



Energy for
generations

2025 Annual Report and Financial Statements

For future us



About ESB

ESB was established in 1927 as a statutory body under the Electricity (Supply) Act, 1927. With a holding of 97.7%, ESB is majority owned by the Irish Government. The remaining 2.3% is held by the trustees of an Employee Share Ownership Plan. As a strong, diversified utility, ESB operates across the electricity market, from generation through transmission and distribution, to supply of customers, in addition to using our networks to carry fibre for telecommunications. ESB is the leading Irish utility with a regulated asset base of approximately €15 billion (comprising ESB Networks €12 billion and NIE Networks €3 billion), a 24% share of generation and a 32% share of retail electricity in the all-island market. During the year ended 31 December 2025, ESB Group employed an average of almost 10,000 people.

For future us

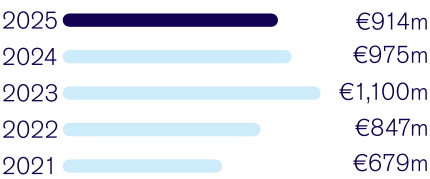


Since ESB was established almost a century ago, we have been trusted to deliver bold energy solutions for the benefit of the communities we serve – from harnessing the power of the River Shannon at Ardnacrusha, to rural electrification, to today's drive for secure, decarbonised energy. To meet this latest challenge, ESB is innovating across its business to achieve net zero emissions by 2040: developing and connecting renewables, building resilient infrastructure, and enabling and supporting customers to live more sustainably using clean electricity. ESB has transformed how the country powered itself in the past, and now we're doing it again. Not just for us – for future us.

At A Glance

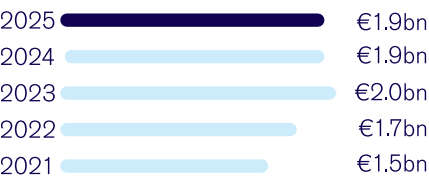
Operating Profit before exceptional items and certain re-measurements*

€914m



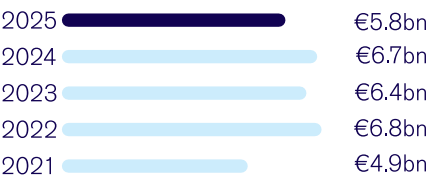
EBITDA before exceptional items and certain re-measurements*

€1.9bn



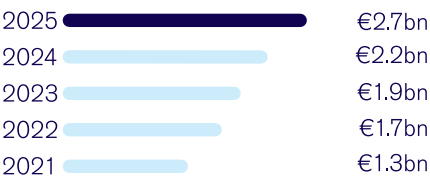
Net Debt*

€5.8bn



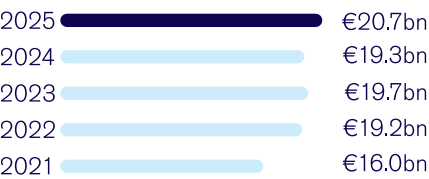
Capital Investment*

€2.7bn



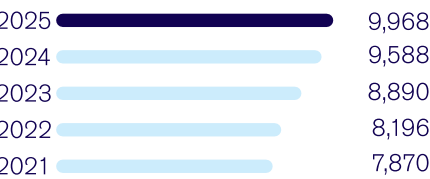
Total Assets

€20.7bn



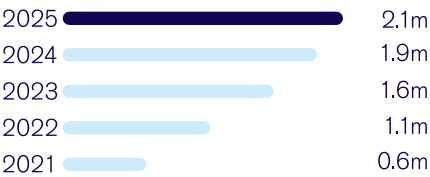
Average Number of Employees

9,968



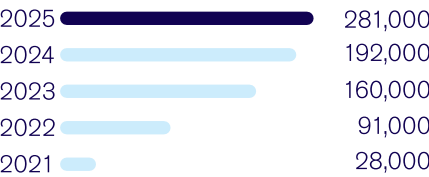
Number of Smart Meters Installed (Cumulative Republic of Ireland)

2.1m



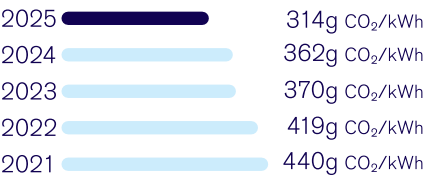
Number of Electric Ireland Customers on Smart Tariffs

281,000



Generation Carbon Intensity

314g CO₂/kWh



See note 3 (Segment Reporting) in the financial statements for further detail.
* Refer to Alternative Performance Measures starting on page 248 for definitions and calculations.

2025 Highlights



Stockholders

Recommended **dividend** of **€149 million** for 2025
Page 120

Equity investment of **€1.5 billion** from the Irish Government
Page 36

Credit ratings of **A** (BBB+ on a standalone basis)/**A3** (Baa1 on a standalone basis)
Page 37

Economy

Around **€3.4 billion contribution to the Irish economy** in the form of payroll, taxes, dividends and purchases from domestic suppliers
Page 56

Almost **10,000 employees** on average during 2025
Page 167

Over **€2 million** disbursed across a range of **community initiatives**
Page 74

Customers

Empowering over **280,000 customers** with **electricity insights** via Smart Meter Tariff
Page 48

Compassionate Assistance Fund established for winter 2025/2026
Page 48

Over **51,000 new customer connections** by ESB Networks and NIE Networks
Pages 42 and 44

ESB Networks surpassed a significant milestone with over **two million smart meters** installed by the end of 2025
Page 42

Over **47,000 microgeneration applications** processed in 2025 by ESB Networks
Page 42



Sustainability

The **448 MW Neart na Gaoithe** offshore wind project achieved commercial operations in May 2025
Page 46

After 40 years, **coal generation ended** at Moneypoint power station in June 2025
Page 46

573 MW of **renewable generation** and 83 MW **energy storage** were connected to the network in 2025
Page 42

Generation **carbon intensity** of 314g CO₂/kWh – a reduction of 53% on baseline year 2005
Page 46

Bullstown Solar Farm, ESB's first wholly owned solar farm, was energised and will generate 8.4 MW
Page 46

Tonn Nua was successful in the ORESS auction, securing the rights to deliver **900 MW** of offshore wind capacity
Page 46

People

Over **170 first year apprentices** began structured training in ESB Networks and NIE Networks in 2025
Page 78

Women hold **26%** of ESB Networks' **Craft Apprenticeship** roles
Page 78

ESB Networks announced a **€6.5 million investment** to enhance its National Training Centre in Portlaoise
Page 42

Over **70 Irish and international Graduates** joined ESB's Graduate Development Programme
Page 78



Non-Financial Information

As a statutory body, ESB is not subject to the disclosure requirements prescribed in the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 as amended or the European Union (Corporate Sustainability Reporting) Regulations 2024 ("the CSR Regulations"). However, ESB is making preparations for reporting, on a voluntary basis, under the CSR Regulations for financial year end 2027.

During 2025, ESB published a disclosure report on sustainability performance in accordance with the Global Reporting Initiative (GRI) reporting standards (available at www.esb.ie). The "Sustainability Data Disclosures for 2024" highlights data sets and performance across three pillars including planet, place and people. Going forward ESB will cease to report alignment to GRI standards and will deliver a Sustainability Report aligned to CSR Regulations for 2025 and 2026, maturing to a Sustainability Statement integrated into the Annual Report in accordance with CSR Regulations for 2027.

The guide below illustrates where to find non-financial information and non-financial KPIs within this annual report in addition to the ESB Group policies (where applicable) which underpin these areas.

	Relevant Policies	Section(s) in Annual Report
Environmental and Sustainability	Policy on Environment and Sustainability	- Sustainability - Environmental Management Systems - Board Members' Report
Employee and Social	- ESB Board Diversity, Equity and Inclusion Policy - Group Policy on Procurement - Policy on Respect and Dignity for the Individual at ESB - Gender Identity and Expression Policy - Policy on Health, Safety and Wellbeing - ESB Whistleblowing and Protected Disclosures Policy - ESB Code of Ethics ("Our Code")	- Sustainability - People - Business Conduct - Board Members' Report
Human Rights	- ESB Policy on Human Rights - Policy on Modern Slavery - ESB Code of Ethics ("Our Code")	- Sustainability - Board Members' Report
Anti-Corruption and Bribery	- ESB Anti-Bribery, Anti-Corruption and Fraud Prevention Policy - ESB Whistleblowing and Protected Disclosures Policy - ESB Code of Ethics ("Our Code")	- Audit and Risk Committee Report - Business Conduct
Business Model		Business Model
Principal Risks	ESB Policy on Risk Management	Risk Report
Non-Financial KPIs		- Key Performance Indicators (KPIs) - Sustainability - People

Contents



Strategy and Performance

Strategic Report	
Chair's Statement	10
Chief Executive's Review	12
Strategy	14
Business Model	16
Strategic Performance Indicators (SPIs)	18
Engaging with our Stakeholders	20
Risk Report	23

Financial and Operational Performance	
Executive Committee	34
Financial and Operating Review	36
Business Unit Operating Review	
ESB Networks	42
NIE Networks	44
Generation Trading	46
Customer Solutions	48
Engineering and Major Projects	50
Enterprise Services	51
Key Performance Indicators (KPIs)	52
Using our Profits in a Sustainable Way	56
Supporting Communities	57

Planet, Place, People	
Overview	60
Sustainability	62
Environmental Management Systems	76
People	77
Safety, Health and Wellbeing	82

Corporate Governance

ESB Board Members	86
Chair's Corporate Governance Statement	90
The Board's Governance Report	92
Audit and Risk Committee Report	108
Board Committees in 2025	114
Business Conduct	118
Board Members' Report	120



Financial Statements

Statement of Board Members' Responsibilities	124
Independent Auditor's Report	125
Financial Statements	133

Supplementary Information

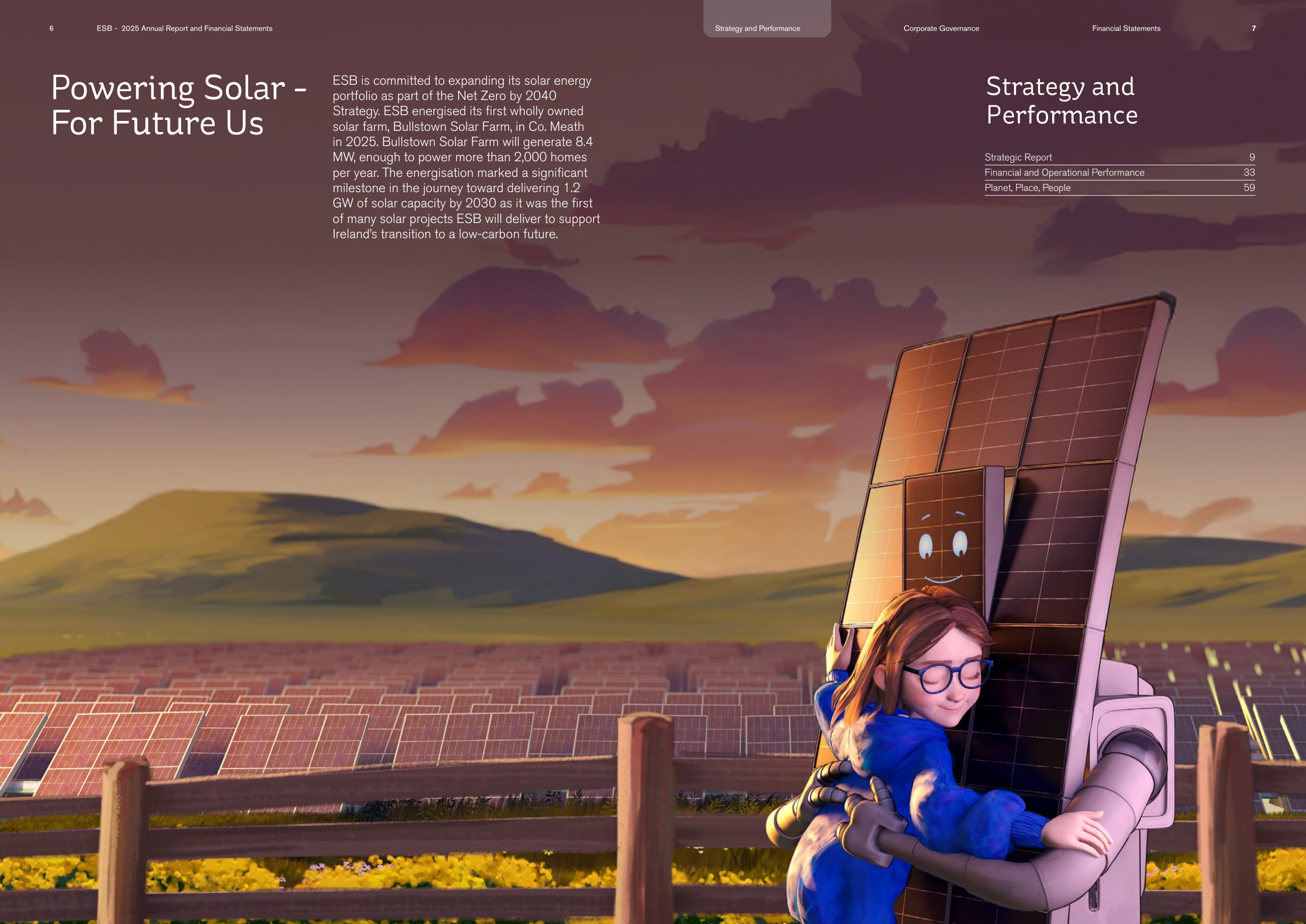
Prompt Payments Act	247
Alternative Performance Measures	248
Glossary	253

Powering Solar – For Future Us

ESB is committed to expanding its solar energy portfolio as part of the Net Zero by 2040 Strategy. ESB energised its first wholly owned solar farm, Bullstown Solar Farm, in Co. Meath in 2025. Bullstown Solar Farm will generate 8.4 MW, enough to power more than 2,000 homes per year. The energisation marked a significant milestone in the journey toward delivering 1.2 GW of solar capacity by 2030 as it was the first of many solar projects ESB will deliver to support Ireland's transition to a low-carbon future.

Strategy and Performance

Strategic Report	9
Financial and Operational Performance	33
Planet, Place, People	59





Strategic Report

Chair's Statement	10
Chief Executive's Review	12
Strategy	14
Business Model	16
Strategic Performance Indicators (SPIs)	18
Engaging with our Stakeholders	20
Risk Report	23

Chair's Statement

A Sustainable Energy Transition – For Future Us

Terence O'Rourke
Chair



It is my privilege to present ESB's Annual Report for the year ended 31 December 2025. This has been a year of resilience and progress as ESB continues to deliver on its strategic ambition to lead Ireland's transition to a low-carbon energy future. Against a backdrop of global uncertainty and accelerating climate impacts, ESB has maintained a strong financial performance, advanced its sustainability commitments, and deepened engagement with the customers and communities we serve.

Our purpose – to create a brighter future for all – remains at the heart of everything we do. ESB's commitment to achieving net zero by 2040, remains steadfast.

Urgency and Context

The urgency of climate action has never been clearer. 2025 began with an extreme weather event, Storm Éowyn, that tested the resilience of the electricity networks. In response, networks' teams across the island of Ireland went above and beyond to restore power as quickly and safely as possible to affected customers, underlining the importance of continuing investment in robust infrastructure.

A decisive foundation for the next phase of network development was laid for ESB Networks with the CRU's Final Determination for PR6 and the Government's equity investment of €1.5 billion, which will help support the delivery of over €13 billion of capital investment in the 2026–2030 period. This support reflects the trust built with stakeholders over many years and will enhance grid resilience and capacity to meet Ireland's housing, economic growth and climate ambitions.

Strategy and Governance

The Board continued its strategy work in 2025, focusing on the next five-year Integrated Business Plan (IBP) 2026–2030, funding requirements for PR6 delivery, accelerating decarbonisation of electricity and ESB's future people capability – setting foundations for delivery to 2040.

Risk oversight remained central. The importance of security of supply and network resilience as enablers of economic and societal wellbeing was considered in detail by the Board. Safety was similarly prioritised, with Board input to a revised Safety Strategy 2026–2030 that sees human factors at the core of ESB's approach.

Strong governance supported strong credit quality. S&P Global Ratings upgraded ESB's Issuer Credit Rating to A (positive outlook), following Moody's Ratings A3 (positive outlook) in July, reflecting increased government support and the stability of ESB's regulated businesses.

Decarbonised Generation

ESB's mission to decarbonise electricity generation took a major step forward in 2025. June marked the end of coal generation at Moneypoint, a critical milestone on the path to net zero as the station transitions to a low carbon future.

Offshore wind continued to scale. ESB's joint venture Neart na Gaoithe reached commercial operation, and construction is underway at the 1.1 GW Inch Cape site in Scotland. With its joint venture partner, ESB was successful in Ireland's ORESS auction to build the 900 MW Tonn Nua wind farm off Co. Waterford. Pre-development work in the Celtic Sea on the Gwynt Glas offshore wind project with EDF was also progressed.

National solar capacity surpassed 2 GW for the first time in 2025. ESB's first wholly-owned solar farm at Bullstown, Co. Meath was energised and Timahoe North Solar Farm in Co. Kildare, a joint venture development with Bord na Móna, is also fully operational, contributing to the national renewables capacity. More investment is planned in the year ahead.

Resilient Infrastructure and Empowered Customers

Customer empowerment continued apace. ESB Networks completed over 38,000 new residential connections and passed the milestone of 2 million smart meters installed, giving households and businesses greater control over their energy use. Over 165,000 rooftop solar installations across homes, farms, and businesses have been facilitated on the network, empowering customers to control their energy costs.

ESB ecars business completed a joint investment programme with the Climate Action Fund, delivering over 55 new EV charging hubs and upgrading hundreds more, helping Ireland progress towards its EV adoption targets.

The Board is very mindful of cost-of-living pressures for customers. Electric Ireland was able to reduce gas prices and held residential electricity prices unchanged from November. Electricity prices will continue to be kept under review by the Board and ESB will continue to support customers and communities in 2026.

Financial Performance and Strength

Strong earnings are essential to deliver ESB's strategy. The company is reporting operating profit of €914 million, despite incurring around €95 million in Storm Éowyn related costs. Capital investment reached almost €2.7 billion – up over 20% on 2024 – indicating a further step-up of investment in energy infrastructure and renewable generation projects.

Since 2015, ESB has paid more than €1.5 billion in dividends. ESB's strengthened balance sheet, supportive shareholder, and upgraded credit ratings provide the platform to fund the infrastructure required for Ireland's energy transition while optimising affordability for customers.

People and Culture

Our people are central to ESB's success. We now number over 10,000 colleagues, with 1,000 new recruits joining in 2025. Over 40% of the Group's employees in the Republic of Ireland have less than five years' service – a transformational shift, supported by expanded training programmes that build digital and low-carbon skills and a culture of inclusion and wellbeing.

Looking Ahead

The coming years will be transformative. ESB will accelerate investment in offshore wind, solar, and energy storage, continue to digitalise networks and customer services, and working in collaboration with strategic partners, drive innovation and scale in the business. With strong foundations already in place, ESB is confident in delivering a clean, secure energy future for the customers and communities we serve.

Acknowledgements

I want to thank my Board colleagues for their hard work and commitment throughout 2025 in what was a busy and challenging year for the Board.

On behalf of the Board, I would like to thank the employees and management of ESB for their dedication and professionalism during the year. I also want to thank customers for their loyalty, and our Ministerial stockholders and Government departments for their continued support, notably in connection with the historic investment of €1.5 billion in equity in 2025. Together, we are building a resilient, sustainable, and innovative ESB that will play a central role in Ireland's energy future.

In accordance with the Electricity (Supply) Acts 1927 to 2025, the Board presents the Annual Report and Financial Statements for the year ended 31 December 2025.

Terence O'Rourke
Chair
27 February 2026



Chief Executive’s Review

Delivering for Customers and the Sustainable Energy Transition

Paddy Hayes
Chief Executive



In 2025, ESB again delivered record levels of infrastructure for a growing electricity system, supporting and empowering the customers, communities and economies we serve.

ESB delivered a solid financial performance. Operating profits of €914 million provided a strong foundation for an investment of €2.7 billion in critical energy infrastructure.

Delivering Strategic Infrastructure
ESB Networks and NIE Networks invested an aggregate €1.7 billion in 2025 to enhance the electricity networks in Ireland and Northern Ireland (NI), connecting new customers and grid scale renewables, expanding capacity, and enabling greater adoption of low-carbon technologies.

During 2025, ESB Networks secured approval for an investment programme of over €13 billion for the PR6 period of 2026-2030. PR6 is a landmark regulatory determination for Ireland's electricity system, supporting a further step-change in investment scale and pace, to support housing, economic growth and climate. NIE Networks successfully delivered the first year of RP7, the NI regulatory price control for the period 2025-2031.

Together, ESB Networks and NIE Networks delivered connections to over 51,000 new homes, farms and businesses in 2025 (an increase of over 15% on the previous year). In addition, ESB Networks' successful smart meter project surpassed the milestone of two million meters

delivered, and introduced smart metering for three phase whole current meters. 30% of those with a smart meter are now availing of a smart service or tariff, empowering these customers to play their part in the clean energy transition.

SIRO, ESB's high-speed fibre broadband joint venture with Vodafone, continued to add capacity in 2025, and is now available to over 695,000 homes and businesses in communities throughout the Republic of Ireland.

Accelerating Decarbonisation
ESB continued to make strong progress delivering and connecting lower carbon electricity.

The successful transition, ahead of schedule, away from coal generation was an essential milestone on ESB's progress towards net zero and an important step in Moneypoint's transformation into a renewable energy hub.

ESB's portfolio of renewables and renewable-enabling technologies grew to 2 GW with the energisation of a solar farm at Bullstown, Co. Meath, the acquisition of the 101 MW Lettermuckoo Wind Farm, and the completion and commercial operation of the Scottish offshore wind farm, Neart na Gaoithe – a joint venture with EDF.

The carbon intensity of ESB's electricity generation now stands at 314g CO₂e/kWh, a 13% reduction on 2024 and a 53% reduction from the reference year 2005. Total CO₂ output has fallen to c.4.7Mt CO₂e (a decrease of 8% on 2024 and 68% from 2005).

