose a proposal to increase O'Midheach's base salary this year by 8 per cent to €540,000, and upbraided the board for the "lack of disclosure" surrounding the pay rise.

While Glass Lewis has greenlit FBD's remuneration report, it has advised shareholders to reject the higher pay award to O'Midheach, calling it "excessive".

With its shares up 19 per cent this year, FBD may not be ripe for revolt. Eamon Waters, the Panda Waste founder, controls just under 12 per cent of the company. Farmer Business Developments remains in the driving seat, with just under 24 per cent of the stock.

An overcapitalised balance sheet and formerly steeply discounted value were among the factors that lured Protector Forsikring, a Norwegian insurer, on to the register of FBD Holdings.

Dag Marius Nereng, chief investment officer at Protector Forsikring, said its shares in FBD had doubled in value since it snapped up nearly 10 per cent in 2021. He said the company would reduce its exposure "over time, when we feel the share price has reached a fair price" or when more compelling "options" become available.

Protector Forsikring reduced its FBD stake recently to 7.5 per cent.

META FACES NEW REALITY

The Facebook owner is laying off more Irish staff in a reversal of its hiring drive, writes *Brian Carey*

MORE EFFICIENCY IS ZUCKERBERG'S MANTRA

● Meta's third wave of restructuring crashed on Irish shores last week with the business cutting 490 roles here. About 350 staff lost their jobs in the first wave in November last year. Like a Chinese premier, the founder **Mark Zuckerberg** decreed that 2023 would be the "year of efficiency". He told analysts in April that once the layoffs were finished, Meta would focus this year on its distributed work model, based on staff working both in the office and at home; delivering AI tools to improve productivity; and removing "unnecessary processes across the company".

Meta has slowed hiring, flattened its management structure, raised the percentage of staff in technical roles and is "more rigorously prioritising projects [that] will improve the speed and quality of our work". The company will then have "a much more stable environment for our employees", Zuckerberg said. The 2,000 staff left on its books in Ireland will hope so. It sounds like the days of its mega hiring are on hold. Across the group, restructuring charges are expected to cost $3 billion to $5 billion this year.

TRYING TO CURTAIL THE RISE OF TIKTOK

● It is hardly a beaten docket. In March the number of people using at least one of Meta's "family of apps", which includes Instagram, Facebook and WhatsApp, on a daily basis exceeded three billion for the first time. Facebook's daily active users stood at about two billion. Meta's advertising revenue was $28.1 billion, up 4 per cent, for the first three months of the year. Revenue in Europe fell, largely due to foreign exchange headwinds. While its ad impressions rose 26 per cent, the average price per ad fell 17 per cent because of weak demand.

Facebook and Instagram Reels, Meta's bulwark against TikTok, are also growing. Zuckerberg told analysts last month that people were sharing Reels about two billion times a day, double the rate of six months ago. That is a lot of **cat meme videos**.

Reels has increased time spent on Instagram by 24 per cent, although longer dwell times on video mean less chance to sell ads.

LOOKING AHEAD TO VIRTUAL HEADSET LAUNCH

● Reality Labs, Meta's virtual and augmented reality business, posted losses of $4 billion in the first quarter, largely driven by research and development costs. More than a billion Meta avatars (animated versions of users) have been created, and the number of titles in its Quest store with at least $25 million in revenue has doubled on last year. More than half of Quest daily active users spend over an hour using their VR device. For all that, sales fell 51 per cent to $339 million in the first quarter due to lower sales of Quest 2 headsets. Almost three years old, the model will be superseded by Quest 3 this year. It promises to be a big event. "I'm really excited to show the world all of the . . . new technology that we have developed since [we launched Quest 2]," Zuckerberg said last month.

Many investors are still sceptical. Reality Labs has a base in Cork, working with the "Building X" Facebook Reality Labs in Redmond, Washington.

REGULATORS CLIP WINGS OF SOCIAL MEDIA

● In a bad week for the company, Meta booked a loss of more than $260 million in offloading Giphy, a gif search engine, to Shutterstock, a photo agency, in a sale forced by regulators.

Yet the loss was dwarfed by a €1.2 billion fine issued by the Irish Data Protection Commission (DPC) — headed by **Helen Dixon** — relating to the transfer of data between the EU and America. An earlier €390 million DPC fine sanctioned Meta for forcing users to consent to the processing of their data for personalised advertising and other services.