ESB made considerable progress on a large portfolio of future renewable developments including seven grid-scale solar projects. The Inch Cape offshore wind project in Scotland (a joint venture with Red Rock Renewables) achieved Financial Close and moved into construction while, in Ireland, Helvick Head Offshore Wind, a joint venture between ESB and Ørsted, secured the rights to deliver 900 MW of offshore wind through the Tonn Nua project.

ESB Networks connected an additional 656 MW of new renewable generation and energy storage to the network in 2025, bringing the total grid-scale renewable capacity connected to 7.8 GW. In addition, ESB Networks processed over 47,000 new microgeneration installations during the year, adding 230 MW of solar generation as more customers leverage the capability offered by smart meters. The *Is This A Good Time?* programme also supported customers to play their part in optimising the operation of the existing network, reducing costs and carbon, and supporting system security.

Resilient Infrastructure and Energy Security
The unprecedented damage caused by Storm Éowyn in early 2025 and the resulting impact on customers underscores the importance of resilient infrastructure in the face of extreme weather events. ESB Networks published a comprehensive review identifying actions to be taken in areas such as storm preparedness, forestry corridors and customer communications. Changes were made to the PR6 Business Plan submission to reflect these recommendations and additional winter resilience activities were carried out.

ESB also delivered for energy security during 2025 with an important investment in Moneypoint, ensuring that its capacity remains available to the system operator, EirGrid, should it be required, while the delivery of a new 299 MW open-cycle gas turbine plant, under construction at Poolbeg, is taking shape and remains on target for completion in 2027.

Putting Customers First
Conscious of ongoing pressures faced by customers, Electric Ireland delivered a 4% reduction in residential gas prices and held residential electricity prices flat through the winter of 2025/2026. These decisions build on previous price decreases in both 2023 and 2024 that delivered cumulative price reductions of 19% in electricity and almost 24% in gas for Electric Ireland customers.

Committed to empowering customers, Electric Ireland delivered home EV chargers, solar PV systems and battery storage solutions to residential customers, provided home retrofit services through Electric Ireland Superhomes (a joint venture with Tipperary Energy Agency), and supplied industrial heat pump and solar installations for business customers through ESB Smart Energy Services.

ESB ecars completed a multiyear €23 million joint investment programme with the Government's Climate Action Fund, supporting Ireland's move to eMobility by delivering over 55 new charging hubs and upgrading and replacing hundreds of charge points across Ireland. ESB ecars also continued to expand its network in NI and, in London, commenced a programme to deliver on-street fast chargers with Hackney Borough Council.

In NI, Electric Ireland continued the orderly transfer of residential customers over the course of 2025 as it looks to concentrate on the NI business market, while in Great Britain (GB), So Energy continues to offer solar, battery and EV installations and has further developed its customer facing platforms in the face of challenging and intense retail market competition.

Powered by our People
Minding the health, safety and wellbeing of our colleagues, contracting partners and the public remains of primary importance, especially as ESB is delivering more projects, working in new environments, adopting new technologies, and operating and maintaining more assets.

ESB's staff showed their commitment, care and professionalism throughout 2025, delivering for customers in Ireland, NI and GB. I would like to acknowledge and appreciate the many teams who have delivered so much, those working around the clock keeping the lights on, those behind the scenes working to minimise and mitigate the impact of extreme weather events, and all involved in supporting customers and restoring supply after 2025's storms and particularly Storm Éowyn. I would also like to welcome the recent reappointment, by Minister O'Brien, of our Chair, Terence O'Rourke, to lead the Board for another term at this important time.

Inclusivity is core to ESB's culture. People from 65 nationalities are now working together to deliver ESB's strategy, working to make a difference by creating and connecting sustainable, reliable, affordable energy and supporting the customers and communities we serve.

ESB continues to invest in the skills and talent required to deliver, increasing the intake into the apprentice training programmes across the Group. In addition, ESB continued to support initiatives aimed at broadening interest and diversity in Science, Technology, Engineering and Mathematics (STEM) such as the ESB Science Blast, delivered by the RDS, which reached over 17,000 primary school students from over 400 schools during 2025.

Embedding Sustainability
During 2025, ESB's Sustainability Transformation Programme (STEP) was completed, embedding sustainability as business as usual across ESB's operations. It is planned to publish a detailed review of ESB's sustainability progress during 2025 in a standalone Sustainability Report in Q2 2026.

Driving Forward on Digital
Maximising the potential of data and digital technologies to support ESB's operations, customers and people continued to be a key focus in 2025. Customer uptake of digital offerings, such as the Electric Ireland mobile app and ESB Networks' Online Account, has been strong, giving users access to convenient services and insights into energy cost and usage.

Across ESB's business, new use cases leveraging data analytics and AI are delivering benefits and ESB's AI Community of Practice has grown to over 800 members.

Committed to Communities
In 2025, ESB's Energy for Generations Fund marked 20 years since it was founded and, together with ESB's Community Benefit Fund (which supports local projects in the vicinity of ESB's wind and solar farms), distributed €2 million to charities, not-for-profits, and community groups. ESB is also a proud partner of our employee-run social justice fund ElectricAid, providing around €300,000 in funding during 2025.

Strong Financial Footing
ESB's positive operational performance in 2025 provides an essential basis for the record delivery of capital investment of €2.7 billion in critical energy infrastructure amounting to over €4 of investment for every €1 of profit after tax during 2025. ESB's strategy requires even greater levels of investment to deliver more infrastructure faster in the future, so an equity injection of €1.5 billion by ESB's majority shareholder, the Irish Government, in support of ESB Networks' capital programme, was both timely and welcome.

For Future Us
The national debate during 2025 and the broad consensus on the importance of accelerating infrastructure delivery was very welcome and ESB contributed to and supported important initiatives such as the Accelerating Infrastructure Task Force and the Housing Activation Office.

Building on record levels of capital investment during 2025, ESB's strategy demands the delivery of even greater levels of electricity infrastructure through 2026 and beyond. This means a continued focus on safely increasing the pace and scale of delivery, for housing, for social and economic development, and for climate.

Paddy Hayes
Chief Executive
27 February 2026

Strategy

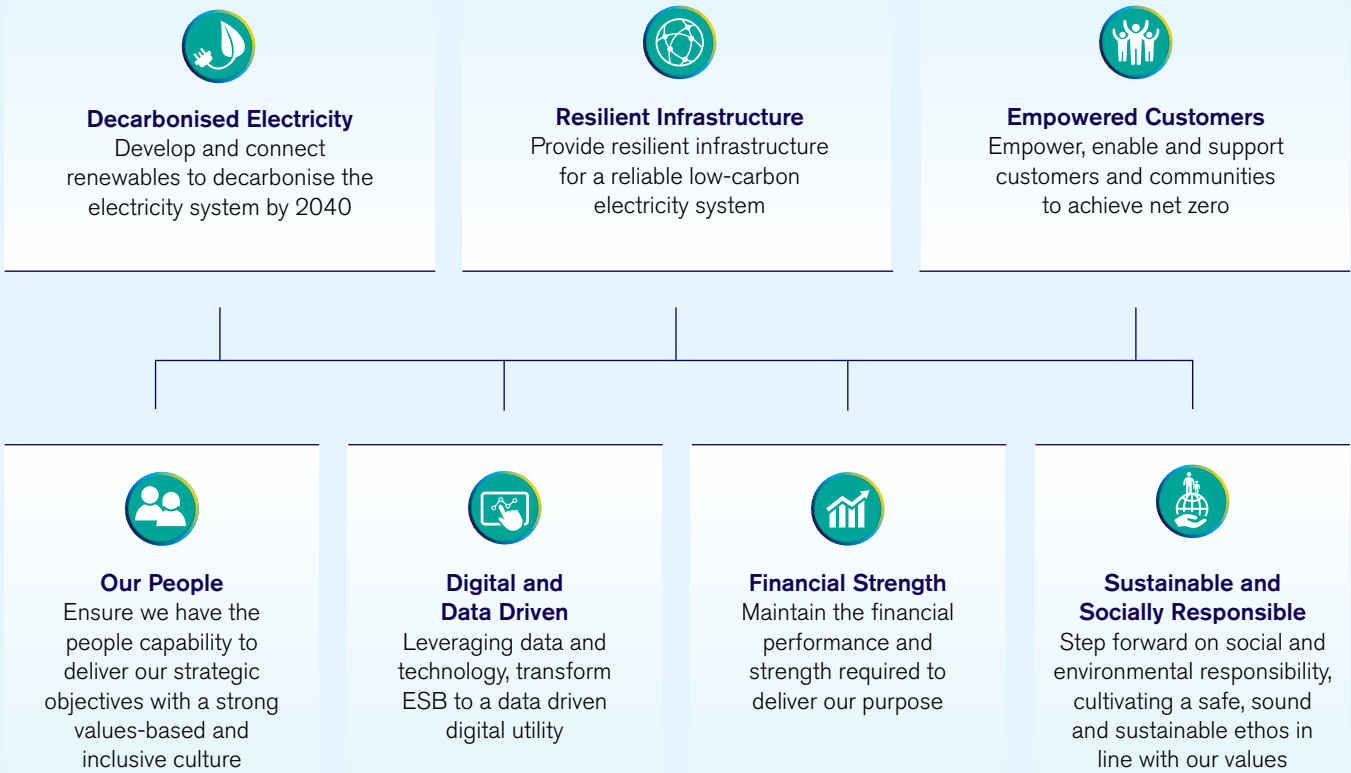
Our Purpose

Our purpose is to deliver a brighter future and to support the customers and communities we serve to achieve net zero

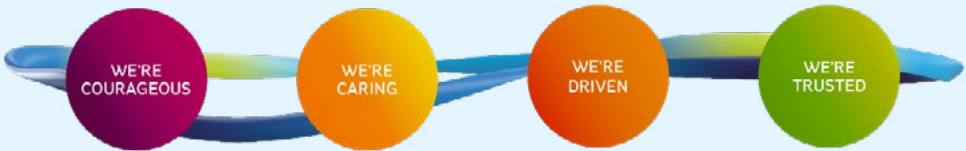


Our Strategy

Driven to make a Difference: Net Zero by 2040



Our Values



ESB's Business Environment

ESB's strategy, developed in 2021, is kept under review by the Board to ensure its continued relevance. The Board monitors developments in ESB's business environment and tracks progress in, and challenges to, its strategy execution.

Developments in 2025 with implications for ESB's strategy over the short, medium and long-term are outlined below.

Economic and Financial Backdrop
Inflation rates continued to fall in 2025 while interest rates were relatively stable. While European and UK economic growth was subdued, Ireland's economy and fiscal position remained strong, despite rising risks. Growth is projected through 2026, but geopolitical tensions and trade tariffs could pose challenges. The Irish Government announced its Budget 2026 measures to accelerate the energy transition committing almost €1.1 billion for home energy upgrades and solar PV, public sector retrofitting, and offshore renewable energy data surveying. Additional measures aim to support a Just Transition, protect the environment and move to a circular economy. Measures to remove legal and regulatory barriers to the delivery of energy and other related infrastructure were outlined by the Government's *Accelerating Infrastructure Taskforce* in late 2025.

International Political and Energy Policy Developments
Global geopolitics remain unsettled with conflicts in Ukraine and the Middle East, potential conflict in East Asia and ongoing tensions over trade. Tariffs on Chinese EVs by the EU and US highlight tensions between trade and climate priorities while major trading blocs subsidise emerging 'clean tech' and 'onshore' strategic industries. 'Populist' parties, often less supportive of climate change measures, gained ground in 2025. The EU Commission continues to support decarbonisation, but the UK saw increased opposition to the government's decarbonisation and renewables ambition.

Climate impacts persist. January 2025 was 1.75°C above pre-industrial levels. Storm Éowyn underscored rising extreme weather risks and, in response, the Irish Government tasked ESB Networks to develop a Winter Resilience Plan to enhance grid resilience in vulnerable locations and implement short-term measures to reduce the impact of potential storms, while advancing long-term resilience.

Electricity Networks Investment
Global investment in electricity networks, including in Ireland, is driven by decarbonisation, electrification and renewable generation, and the need to build resilience against extreme weather events. Ireland's rapid economic and population growth, plus housing targets, amplify these investment needs and raise questions about future regulatory and funding reforms. Across Europe, delivery is challenged by supply chain constraints, planning hurdles, social acceptance, and skilled labour shortages.

Grid investment in Europe is accelerating. Scalable, affordable capital solutions are required to fund these investments, while keeping user rates manageable. The Irish Government announced a €1.5 billion equity investment in ESB in July 2025, in support of ESB Networks' plan to deliver over €13 billion of capital investment during PR6. The Irish Government approved private electricity lines for public benefit in July 2025 (for direct generator-customer links, hybrid grids and EV charging).

Renewables Deployment
Global renewable progress is strong but uneven. Early 2025 saw renewable energy growth outpace global electricity demand, slightly reducing fossil fuel use. However, the International Energy Agency cut its 2030 forecast for renewables by 900 GW due to weaker US and China outlooks. Solar - now the world's cheapest energy source - remains dominant, though grid integration needs smarter technology and policy. Ember - a leading energy think tank - projects global fossil fuel demand could peak by 2030 if trends continue.

The Irish electricity system procured 1,500 GWh (including over 1 GW of solar and onshore wind) through RESS 5 during 2025, and a further 900 MW of offshore

wind in the ORESS auction where a joint venture between ESB and Ørsted won the rights to develop the Tonn Nua site off the coast of Waterford. This result is a vote of confidence for offshore wind investment. However, offshore wind faces significant financial challenges, including rising costs, and supply chain disruptions. Developers have cited insufficient supports and revenue guarantees as key barriers in markets across Europe. There is less participation from oil and gas majors in the renewable generation sector, creating opportunities for technology and industrial players, such as ESB, who aim to manage carbon emissions and secure clean energy.

Technology Adoption
In 2025, falling solar and battery storage costs boosted Irish auction success and accelerated deployment, including by ESB. However, hydrogen slowed as projects were cancelled due to challenges securing long-term offtake arrangements.

Electricity demand from data centres continues to rise globally and in Ireland, driven by AI needs. These data centres are shifting large and inflexible baseload consumers to grid partners, leveraging AI, workload flexibility, and dynamic tariffs to support grid stability and integration.

Demand Growth and Electrification
Electrification is critical to decarbonisation, but rising electricity demand and infrastructure needs challenge affordability. Ireland's electricity demand continues to grow, while major European markets are flat or declining. Despite lower EV roll out forecasts, global EV sales rose by over 20% during 2025, notably in China and the EU. Electrification showed some progress, including installations in new Irish homes, but below policy targets. Increasing demand from data centres and electrification is driving utilities to expand firm capacity and adapt infrastructure.

Gas and Wholesale Power Prices
European wholesale gas and power prices in 2025 remained about twice early 2021 levels, despite easing since the energy crisis peak. Geopolitical risks may still impact energy prices, potentially disrupting oil and gas supply routes and driving market uncertainty.

Business Model

Our Business Unit Structure



Our Values

ESB's values are deeply rooted in the organisation and encapsulate the integrity and ambition that ESB stands for. They are integral to the development and delivery of the strategy - they inform decisions, and they underpin ESB's commitment to earning the trust that customers and communities place in ESB.

At ESB, we're driven to make a difference. Delivering a brighter future; creating and connecting sustainable, reliable, affordable energy and supporting the customers and communities we serve to achieve net zero.

Value for our Stakeholders

Customers
Offering our customers access to a clean, secure and affordable electricity supply while also empowering them on their net zero journey through investment in services and solutions.

Communities
Throughout its long history, ESB has supported charities and community groups that enhance the economic and social fabric of the communities it serves. Further details are outlined on pages 74 and 75.

Stockholders
Enabling the delivery of key strategic priorities for ESB and the Irish Government such as decarbonised electricity and resilient infrastructure in line with the Climate Action Plan. ESB's dividend policy provides for targeted dividends at a rate of 30% of adjusted profit after tax.

Debt Investors and Rating Agencies
Strong financial performance, underpinned by efficiency and investment discipline, will ensure that ESB can deliver appropriate shareholder returns, maintain a strong investment grade credit rating and secure optimal long-term funding to match investment plans.

Employees
Creating a workplace with caring, courageous people who are collaborating on a once-in-a lifetime challenge where everyone can make a difference to achieve net zero by 2040.

Suppliers, Contractors and Partners
Ensuring suppliers, contractors and partners benefit from our business by treating all suppliers fairly in procurement processes which are undertaken in a non-discriminatory, transparent, and proportionate manner.

Regulators, Environmental and Safety Authorities
Collaborating on policy development and reforms to help deliver on key issues such as supporting vulnerable customers, security of supply and sustainability targets - while always striving to do these things safely.

Other Industry Bodies
Working together to help create positive change for society and a better built environment.

Customers

- 83% customer satisfaction (residential electricity Republic of Ireland)
- 32% retail all-island market share
- 24% generation all-island market share

Employees

- 380 increase in average employee numbers in 2025
- Over 10,000 employees at 31 December 2025

Stockholders

- Over €1.5 billion of dividends paid since 2015
- Return on capital employed 5.7%

Economy

- 5.1 GW of generation capacity and over 250,000 km of network across the Republic of Ireland and NI
- €2.7 billion in capital investment
- Contributed around €3.4 billion to the Irish economy in the form of payroll, taxes, dividends and purchases from domestic suppliers
- Over €2 million disbursed to communities

Environment

- 2 GW of renewable and renewable enabling generation
- Carbon intensity reduced 53% since 2005

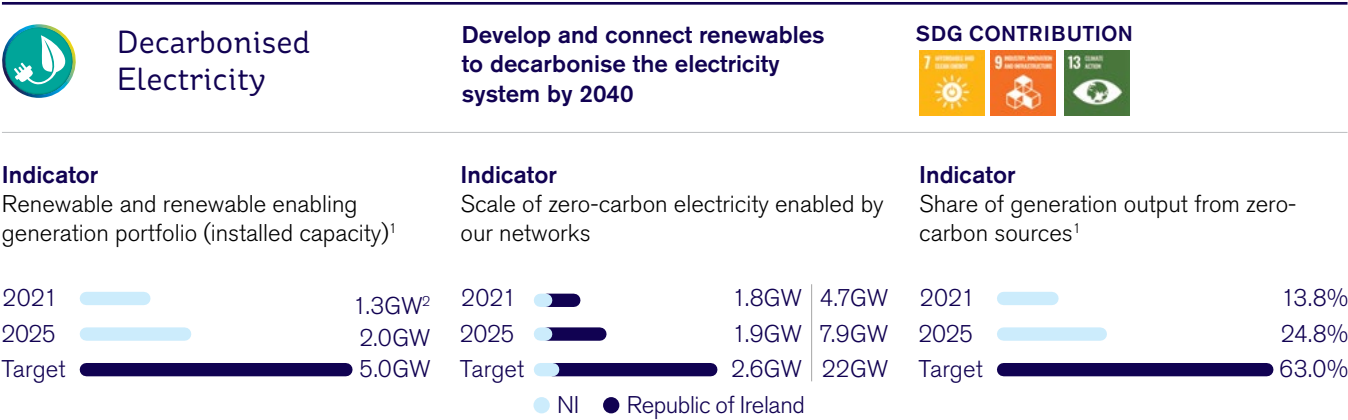
WE'RE COURAGEOUS
Each of us is prepared to challenge the way we've always done things, stand up for what we feel is right and try better ways of working.

WE'RE CARING
We're putting customers' current and future needs at the heart of what we do, and we keep ourselves and others safe and healthy.

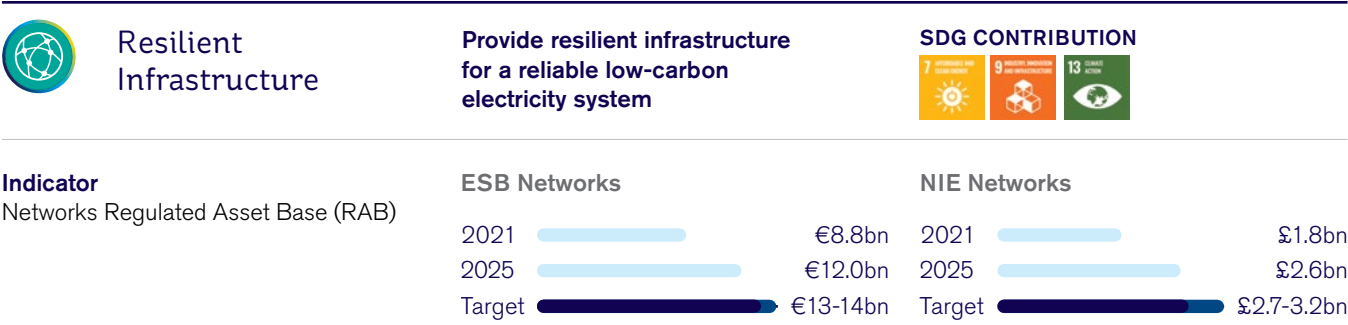
WE'RE DRIVEN
We bring passion and persistence to what we do every day, innovating and collaborating to meet the challenges and opportunities ahead.

WE'RE TRUSTED
We each play our part, taking ownership of our responsibilities, seeing the job through, and protecting our own health and safety, as well as others.