The DPC is generating substantial revenues for the state, as fines will head to the Irish exchequer, pending appeals. Regulatory oversight will keep coming: the EU's Digital Markets Act will curb the ability of Meta and others from sharing data across group companies, and there is talk that Brussels will force digital media companies to pay telecom operators for delivering their contact.

TOUGH EQUATIONS ON FIBONACCI SQUARE

● With its Irish workforce shrunk, Meta is seeking to sublet 34,838 sq m of empty offices at **Fibonacci Square** in Ballsbridge, where it is paying rent of €22.5 million a year, or €60 per square foot. The scale of the property may be a challenge for Cushman & Wakefield, the agent. The total market take-up in the first quarter of this year was about 26,000 sq m, and the single biggest let was to Datadog, at just over 4,000 sq m. Subletting, or grey space, is estimated to make up nearly a third of available office space in Dublin, and lease assignments accounted for a record 40 per cent of lettings in the first quarter, says CBRE.

Meta is occupying the rear of the former AIB headquarters campus — a hint to the size of its ambitions in Ireland will be in the terms of the sublet.

Apple eyes Meta crown, page 6

ZINC or swim

Tara's future on the line

Minerals are vital for the EU's green transition but politicians are on the fence over mining licences and the neighbours have dug in their heels, finds *Laura Roddy*

BRYAN MEADE

One thousand metres beneath the Co Meath countryside, a white Toyota Land Cruiser stops at the deepest part of Europe's biggest zinc mine.

A pit filled with water lies to the left of a giant rock wall with the word "Muldoon's" painted across it in white and blue paint.

According to the Tara Mines head of production – and designated driver for Sunday Times reporters – Gerry McDonagh, who has worked here for more than 41 years, it is probably the surname of "a project manager" who helped to dig out the cavern. He compares it to a climber leaving a flag on the top of a mountain.

Names are written at every twist and turn of the 250km of roads built underneath the M3 motorway and lands to either side.

McDonagh knows his way around. Gunnar Nyström, who joined as the mine's general manager in 2019, admits that he would certainly get lost if he were in charge.

Entering Tara Mines, which has been in operation since 1977, and travelling 20 minutes to the deepest point is something of a history lesson in Irish mining and engineering.

Boliden, a Swedish mining company, bought Tara Mines as part of a package deal in 2004 from its former Finnish owner, Outokumpu, which had closed the mines in the early 2000s due to slumping zinc prices. In 2021, the mine produced 2.6 million tonnes of the metal.

The further from the surface the wider the tunnels become, as Nyström explains up to seven large dumper trucks carry 60 tonnes of rock to the top each day.

The vehicles, engineered by the Swedish company Epiroc, are no joke: their loads almost graze the ceiling of these 12 metre-high tunnels as they bring rocks to a crusher underground, before the results are brought to Boliden's on-site mill.

At workshop 750 – named for its depth beneath the surface – three mechanics work on machines under bright lights. Fresh air is piped through large ventilation drifts, and Brendan Anderson, the head mechanic, says the space can feel cold in the winter when the air billows down the large vents.

It is hard to imagine it being truly cold down here. Rock at 150m to 200m below the earth's surface generates about 7C of heat; once you hit the 1,000m mark it begins to feel a great deal warmer. Geothermal heat found at 5,500m underground can warm water to more than 90C.

Every turn taken is a reminder that the space was once taken up by rock.

"The contractors here work fast," Nyström explained, saying that when they created the tunnel from the current mine out to the new location, Tara Deep, they shifted 3.5 cubic metres of rock a day.

Nyström said Tara Deep would breathe new life into the mines – quite literally. He is expecting to dig even further into the ground, another 900m, to access the metal.

With eight years of orebody left to mine, Boliden believes that the new finding of zinc and lead will help to prolong production here.

While the current rock contains a high 5.7 per cent of zinc concentrate, Boliden has found levels around 8.7 per cent in Tara Deep. The discovery will make the company, which recorded a turnover of €235 million at its Irish operations in 2021, some serious money.

Zinc accounts for 90 per cent of the company's overall production, with lead accounting for the other 10 per cent.

Two train-loads of zinc and lead travel to Dublin port every day, before being shipped to Boliden's smelters in Sweden.

General manager Gunnar Nyström, above, and Aoife Tallon, left, project manager of Tara Deep

> The government has concerns about the energy output of the mine

With Tara Deep, the loads will increase to three or four trains a day.