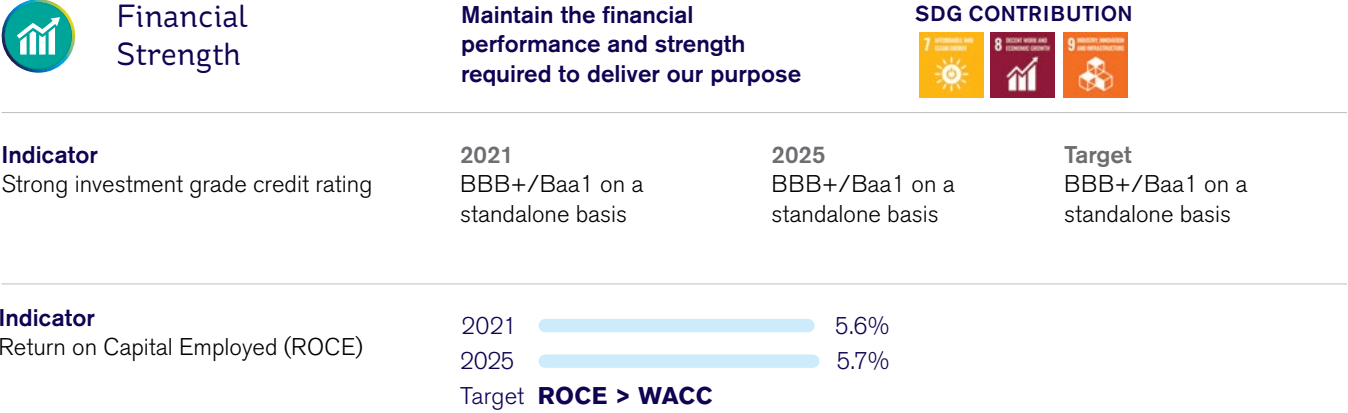
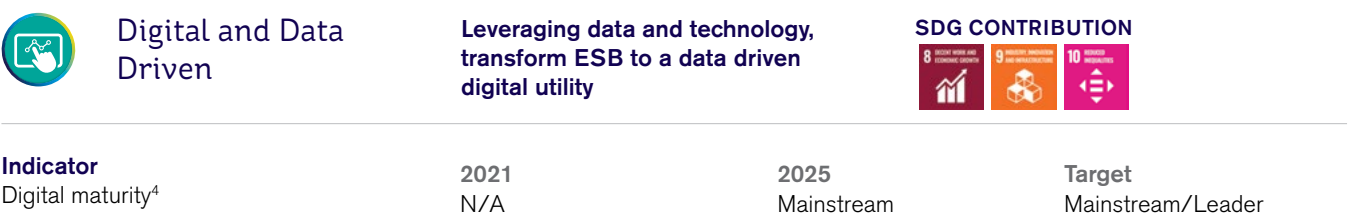
Strategic Performance Indicators (SPIs*)



Performance
Good progress during 2025 with construction completed on the Neart na Gaoithe offshore wind project and the cessation of coal burning in Moneypoint. Refer to the Generation Trading insert on page 46 for further details. 2030 targets are challenged by factors outside of ESB's control, such as the timing of RESS auctions and planning delays, and are being kept under review.



Performance
Good progress made during 2025 toward delivery of 2030 targets, with the milestone of over two million smart meters installed and the completion of the ESB/Climate Action Fund co-funded investment in the EV charging network. Refer to ESB Networks and Customer Solutions inserts on pages 42 and 48 for further details.



Engaging with our Stakeholders

ESB's actions can have an impact on a broad range of stakeholders. This is why ESB aims to maintain open and positive dialogue with all our stakeholders to understand, consider and evolve our strategy in a way that meets their expectations. Our engagement enables stakeholders to provide feedback and insights to ESB, which also informs our approach and decision making.

ESB places high priority on understanding the expectations, concerns and interests of our customers and stakeholders. We conduct in-depth stakeholder research approximately every four years, and survey members of the public three times per annum via brand and reputation trackers. ESB's key stakeholder groups, details of our engagement and key priorities identified for each stakeholder are set out opposite.

Our Key Stakeholders

Customers

ESB's customer base covers a broad spectrum, including customers connected to the electricity networks across Ireland, the people and businesses ESB supplies with electricity, gas and other retail offerings across Ireland and Great Britain, and ESB's engineering consultancy clients.

Why We Engage: ESB has a proud history of serving customers through delivery and innovation. It is vital that we listen to our customers so that we can understand their evolving needs during a period of continued elevated energy prices, and as we transition to sustainable energy together.

- How We Engage:**
- Customer and stakeholder surveys
 - Formal market research
 - Focus groups
 - Company websites and social media
 - Dedicated relationship and account managers

Key Priorities:

- Customer service
- Customer support mechanisms
- Communication and support for vulnerable customers
- Competitive energy prices
- Energy efficiency and decarbonisation measures/energy solutions
- A secure, reliable energy supply
- Connections processes/timelines

Further information on the above is available in the reviews for each major business unit on pages 42 to 51.

Communities

ESB strives to be a responsible and trusted neighbour to communities located adjacent to ESB's sites and operations, as well as people in the wider community. Our approach reflects ESB's broader commitment to people-centred sustainability and to ensuring that the energy transition delivers positive social value.

Why We Engage: Communities expect organisations to positively contribute and support issues that are important to them. ESB engages proactively with communities to strengthen relationships, build trust and ensure our activities deliver shared value.

How We Engage:

- Open days/site tours
- Consultation on proposed projects
- Participation in local and national events
- Corporate partnerships/collaborations with local authorities, Non-Governmental Organisations (NGOs) and education partners
- Energy For Generations Fund
- Community Benefit Fund
- Employee volunteering and skills sharing
- Social inclusion programmes
- River and habitat management/restoring ecosystems

Key Priorities:

- Contribution to the local economy
- The allocation and impact of ESB's community funds
- Consultation on proposed projects
- Environmental protection
- Restoring ecosystems
- A just and fair transition to net zero

Further information on the above is available in the Sustainability insert starting on page 62.

Stockholders

ESB is 97.7% owned by the Irish Government and 2.3% by the Trustees of the Employee Share Ownership Plan (ESOP).

Why We Engage: Active engagement ensures that ESB understands and responds to the evolving needs of our owners and secures support for our strategy. Ongoing engagement ensures that ESB's stockholders are aware of our business environment, strategy, business model, performance, and sustainability commitments.

How We Engage: ESB engages in active and ongoing consultation with Government on key policies and strategic issues as required by legislation and the Code of Practice for the Governance of State

Bodies, 2016 as amended. This happens through formal quarterly briefings with Government representatives, written submissions to the relevant Government departments where appropriate, bilateral discussions (including with the Board, Chair and Chief Executive) and through attendance at the Annual General Meeting by representatives of the relevant Government Ministers. ESB also engages and consults with the Trustees of the ESB ESOP through regular formal briefings.

Key Priorities:

- Implementation of the Irish Government's National Development, Housing and Climate Action Plans
- ESB's progress on the sustainability strategy and ESG matters
- Energy security
- Network resilience
- Planning and consents
- Group performance and outlook
- Governance

Debt Investors and Rating Agencies

Lenders/debt holders fund ESB's capital investment programme as well as the rating agencies which independently assess the financial strength and creditworthiness of ESB. As such, these investor relationships are crucial for ESB's financial strength to deliver its strategic goals.

Why We Engage: Engagement with existing and prospective investors and rating agencies helps ESB to better understand the expectations of lenders and rating agencies in relation to our financial and sustainability performance.

How We Engage: The Investor Relations team, including the Group Treasurer and the Executive Director, Group Finance and Commercial, regularly engage with institutional debt investors and rating agencies in the form of formal announcements, media briefings, investor roadshows and investor briefings (for example after the release of interim and annual financial results). More information is available on the investor relations section of ESB's website.

Key Priorities:

- To maintain a BBB+/Baa1 credit rating on a standalone basis
- Financial, operational and sustainability performance
- ESB's strategy and progress on achieving net zero
- Funding and liquidity requirements

Employees

Our colleagues who work in the numerous businesses across the Group.

Why We Engage: Employee feedback is key to attracting, developing, and retaining a talented, dedicated and motivated workforce, which is required for the successful delivery of ESB's strategy. To continually drive progress, ESB needs to understand what matters most to our employees.

How We Engage:

- ESB Employee All-Hands Webcast and the Hub (ESB's information resource and employee communication platform)
- Team meetings/performance reviews/career development discussions
- Staff surveys ("Our Voice")
- Online learning and training resources
- Employee Resource Groups
- Engagement with trade unions

Key Priorities:

- Health, safety and wellbeing
- ESB's employee offering including reward, benefits and flexible working arrangements
- Career progression/development
- Promotion of diversity, equity and inclusion
- Understanding employees' roles in contributing to ESB's net zero strategy
- Ongoing engagement and communication
- Acting in response to the Our Voice survey findings

Further information is available in the People and Safety, Health and Wellbeing sections starting on pages 77 and 82 respectively.



Engaging with our Stakeholders (continued)

Suppliers, Contractors and Partners	Regulators, Environmental and Safety Authorities	Other Industry Bodies
ESB collaborates closely with partners, contractors and suppliers of products and services across its supply chain. Why We Engage: The ESB Supplier Charter sets out the standards required of all suppliers. By engaging with contractors and suppliers (as well as agents), we can ensure they continue to meet ESB's standards in product safety, quality, and business conduct and ethics, whilst respecting human rights and the environment. Collaboration across the supply chain is necessary for ESB to secure a stable supply of goods and services while bringing innovation and market leading solutions to help deliver our strategy. How We Engage: ESB interacts with suppliers and contractors in many ways, including tender processes, contract review meetings, preliminary market consultations and 'Meet the Buyer' events. Sustainability features are generally sought from tenderers where such features contribute to the delivery of ESB's sustainability goals. Key Priorities: ▪ Health and safety ▪ Responsible sourcing ▪ Supply chain resilience and sustainability ▪ Long-term partnerships ▪ Payment practices ▪ Human rights	ESB endeavours to ensure it is in full compliance with applicable laws and regulations in the markets in which we operate. As such, ESB engages with national government departments, state agencies, sectoral regulators and other relevant authorities on these matters. Why We Engage: To communicate our views to those who have responsibility for developing and implementing policy, laws and regulations, as these regulatory policies can have a significant impact on how ESB conducts business. How We Engage: ESB interacts with regulators and other authorities across multiple channels, including industry forums, associations, briefings, direct engagements and other multi-stakeholder forums, as well as through inspections and formal compliance reviews. Key Priorities: ▪ Market design/operation ▪ Customer service and supports ▪ Net zero ▪ Network resilience ▪ Energy security and affordability ▪ Legal and regulatory compliance	Networks operators, industry NGOs, sustainability NGOs and other industry bodies who share ESB's goal of maintaining a safe, secure, and reliable supply of electricity while enabling a sustainable, low-carbon economy and society. Why We Engage: To advance progress for our businesses and industry and help create large-scale positive change for society and the environment. How We Engage: Ongoing dialogue and participation in business and industry advisory groups which allows ESB to be involved in developing industry best practices across a range of established sustainability topics. Key Priorities: ▪ Efforts to decarbonise electricity ▪ Climate change ▪ Fuel poverty ▪ Ethics and transparency
The Board is cognisant of our stakeholders' views when making decisions regarding strategy, investments/divestments or matters which may impact the wider economy or environment, increasing the likelihood of long-term sustainable success for ESB. The Board also recognises the need to maintain high standards of business conduct in its actions and decisions, and the need to act fairly between all of ESB's stakeholders. Feedback from all engagement activities and research is considered by the Board as part of its decision-making processes. Refer to pages 92 to 94 for further details.		

Risk Report

How ESB Manages Risk

The effective management of principal risks and uncertainties supports the development and implementation of ESB's strategy while protecting the interests of its stakeholders and stockholders.

The Board has overall responsibility and accountability for risk management and internal control. The Irish Corporate Governance Code 2024 (the Irish Code) (Clauses 29, 30 and 32) and related guidance set out the Board's responsibility and accountability for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Code of Practice for the Governance of State Bodies (the State Code) (Section 7.2) also refers to the Board's oversight of risk management including the requirement to “approve the risk management plan and risk register at least annually”. The Board must also ensure that an appropriate culture has been embedded throughout the organisation to ensure that risks are identified, assessed and managed effectively.

The Board ensures that the Group's risk exposure is proportional to the pursuit of its strategic objectives and creation of longer-term stakeholder value. It has adopted a Risk Management Policy and Risk Management Framework to support its oversight of risk throughout the Group.

The Board delegates responsibility for oversight of its principal risks, emerging risks and High Impact Low Probability (HILP) risks to Board Committees in accordance with the Committees' Terms of Reference and their respective areas of expertise. The Committee Chair reports to the full Board on key developments and matters requiring further discussion and consideration. The Audit and Risk Committee has overall responsibility for ensuring that enterprise risks and opportunities are properly identified, assessed, reported and controlled on behalf of the Board. The Audit and Risk Committee advises the Board on its consideration of the overall risk appetite, risk tolerance and risk strategy of the Group.

The details of the activities undertaken by the Board and the Audit and Risk Committee during 2025 in respect of their risk responsibilities are outlined on pages 103 and 104.

ESB's approach combines a top-down strategic assessment of risk and risk appetite, which takes account of the external business environment and any changes to the business model, along with a bottom-up identification and reporting process arising from a review and assessment of business unit operational risk registers.

ESB's risk management approach is dynamic. ESB regularly and proactively manages risks in a fast-changing business environment, updating and continuously improving risk information to support decision making at all levels. Business environment developments outlined on page 15 provide a backdrop for identifying and assessing risks and has an influence on risk appetite.

Risk Culture

The Board is ultimately responsible and accountable for setting the tone at the top of the organisation. ESB's risk culture determines the way in which employees identify, understand, discuss and act on (including the development and monitoring of effective controls and mitigations) the risks they take and are faced with on a daily basis.

To enhance risk awareness, ESB's values continue to be a focus for discussions with all employees to ensure that there is a clear and consistent understanding of ways of working. To support the embedding of an appropriate risk culture, ESB has adopted policies (such as ESB's Code of Ethics, “Our Code”) which facilitate and encourage an environment where people can feel comfortable raising issues and where management treat concerns seriously, professionally and in accordance with legal obligations that apply under the Protected Disclosures Act, 2014.

Decision-making is supported by having clear authority levels and conducting risk analysis as part of business and project planning. The alignment between investments and ESB's risk appetite for all Board approved submissions is also considered. Specific training is provided for high-risk activities including health, safety and wellbeing, cyber risk awareness,

network operations, sustainability, data privacy and energy trading activities. This approach has ensured that risks and uncertainties are highlighted at an early stage so that prompt action can be taken to minimise any impact they might have on employees and other stakeholders.

Risk Appetite

ESB's Risk Appetite Framework sets the appetite at the Group level in relation to the major sources of risk faced by ESB in the delivery of its purpose and strategic objectives (i.e. ESB's Risk Universe) and provides the basis for making decisions, and communicating risk appetite down through the organisation.

Risk appetite is embedded in day-to-day risk management decisions through the use of risk tolerances and limits for material risk types. This ensures the risk profile remains aligned with risk appetite by balancing risk and returns. At a minimum, it is assessed on an annual basis.

The Group Risk Appetite Statement is approved by the Board on the advice of the Audit and Risk Committee. ESB's risk appetite is aligned with ESB's Net Zero by 2040 Strategy and execution of the strategy is consistent with the Risk Appetite Statement. The Risk Appetite Statement reflects ESB's appetite for risk under each of the six risk categories identified under ESB's Risk Universe – (1). Strategic, (2). Financial, (3). Environment, Social and Governance (ESG)/Climate, (4). Culture, People-Related and Safety, (5). Compliance, and (6). Operational and Technology.

Group Principal Risks in 2025

The Group principal risks for 2025 are set out in this report, beginning on page 25. These risks are considered material to understanding how ESB creates value. A number of principal risks remained constant over 2025. Revisions were made to the descriptions/drivers of a number of other principal risks to take account of the latest developments in ESB's risk environment as part of a robust risk review process during 2025, in conjunction with the relevant oversight committees. They were developed taking into consideration ESB's strategy, external market developments, legal and regulatory matters and augmented by a 'bottom-up' review of operational risk registers. Emerging risks are also included insofar as possible.

Risk Report (continued)

The Group Risk Plan for 2025 was designed to ensure that:

- Specific consideration has been given to the risk of not achieving ESB's strategic objectives
- Risks have been appropriately identified and assessed on a bottom-up basis by the businesses and key functions and also adequately challenged and reviewed on a top-down basis by Group Risk, the Risk Management Committee and the Executive Committee Risk Forum. Risks have also been challenged, reviewed and input into by the Audit and Risk Committee and Board
- Risks have been assessed against risk appetite
- Appropriate controls and risk mitigations to reduce the probability of risks emerging and recovery mechanisms to reduce the impact of an event are in place
- Emerging risk developments over time are being tracked
- Management preparedness to manage risk is understood

- Responsibility for risk is allocated to ensure accountability
- A communications plan is in place to brief the Board and the relevant sub-committees on key risk topics throughout the year

Group Emerging Risks

The Risk Management Framework enables the Group to identify, analyse and manage emerging risks to help identify potential exposures as soon as possible. This is managed as part of the same process that identifies, assesses and reviews the principal risks.

Business Continuity

ESB is responsible for the provision of critical infrastructure and disruptions to certain services and operations are potentially damaging to the economy, to customers, to society and to ESB's business. ESB has in place a robust set of business continuity plans and processes to ensure that ESB's response is well-managed and executed. A number of

these plans are exercised as part of an annual test plan and assess the degree to which these risks can be mitigated. Results and lessons learned arising from the annual review and testing programme are reported to the Audit and Risk Committee.

Severe storms require the full deployment of business continuity and emergency response plans in accordance with ESB's Risk Management Framework and processes. These plans were activated on a number of occasions, including January 2025 for Storm Éowyn - the most damaging storm in ESB's history in terms of customer outages. That event, in particular, required an exceptional response, with all of ESB's available resources deployed and additional resources brought in from other countries. Ultimately, the emergency response plans proved effective in supporting business continuity.

Core Components of ESB's Risk Management Framework

Risk Principles/Strategy and Business Plans Articulates the purpose of risk management and how it supports the delivery of business objectives.
Risk Governance and Culture Defines the governance and organisational structure to oversee risks, including the role of the Three Lines. Sets out the risk culture of ESB.
Risk Taxonomy Sets out the types of risks that ESB is exposed (Risk Universe).
Risk Appetite and Risk Tolerance Sets out ESB's appetite for risk and the ranges and limits of acceptable risk taking.
Risk Policies and Procedures Defines approach to monitoring and controlling risk.
Risk Management Processes Tools that help managers identify and evaluate the risks to which ESB may be exposed. Reporting and review of ongoing and emerging risks and assessing risk positions to the risk appetite targets and limits.

Strategic Objectives (SO)



Decarbonised Electricity



Resilient Infrastructure



Empowered Customers



Our People



Digital & Data Driven



Financial Strength



Sustainable & Socially Responsible

Foundational Capabilities (FC)

Principal Risks

The principal risks and uncertainties that have the potential to impact the Group's strategic objectives are set out below, together with an indication of the current strategic objective(s) to which they relate, any change in the risk climate during the year and who is responsible for monitoring the risk and the principal mitigations.

Financial Strength and Unfavourable Macroeconomic and Financial Environment



Risk Trend



What is the risk?

ESB is unable to deliver the investment programme required to deliver its strategic objectives due to inadequate funding capacity or Balance Sheet constraints, or ESB's financial position is weakened by an economic downturn, by geopolitical or financial market challenges, growing capital intensity or by inadequate business performance

Oversight:
Finance and Investment Committee and Audit and Risk Committee

Developments in 2025

- Market volatility reduced, but the outlook remains uncertain due to geopolitical factors
- PR6 regulatory contract final determination was confirmed by CRU in December 2025. Financing PR6 remains a key priority for ESB
- In December 2025, the Government of Ireland injected €1.5 billion as equity into ESB, ringfenced to help fund ESB Networks' PR6 capital programme
- RP7 delivery continued for NIE Networks
- Investments in solar and wind continued with key projects in construction
- Stabilisation of interest rates and inflationary environment across the Eurozone and UK continued

Controls/Mitigations

- Careful budgeting and planning to ensure credit metrics are protected into the future
- Ensure that a robust trading and risk management framework is in place
- Continue ongoing engagement with Government, policy makers, regulators, investors and others
- Implement appropriate hedging strategies
- Ensure stress testing of working capital facilities, ensuring ESB can absorb higher prices
- Building flexibility into ESB's cost base and capital investment programme

Risk Report (continued)

IT/OT Outage/Cyberattack/ Data Leakage		SO	FC	Risk Trend
What is the risk? Extended outage of critical IT/OT systems arising from non-malicious infrastructure failures, successful cyberattacks and/or significant data leakage	Developments in 2025 ▪ Cyber crisis simulation completed successfully in September 2025 ▪ The shifting geopolitical and technological landscape has demanded increased cybersecurity vigilance ▪ Cyber strategy implementation progressing across the cyber pillar, business projects and business as usual ▪ Cyber delivery pillar fully operational and executing key elements of the refreshed cyber strategy ▪ Network micro segmentation implementation completed; Identity and Access Management Strategy has been developed ▪ Integrated Security Council functioned effectively throughout 2025	   		
	Controls/Mitigations ▪ Cyber policies, strategy and governance model in place and continued development of cyber IT/OT operating model ▪ The cyber operating model in place to manage First Lines and Second Lines for IT and OT ▪ Data protection policies and operating model in place across the organisation ▪ Regular testing and simulation exercises for Critical Response Plans to test the organisation's readiness ▪ Integrated Enterprise Security Council implemented - integrated governance of cyber, physical assets and personnel across IT and OT assets and sites			
	Oversight: Audit and Risk Committee			

Climate Change Physical		SO 	FC 	ES 	Risk Trend 
What is the risk? Increasingly extreme and unpredictable weather patterns, impacting performance of ESB assets and societal energy security, leading to negative financial, customer and reputation impacts	Developments in 2025 ▪ Asset Health Models developed, supporting PR6 and enabling improved risk based investment decisions ▪ Storm Éowyn impacted the electricity network: - ESB Networks presented the updated Winter Grid Resilience Plan to the Government of Ireland, alongside targeted forestry corridor cutting in high risk areas - NIE Networks completed a review, with lessons integrated into Strategic Programme 3 to enhance severe weather preparedness and response ▪ PR6 scope reviewed following a Government request after Storm Éowyn ▪ Strong focus on emergency planning, including crisis management and business continuity				
	Controls/Mitigations ▪ Review of maintenance policies, standards and materials specifications to ensure assets are resilient ▪ Replacing older assets and maintaining equipment in line with corporate plans or agreed regulatory contracts ▪ Legislation being drafted by the Irish Government is expected to enhance ESB Networks' forestry/timber cutting powers – supporting storm fault prevention and reduced restoration times ▪ Accounting (in so far as practicable) for climate impact on asset operation and life ▪ Continue to explore flood risk profile assessment for high voltage stations ▪ Stakeholder engagements with relevant governmental and external bodies ▪ Implement ESB Networks' Winter Resilience Plan ▪ Designing enhanced resilience into assets, minimum design specifications e.g. building bigger overhead lines (bigger conductors and structures) ▪ Ongoing review of water management procedures/flood response plans				
	Oversight: Audit and Risk Committee and Safety, Sustainability and Culture Committee				

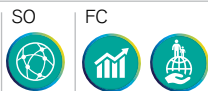
Strategic Objectives (SO)		Foundational Capabilities (FC)				
 Decarbonised Electricity	 Resilient Infrastructure	 Empowered Customers	 Our People	 Digital & Data Driven	 Financial Strength	 Sustainable & Socially Responsible

Climate Transition		SO			FC	Risk Trend
What is the risk? Failing to meet sustainability targets per ESB's Net Zero by 2040 Strategy or to inform or respond to climate change policies and/or capture opportunities and manage challenges presented by those policies, or to manage the implementation of climate mitigation strategies, resulting in reduced performance along with growing public, customer and investor concerns and negative impact on the environment						
Developments in 2025						
▪ ESB continued to monitor industry and peer developments nationally and internationally ▪ Irish Government policy remained supportive of the net zero transition, with solid progress in RESS/ORESS auctions ▪ Ireland's progress towards 2030 climate targets remains challenging ▪ Ongoing energy price volatility and reliance on gas highlighted the need to accelerate renewables while managing rising transition cost ▪ Geopolitical challenges increased, with EU competitiveness challenges and US policy shifts ▪ Rating agencies reaffirmed the tightening of sustainability metrics						
Controls/Mitigations						
▪ Keep up to date with EU and national policy, regulatory and legislation developments ▪ Maintain stakeholder engagement with policymakers and regulatory authorities ▪ Maintain the Group list of climate risks and opportunities and regularly review and track indicators ▪ Maintain strong strategic intelligence through external information sources ▪ Seek to lead or at least be heavily involved in the conversation on the net-zero power system						
Oversight: Audit and Risk Committee						

Delivery of Network Infrastructures and Complex Systems		SO			FC	Risk Trend
What is the risk? Failing to deliver the reliable network infrastructures and increasingly complex systems required to meet future customer demand and societal needs of accommodating more renewables, supporting wholesale electrification and distributed energy services						
Developments in 2025						
▪ Increased Government engagement during 2025 ▪ Following Storm Éowyn, ESB Networks advanced resilience planning, established a dedicated resilience function, and reviewed the PR6 scope to ensure appropriate investment ▪ The Irish Government's "Accelerating Infrastructure - Report and Action Plan" (December 2025) aims to speed up delivery of key national infrastructure ▪ The CRU issued the PR6 Final Determination in December 2025, representing a significant uplift in delivery ▪ NIE Networks continued implementation of its revised operating model, supported by the RP7 enabling ~£2 billion of investment; the <i>Big Network Rebuild</i> campaign commenced in September 2025 and will continue throughout RP7 to strengthen resilience and modernise the network						
Controls/Mitigations						
▪ Integrated Business Planning, which informs the Strategic Resource Plan and succession planning ▪ Contractor Strategy and Procurement Strategy ▪ Implementation of ESB Project Management Methodology ▪ Stakeholder management plans prepared and interaction with key stakeholders ▪ The National Network, Local Connections (NNLC) programme is delivering new capabilities to ensure that the distribution network is ready for wholesale electrification ▪ Supply Chain Strategy including advanced materials procurement and review of supply chain dependencies						
Oversight: Audit and Risk Committee						

Risk Report (continued)

Security of Supply Response



Risk
Trend



What is the risk?

Electricity generation shortfall as a result of failure to adequately plan new assets, fuel supply shortages, fault outages or physical security issues, which, while the responsibility of other stakeholders, would likely have a negative impact on ESB's reputation as a generation asset owner, the holder of the DSO and onshore asset owner licences and the implementor of any necessary load-shedding

Oversight:
Audit and Risk
Committee

Developments in 2025

- Electricity demand continued to grow in 2025
- System resilience improved with winter 2025/2026 LOLE (Loss of Load Expectation) as advised by EirGrid within standard and better availability across Temporary Emergency Generation (TEG), interconnectors, batteries and Reserve Energy Units
- International pressures – such as challenges in Spain and Portugal - highlighted the fragility of interconnected systems and the need to maintain security of supply
- Key projects progressed, including completion of the Moneypoint conversion to HFO (Heavy Fuel Oil) and the handover of Shannonbridge
- System operators and agencies completed a major coordinated Exercise Atlantic (multi-stakeholder exercise)

Controls/Mitigations

- Engagement by ESB Networks with large distribution connected customers and critical infrastructure customers
- Engagement with stakeholders
- CRU Security of Supply Programme of Actions
- Regular testing of plant to run on secondary fuels such as gasoline oil in the event of shortages of primary fuels
- Continue embedding Long-Term Asset Plan process by reviewing asset performance and carrying out preventive maintenance
- Participate in joint simulation exercises with EirGrid/CRU/Department of Climate, Energy and the Environment and the wider National Emergency Coordination Group, as part of readiness measures. Exercise DSO Load Shedding Plan to ensure required familiarity

Energy Market Volatility



Risk
Trend



What is the risk?

Continued volatility in energy markets negatively impact ESB financial performance and ability to deliver ESB's strategic objectives

Oversight:
Audit and Risk
Committee

Developments in 2025

- Energy markets in 2025 were significantly more stable, with reduced volatility and improved short and long-term visibility
- Enhanced internal capabilities supported effective management of remaining market uncertainty
- Residential electricity prices remained unchanged in 2025, and a 4% residential gas price reduction was introduced in November by Electric Ireland
- 2025 hedging targets were met, supported by improved liquidity and lower credit costs

Controls/Mitigations

- Consideration to more frequent price changes, ultimately moving to a more dynamic pricing model once systems/process allow
- Proactive regulatory, political, customer and media engagement during the period of market volatility
- Appropriate approved hedging strategies/policies to reduce the impact of volatility
- Ongoing monitoring of market conditions – utilise external expertise to gain relevant market insights and trends
- Utilise market trends and customer insights to inform forecast demand volumes and hedging strategies on an ongoing basis

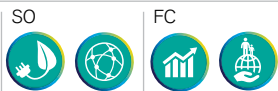
Strategic Objectives (SO)



Foundational Capabilities (FC)



Supply Chain



Risk
Trend



What is the risk?

ESB is unable to secure access to goods and services necessary to deliver its strategy, driven by demand in the energy sector, the external geopolitical landscape and constraints in the labour market in Ireland

Oversight:
Audit and Risk
Committee

Developments in 2025

- Supply chain risk rose in 2025 due to politically driven disruptions to global trade, though pressures eased toward the year end
- The US Administration sought to reshape supply chains to favour US domestic production
- The US introduced tariffs and protectionist policies however a new US–EU trade deal was reached in July
- Internally a working group examined tariffs and the possible impact that they could have on ESB
- The high global demand for renewables continued in 2025, as demand for renewables and other power projects is high relative to supply both in the EU and worldwide
- Contractor capacity constraints within Ireland exist and this limited the availability of labour for key overhaul projects

Controls/Mitigations

- Continued monitoring of supply chain disruptions and third party forecasts, together with frequent reviews of business critical supplier and contractor performance, including financial standing
- Closer levels of collaboration/work planning both internally and with key suppliers and contractors to mitigate/prepare for any potential supply chain disruptions and shortages
- Advance ordering and increased stock levels for recurring and critical items of equipment and consumables

Energy Affordability



Risk
Trend



What is the risk?

Increasing costs, uncertain demand growth and wider economic pressures negatively impact the affordability of ESB's products and services, impacting ESB's customers and giving rise to political or regulatory intervention

Oversight:
Audit and Risk
Committee

Developments in 2025

- Residential electricity prices remained unchanged in 2025, and a 4% residential gas price reduction was introduced in November by Electric Ireland
- CRU approved ESB Networks' tariff increases to deliver network investment
- The key energy market indicators have been static but electricity prices and competitiveness have become more prominent in 2025
- Energy markets in 2025 were significantly more stable, with reduced volatility
- The Irish Government's *National Energy Affordability Taskforce* was launched in June

Controls/Mitigations

- Measures in place to support customers
- Communications and stakeholder engagement plans in place
- Engaging positively with market-wide measures and return profits above Government set caps
- Constant review to ensure resources
- Reduction in energy tariffs as soon as possible when market conditions permit
- Engage and brief stakeholders on the make-up of energy costs

Risk Report (continued)

Delivery of Renewable Pipeline, including Project Quality Management		SO	FC	Risk Trend
What is the risk? ESB fails to develop and deliver the scale, quality and target financial returns of renewable generation assets required to meet market and societal needs and to achieve strategic objectives	Developments in 2025 - Global technical capability grew via site visits to manufacturing facilities —particularly in China - Installed renewable capacity increased during 2025 marking substantial year on year progress - Pipeline advanced with a joint ESB/Ørsted bid winning the Tonn Nua ORESS auction — a 900 MW offshore wind farm off the south east coast. Delivery is expected in around 2034 - The generation pipeline progressed. Two renewable projects were delivered in 2025 and six moved to the construction stage. A total of eight projects were under construction by year end			
	Controls/Mitigations - Alignment of ESB strategic goals with the Irish Government's Climate Action Plan goals - Stakeholder engagement to build support for ESB's renewable generation strategy - Secure strategic technical resource/capability partners to complement ESB's capability and experience - Carry out suitable and sufficient surveying, site investigations, wind monitoring, etc. - Build and retain engineering and project management skills base - Implement robust lessons learned transfer process from existing project to future opportunities			
Oversight: Audit and Risk Committee				
Resourcing/Capability/Retention		SO	FC	Risk Trend
What is the risk? Failing to secure, retain or embed internal and external resources and adequate capability in the context of labour market developments, given the extent of growth and complexity of delivery required to deliver ESB's strategy	Developments in 2025 - Future capabilities became a key focus, with a strategic project launched to define skills for the Net Zero 2040 Strategy and map a future fit workforce - The Offshore Wind Capability Development Plan delivered strong results, strengthening Engineering and Major Projects' team ahead of expanding ESB's offshore portfolio - The number of timber cutters increased supporting ESB Networks' Winter Resilience Plan - PR6 Final Determination led to a large increase in delivery requirements for ESB Networks' contracting frameworks - ESB Networks' contracting frameworks were enhanced during 2025 in preparation for PR6			
	Controls/Mitigations - Maintain strategic focus on future workforce trends - Talent Management Strategy in place to drive attraction, growth and retention activity - Appropriate resourcing model (total workforce) in place to ensure delivery of strategic intent - Contingent Labour Panel is in place - Offshore Wind and Hydrogen Capability Action Plan in place - Key Contractor Frameworks in place to deliver essential services			
Oversight: Audit and Risk Committee				

Compliance (Laws, Regulations, Licence, Internal Policies)		SO	FC	Risk Trend
What is the risk? Failure of ESB personnel or agents (by act or omission) to comply with applicable legal and governance obligations whether imposed by law, regulation, licence or internal policies against the backdrop of an increasingly complex compliance and governance landscape and stakeholder expectation resulting in reputational damage, prosecution/conviction and/or financial penalties	Developments in 2025 - Continued development of the Integrated Compliance Framework - Core to mitigating this risk is successful delivery of the Governance, Risk and Compliance (GRC) Programme which has been progressing through 2025 - A robust Group Policy Management Framework operating effectively within ESB to ensure policies are reviewed and enhanced on a cyclical basis, enabling compliance with applicable law and regulation - No significant developments in relation to incidents reported or investigated during 2025			
	Controls/Mitigations - Annual review of compliance with the Code of Practice for the Governance of State Bodies - Continued and ongoing engagement with relevant external stakeholders - Confidential reporting mechanisms and investigation procedures in place - Our Code and Our Values, together with ESB's Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, describe acceptable behaviours - Optimisation and maintenance of plant to meet safety and environmental standards			
Oversight: Board				
Health, Safety and Wellbeing		FC		Risk Trend
What is the risk? Serious harm to the safety, health or wellbeing of employees, contractors or the public resulting from ESB's operations	Developments in 2025 - Identified improvement opportunities in maintenance management, particularly regarding the planning and prioritisation of certain equipment groups - Successfully completed external safety and energy related audits - Updated compliance frameworks, including processes for confirming legislative updates and ensuring timely notification of compliance issues - Key Risk Indicator (KRI) metrics remained consistent with 2024			
	Controls/Mitigations - Adaptive leadership/open culture, risk assessments, safe systems of work including safety rules, supervision - Contractor safety management processes - Maintenance Management Systems, equipment inspection and certification, statutory inspections - Assurance and audit process (external and internal) - Critical incident management and response procedure and scenario testing - Proactive health and wellbeing programmes			
Oversight: Safety, Sustainability and Culture Committee				

Risk Report (continued)

Brand, Customer Satisfaction, Reputation, Stakeholder Trust		SO	FC	Risk Trend		
						
What is the risk? Damage to brand, customer satisfaction, reputation and stakeholder trust	Developments in 2025 - ESB's Reputation and Trust scores remained strong despite challenges such as storm response, network capacity issues and energy affordability concerns - Launch of the <i>Big Network Rebuild</i> multi-channel advertising campaign to inform consumers of the investment programme to rebuild and future-proof the electricity network in Northern Ireland - ESB sponsorship of key events/initiatives continued e.g. ESB Science Blast, Room to Improve and Darkness Into Light					
	Controls/Mitigations - Cross functional structures in place to manage and coordinate ESB's reputation and stakeholder engagement, and coordinate communications - Stakeholder forum to coordinate and drive stakeholder engagement - Media relations strategy in place - Regular brand tracking, media monitoring and social listening tools in place to identify emerging issues - Brand and sponsorship programmes in place to drive community support					
Oversight Customer, Innovation and Brand Committee						

Further details of ESB's stakeholder engagement activities can be found in the Engaging with our Stakeholders section starting on page 20.

Financial and Operational Performance

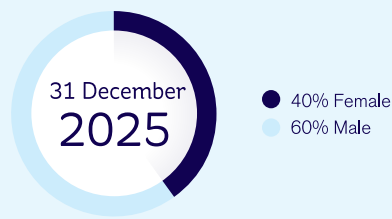
Executive Committee	34
Financial and Operating Review	36
Business Unit Operating Review	
▪ ESB Networks	42
▪ NIE Networks	44
▪ Generation Trading	46
▪ Customer Solutions	48
▪ Engineering and Major Projects	50
▪ Enterprise Services	51
Key Performance Indicators (KPIs)	52
Using our Profits in a Sustainable Way	56
Supporting Communities	57

Executive Committee

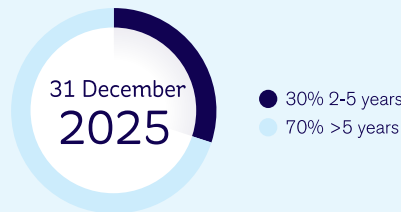
The Executive Committee focuses on the execution of ESB's strategy, technological and commercial developments, sustainability matters, financial and competitive performance, people development and organisational development.

The Executive Committee also has a role in overseeing business conduct matters across ESB including through the development of appropriate organisational structures and Group-wide policies (including ESB's Code of Ethics). The Chief Executive, the Deputy Chief Executive, the Executive Director, People and Sustainability, the Executive Director, Group Finance and Commercial, and the Company Secretary all have specific roles related to matters and policies pertaining to risk management, internal control, people policies, sustainability, compliance, fraud, corruption and bribery, and general business conduct matters. All have experience in dealing with such matters and are supported by further expertise in specialised functions including Enterprise Risk, Group Internal Audit, People and Sustainability, Finance, Governance, Legal, Compliance and Company Secretariat.

Composition of Executive Committee (Gender)*



Length of Tenure on Executive Committee*



* Includes Managing Director, ESB Networks DAC



Paddy Hayes
Chief Executive

Date Appointed to Current Role: August 2021

Career experience: Previously held the positions of Managing Director of ESB Networks from 2018 and Executive Director, Generation and Wholesale Markets from 2012 to 2018. Holds a Masters of Engineering from University College Dublin (UCD), a Masters of Business Administration from the University of Warwick and is a Fellow of the Institute of Engineers of Ireland. Paddy worked in the steel industry in the UK before moving to the energy sector in 1999 to lead the Synergen joint venture between ESB and Statoil. A member of the Board of Directors of EPRI (Electric Power Research Institute) in the US and is Chair of the Open Doors Initiative.



Jim Dollard
Executive Director,
Generation Trading

Date Appointed to Current Role: May 2018

Career experience: Previously held the position of Executive Director, Business Service Centre (BSC) and Electric Ireland from 2013 to 2018. An accountant, Jim began his career in ESB in 1992 and has held senior management positions throughout the Group in both financial and managerial roles. Holds a Bachelor of Commerce and a Masters of Business Studies from UCD. Joined the board of the Irish Cancer Society in May 2025.



Marguerite Sayers
Deputy Chief Executive

Date Appointed to Current Role: July 2022

Career experience: Previously held the role of Executive Director, Customer Solutions from 2018 to 2022. Marguerite has worked in various technical and managerial positions in ESB for over 30 years, including Generation Manager, Head of Asset Management for ESB Networks and Managing Director of ESB Networks DAC. Holds a degree in electrical engineering from University College Cork (UCC), is a Chartered Engineer, a Chartered Director, a Fellow and Past President of Engineers Ireland and a Fellow of the Academy of Engineers. Marguerite is a member of the Board of Energy UK and of the Dingle Hub and is a Trustee of the Irish Times.



Pat Fenlon
Executive Director,
Customer Solutions

Date Appointed to Current Role: September 2022

Career experience: Previously held the role of Executive Director, Group Finance and Commercial from 2016 to 2022 and has held senior financial and general management positions across ESB including General Manager of Electric Ireland, Corporate Change Manager and Group Finance and Commercial Manager. A fellow of Chartered Accountants Ireland, Pat worked with PwC before joining ESB in 1993.



Paul Stapleton
Executive Director,
Group Finance and Commercial

Date Appointed to Current Role: October 2022

Career experience: Managing Director of NIE Networks prior to current role. Paul joined ESB in 1991 and has worked in finance and managerial roles across the Group including General Manager of Electric Ireland, ESB Group Treasurer and Financial Controller of ESB Networks. A member of the Chartered Institute of Management Accountants and a Chartered Director with the Institute of Directors. Paul is a member of the Governing Authority of the University of Limerick.



Geraldine Heavey
Executive Director,
Enterprise Services

Date Appointed to Current Role: June 2018

Career experience: Held the role of Group Finance and Commercial Manager prior to current role. Geraldine has worked in finance and managerial positions in ESB since 1993, including Financial Controller of BSC and Electric Ireland, Manager in ESB Trading and Financial Controller of ESB Power Generation. An accountant and holds a Masters of Business Administration from DCU. Geraldine is an external member of the DCU Educational Support Services DAC and chairs its Audit Committee.



Sinéad Kilkelly
Executive Director,
People and Sustainability

Date Appointed to Current Role: April 2022

Career experience: Before joining ESB, Sinéad was Chief People Officer with Bus Éireann, a position she held since 2018. Previously held senior leadership roles including Vice President People Services at Etihad Aviation Group in Abu Dhabi and senior HR roles in Ulster Bank and Intel Ireland. Sinéad has a Bachelor of Science in Management and a Masters of Business Administration from Trinity College Dublin (TCD) and is a Chartered Fellow with CIPD. A Board member of Self Help Africa and the Road Safety Authority.



Paul Smith
Executive Director,
Engineering and Major Projects

Date Appointed to Current Role: January 2022

Career experience: Held senior management roles in ESB prior to current role including Manager of Generation Operations and Head of Asset Development. Paul joined ESB in 1992 and holds a Bachelor of Engineering in Electrical and Electronics Engineering from Queen's University Belfast and a Masters of Business Administration from UCD Michael Smurfit Graduate Business School. Currently a Council Member of the Irish Management Institute.



Marie Sinnott
Company Secretary

Date Appointed to Current Role: August 2019

Career experience: ESB's Group Head of Compliance and Enterprise Risk Management prior to current role and previously held senior management roles across the organisation. A UCD commerce graduate, holds a Masters of Science in Economic Policy Studies from TCD and a Postgraduate Diploma in Corporate Governance from UCD Michael Smurfit Graduate Business School. A current member of the Dublin City University (DCU) Governing Authority, Chair of the DCU Audit and Risk Committee and a Director and Company Secretary of the board of the Institute of International and European Affairs.



Nicholas Tarrant
Managing Director,
ESB Networks DAC

Date Appointed to Current Role: September 2021

Career experience: Previously held the position of Executive Director, Engineering and Major Projects from June 2018. Prior to this, held the role of Managing Director, NIE Networks and other senior management positions including Generation Manager. Nicholas is a Chartered Engineer, a Chartered Director and holds a Masters of Science in Management from TCD.

Note: The Managing Director, ESB Networks DAC is not a member of the Executive Committee but attends meetings as appropriate and always subject to compliance with relevant provisions of licences.

Financial and Operating Review

ESB achieved a robust financial performance in 2025, notwithstanding the negative impact of Storm Éowyn at the start of the year. This performance underpinned record capital investment of almost €2.7 billion in critical energy infrastructure. ESB's financial outturn in 2025 enables ESB to invest at an increasing scale to support new housing, economic growth, and the transition to a net zero energy system.

Paul Stapleton
Executive Director, Group Finance and Commercial



Highlights

Operating Profit^{1,2,3} €914m (2024: €975 million)	EBITDA^{1,2} €1.9bn (2024: €1.9 billion)	Profit after Tax €636m (2024: €706 million)	Capital Investment² €2.7bn (2024: €2.2 billion)
Recommended Dividend €149m (2024: €189 million)	Return on Capital Employed² 5.7% (2024: 6.2%)	Consolidated Net Debt Percentage² 38% (2024: 50%)	

Operating profit in 2025 fell by €61 million compared to 2024. However, the outturn was ahead of expectations earlier in the year given the unprecedented impact of Storm Éowyn in January 2025, which greatly impacted customers, increased costs and interrupted planned work programmes. ESB Networks and NIE Networks incurred additional operating costs of approximately €95 million in reconnecting customers and remediating the damage to networks infrastructure following Storm Éowyn. There were also timing related reductions in regulated and Public Service Obligation (PSO) revenues in NIE Networks (€61 million). These were partially offset by higher earnings from the Generation Trading business, supported by continued investment in a balanced portfolio of renewable, storage and flexible generation assets. ESB continues to

pivot away from higher emitting thermal generation, reflected in the historic cessation of coal burning at Moneypoint during the year.