Boliden needs to carry out more tests to ensure there is a viable business below. "In ten years' time, we can begin to mine Tara Deep," Nyström said. The company expects to invest €1 billion in the project.

Drilling licences given the green light this month by the office of Eamon Ryan, the environment minister, mean 660 workers will not yet have to lay down their shovels – or rather the iPads that remotely control Epiroc diggers.

It has not been plain sailing for Nyström, however: the licences were overdue by almost six months. There are certainly tensions with the government.

John Regan, of the trade union Siptu, said that it was "good news" for staff that the licences had been granted but locals had slowed down the process by raising concerns about the activities of the mine.

While Tara Mines has historically had a good reputation, from an environmental standpoint the government has concerns about the mine's energy output. Last November, Stefan Romedahl, Boliden's president of mines, and Nyström met Leo Varadkar, then the enterprise minister, to discuss the high energy costs that the company has faced.

At the time the company had said its bills would near €100 million in 2023, but that has almost halved to €55 million according to Nyström. "It's still two and a half times the price that it should be."

The general manager was disappointed the mine, which indirectly supports 3,000 jobs in the area, has not received the same treatment as a multinational such as Intel. The chip maker was able to access a €100 million assistance fund after the European Commission approved a support package in March.

Travelling through tunnels, Nyström pulls out his phone and shows a photograph of Ebba Busch, the Swedish minister for energy, business and industry, visiting Renstrom, Boliden's deep underground mine in northern Sweden.

The Department of Enterprise, Trade and Employment previously told The Sunday Times it would give funding to only those companies that showed a track record of how they intended to reduce their heavy energy usage.

Nyström said the argument missed the fact that metals were needed to help Europe transition to a green economy and he also argued the company was doing all it could to reduce its energy consumption. Both its ventilation and pumping systems, which take up a large proportion of energy, have been "designed to optimise our efficient use of activity", he said.

Compared with Boliden's other sites, Ireland, which just has one mine, accounts for 25 per cent of the company's overall carbon footprint.

Boliden operates five mines in total and five smelters – two for zinc alone – with Nyström explaining that Ireland's reliance on natural gas is the largest challenge. Nevertheless, the company is looking at building a solar farm on some of the 3,000 acres of land that it owns.

David Finnegan, top, at the controls of an Epiroc digger; production drilling at the old mine, above

> Metal supply has to grow here so we don't rely on other regions around the world

When it comes to fighting climate change, Nyström argued that Tara Mines was integral to Europe's supply of metals. Windmills, batteries, electric cars all need zinc – and lead too, he said.

The company is lobbying in Brussels to have zinc added to the EU critical green metals list that ensures the bloc has enough of its own sustainable supply.

"The European [Critical] Raw Materials Act says that domestic supply has to increase here so we don't rely on other regions around the world where we can't control how the metals are mined from an environmental perspective but also from a social and safety aspect also," Nyström said.

There is also anxiety among residents in the area about the business's tailings pond, where the waste from the extraction process is pumped to a facility north of the Navan mill.

Boliden recently applied to have it extended in March, which has been appealed to An Bord Pleanala by a group of homeowners.

Larry Henry, who lives near the site, said that he had concerns over the tailings pond and the fact that it was so close to residents' houses.

"If you walk from my house down to Navan there will be a big bank of green grass and a 70ft wall [with the new planning extension]," he said.

Top of the list of concerns for residents is that the bank of the facility will burst, as happened in 1998 at the Boliden-Apirsa Los Frailes mine in Spain and in 2000 at the Boliden Aitik mine in Sweden. In both cases the leakage from the dam spilt into nearby rivers and required a multimillion-euro clean-up.

Nyström said the Tara Mines tailings dams had been "constructed with a satisfying safety factor" but added the existing structure was being reinforced under a new global industry standard imposed after a dam failure at mine owned by Vale killed 259 people in Brazil in 2019.

"Boliden has committed to implement the standard on all its active and closed tailing facilities," he said.

When it comes to its other environmental obligations the company seems to be satisfying environmentalists. A spokesman for An Taisce said that backfilling of the mine – which happens when remains of sand taken during the milling phase are mixed with cement and placed back in mines to prevent collapses – are positive actions that Boliden takes, while the fact that it uses trains to transport its metals is also positive. Nevertheless, the environmental body said, once Boliden exhausted the mine, it would be key that it cleaned up its mining activities.