In 2025, ESB delivered Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of €1.9 billion, an underlying operating profit of €914 million (both before derivative movements), and capital investment (including joint ventures) of almost €2.7 billion.

The level of Group profit after taxation (after exceptional items and certain re-measurements) at €636 million represents a €70 million (10%) decrease on 2024. From these profits, the Board is recommending a dividend of €149 million to the stockholders. If approved, 97.7% of this will go to the Irish Exchequer. This would bring the total dividends paid by ESB in the past 10 years to €1.4 billion.

The operating profit earned in 2025 is essential to finance the scale of capital investment being undertaken and the scale of ESB's net debt position which was €5.8 billion (excluding non-recourse debt in joint ventures) at the end of 2025. ESB received an equity investment from the Government of Ireland of €1.5 billion in December 2025. This equity investment is ringfenced for use solely in helping fund ESB Networks' PR6 capital programme from 2026-2030, as approved by the CRU. The equity investment will create value for the Government and people of Ireland as owners of ESB, strengthen ESB's balance sheet and credit profile, and help maintain investor confidence which is critical as ESB funds the expanded programme. The PR6 Final Determination, which was published by CRU in December 2025, provides for capital investment in the Republic of Ireland electricity networks

of over €13 billion in the period 2026-2030, which is over twice the size of the PR5 capital programme (2021-2025). PR6, and the equivalent RP7 programme in NI, will contribute to the delivery of a resilient net zero energy system, which will in turn support the achievement of national housing, economic and decarbonisation targets. Notwithstanding the receipt of €1.5 billion in equity funding, growing cash profits and substantially increased borrowings will be needed for ESB to sustain the scale of investment necessary in the coming years in both electricity networks and generation.

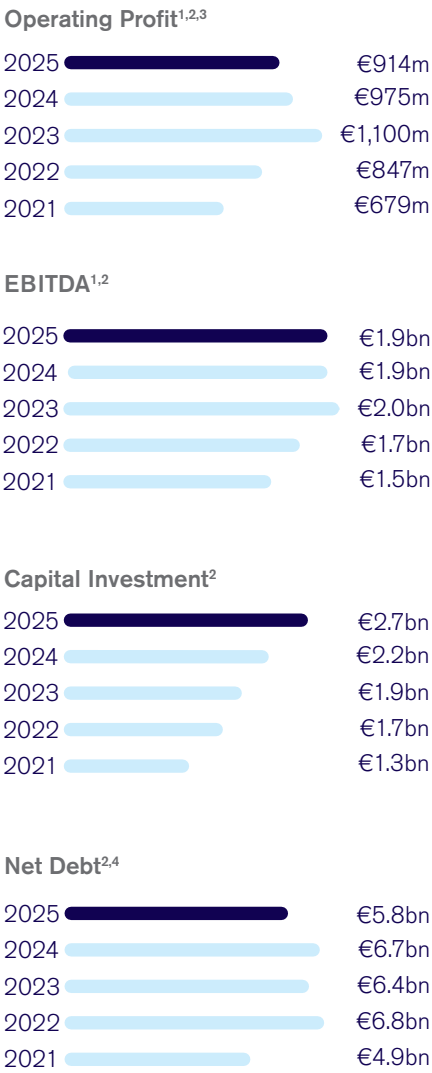
ESB's record level of capital investment in 2025 at almost €2.7 billion represents an increase of over 20% on 2024, and is projected to grow further in the years ahead. Almost two-thirds of this capital investment relates to expenditure on electricity network infrastructure in line with agreed regulatory programmes. A further almost €900 million was invested in electricity generation, predominantly onshore wind, solar and back-up generation capacity in Ireland, as well as the Neart na Gaoithe and Inch Cape joint venture offshore wind farm projects in Scotland. Inch Cape achieved Financial Close in January 2025, securing £2.7 billion in project finance funding from a consortium of 22 banks, and is now in construction. Neart na Gaoithe was completed during the year, and it is now in commercial operations. These projects

have been valuable to ESB in building a track record and capability in offshore wind construction in advance of developing the Tonn Nua offshore wind project and other opportunities in Ireland. Around 86% of ESB's capital expenditure (excluding joint ventures) was EU Taxonomy aligned (2025: 85%), and 93% of ESB's overall capital investment was on the island of Ireland.

As Ireland's leading energy utility, ESB has a stable business profile with over 60% of earnings (EBITDA) accounted for by regulated electricity networks on the island of Ireland which operate under established and transparent regulatory frameworks. ESB remains financially strong with net assets of over €7 billion at 31 December 2025. In September 2025, S&P Global Ratings raised their credit rating of ESB from A- to A (positive outlook) on foot of the announcement in July 2025 of the €1.5 billion equity investment in ESB by the Government of Ireland. Moody's Ratings had previously reaffirmed their rating of A3 (positive outlook) in June 2025. ESB's standalone ratings remained at BBB+ and Baa1 respectively with S&P Global Ratings and Moody's Ratings.

ESB's financial position at the end of 2025 provides the basis for continued strong investment in a more sustainable and resilient energy future, provided it maintains strong financial performance, and continues a prudent financial policy and risk profile, with robust financial governance, in the years ahead.

Figure 1: Five-year summary



¹ Before exceptional items and certain re-measurements.
² Refer to Alternative Performance Measures on page 248 for definitions and calculations.
³ Before the following exceptional items and certain re-measurements: 2025: net fair value losses on fuel commodity swaps and electricity price contracts (€19 million). 2024: Neart na Gaoithe expected credit loss (€135 million), profit on disposal of subsidiary €59 million and fair value gain on fuel commodity swaps €57 million. 2023: fair value gain on fuel commodity swaps €21 million. 2022: Neart na Gaoithe impairment (€91 million). 2021: Profit on asset sales (including impairment reversals) €152 million, Neart na Gaoithe impairment (€154 million), So Energy impairment of goodwill and onerous contract provision (€61 million).
⁴ 2021-2025 net debt includes lease liabilities recognised in accordance with IFRS 16 'Leases'; 2025: €147 million, 2024: €117 million, 2023: €136 million, 2022: €129 million and 2021: €120 million. It excludes ESB share of debt associated with investments in joint ventures and associates all of which are equity accounted. It also excludes restricted cash of €207 million in 2024, €550 million in 2023, and €754 million in 2022.

Figure 2: Operating Profit

	2025 €m	2024 €m
ESB Networks	376	367
NIE Networks	99	188
Generation Trading	338	311
Customer Solutions	128	113
Other Segments/Consolidation	(27)	(4)
Operating profit (before exceptional items and certain re-measurements)	914	975

Financial and Operating Review (continued)

Operating Profit (Figure 2)

The Group is organised into four key reportable segments, being the Group's strategic business units which are managed separately. Four further business units, including Engineering and Major Projects and Enterprise Services, provide support and other services to the principal operating segments of the Group and are combined as Other Segments for reporting purposes.

The fall of €61 million in operating profit in 2025 was driven by the impact of Storm Éowyn on the networks' businesses (approximately €95 million), compounded in the case of NIE Networks by a reduction in regulated revenues due to timing factors. Adjusting for these once-off impacts, underlying financial performance was strong, with increases in underlying operating profits in ESB Networks, Generation Trading and Customer Solutions.

- ESB Networks' operating profit for 2025 at €376 million is slightly higher than the €367 million reported in 2024. An increase in regulated revenues was largely offset by higher payroll and operating costs, driven in part by the impact of Storm Éowyn, and by increased depreciation associated with a growing asset base.
- NIE Networks' operating profit for 2025 at €99 million is €89 million lower than 2024, primarily due to €45 million lower net PSO pass-through income via the Power Procurement Business PSO mechanism, timing related reductions in regulated Use of System revenue, together with the impact of Storm Éowyn.
- Generation Trading's operating profit at €338 million is €27 million up on 2024 mainly due to higher gross margin on renewable and storage assets and increased capitalisation of business development expenditure, partly offset by higher depreciation on new assets.
- Customer Solutions made an operating profit of €128 million in 2025, up €15 million on 2024. The Customer Solutions businesses have faced competitive pressures with continuing elevated energy prices – although generally reduced from the spikes

seen in 2022 and 2023 which drove significant operating losses. The businesses have continued to seek to balance preserving operating margins with providing strong competitive offerings to customers as is seen, for instance, in Electric Ireland being able to maintain residential electricity tariffs in 2025 (following earlier reductions in 2023 and 2024) and implement a 4% residential gas tariff decrease effective 1 November 2025.

- The financial performance of Other Segments was stable year on year, other than the €22 million impairment of goodwill arising on the acquisition of So Energy in 2021 and which reflects the ongoing competitive pressures in the GB market.

Further details on the financial performance of the business segments are included in note 3 of the financial statements.

Profit after Tax

Profit after tax of €636 million is €70 million down on 2024. In addition to the €61 million reduction in underlying operating profit, there was a €71 million increase in net finance costs and other financing charges offset by a lower tax charge (€49 million), and a €13 million improvement in share of profits from equity accounted investees.

The tax charge of €114 million is €49 million lower than 2024, reflecting lower profits as set out above and a lower effective tax rate due to an increased proportion of Irish relative to UK profits. A reconciliation of the total tax charge is provided in note 24 of the financial statements.

Net Debt

Net debt has reduced to €5.8 billion in 2025, from €6.7 billion in 2024, reflecting the receipt in December 2025 of €1.5 billion in equity from the Government of Ireland, offset by capital investment and interest, tax and dividend payments, net of cash profits.

The consolidated net debt percentage has reduced from 50% to 38% reflecting higher cash on hand. Refer to Alternative Performance Measures on page 252 for the calculation of this metric.

Capital Investment (Figure 3)

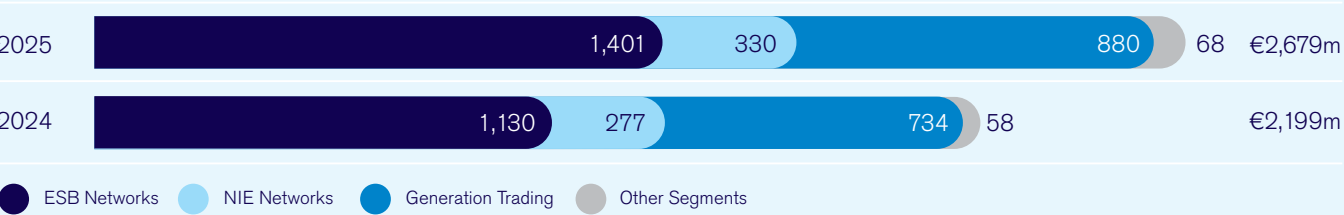
Capital investment (including joint ventures) was €2,679 million in 2025, an increase of €480 million on 2024.

Capital investment in ESB Networks has increased by almost 25% compared to 2024, primarily due to an additional €117 million invested in the electricity distribution network driven by new residential connections (over 38,000 during 2025, an 18% increase on 2024), as well as increased network reinforcement and asset replacement. Transmission system investment also increased by €97 million to €365 million in 2025. There was further investment in the national smart metering programme, with approximately 190,000 installed in 2025, for a cumulative total installed to date of 2.1 million.

As a critical energy infrastructure provider in NI, NIE Networks continued to deliver on its commitments to customers during 2025, with a further capital investment of €330 million which is up over €50 million (19%) on 2024. This investment has increased the capacity and the resilience of the NI electricity system, improving reliability for customers.

Generation Trading invested €880 million in 2025, including €149 million (2024: €356 million) in shareholder loans to joint venture projects to fund the construction of assets, mainly Nearth na Gaoithe (which is now in commercial operation) and Inch Cape (which achieved Financial Close in early 2025). Excluding joint ventures, Generation Trading capital investment of €731 million was up over €350 million year on year, with spend largely on renewable generation projects in Ireland, notably the acquisition of Lettermuckoo wind farm in Co. Galway, and the construction of the Drombeg (Co. Kerry), Middleton House (Co. Longford), Tracystown (Co. Wexford), Clashwilliam (Co. Kilkenny) and Carriglong (Co. Waterford) solar projects. Construction also continued on the new open-cycle gas turbine (OCGT) unit at Poolbeg, Dublin.

Figure 3: Capital Investment



Capital investment of €68 million in other segments includes funding in Customer Solutions to advance a major Transformation Programme focused on improving customer responsiveness, support and overall experience, alongside continued investment in long-term emissions reduction initiatives, including low carbon technologies for large energy users and the expansion of EV infrastructure. It also includes Group IT and digitalisation initiatives.

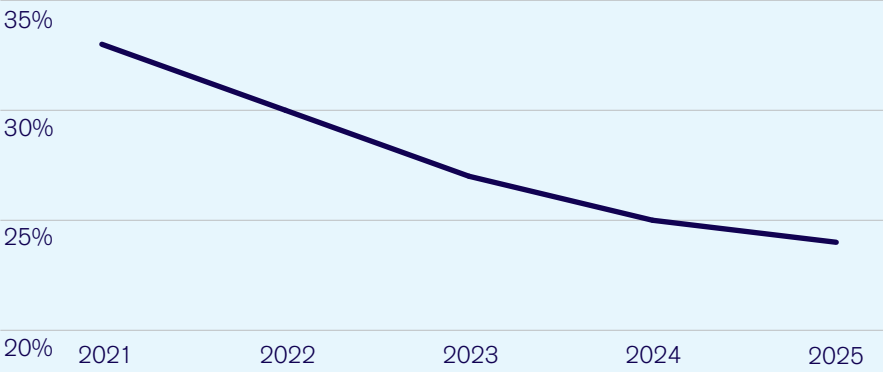
Operating Environment - Wholesale Electricity Markets

Electricity demand in 2025 rose by around 2% on the island of Ireland (SEM), and around 1% in GB, over 2024 levels. Wholesale electricity prices, driven largely by internationally traded gas prices, were relatively stable in 2025 compared to the volatility of recent years following the outbreak of war in Ukraine. On average, compared to 2024, wholesale electricity prices were 5% higher in SEM, and 4% higher in GB, in 2025.

Wind generation increased to 31% of SEM volume in 2025 from 29% in 2024, with generation from gas plants decreasing from 48% to 44% of the generation on the system. Interconnector imports remained strong, contributing 16% to the generation mix. ESB generation comprises more dispatchable generation, and proportionately less intermittent renewables, than the SEM market as a whole, although ESB's portfolio of onshore wind and solar assets continues to grow. ESB generation is consequently critical for system resilience in SEM during periods of high demand and low wind and solar.

ESB's generation market share, based on metered generation, was 24%, down slightly on 2024 (25%).

Figure 4: ESB's Generation All-Island Market Share



ESB's Generation Mix

ESB's generation fleet in the SEM market consists of 3.9 GW⁵ of generation assets (2024: 4.6 GW). Within this, ESB's SEM renewable (wind, hydro, solar) and renewable enabling (battery, pump storage) generation portfolio totals 1.6 GW of installed capacity in the island of Ireland, an increase of over 100 MW on 2024. Renewable (including renewable enabling) generation accounted for 41% of ESB's installed capacity in SEM in 2025. ESB installed thermal capacity decreased in 2025 due to the Moneypoint plant ceasing operations as a coal-fired generation unit in June and converting to HFO as an emergency back-up unit under a Targeted Contracting Mechanism (TCM) contract. TCM and Temporary Emergency Generation (TEG) units on ESB generation sites operate outside of the market under agreements with EirGrid for system emergency back-up.

Figure 5: ESB's Installed Capacity and Generation in SEM^{5,6}

	Installed Capacity (MW) 2025	Installed Capacity (MW) 2024	Electricity Generation (GWh) 2025	Electricity Generation (GWh) 2024
	%	%	%	%
Coal/HFO	-	19	5	10
Gasoil	1	1	-	-
Gas	58	48	69	67
Wind/Hydro/Solar	25	19	22	20
Pump Storage/Battery	16	13	4	3

⁵ TCM and TEG units are excluded from ESB's installed capacity as the sites operate outside the market.
⁶ Joint ventures included based on ESB's shareholding in the relevant entity.

Financial and Operating Review (continued)

In GB, ESB's generation fleet consists of almost 1.3 GW of installed capacity. The GB gas-fired portfolio decreased this year following the disposal of Corby. ESB's wind generation portfolio in GB totals 393 MW of installed capacity, an increase on 2024 as a result of Neart na Gaoithe (ESB's 50% share: 224MW) achieving full commercial operations in May 2025.

Liquidity and Funding Activities

The funding activities managed by ESB Group Treasury support ESB's capital investment programme, the refinancing of maturing debt and the maintenance of an appropriate liquidity buffer to guard against future economic shocks. In line with ESB's strategy, ESB continues to pursue green financing options including Green Bonds and Sustainability-Linked Loans where possible.

In July 2025, ESB entered a new €2.4 billion Sustainability-Linked Revolving Credit Facility (RCF) with a group of 15 international banks replacing the €1.4 billion facility established in 2020. The new facility extends to July 2030, with options to extend the maturity to July 2032. The cost of the new standby liquidity facility is directly linked to the delivery by ESB of specific ESG targets aligned with ESB's strategy. Including the RCF, at 31 December 2025, ESB had €4.5 billion of available liquidity, comprising €0.7 billion of cash on hand, short-term deposits of €1.1 billion and other committed facilities of €0.3 billion. €1.5 billion of this liquidity is ring-fenced to help fund the delivery of the ESB Networks' PR6 programme by ESB Networks. Details of ESB's debt maturity profile as at 31 December 2025 is available on the ESB website.

The weighted average interest rate on the Group's portfolio of outstanding borrowings at 31 December 2025 was 3.1% (31 December 2024: 3.1%). In recent years, the Group has been able to issue longer dated (10 to 20 year) bonds, reducing medium-term refinancing risk. One new 10 year £350 million bond was issued during 2025 by NIE Networks. The average duration of the Group's debt portfolio is consistent with the long-term nature of Group assets. During 2025, S&P

Figure 6: ESB's Installed Capacity and Generation in GB⁶

	Installed Capacity (MW) 2025	Installed Capacity (MW) 2024	Electricity Generation (GWh) 2025	Electricity Generation (GWh) 2024
		%		%
Gas	69	81	71	86
Wind/Storage	31	19	29	14

⁶ Joint ventures included based on ESB's shareholding in the relevant entity.

Global Ratings raised their credit rating of ESB from A- to A and Moody's Ratings reaffirmed ESB's credit ratings of A3 (both with a positive outlook). ESB's standalone ratings remained at BBB+ and Baa1 respectively with S&P Global Ratings and Moody's Ratings.

Foreign Exchange (FX) and Interest Rate Risk Management

The Group's business is primarily located in Ireland, NI, and GB. Accordingly, the majority of operating and investing cash flows are denominated in euro or sterling. ESB's policy is to minimise Group wide FX risk. This is achieved by avoiding, recovering (e.g. networks regulatory model), matching (i.e. matching the currency of investments and associated debt) or hedging material FX exposures where economically feasible to do so. At 31 December 2025, approximately 78% of ESB's underlying debt is denominated in euro, with the remaining 22% in sterling.

ESB has a preference for fixed interest rate debt and will target to have a significant majority of its debt at a fixed interest rate to maturity, with a minimum of 70% fixed maintained at all times. At 31 December 2025, almost 86% of Group borrowings were fixed to maturity, and approximately 14% was variable rate debt. The Group continues to be exposed to future interest rate movements which may have an impact on the cost of future borrowing requirements, particularly as existing fixed rate debt matures, and is refinanced. Group Treasury monitors market conditions closely in this regard and may seek to pre-fund or pre-hedge future funding requirements if appropriate, subject to the necessary Board and stockholder approvals.

Commodity Price Risk

Generation Trading and Customer Solutions have separate teams responsible for the management of commodity and energy price risks in their business units.

The exposures to fuel price movements on future earnings are managed by ESB on a selective-hedging basis. ESB enters into forward commodity price contracts in relation to power, gas and carbon emissions allowances for up to three years ahead in order to reduce the Group's exposure to movements in wholesale electricity prices arising from such commodity price fluctuations. ESB's hedging policies continue to help protect earnings.

Counterparty Risk

The Group is exposed to credit risk in respect of the counterparties with which it holds its bank accounts and trades within financial and commodity markets. ESB policy is to limit exposure to counterparties based on credit risk assessments and security arrangements (where appropriate). Exposures and credit limits are subject to ongoing review and monitoring in each business unit and, at Group level, by the Group Trading Risk Committee. Dealing activities are controlled by establishing dealing mandates with counterparties.

The vast majority of the Group's fuel commodity trades by value are transacted through energy market exchanges, rather than bilaterally. Exchange trading in general reduces, although it does not eliminate, counterparty risk, as well as providing trading liquidity and pricing transparency.



ESB Networks



Overview

ESB's licensed functions, as the owner of the onshore transmission and distribution electricity networks in Ireland (Transmission Asset Owner and Distribution Asset Owner), are carried out by ESB staff assigned to the ring-fenced ESB Networks business unit, managed by ESB Networks DAC (an ESB subsidiary company). The ESB Networks business unit also carries out the functions of ESB Networks DAC as the licensed Distribution System Operator (DSO). ESB Networks works closely with EirGrid, the Transmission System Operator (TSO) and plays a central role in supporting the delivery of national policy objectives relating to housing, economic growth and climate action.

2025 was the fifth and final year of PR5 and ESB Networks continued to make solid progress on the approved investment and maintenance programmes.

Details of ESB Networks' financial performance during 2025 are set out in the Financial and Operating Review section starting on page 36.

Operating Review

ESB Networks invested €718 million in the distribution network in 2025 (2024: €601 million) including ongoing maintenance of the network. Transmission system investment totalled €365 million (2024: €268 million). Progress continued on the Smart Metering Programme roll-out with expenditure of €95 million in 2025 (2024: €117 million).

Following the submission of ESB Networks' PR6 Business Plan in November 2024, the CRU published its Final Determination on PR6 in December

2025. This allows for capital investment of over €13 billion in Ireland's onshore electricity networks over the period 2026-2030. PR6 is significantly larger in scale and ambition than any previous price review, reflecting the vital importance of the electricity network in supporting housing, economic growth and climate targets. The investment will play a transformative role in Ireland's energy system, enabling sustainable housing and economic growth targets, while also supporting a net zero energy future.

Throughout 2025, ESB Networks continued to build organisational capability to deliver this increased level of investment by:

- Growing its workforce to over 4,150 employees, including a step change in apprenticeship recruitment
- Continuing to expand supply chain and contractor resources to support increasing delivery obligations
- Expanding the use of a turnkey delivery model to deliver large Transmission and HV Distribution reinforcement projects
- Adopting new ways of working to support the planning and delivery of the PR6 investment programme
- Commencing a €6.5 million investment in the National Training Centre in Portlaoise

Storm Éowyn

In January 2025, hurricane level winds during Storm Éowyn resulted in a peak of 768,000 customers losing electricity supply, making it the worst storm experienced in ESB's history. Over 10,000 faults were recorded on the system, indicating the unprecedented scale of damage, much of which was caused by falling timber and forestry. ESB Networks mobilised all internal and contracted



Nicholas Tarrant
Managing Director,
ESB Networks

resources to restore supply, with additional support coming from across Europe. In total over 3,200 crew members were directly involved in the restoration effort, as well as over 1,300 support staff. The majority of customers had their power restored within 72 hours and almost 90% within one week. Due to the nature and extent of the damage, some customers remained without power for up to 18 days and experienced significant hardship and disruption. Immediately after the storm, ESB Networks published its Winter Resilience Plan with actions being progressed throughout the year. In October 2025, ESB Networks published a full storm review to capture lessons learned and identify recommendations to further mitigate the effects of future extreme wind events. Multi-year investment will be required to improve the storm resilience of the network.

Network Capacity

National policies relating to housing, economic growth and climate action continue to drive higher levels of demand for network capacity, with the updated National Development Plan further accelerating housing and infrastructure targets. Over 43,000 new customers were connected to the network over the course of the year. There was an increase of 18% in new housing connections in 2025 when compared to 2024. Peak electricity demand exceeded 6 GW for the first time in January 2025.

ESB Networks fast-tracked a number of specific projects during the year to reinforce the network in areas where capacity is limited and identified new priority locations where agile solutions are needed to accelerate the delivery of additional network capacity.

573 MW of new renewable generation and 83 MW energy storage were connected to the network in 2025, bringing renewable

generation on the system to 7.9 GW, including over 5 GW of onshore wind and 2.4 GW of solar. Over 47,000 (230 MW) new microgeneration installations were processed during the year.

The Integrated Transmission Programme developed jointly by ESB Networks and the TSO, EirGrid, was finalised in December 2025 providing a single, unified framework for planning, delivering, and monitoring transmission projects. In parallel, progress continued on the Joint Outage Transformation Programme, which is a strategic enabler for sustained improvement in the area.

Empowering Customers

As well as investing in physical electricity network infrastructure, ESB Networks continued to work with stakeholders to advance a range of initiatives to deliver greater flexibility and demand response, including the development of smart services, demand flexibility and new connection pathways. This is in line with national policy objectives and the CRU's National Energy Demand Strategy. The first flexible generation connection also went live during 2025, and a minimum viable product for ESB Networks' first flexible demand connection was approved by the CRU. These and other initiatives are included in the DMSO Blueprint and Roadmaps published in May 2025.

More than 2 million customers in Ireland now have a smart meter installed marking a significant milestone for the smart meter rollout during 2025, and of these, 30% are on a smart service or tariff. 40,000 customers have registered for the *Is This a Good Time?* campaign which encourages customers to transition to cleaner energy usage by shifting consumption away from peak times.

ESB Networks continued to leverage digital and data to enhance services and improve customer satisfaction. Over 250,000 customers have signed up to ESB Networks' Online Account allowing them to self-serve across a wide range of services and to access energy usage data and outage information. New digital notifications for planned outages and real time SMS updates were also introduced, and a new field services platform went live in 2025 to improve scheduling, enhance customer communications and empower network technicians with real-time mobile tools.

Safety Culture

The safety, health, and wellbeing of staff, contractors, and communities is paramount as ESB Networks scales up delivery capability to meet growing demand during PR6. In December 2025, ESB Networks' new Public Safety Strategy for 2026-2030 was published,

underlining its commitment to maintaining a safe network and raising awareness about safety amongst all stakeholders. ESB Networks also developed a new Road Safety Strategy, and accompanying five-year action plan, to reduce road safety risk for ESB Networks' staff and the communities we serve.



Case Study Smart Meters

In 2025, ESB Networks reached a significant milestone in the National Smart Metering Programme, with over 2 million smart meters installed across Ireland. This achievement reflects sustained progress since the programme began to position smart metering as a cornerstone of Ireland's energy transition.

Smart meters have transformed customer engagement by providing accurate, real-time consumption data, reducing reliance on estimated bills and enabling households to make informed decisions about energy use. Through the ESB Networks' Online Account, over 152,000 customers have signed up to access detailed usage insights, including import and export data for microgeneration customers. This transparency empowers customers to select tariffs that suit their lifestyle and supports demand-side flexibility initiatives, such as rewards for shifting consumption during peak periods.

From a system perspective, smart metering delivers operational efficiencies and supports Ireland's Climate Action Plan. By enabling remote meter reading, ESB Networks completed over 10 million bi-monthly reads, significantly reducing estimated bills and improving billing accuracy. New functionality, including remote switch capability, unlocked innovative services such as Smart Pay-As-You-Go, while facilitating supplier offerings for time-of-use tariffs.

Beyond customer benefits, smart meters underpin the development of a smart grid, enabling greater renewable integration, electrification of heat and transport, and enhanced network planning. These capabilities are critical as Ireland moves toward a decarbonised electricity system and net zero targets. The progress achieved in 2025 demonstrates how smart metering is not just a technical upgrade — it is a strategic enabler of a cleaner, smarter, and more resilient energy future.



Key Achievements

ESB Networks secured CRU approval to proceed with capital investment of over €13 billion in PR6.

Ongoing network resilience work as part of a multi-year programme, with targeted interventions in the worst affected areas post Storm Éowyn, as published in the Winter Resilience Plan.

Delivery of an 18% increase in new housing connections year on year.

Northern Ireland Electricity Networks (NIE Networks)



Overview

NIE Networks is the owner of the electricity transmission and distribution networks in Northern Ireland (NI), transporting electricity from generators to over 966,000 customers, including homes, businesses and farms. NIE Networks also provides electricity meters and metering data to suppliers and market operators and develops and reconfigures the electricity network to facilitate the connection of renewable generation and increasing quantities of low carbon technologies.

NIE Networks does not supply (sell or retail) electricity but provides services to all the electricity suppliers operating in NI.

As required under its regulatory licences, NIE Networks is an independent business within ESB Group and has its own Board of Directors, management structure and employees.

Details of NIE Networks' financial performance during 2025 are set out in the Financial and Operating Review section starting on page 36.

Operating Review

As NIE Networks transitioned from the previous Price Review period RP6, to the new RP7 regulatory period during 2025, it also had to manage recovery from the biggest wind event in its history. In January, Storm Éowyn caused damage to electricity networks across NI, with almost one third of premises losing supply. NIE Networks' teams and contracting partners carried out repairs in difficult conditions in service of its customers and communities, ensuring that all work was done safely,

and that electricity was restored as quickly as possible. The storm reinforced the responsibility that is placed on NIE Networks to continue to invest in making the electricity network as resilient as it can be to severe weather effects, while also investing to make sure that NIE Networks plays its part in reducing CO₂ emissions across NI – and balancing all of that with affordability for customers. Following Storm Éowyn, NIE Networks proposed and secured approval from the UR to accelerate a long-term programme of tree cutting on the overhead network with a view to reducing the impact of future storm events.

NIE Networks continued to deliver on its commitments to customers during 2025, with a further capital investment of €330 million in network infrastructure. This investment has increased the capacity and the resilience of the NI electricity system and ensured that the amount of time customers were without supply (Customer Minutes Lost (CML)) was at comparatively low levels relative to other countries. Capital investment in the network increased by almost 20% when compared to 2024.

Delivering a Sustainable Energy System for All

NIE Networks is empowering a sustainable energy transition through its 2030 strategy 'Delivering a Sustainable Energy System for All', whereby NIE Networks sits at the heart of the future energy system in NI. Through this strategy, NIE Networks is developing the network to support NI's energy needs - a sustainable network so people and businesses can



Marguerite Sayers
Deputy Chief Executive

use cleaner electricity rather than fossil fuels for heat and transport. Following engagement with key stakeholders, NIE Networks developed its RP7 business plan to support the delivery of its strategy and to ensure easy access to the electricity system. The RP7 period commenced in April 2025 and will cover a six-year period running to March 2031, with expected total operational and capital expenditure (TotEx) of £2.2 billion and a cost of capital of 4.53%.

The RP7 period will be critical to facilitate the decarbonisation of Northern Irish society. NIE Networks' strategy will drive the company to connect more renewable generators, will ensure that the network has sufficient capacity to grow, allowing greater electrification of heat and transport, providing a safe and reliable service and maintaining a strong focus on customer service. It also includes programmes focused on creating the capability to deliver connections in a faster and more transparent manner, whilst maintaining a safe and resilient network for staff and customers.

Stakeholder Priorities

NIE Networks is unwavering in its commitment to safeguarding the health, safety, and wellbeing of employees, contracting partners, customers, and the wider public. The company aspires to cultivate a zero-harm working environment, where risks are proactively identified, rigorously assessed, and effectively controlled. While achieving zero harm remains the goal, there were two Lost Time Injuries (LTIs) during the year (2024: two). Each LTI is thoroughly investigated, with a focus on learning to avoid a similar occurrence in the future through insight-

driven learning and the implementation of preventive measures. The Safer Together cultural journey within NIE Networks continues to reinforce NIE Networks' dedication to its core safety values, promoting a transparent, inclusive, and proactive safety culture and encouraging active participation from all stakeholders.

NIE Networks constantly seeks to minimise the length of time that customers are without supply, either as a result of planned or fault work. The RP7 CML Incentive has introduced more challenging targets from 2025 onwards and a programme of work is underway to further improve CML performance. The average number of CMLs incurred due to planned interruptions to supply was 48 (2024: 40). The average number of CMLs incurred due to faults on the distribution network was 39 (2024: 43).

NIE Networks employs a highly skilled and diverse workforce of 1,685 people (2024: 1,646) spanning a broad range of roles, from linespersons, meter readers, and jointers to electrical engineers, finance professionals, and HR specialists, who all play a vital role in delivering safe, reliable, and high-quality service to customers across NI. During 2025, NIE Networks became the first triple platinum IIP (Investors in People)-accredited company in the UK, accredited for its investment in people, wellbeing and apprenticeships. This significant achievement emphasises NIE Networks' commitment to creating an outstanding workplace that promotes excellence, wellbeing and employee growth across the business.

NIE Networks established a £2.5 billion Euro Medium Term Note (EMTN) borrowing programme during 2025 via its subsidiary NIE Finance plc, which provides a flexible framework that supports funding of the significant capital investment to deliver the £2.2 billion RP7 investment. A £350 million 10-year bond was issued to international capital investors during the year under this programme.



Case Study Tree Planting with The Conservation Volunteers (TCV)

NIE Networks has partnered with TCV to deliver its tree planting programme. The company recognises that biodiversity extends to preserving all protected sites and species, as well as proactive enhancement programmes like tree planting. In the 2023-2024 tree planting season, the company planted over 10,000 trees, with a further 14,000 trees planted in 2024-2025. NIE Networks is planning to plant an additional 20,000 trees in the 2025-2026 planting season at community groups, schools and council-owned lands across NI.



NIE Networks is committed to ensuring that it has a positive impact on the overall environment, the citizens of NI and its strategic partners. The company is committed to being a responsible business by achieving an appropriately high standard of environmental management and by embedding sustainability in all activities. NIE Networks plays a critical role in decarbonising energy emissions in NI through the connection of renewable generation and low carbon technologies.

NIE Networks achieved Platinum level accreditation in the NI Environmental Benchmarking Survey in 2025, for the tenth consecutive year. The survey recognises those organisations that are going above and beyond their legal requirements to improve their environmental impacts and better manage their resources. The company's sustainability strategy for 2025-2031 was recently approved by the NIE Networks Board and the first annual action plan under the strategy was successfully delivered in 2025. The new People, Planet, Places Plan 2025-2031 (PPP Plan) highlights NIE Networks' ESG objectives across 11 core topics.

Key Achievements

Launch of updated strategy 'Delivering a Sustainable Energy System for All'.

Business Plan for RP7 commenced in 2025.

First UK company to achieve triple platinum accreditation from Investors in People.

Generation Trading (GT)

Overview

The GT business develops and operates ESB's portfolio of wholly and jointly owned electricity generation assets. It also has a significant owned asset and third-party asset energy trading portfolio. The generation fleet consists of 6.3 GW of generation assets in operation across the island of Ireland and Great Britain (GB), including 2 GW of renewables (wind, hydro, solar) and renewable enabling assets (batteries, pumped storage), and 1.2 GW of Temporary Emergency Generation and Targeted Contracting Mechanism maintained by GT under the direction of EirGrid. In addition, ESB has 1.3 GW of capacity in construction across a range of technologies. With a strong focus on safety, GT delivers value by:

- Providing wholesale and traded products to meet market and customer needs
- Offering capacity and system services to support a robust electricity grid and facilitate the integration of renewables
- Optimising the operation of ESB's generation portfolio to support security of supply
- Delivering new energy assets to support the transition to low-carbon energy
- Engaging constructively in communities close to construction projects and operating assets

Details of GT's financial performance during 2025 are set out in the Financial and Operating Review section starting on page 36.

Key Achievements

Achieved Financial Close for Inch Cape in January 2025 and significant construction progress through the year.

Tonn Nua was successful in the ORESS auction - rights secured to deliver 900 MW of offshore wind capacity.

Cessation of coal operations in Moneypoint in June 2025.

Operating Review

The generation business continues to change at pace. Competition, regulation and government decarbonisation policies have changed the landscape and created a dynamic operating environment.

GT operates its business with a focus on minimising environmental impact, aiming to increase renewable generation and reduce the overall carbon intensity of electricity generation. After 40 years in operation, ESB ceased burning coal at its plant in Moneypoint in 2025, marking a significant step for the Group in its decarbonisation strategy. CO₂ output from GT's generation plants in 2025 at c.4.7Mt CO₂e was lower than 2005 (reference year) by approximately 68%, and the carbon intensity of generation reduced by 53% to 314g CO₂e/kWh over the same period. While fuel markets stabilised during 2025, gas prices remain at higher levels than before the 2022 Ukraine crisis.

Security of Supply

Ensuring security of supply is key to a managed transition to net zero. GT is determined to play its role in this by managing and investing in the existing ESB dispatchable generation fleet and delivering new capacity to the system as appropriate.

Progress during 2025 included:

- Completion of the transition of the Moneypoint plant from coal to oil operations. From June 2025, the plant has exited the energy market but is contracted to provide power in periods of short supply if they arise.

Jim Dollard
Executive Director,
Generation Trading



- Construction continued on the new open-cycle gas turbine (OCGT) unit at Poolbeg, Dublin totalling 299 MW generation capacity and is expected to reach commercial operation in early 2027.
- Delivery of the annual plant maintenance programme for existing assets.

Progress in the Delivery of GT's Renewable Strategy

GT is actively pursuing ESB's Net Zero by 2040 Strategy and has developed a pipeline of development assets of over 10 GW. GT is investing in renewable energy assets across a range of technologies and has a stretch target of up to 5 GW of renewable energy assets in operation across Ireland and GB by 2030. In order to deliver this target, it is building a development pipeline across a range of technologies.

Progress in 2025 in onshore wind and solar towards achieving these targets included the following:

- In February 2025, ESB acquired Lettermuckoo, a 101 MW operating onshore wind farm located in Co. Galway.
- ESB's first wholly owned solar project, Bullstown in Co. Meath (8 MW), was fully energised in September 2025.
- Construction progressed on seven wholly owned solar projects, totalling 422 MW of capacity, which were previously successful in RESS auctions.
- An additional two wholly owned solar projects (205 MW) were successful in the RESS 5 auction during 2025.
- FuturEnergy Ireland, a joint venture between ESB and Coillte to develop up to 1,000 MW of onshore wind farms on Coillte lands in Ireland, achieved Final Investment Decision on Drumnahough, a 58 MW wind farm to be developed in Co. Donegal in partnership with SSE.

Significant progress was made during the year in ESB's offshore wind pipeline development projects, notably:

- Inch Cape, a 1,080 MW 50/50 joint venture offshore wind farm development project, achieved Financial Close in early 2025. Construction is progressing in line with expectations and commercial operations are expected in 2027.
- ESB's partnership with Ørsted was successful in the ORESS 2.1 auction in November 2025 with rights secured for the Tonn Nua site to deliver 900 MW of offshore wind capacity.
- The 448 MW Neart na Gaoithe offshore wind project, a 50/50 joint venture off the east coast of Scotland, reached commercial operations in May 2025.

GT is also developing assets that will support the grid in transitioning to a low-carbon future, such as battery and green hydrogen storage assets, synchronous compensators and flexible gas fired units that respond quickly to system demand and will be key to facilitating large scale renewables in the future. Progress was made during the year, including:

- ESB continued its work with partners dCarbonX/Snam (Italy) and BGE/Centrica (UK) under the umbrella of Kestrel Energy Storage DAC and is focusing on the development of strategic/seasonal scale underground storage of hydrogen in the Ballycotton gas field off the coast of Cork. Initially, pending the arrival of large-scale hydrogen production, the site has the potential for natural gas storage to enhance Ireland's security of supply.
- Work on the ESB pilot programme, Hydrogen Lighthouse Project, is continuing. ESB took delivery of hydrogen fuel cell units and commenced a programme of temporary deployment to third-party and ESB sites in 2025, demonstrating the use of zero-emission hydrogen power generation in different applications.



Case Study Moneypoint

Moneypoint, one of Ireland's largest energy generation stations, was developed in the 1980s and has been at the heart of powering Ireland's electricity system since. ESB is targeting the transformation of Moneypoint over the next decade and in June 2025, the next step of the station's journey began with the shift, after 40 years, from coal generation to oil. The plant will no longer operate in the energy market and will serve as a back up plant to the system in the event of system shortages. This shift in fuels was enabled after the successful completion of a programme of work to convert the three units to oil operation. This was an important milestone in ESB's progress towards net zero and a significant step in Moneypoint's transformation into a renewable energy hub, supporting a low carbon future while continuing to support energy security.

Moneypoint commenced its transition away from fossil fuel generation on site in 2017 with the construction of a 17 MW onshore wind farm. In 2021, ESB announced Green Atlantic @ Moneypoint, a multi-billion-euro ambitious plan to transform the site into one of the country's largest renewable energy hubs, utilising its deep-water port and existing infrastructure. The first phase of this plan was completed in 2022 with a €50 million investment in Ireland's first synchronous compensator, a zero-carbon technology that allows the system to utilise ever increasing amounts of use of renewable electricity.



Customer Solutions

Overview

Customer Solutions includes ESB's retail businesses in Ireland and Great Britain (GB), including Electric Ireland, So Energy, Electric Ireland Superhomes, ESB Smart Energy Services (SES) and ESB ecars, in addition to the ESB Telecoms wholesale business.

Electric Ireland, with over 1.3 million customer accounts and an electricity all-island market share of 32%, supplies electricity and gas to all market segments in the Republic of Ireland (ROI), from domestic households to large industrial and commercial businesses, and is focussed on the business market in Northern Ireland (NI). So Energy, the GB retail brand, supplies almost 0.3 million residential electricity and gas accounts.

Electric Ireland Superhomes is a "One Stop Shop" which project manages the key stages of a home energy retrofit, from design through to project completion and application for SEAI grant funding.

ESB ecars builds, owns and operates EV charging networks for public use across the Republic of Ireland, NI and GB.

ESB's SES designs, develops and delivers low carbon energy solutions for large energy users in Ireland and GB.

ESB Telecoms operates within the wholesale the Republic of Ireland telecoms market, maintaining and operating over 400 telecoms transmission sites and over 2,000 km of fibre optic network.

Customer Solutions' overall financial performance during 2025 was strong, as set out in the Financial and Operating Review section starting on page 36. However, intense competition in the GB retail market impacted So Energy's performance and growth ambitions. As a result, a €22 million goodwill impairment relating to the 2021 acquisition of So Energy was recognised during 2025.

Operating Review

Electric Ireland is committed to providing ongoing value to its customers and during the year announced a 4% cut to its residential gas prices from 1 November 2025 whilst keeping residential electricity prices unchanged for its 1.1 million residential electricity customers. This marked the fourth consecutive price decrease for residential gas customers since November 2023, delivering a cumulative reduction of almost 24%, and savings of €390 on the average annual gas bill. Electric Ireland has consistently provided one of the lowest standard variable electricity rates in the Republic of Ireland market, as well as providing enduring discounts of up to 8.5% for customers opting in for direct debit and online billing.

Customer Solutions recognises the financial pressures facing customers and has reviewed its support activities for its most financially vulnerable customers during 2025. Electric Ireland offers flexible payment plans, Pay As You Go (PAYG) options, Smart Meter Plans, energy use insights and practical energy saving tips and advice. In addition, for winter 2025/2026, Electric Ireland implemented



Pat Fenlon
Executive Director,
Customer Solutions

a temporary Compassionate Assistance Fund providing direct financial relief to eligible customers via their electricity or gas account in conjunction with Customer Solutions' partners MABS and Alone. Similarly, in GB, So Energy continued to offer competitive fixed price tariffs, including a discount to the Ofgem imposed regulatory price cap.