Nyström said the company set aside money every year. "The day we close down we will have sufficient money there to reclaim the tailings facility and also the industrial area here," he said.

"We haven't done enough in the past to educate our ministers and the public. We planted trees around the site and tried to hide from people, which was probably the wrong strategy," he added. "This work on educating the public on what we do should have started ten or twenty years ago."

It is Nyström's perogative to do just this – perhaps a larger task than what the company is aiming to achieve below the ground.

Co-living homes built for new kids on block

Former offices are being turned into 'tenements of the future' for younger residents, finds *Brian Carey*

When Rathmines House opens in the Dublin city suburb this September it will be a rare example of the repurposing of an office-style building as residential accommodation. On the site of a former Dublin Institute of Technology building, it will house 110 residents and have a roof terrace, gym and two extended balconies. Darragh O'Brien, the housing minister, is unlikely to be cutting the ribbon, however.

Rathmines House is a co-living development, and O'Brien was a vocal opponent of such schemes when in opposition because of their tiny room sizes and large communal areas. He banned the class of accommodation within six months of becoming a minister.

Yet as O'Brien now lobbies his cabinet colleagues for support on a plan to convert office space into housing, co-living accommodation might creep back on the agenda.

Writing to Simon Coveney, the enterprise minister, O'Brien argued that empty offices "could become vibrant apartment blocks in the heart of our cities".

The repurposing of newly built office blocks is unlikely. As private companies and public bodies vacate older and energy-inefficient buildings, opportunities to repurpose them will emerge. Yet there are hurdles to converting these buildings to apartments.

"The floor plates of older buildings do not always work with modern regulations regarding apartment sizes and construction," Peter Horgan, chief executive of Grayling Properties, the developer of Rathmines House, said. Older offices would struggle to meet apartment regulations on dual aspects, unit size and balconies, but they would work well for co-living.

The largest demand for city centre accommodation comes from single people and couples. It is a market that Grayling knows well. The company has retrofitted 1,000 one and two-bedroom apartments, mostly former bedsits in Georgian buildings.

Offices could become vibrant accommodation blocks, says Darragh O'Brien, housing minister

> The floor plates of older buildings do not always work with modern rules on room sizes

Repurposing rather than knocking buildings down is also more environmentally friendly. Horgan said that the repurposing of Rathmines House will extend the life cycle of the property by 30 years. Yet co-living has stoked such negative reactions that O'Brien may be slow to revisit the issue. Some councillors have labelled them the "tenements of the future", describing them as Soviet-style shoeboxes or Dickensian.

Horgan said the co-living guidelines, which set a minimum floor space of 12 sq m, are loose. Most co-living bedrooms are larger, but not greatly so.

Rathmines House has three bedroom sizes ranging from 16 sq m to 25 sq m. There is a further 8 sq m per resident in the communal kitchens, living rooms, launderette, gym, café and lounge or co-working spaces.

Horgan said the model worked in central locations. Aimed at younger residents, it "promotes city living". Older-style city centre office blocks are more likely to end up as hotels or student accommodation than apartments. Findlater House and Telephone House, two office blocks off O'Connell Street in Dublin, were bought for redevelopment as hotels. Both would have been viable co-living developments.

Bartra last month launched its Niche Living brand on the site of a former Christian Brothers school in Dun Laoghaire. Its rooms are 16 sq m. The company prefers to compare the room size to a bedroom in a house share (Niche units are 160 per cent bigger) or to a bedroom in student accommodation (200 per cent bigger).

Bartra says the accommodation is pitched as a hybrid between residential and hospitality. Its target market is transient workers coming to the city, alone and for a short period. At €1,880 a month, Niche works out at €62 a night and the minimum stay is six months. Rent includes utilities and broadband, use of the gym and cinema, crockery, towels and bedding, plus fortnightly room cleaning. Horgan says the Rathmines House rent will be "at market rates".

Niche is also starting work on a scheme in Rathmines and has a site ready to go in Ballsbridge, close to Meta's headquarters. Durkan, the housebuilder, is constructing a 116-unit development on Mountjoy Street in the city centre. Grayling is building more than 370 units on Cork Street in the Liberties.

As more co-living schemes open, the concept may become more accepted. Yet reaction so far appears lukewarm. Although open only a few weeks, the Niche Living property in Dun Laoghaire is believed to be far from full. The company refused to reveal booking numbers but said it was "delighted" with the take-up.