Electric Ireland is partnering with EnergyCloud to pilot the use of smart technology to provide hot water from surplus renewable energy to help reduce fuel poverty, and with SEAI to deliver grant funded solar PV to medically vulnerable customers who rely on electrical life support equipment at home.

Through sponsorships, Electric Ireland aims to engage and support communities in Ireland. Sponsorships are based on three key pillars: Environment, Community and Culture. Refer to page 57 for further details.

Innovative Solutions

Customer Solutions continues to help customers make informed choices around their energy needs through innovative solutions, ultimately reducing energy consumption and saving money. Electric Ireland's mobile app is a simple, intuitive way for customers to manage their accounts, offering features such as bill and account viewing, payments, detailed energy cost and usage insights, meter reading submission, and other services. Adoption has grown to over 20% of Electric Ireland's customers and it is one of the highest-rated utility apps, consistently ranking among the top 10 free apps in the tools/utilities category. Its 'Smart Insights' feature has won multiple design and innovation awards including Winner in the Experience Design (Digital Product Design) at the Institute of Designers Ireland Awards and Gold Winner in the Service and Utility Category at the British

Interactive Media Association Awards. Customers choosing digital services can access paperless billing via the app or web portal, reducing paper use and supporting Electric Ireland's journey toward net zero.

Over 280,000 Electric Ireland Smart Meter customers benefit from competitive tariffs structured to help them optimise their energy consumption. Smart meter price plan customers can access half hourly energy usage insights, tailored tariff recommendations, and enhanced energy management features. Smart meters are also available in PAYG format.

Other Retail Businesses

So Energy continues to offer solar, battery and EV installations and has further developed its customer facing platforms and launched a new app in 2025, providing customers with full access and control to all services.

Customer Solutions also offers EV home chargers, solar PV systems and battery storage solutions to a growing number of residential customers along with comprehensive home retrofits through Electric Ireland Superhomes and ECO (Energy Company Obligation) schemes in GB. Electric Ireland supports over 60,000 residential microgeneration customers by rewarding them for exported energy, enabling them to progress on their net zero journey.

Customer Solutions continues to expand and upgrade its public EV charging network and is now able to support up to 1,400 EVs charging at any one time in Ireland and up to 450 EVs on its GB network. The total capacity of the charging network has grown from c.62,000 kW to c.73,000 kW. In 2025, ESB ecars completed its multiyear €23 million joint investment with the Irish Government's Climate Action Fund, marking a major milestone in Ireland's transition to electric transport. The initiative delivered over 55 new charging



Case Study Tirlán Solar Farm Project

During 2025, ESB's SES announced a partnership with Tirlán on a major solar farm project at their multi-purpose integrated dairy processing facility in Ballyragget, Co. Kilkenny.

The 6.5-hectare, 8 MWp ground-mounted solar farm is due for completion in early 2026. This "behind-the-meter" self-generation project will produce approximately 7.6 GWh of clean energy annually, meeting 34% of the facility's imported electricity needs. This is equivalent to powering over 1,700 households for a year. The solar array, consisting of 12,816 photovoltaic panels and 32 inverters, will reduce the site's carbon footprint by approximately 2,100 tonnes of CO₂ annually. Over its 25-year lifespan, the project will avoid around 50,000 tonnes of CO₂ emissions, equivalent to removing 450 diesel cars from Irish roads or planting 94,000 evergreen trees.



hubs and upgraded and replaced hundreds of charge points across the Republic of Ireland. ESB also continued to expand its network in NI, including the delivery of two new High Power Charging Hubs, with the support of a Levelling Up Fund. In GB, ESB commenced a programme to deliver 70 on-street fast chargers with Hackney Borough Council in London.

ESB's SES offers large-scale low-carbon energy solutions to commercial customers to reduce emissions and energy usage and progressed several key projects for

its commercial customers during the year, including ground mount solar PV installations at MSD Brinny and Tirlán Ballyragget Solar Farms.

ESB Telecoms supports its customers to deliver reliable communications across the Republic of Ireland. Following a successful trial in 2024, ESB Telecoms commenced a programme in 2025 to add solar panels to its Point of Presence cabins throughout the country. This will reduce customer bills and contribute to net zero goals.

Brands and
Businesses



Key Achievements

Electric Ireland maintained electricity prices and reduced gas prices over winter 2025/2026, against a backdrop of price increases by many competitors.

ESB ecars completed a €23 million EV charging investment programme co-funded by the Irish Government's Climate Action Fund.

ESB's SES delivered significant industrial heat pump and solar installations for large customers in Ireland.

Engineering and Major Projects (EMP)

Overview

EMP is ESB's centre of engineering excellence and major project delivery. EMP develops and delivers complex, high-value projects across ESB, manages Group Property and Security, and provides engineering consultancy through ESB International. With over 1,000 highly skilled professionals, EMP plays a critical role in implementing ESB's Net Zero by 2040 Strategy by delivering generation, transmission, and distribution infrastructure that supports decarbonisation and security of supply.

Operating Review

In 2025, EMP advanced major investment programmes across Generation Trading and ESB Networks, while repositioning ESB International to focus on domestic strategic priorities.

Generation Trading

EMP, in partnership with Generation Trading, progressed development and construction of a diverse portfolio of generation projects in Ireland and the UK. These projects span solar, thermal, and both onshore and offshore wind technologies, underpinning ESB's commitment to decarbonisation and system security. EMP continued to provide engineering and technical support on the development of the Green Atlantic @ Moneypoint initiative, which will transform the site into a green energy hub. Highlights during the year include:

- Completion and handover of ESB's first utility-scale solar project at Bullstown, Co. Meath in March 2025.
- Commencement of construction of a 422 MW solar portfolio across multiple sites, including Milltown, Wexford hub, Carriglong, Clashwilliam, Drombeg 1, Drombeg 2, and Middleton House.
- Development of additional solar projects for future auction processes (ESB awarded an additional 205 MW in RESS 5 during 2025).
- Commencement of the construction phase of a 299 MW open-cycle gas turbine unit at Poolbeg, Dublin.
- Commercial operations achieved at Shannonbridge with 262 MW of Temporary Emergency Generation capacity, supporting system security.

- Conversion of Moneypoint to use oil as fuel following the cessation of coal generation, enabling continued operation during the transition to a green energy hub.
- Continued support for offshore wind projects, including on the construction of Inch Cape (1,080 MW) and Nearth na Gaoithe (448 MW) which achieved commercial operation in May 2025, and technical input for the successful ORESS bid for the Tonn Nua 900 MW offshore wind project off Ireland's southern coast.

ESB Networks

EMP delivered large-scale transmission and distribution projects for ESB Networks to enhance system resilience, connect renewable generation, and empower customers. Over €370 million of capital investment was managed across more than 80 construction sites nationwide, using a range of contracting strategies and extensive proactive stakeholder engagement with EirGrid, contractors, suppliers, authorities, members of the public and landowners. Projects included substations, overhead lines, and underground cables, all designed to future-proof the network and integrate renewable energy. Key achievements during 2025 include:

- Significant EPC (Engineering, Procurement and Construction) progress was achieved on the substations programme whilst other large 38 kV/110 kV/220 kV/400 kV stations were also progressed using other delivery methodologies. For example, the Derryiron 110 kV substation in Co. Offaly was completed, expanding local capacity and connecting renewable projects.
- The 38 kV Fluid Filled Cable Replacement Programme was progressed with four energisations, and new cable construction projects were advanced including the commencement of North Connacht (110 kV) in 2025. A significant project completed was the replacement of the Dodder Road–Templeogue 38 kV fluid-filled cable, which was integrated with South Dublin County Council's Templeogue Village upgrade and Dodder Greenway schemes.



Paul Smith
Executive Director,
Engineering and
Major Projects

- Several energisations were achieved in the Overhead Line Programme, including the completion of the Glenree–Moy 110 kV overhead line upgrade, boosting capacity and resilience in the north west.
- Continued ramp-up on EPC and Design and Build delivery with eight contract awards and 11 tenders out to market in 2025 for delivery over PR6.
- Engagement with supply chain stakeholders to mitigate risks with various procurement strategies.

Group Property and Security

Group Property and Security continued to manage ESB's property portfolio and security operations, ensuring safe, efficient, and sustainable use of assets. In 2025, the team supported strategic property transactions and workplace upgrades aligned with ESB's long-term objectives.

ESB International

Following a strategic review in 2024 and restructuring in 2025, ESB International is now focused on supporting ESB's Net Zero by 2040 Strategy in Ireland, while managing existing client contracts to completion.

Enterprise Services

Overview

Enterprise Services' purpose is to enable ESB's Net Zero by 2040 Strategy by leading, advising and delivering in its core areas of expertise, thereby enabling and progressing the transition to a sustainable clean energy future. Enterprise Services' core areas of expertise are:

- Advisor to ESB Group in relation to professional services, focused on strategy delivery and value creation.
- Providing business critical processes and services to ESB Group, focused on operational efficiency, effectiveness and experience.
- Leading the digital transformation of ESB, harnessing digital and data, in the achievement of ESB's net zero strategy.

Operating Review

Enterprise Services, working in close partnership with the other business units in ESB, is the centre of excellence for a wide range of key business processes and services that are critical to operations, performance and strategy delivery across the Group.

Provision of advice and delivery of key business processes and services

During 2025, Enterprise Services provided expert advice in professional service areas such as Procurement, Insurance, Pensions and IT/Digital, enabling delivery of key business processes, projects and strategic priorities for ESB. Some of the key achievements from the year include:

- Procurement supported business spend of €2.4 billion across over 4,000 suppliers and initiated a strategic initiative to mitigate supply chain constraints on strategy delivery. A founding member of the Irish Supply Chain Sustainability School, Procurement continue to lead on sustainable procurement and human rights protection in ESB's supply chain launching an updated Supplier Charter in 2025.
- Following a review by Pensions, and in advance of the introduction of the Government's auto-enrolment pension scheme, new employees, including apprentices, will be enrolled in the ESB Defined Contribution Pension Scheme going forward.
- Enterprise Services ensured safe and sustainable workplace environments through quality facilities management services and the completion of a number of projects to increase energy efficiency across ESB's property estate.

- The Financial Operations team, as part of Finance, was recognised externally during the year, as overall winner of the Published Accounts Award for excellence in financial reporting in relation to the 2024 Annual Report.
- Teams across Enterprise Services also successfully delivered a wide range of critical business processes and services, acting as a trusted partner within ESB, continuously adapting and evolving to meet both operational and strategic demands.

Digital and Data

Aligned to ESB's ambitions to harness digital and data as a key enabler of business performance and strategy delivery, Enterprise Services plays a lead role in progressing digital and data transformation across ESB. In 2025, this involved the proactive management of ESB's IT and digital landscape, advancing digital culture and capability and the delivery of a significant IT and digital investment programme. This included the implementation of a wide range of AI solutions to drive smarter energy solutions, operational excellence, and sustainability, underpinned by strong governance and policy frameworks. The use of Generative AI, via Microsoft Copilot, progressed well throughout the year with growing adoption and strong employee satisfaction with the product capability and value add. These and other initiatives have enhanced ESB's digital and cybersecurity maturity in 2025, positioning the organisation for future innovation, resilience and compliance. The strong progress made in 2025 in advancing digital and data innovation was demonstrated in ESB teams winning several external awards including Public Sector IT Project of The Year Award, AI Diversity and Inclusion Award and Digital Product Design Award.

Engagement, Capability and Growth

Enterprise Services' plays a lead role in securing the capabilities needed across ESB to deliver the Net Zero by 2040 Strategy. This includes the role of Enterprise Services' People Operations in the delivery of learning and development programmes pan ESB and through its Talent Acquisition team. In 2025, People Operations successfully recruited over 1,000 people into the organisation, including early career hires such as apprentices and graduates. Excellence



Geraldine Heavey
Executive Director,
Enterprise Services

in recruitment was recognised at the 2025 gradireland Graduate Recruitment Awards, where the team won awards in the categories of 'Graduate Recruitment Award for Utilities, Energy and Renewables', 'Best Internship Programme' and 'Best Student Marketing Campaign'.

Enterprise Services: Overview

Business Operations
Facilities Management
Financial Planning and Analysis
People Operations
Requisition to Pay
Finance Operations
Treasury Risk and Operations

CIO and IT Delivery
IT Strategy and Architecture
Digital
Data and Analytics
Cybersecurity
Service Delivery
Product Delivery

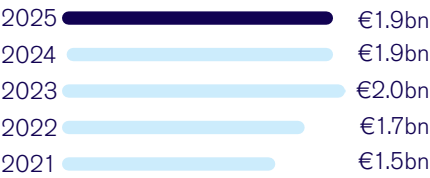
Professional Services
Procurement
Pensions
Insurance
Finance
HR
Transformation

Key Performance Indicators (KPIs)

In addition to the Strategic Performance Indicators outlined on pages 18 and 19, ESB employs financial and non-financial key performance indicators (KPIs), which signify progress towards the achievement of ESB's strategy. Each business unit has their own KPIs, which are in direct alignment with those of the Group. ESB annually reviews its KPIs and while the majority are expected to be consistent over a number of years, changes may occur where they are deemed to better track strategic and operational performance of the Group.

Financial

EBITDA
before exceptional items and
certain re-measurements*



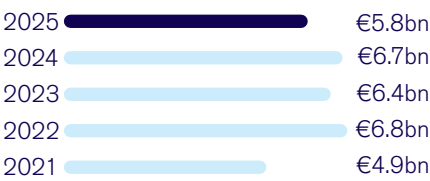
Definition
Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation, revenue from supply contributions and exceptional items and certain re-measurements separately disclosed in the Income Statement.

Performance
EBITDA is driven by factors impacting on operating profit, primarily Storm Éowyn and timing related reductions in the regulated revenues earned by NIE Networks. For further detail see Financial and Operating Review starting on page 36.

Foundational Capabilities

Financial Strength

Net Debt*



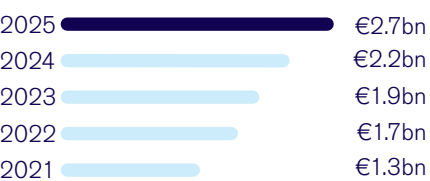
Definition
Total of borrowings and other debt plus lease liabilities less cash and cash equivalents (excluding any restricted cash) and short-term deposits (cash deposits with maturities of more than 90 days but not greater than one year).

Performance
Net debt has decreased due to the receipt in December 2025 of €1.5 billion in equity from the Government of Ireland, offset by capital investment and interest, tax and dividend payments, net of cash profits. For further detail see Financial and Operating Review starting on page 36.

Foundational Capabilities

Financial Strength

Capital Investment*



Definition
Additions to property, plant and equipment, intangible assets (gross of customer contributions for network connections and excluding emissions allowances), financial assets plus capital additions and shareholder loans advanced to equity accounted investees.

Performance
The increase in capital investment primarily reflects the capital investment in the networks' businesses. For further detail see Financial and Operating Review starting on page 36.

Strategic Objectives

Decarbonised Electricity

Resilient Infrastructure

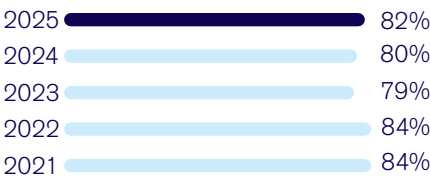
Foundational Capabilities

Financial Strength

* Refer to Alternative Performance Measures on page 249 and 250 for calculations.

Operational

Plant Availability



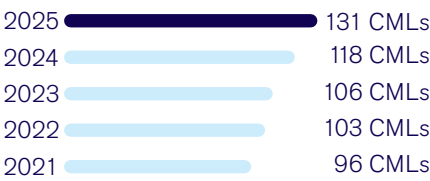
Definition
Percentage of the time in the year that generation plant was available to produce electricity, whether they generated or not.

Performance
Plant availability improved on 2024 following a focus on performance improvement and due to an evolving portfolio of generating assets.

Strategic Objectives

Resilient Infrastructure

Customer Minutes Lost (CMLs) - ESB Networks



Definition
The average duration of unplanned interruptions for all customers during the year.

Performance
Unplanned (fault) outages are measured in CML and inevitably occur on all electricity networks. Climate, wildlife, vegetation, third party interference, aging assets, and growing electricity demand all continue to affect the day to day reliability of the network. A number of extreme weather events over the last 18 months, and in particular Storm Éowyn, had a direct impact on the continuity of supply to ESB Networks' customers, but also required significant repair and restoration work long after supply was restored.

Under PR6, the CRU has approved additional capital expenditure and operating costs to reduce unplanned outages over the coming years. These programmes cover expanded vegetation management, focussed condition-based maintenance and asset replacement, increasing capacity of the network, as well as a more extensive network automation programme.

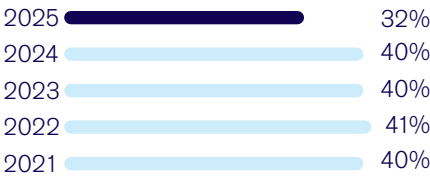
Strategic Objectives

Resilient Infrastructure

Key Performance Indicators (KPIs) (continued)

Customer and Market

Retail Market Share - Ireland

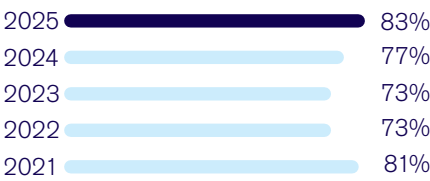


Definition
Total Single Electricity Market (SEM) all-island market share.

Performance
Overall market share has reduced versus recent years primarily due to the non-renewal of a significant LEU (Large Energy User) contract.

Strategic Objectives Empowered Customers

Residential Customer Satisfaction – Electric Ireland Republic of Ireland

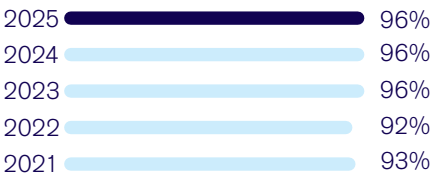


Definition
Provides a measure of residential customer satisfaction (Source: Residential CX Tracker monthly survey conducted by IPSOS B&A).

Performance
Electric Ireland significantly improved residential customer satisfaction in 2025, achieving an average annual score of 83%. Monthly scores rose notably in the latter part of the year, peaking at 88% in December. This increase is attributed to Electric Ireland announcing that it was freezing its electricity prices in autumn 2025 (while several competitors introduced price increases), coupled with the introduction of service improvements.

Strategic Objectives Empowered Customers

Brand Awareness – Electric Ireland Republic of Ireland



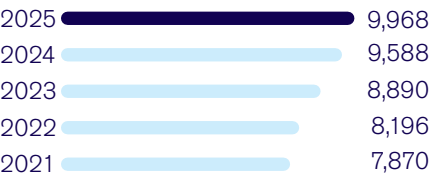
Definition
Prompted awareness of Electric Ireland brand as an energy supplier (Source: Electric Ireland Brand Tracker monthly survey conducted by Red C Research).

Performance
Electric Ireland continues to be the most recognised energy brand in the Irish market, achieving near universal brand awareness in a highly competitive environment. The brand is supported by marketing, advertising, and sponsorship programmes which are monitored to ensure they connect to keep it top of minds with customers. Investment in a strategic media plan that uses multichannel media to target as wide a base of customers as possible, and effective management of Share of Voice, ensures Electric Ireland retains its market leadership position.

Strategic Objectives Empowered Customers **Foundational Capabilities** Sustainable & Socially Responsible

People

Average Number of Employees

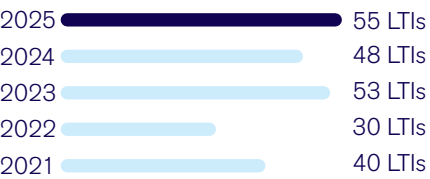


Definition
Average number of employees in the year including temporary employees employed by ESB.

Performance
Headcount continued to increase in 2025 due to staff hires across almost all business units and disciplines to support the delivery of the Net Zero by 2040 Strategy. For further detail, see note 11 of the financial statements.

Strategic Objectives Our People

Employee Lost Time Injuries (LTIs)



Definition
Employee LTIs are work-related injuries that involve an absence of at least one day (not including the day the injury occurred).

Performance
In 2025, the total number of employee LTIs was 55, an increase from 48 the previous year. The increase relates to higher headcount and work volumes associated with increasing capital investment. ESB continues to invest in initiatives to reduce the risk of injury to our employees. For further detail, see the Health, Safety and Wellbeing section on page 82.

Strategic Objectives Our People

Regular monitoring of Strategic Performance Indicators as well as Environmental, Social and Governance measures are included within the Strategy section on pages 18 and 19 and ESB's Sustainability Data Disclosures for 2024 can be found on the ESB website.

Using our Profits in a Sustainable Way

€2.7 billion in capital investment in 2025

Facilitating a more sustainable energy environment as well as supporting economic growth through providing, safe and reliable electricity supply to homes and businesses



Combined Republic of Ireland and UK overall taxes paid €820 million*

Overall taxes borne €326m
Overall taxes collected €494m

UK taxes paid €158 million



Republic of Ireland taxes paid €662 million

* Note ESB also operates in jurisdictions outside of Ireland and the UK but profits and the taxes relating to these jurisdictions are immaterial. Taxes borne are paid by ESB out of its own profits while taxes collected are taxes withheld from payments to others and paid directly to the tax authorities.

Recommended €149 million dividend for 2025

97.7% goes to the Irish Government as majority stockholder

€1.5 billion of dividends paid over 10 years

Around €3.4 billion contributed to the Irish economy

in the form of payroll, taxes, dividends and purchases from domestic suppliers

Supporting Communities

ESB is committed to supporting communities, seeking to transform lives, and enable social, economic and environmental progress. ESB aims to deliver and create a brighter future for all through its sponsorships which range across STEM, the arts and the energy transition.

The Group manages an active sponsorship portfolio including the following:

ESB Science Blast
ESB Science Blast is a free and non-competitive educational programme, delivered by the RDS, which empowers primary school children, from 3rd to 6th class (Republic of Ireland) and Key Stage 2 (Northern Ireland), to work together as a class to investigate the science behind a simple question. Their findings are presented at one of three showcase events in Dublin, Limerick, and Belfast. 2025 saw 701 school submissions and over 17,000 children participating in the programme.