Sinn Fein bill forces state fund to drop travel firms

Linda Daly

The Ireland Strategic Investment Fund (Isif) will have to sell its investments in US travel companies TripAdvisor, Expedia and Booking Holdings, the company behind Booking.com, if a Sinn Fein bill is passed to compel state investment funds to divest their holdings in companies that operate in occupied Palestinian territories.

All three companies are listed on a UN database of 112 companies that operate in Israeli settlements, including the West Bank. According to its latest annual report, for 2021, Isif had quoted equities in nine companies that operate in occupied Palestinian territories, with a total value of €3.2 million. The fund had almost €2.2 million invested in TripAdvisor, a fraction of the €799 million it had invested in quoted equities.

John Brady: divestment

Among its other investments are €400,000 in Booking Holdings, €310,000 in Expedia and nearly €200,000 in total in four banks including Bank Leumi and Israel Discount Bank.

Details of Isif's Irish and global investments are set out annually in its financial accounts. Its accounts for 2022 will be published shortly.

Isif said it "constructs its portfolio within the legislative framework set for it by the Oireachtas and will align it with any changes it makes".

Isif previously completed divestment programmes and excluded investments on the back of legislative changes.

"These changes have resulted, for example, in Isif having no direct holdings in fossil fuel," the fund said.

This month the government brought forward an amendment to Sinn Fein's bill — which was put forward by John Brady, the party's Wicklow TD — which would delay any legislation change for nine months.

Alcohol pricing rules bring cheer to C&C

Laura Roddy

Profits at C&C Group got a bump of at least €2.5 million thanks to the introduction of minimum unit pricing in the Irish market, according to the drinks company's interim chief executive.

Patrick McMahon told investors on an earnings call last Tuesday that the Bulmers owner saw a "more lucrative" benefit in Ireland compared with Scotland, where pricing added €2.5 million to the bottom line. "In Ireland it was worth a little bit more than that, but I will stay silent on the exact details," he added.

Ireland introduced minimum unit pricing in January 2022, which ensures each gram of alcohol costs at least 10c. The policy hit sales for low-cost ciders and lagers.

Stephen Donnelly, the health minister, brought in the measure to cut levels of serious illness from alcohol consumption, despite critics arguing at the time that it would not act as a deterrent.

C&C, which also owns Tennent's in the UK and Five Lamps in Ireland, posted its results for the year to the end of February 2023. Revenues at its Irish division increased by 24.4 per cent from €223.8 million in 2022 to €278.5 million and operating profit grew by 48.7 per cent to €28.1 million. The company said the removal of Covid-19 restrictions and the introduction of minimum unit pricing "helped improve margins year-on-year despite the inflationary cost pressures".

McMahon has stepped in as head of the drinks company since David Forde departed after a €25 million fine following delays to the deployment of new technology in the UK.

Residents fight on against Bailey Gibson development

A legal battle over planning of the Bailey Gibson apartment development in Dublin's south inner city could be heading for the Supreme Court, *writes Linda Daly*.

Justice Richard Humphreys has agreed to grant residents Sinéad Kerins and Mark Stedman leave to appeal his decision to dismiss their case opposing the development.

Humphreys dismissed the challenge last month after Europe's highest court, the Court of Justice of the European Union (CJEU), clarified legal questions around building height restrictions and environmental assessments and, in turn, paved the way for the development.

The residents are objecting to plans by Hines to build 416 apartments on the Bailey Gibson lands, which lie off the South Circular Road in Dublin 8, claiming that the site is overdeveloped.

Brian Moran: fury at delays

In his latest judgment, Humphreys suggested that "either or both parties" might "consider whether to apply to the Supreme Court" to consider the matter on a "leapfrog basis". The case has been ongoing since 2021.

A Hines spokesman said that the company was "studying the judgment". However, Brian Moran, senior managing director for Hines in Ireland, has previously expressed his frustration at delays caused by judicial reviews.

In his judgment, Humphreys said it was open to the court to "reformulate the questions involved" in the application by Kerins and Stedman to appeal his decision to dismiss the challenge. He went on to suggest questions that he said were "implicit" in the applicants' submission, and granted leave to appeal on the basis of certifying the four reworded questions.

The Bailey Gibson lands lie by the former Player Wills factory site, which is also subject to a referral to the CJEU after the same residents appealed a planning decision for 732 apartments on it.

No prospect of fast end to Barryroe lease quest

Brian Carey Agenda

When Larry Goodman agreed to underwrite a €40 million loan note at Barryroe Offshore Energy earlier this year, it seemed the beef baron turned oil magnate had called the bluff of Eamon Ryan, the climate minister. The perception was that Ryan's department was dragging its heels over Barryroe's application for a lease undertaking to continue to prospect off the Cork coast.

Goodman pushed his chips into the middle of the table and appeared to put Ryan in a very uncomfortable spot. Would the Green Party leader be forced to sanction further fossil fuel exploration off the Irish coast?

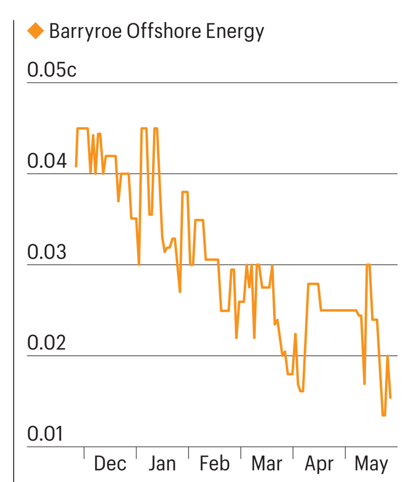
Last weekend Ryan looked to have played his trump card. Despite Goodman's support and plans to raise €20 million from shareholders, Ryan rejected Barryroe's application on the grounds the company's balance sheet was still too thin. Ryan referenced the department's guidelines, which stipulate applicants should have net tangible assets of three and a half times the projected cost of further exploration. Barryroe has estimated the cost of the drill will be €40 million. Barryroe does not have net tangible assets of €140 million, or anything near it.

Despite the stark reality of the numbers, it is unlikely that Goodman or Barryroe would simply fold. The junior partner on the prospect, Lansdowne Oil and Gas, has already indicated that it plans to pursue a claim through the international Energy Charter Treaty.

Barryroe is reviewing its options.

In turfing out of the application, Ryan may well have overplayed his hand. The investment cover is referred to as "an expectation". It is very far from an absolute necessity.

Indeed, the guidelines specifically point applicants with an investment cover of less than three and a half times net assets to "provide additional information to evidence its financial capability; this may include showing its capacity with reference to specific funding arrangements", which are then set out in a separate section.



Source: Yahoo

On the laundry list of funding arrangements is a rights issue. It also says that the Department of the Environment, Climate and Communications "will consider all types of credible financing arrangements and do not wish to unnecessarily deter any applicants proposing specific or innovative funding methods". So investment cover is far from a deal-breaker.

Barryroe and Lansdowne will no doubt flag up the credibility of their funding proposal. The repeated override in the guidelines is that a decision will be at the "department's sole discretion" as to whether the "reasoning and evidence" submitted in support of a proposal is satisfactory.

These are guidelines, not statutes.

Discretion is not an absolute veto, and it will not absolve the department from making a decision that is unjust.

A court or arbitration panel will do that. Lansdowne is already claiming $100 million. It owns 20 per cent. Grossing up, the total claim could be $500 million. This game is not over. The stakes are high.

Strong economy needs more workers

The labour market is at its tightest yet. Unemployment has reached its lowest rate in the 25 years since records began, at 3.9 per cent last month. The number of people employed here is now 12 per cent higher than before the pandemic. Despite the waves of layoffs at the titans of tech, at the end of the first quarter IT employment was 3.1 per cent higher than a year ago.

The percentage of women in the workforce is at its highest level yet, at 69 per cent. As Dermot O'Leary at Goodbody correctly notes, the growth in employment was facilitated by a rise in the number of people living here. The population rose by 3 per cent in the year to the end of March, largely thanks to an influx of Ukrainian migrants.

The tightness of the labour market suggests that the economy continues to run beyond capacity. A reliance on international workers has naturally put a strain on the creaking housing sector.

O'Leary reckons that, based on the growth in population alone, regardless of previous shortages, the country should have built 46,000 homes last year. It added about 30,000.

So if the economy continues to grow, where will it find the labour? Can it continue to rely on inward migration, at a time when many international workers here are already disillusioned with the lack and cost of accommodation? The last time we experienced close to full employment, we also had a large budget surplus. It did not end very well.

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