Quavers to Quadratics
Quavers to Quadratics is an innovative educational programme that explores the intersection of the worlds of music and science through a series of hands-on workshops. Delivered by the National Concert Hall, University College Dublin and Trinity College Dublin Schools of Education, the programme brings the science of music into primary-level classrooms. In 2025, ESB agreed a new three-year term with the National Concert Hall. Since its inception in 2015, and with ESB's support since 2020, the

initiative has grown significantly, engaging an increasing number of primary school students each year. Over the past five years, participation has soared, with more than 9,600 students taking part in the programme.

Arts Partnerships
ESB collaborates with artists and arts organisations to engage communities around sustainability, climate change, and the energy transition. In 2025, ESB proudly sponsored the ESB Creative Sustainability Award at the Business to Arts Awards, a new award which acknowledges innovative collaborations that address themes of climate crisis, circular economy, and the journey to net-zero emissions. The introduction of this award is reflective of ESB's ongoing commitment to supporting the arts while championing sustainability to inspire meaningful change.

Pieta Darkness Into Light
Pieta is one of Ireland's leading mental health charities, providing free, accessible support to people affected by suicide and self-harm in communities across Ireland. The 5 km 'Darkness Into Light' walk is held each year to raise funds for Pieta. Electric Ireland has proudly supported Darkness

Into Light for 13 years, and in 2025, the event raised €3.5 million with almost 100,000 people participating.

Young St Vincent de Paul (SVP)
Electric Ireland sponsors SVP's Youth Development Programme designed for use in school and youth groups. The Young SVP Programme aims to educate 4th and 5th year students about social justice and provide them with an opportunity to take part in social action projects in their local communities.

GAA Higher Education Championships and Leagues
Sponsored by Electric Ireland, the GAA Higher Education Championships involve over 7,000 players from universities and institutes around Ireland, annually competing for the Sigerson and Fitzgibbon Cups, alongside other Higher Education Leagues, and Championships.

GAA Minor Championships and the Celtic Challenge
Electric Ireland has long supported the development of future intercounty stars across the country through its sponsorship of the GAA Minor Championships and continues to successfully do so through its Minor Moments *#ThisIsMajor* campaign. Electric Ireland has also sponsored the GAA Celtic Challenge, a developmental hurling competition which plays a crucial role in the GAA's Player Pathway for all 32 counties.

Camogie Minor Championships and Third Level Championships
Through partnership with the Camogie Association, Electric Ireland supports the game across grassroots, Higher Education and intercounty levels, and is the title sponsor of the Electric Ireland Camogie All-Ireland Minor Championships, the Electric Ireland Camogie Third Level Championships, and the Camogie Association's *'Hurl with Me'* programme. *Hurl With Me* is a four-week programme for 7–10-year-old girls which encourages parents and their daughters to get involved in camogie and learn the basic skills through expert coaching and mentoring. This partnership aims to develop and promote camogie at all levels by inspiring current and future generations to preserve the game's long-standing heritage.





Planet, Place, People

Overview	60
Sustainability	62
Environmental Management Systems	76
People	77
Safety, Health and Wellbeing	82

Planet, Place, People

At the heart of ESB's journey to net zero by 2040 is a strong focus on sustainability across Planet, Place and People. 2025 marked a pivotal year on the sustainability journey, transitioning from the Sustainability Transformation Enablement Programme (STEP) to fully embedding sustainability and environmental management as a core principle across all operations. This progress reflects ESB's commitment to net zero, strong governance, and social responsibility.

Sinéad Kilkelly
Executive Director, People and Sustainability



ESB is committed to comprehensive, meaningful sustainability reporting. Preparations for CSRD compliance (on a voluntary basis) are well advanced, with a robust reporting framework in place. In addition to this annual report, ESB will publish a CSRD-aligned Sustainability Report in Q2 2026, providing further detail on its sustainability and environmental management and outlining future ambitions. The Sustainability Report will provide a balanced view of ambition, efficiency, and strategic flexibility, aligned with evolving EU regulations and investor expectations.

During 2025, ESB remained focused on building and shaping future culture and capability to deliver the Net Zero by 2040 Strategy. The workforce now stands at just over 10,000 employees. ESB welcomed over 1,000 new colleagues during the year from diverse disciplines and backgrounds, broadening its talent pool and strengthening its capacity for innovation.

In 2025, ESB developed and approved its Group Safety, Health and Wellbeing Strategy 2026-2030, themed Taking Care. Through responsible safety, health and environment stewardship, meaningful engagement with its people and the communities we serve, ESB is building a safe, healthy, resilient, inclusive organisation that is equipped to meet the challenges of the energy transition.

Planet
ESB's Net Zero by 2040 Strategy commits to achieving net-zero GHG emissions by 2040 and progress was made across the four decarbonisation levers during 2025 as follows:

- Expansion of renewable generation assets and cessation of coal fired generation
- Investment in grid infrastructure to enable renewable deployment
- Electrification of fleet and public EV charging networks
- Continued rollout of smart meters and digital customer portals

ESB Networks and NIE Networks enhanced climate adaptability frameworks, informed by lessons from Storm Éowyn. Significant progress was made by ESB Networks in implementing its Winter Resilience Plan to address vulnerabilities and strengthen emergency response capabilities.

Energy management is certified to ISO50001, and ESB successfully maintained its certification after an audit in 2025. Energy Efficiency has improved by 55% against baseline years 2006-2008.

Circular economy principles continue to be embedded across operations, with end-of-life planning for wind turbines in train and joining the circular innovation ecosystem of Circuléire. ESB's first internal sustainability conference in 2025 focused on the circular economy and showcased cross sector and cross-business unit initiatives. 2025 also saw the appointment of a Group Circular Economy Lead.

Place
ESB's ambition to be nature positive by 2030 saw the appointment of a Group Biodiversity Lead. Key partnerships included the All-Ireland Pollinator Plan and a new partnership with the Breeding Waders European Innovation Partnership, with site-level assessments and sector capacity building initiatives.

In 2025, ESB continued to prioritise positive social impact within the communities it serves, investing over €2 million in social programmes such as the Energy for Generations Fund, ElectricAid, and the Community Benefit Fund. These efforts demonstrate ESB's ongoing commitment to building resilient, inclusive communities and delivering long-term social, economic, and environmental benefits as part of its sustainability strategy. ESB's commitment to giving back is evident in the support offered for volunteering and charitable initiatives, reinforcing ESB's role in building a brighter future in a socially responsible manner.

Environmental Management
ESB recognises that its activities have the potential to cause environmental impacts through its operations. ESB strives for excellence in all its activities to comply with all applicable laws and regulatory requirements and ESB maintains Environmental Management Systems certified to ISO14001:2015 standard.

In mid-2025, ESB introduced a new Environment, Health and Safety system -

Synergi Life - enhancing ESB's capability for environmental incident recording and management. The system delivers more robust functionality for documenting and monitoring environmental incidents, contributing to improved accuracy, consistency, and overall data quality. Synergi Life also strengthens investigation activities by systematically capturing contributing factors and associated actions. These improvements provide ESB with clearer visibility of environmental risks and trends, supporting more informed oversight and proactive decision making.

People
While ESB continued to build and shape future culture and capability, it also maintained a strong focus on succession planning, leadership development, and the ongoing advancement of technical and professional expertise vital for the energy transition. ESB further prioritised strengthening digital and data capabilities across the workforce and maintained a strong emphasis on safety-led operational excellence.

To promote consistent values-based leadership, the 'Leading Through Our Values' programme was delivered to 1,400 people managers across ESB in 2024 and 2025. The aim of the programme is to unify ESB's leadership approach and reinforce behaviours, ensuring the organisation's culture reflects its purpose and stays aligned with its long-term strategic goals.

Diversity, Equity and Inclusion (DEI) continued to be a strategic priority at ESB. The company attained the next level of accreditation – Silver – from the Irish Centre for Diversity, having achieved Bronze in 2024. In 2025, women represented 27% of ESB's workforce, and ESB remain steadfast in its commitment to reaching 30% female representation by 2030, with a particular focus on increasing participation in Science, Technology, Engineering and Mathematics (STEM) and craft roles. Notably, the proportion of women holding Craft Apprenticeship positions in ESB Networks has risen to 26%, a significant increase from a zero base in 2016. This progress has been driven by targeted attraction initiatives, inclusive recruitment practices, leadership development programmes, and early-career pipelines, all designed to broaden access to technical and operational career pathways.

ESB is committed to shaping a workplace where every colleague can thrive, both today and in the future. Our People Promise reflects this commitment, supporting growth and career progression through learning opportunities, flexible working arrangements, competitive and inclusive benefits, and a comprehensive wellbeing offering. The 2025 employee engagement survey showed a continued strong performance, with an engagement score of 7.5/10 and ESB remains committed to achieving a target score of 8/10 by 2030.

Looking ahead to 2026, ESB's People Strategy will continue to focus on building future capability and strengthening culture to support ongoing transformation and high performance. Central to this will be progressing ESB's culture activation programme by introducing a behavioural competency framework that translates ESB's values into actionable behaviours.

Human Rights
In 2025, ESB further strengthened its commitment to upholding human rights by continuing to implement its Human Rights Due Diligence process across all operations and its supply chain. This structured approach is fully aligned with the UN Guiding Principles and OECD Guidelines, ensuring that business activities are carried out ethically, transparently, and in accordance with internationally recognised standards. No incidents of modern slavery were identified in ESB's supply chain. ESB's policies and controls remain firmly focused on preventing human rights abuses and maintaining the highest ethical standards in all of its business activities.

Safety, Health and Wellbeing
ESB places safety, health and wellbeing at the heart of everything it does. The Board, management and employees are unwavering in their commitment to protect and care for its people, customers and the public who interact with ESB's networks and infrastructure. This commitment is reflected in the new five-year Safety, Health and Wellbeing Strategy, which builds on ESB's strong existing foundations.

The strategy recognises that ESB is delivering more projects, expanding infrastructure, working in new environments, operating and maintaining more assets, welcoming new colleagues, partnering with more organisations, and adopting new technologies. While the safety, health and wellbeing imperative remains constant and fundamental, the challenge is changing. It is essential that ESB's response must evolve too and the strategy aims to ensure that all ESB's people (whether working within, or on behalf of, ESB) play their part in looking after their own safety and the safety of others, including the public.

ESB's strategy is anchored in five strategic priorities (the 5 Cs): Competence, Compliance, Commitment, Collaboration, and Culture. These priorities shape ESB's work to build a future-ready, competent workforce and contractor base, to strengthen compliance and risk management, to foster strong leadership, and to encourage cross-functional and external collaboration. Through Our Values and Our Behaviours, ESB aims to embed a caring, inclusive culture where safety, health and wellbeing are part of everyday work, and everyone feels empowered to take responsibility.

The strategy positions ESB to lead by example, ensuring that safety, health, and wellbeing are not just regulatory requirements, but strategic imperatives for a safer and healthier future for all.

As ESB moves forward, the focus remains on nurturing talent, embracing diversity, and delivering on the net zero ambitions. Together, we are shaping a future that is inclusive, innovative, and sustainable, for all of us.

Sustainability

Stepping Forward: From Programme to Practice

As part of ESB's commitment to a net zero future, the Sustainability Transformation Enablement Programme (STEP) was launched in 2023. The purpose of the programme was to place sustainability and social responsibility at the core of everyone's role in ESB and to establish robust sustainability performance reporting.

STEP concluded in late 2025 and ESB is now moving decisively from programme mode to a new phase of embedded leadership in sustainability. STEP created the foundational capabilities, performance management, and culture that now enables ESB to treat sustainability as a core aspect of the business. The focus ahead is on transparency, delivery, and continuous improvement as sustainability becomes business as usual across every function and decision.

ESB is now well positioned to meet ever rising stakeholder expectations, regulatory requirements (such as CSRD), and its own ambition to lead in sustainability performance and transparency. STEP has

delivered a Sustainability Operating Model including a new Centre of Sustainability, developed a robust sustainability reporting framework, and brought sustainability engagement and learning across all levels of the organisation. This has resulted in sustainability accountability in each business unit and corporate function.

STEP delivered comprehensive Sustainability Leadership development, as well as topic specific training across ESB Group. A significant aspect of this was the Sustainability Navigators initiative, which upskilled volunteers across the business to champion sustainability, share learnings locally, and support their teams to navigate complex environmental and people related challenges. There are now over 70 trained Sustainability Navigators, who have in turn engaged with over 3,500 employees to date.

Looking ahead, ESB will continue to advance its sustainability journey, underpinned by robust governance and well-defined structures. This ongoing commitment will embed sustainability as a core principle throughout ESB's operations. By integrating sustainability into decision-making processes and

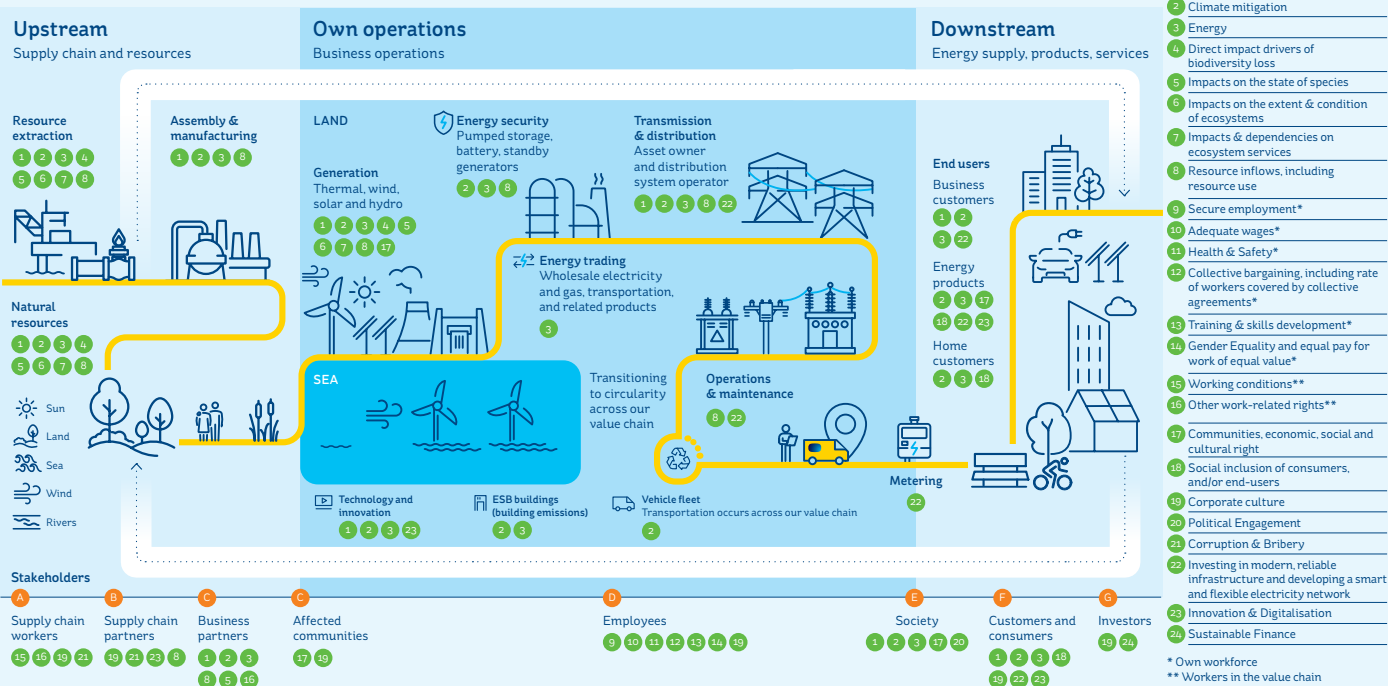
everyday ways of working, ESB aims to create long-term value, drive responsible growth, and contribute positively to the environment and society.

Governance of sustainability within ESB is now embedded across Board, Committee, and executive levels, with clear accountability for delivery and disclosure. Board training in 2025 included a focus on CSRD readiness, an area where expectations and scrutiny continue to rise. In addition, a new Sustainability Leadership Council brings together senior leaders to test assumptions, challenge performance, and ensure emerging issues are surfaced early.

Risk Management

Sustainability-related Impacts, Risks, and Opportunities (IROs) have been mapped to the Group Risk Universe, linking climate, biodiversity, resource, and social dimensions to strategic, financial, and operational risks. Quantifying the financial impact of non-financial risks, such as climate physical risks or biodiversity loss, remains complex. ESB is working with external partners to strengthen methodologies and comparability.

ESB's Value Chain



At a business unit level, ESB adopts an integrated approach ensuring that each business unit is empowered to identify and manage sustainability-related risks in alignment with ESB's overarching Sustainability Strategy. This approach allows business units to respond to emerging risks with agility and effectiveness, and ensures the comprehensive identification, management and mitigation of risks.

Impacts, Risks, and Opportunities

As part of CSRD preparations, ESB undertook a Double Materiality Assessment (DMA) in 2024 which identified material sustainability topics and related IROs. The DMA was carried out in collaboration with both internal and external stakeholders and involved the identification of key IROs across ESB's value chain. The assessment spanned short, medium and long-term time horizons, evaluating both impact materiality (the effects of ESB's activities on society and the environment) and financial materiality (how sustainability factors could influence the Group's financial performance).

ESB identified 24 material sustainability matters as outlined in the value chain map above. In total, 56 IROs have been assessed as material by ESB, comprising 11 positive impacts, 7 negative impacts, 29 risks, and 9 opportunities.

Sustainability Reporting

ESB is committed to comprehensive and meaningful sustainability reporting and is working towards delivering a CSRD compliant Sustainability Statement for reporting year 2027. In 2025, the European Financial Reporting Advisory Group (EFRAG) recommended revisions to the European Sustainability Reporting Standards (ESRS) that were initially issued in 2023. These simplified ESRS are with the EU Commission for finalisation. While some aspects of the proposals are yet to be finalised under the EU legislative process, ESB has continued its programme of work to implement a robust sustainability reporting framework. ESB will publish a CSRD aligned 2025 Sustainability Report in Quarter 2 2026. This standalone sustainability report, aligned with the CSRD, aims for a balance of ambition, efficiency, and strategic flexibility, reflecting current best practice trends and maintaining momentum toward

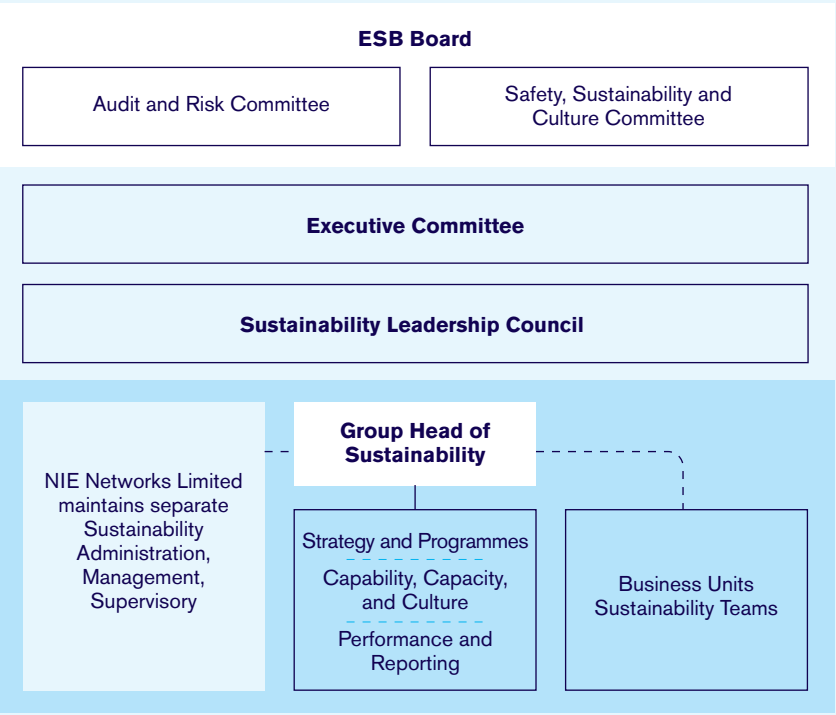
eventual CSRD compliant sustainability reporting in reporting year 2027. ESB will continue to closely monitor sustainability regulation developments.

Data governance has been enhanced and is underpinned by defined ownership at source, quality review controls and external review on key ESG indicators in preparation for limited assurance under CSRD from 2027 onwards.

External Oversight and Continuous Improvement

ESB's approach to sustainability is independently benchmarked through external ESG ratings and disclosure frameworks including CDP, Sustainalytics and Moody's ESG Solutions. Insights from these assessments, together with stakeholder feedback, inform ESB's continuous improvement of its governance, data quality and disclosure processes. In addition, ESB secured a Sustainability-Linked Revolving Credit Facility during 2025 (refer to page 40 in Financial and Operating Review for further details). The external perspective strengthens transparency and supports alignment with the evolving requirements of CSRD and investor expectations.

ESB's Sustainability Governance Structures



Sustainability (continued)

Environmental

Climate Change

Managing Material Impacts, Risks and Opportunities

As part of the DMA, climate-related IROs were identified that are material to ESB's business (see page 63 under Impacts, Risks and Opportunities). These IROs encompass climate change mitigation, energy, and adaptation subtopics. The IROs are managed through Strategic Performance Indicators and Key Performance Indicators that underpin ESB's Net Zero by 2040 Strategy and

operational performance (refer to sections starting on pages 18 and 52 respectively for further details).

ESB has identified and assessed climate risks as part of ESB's overall risk management processes. Two risks relating to climate transition and climate change physical risk have been assessed as principal risks for the Group (set out on pages 26 and 27). ESB has taken a robust approach to assessing climate-related physical and transition risks over the past five years to strengthen climate risk management. Managing and reporting on climate risks continues to be a core element of ESB's risk management process.

Physical Risks

In 2023, ESB performed a robust physical climate risk and vulnerability assessment for its activities and the relevant hazards. In 2024, this assessment was performed for newly constructed and acquired assets and consideration is being given through the Group risk management process on the timing of the next iteration of this assessment. Physical climate risks are evaluated using two Inter-Governmental Panel on Climate Change (IPCC) scenarios - RCP2.6 (likely range: 1.3°C to 2.4°C) and RCP8.5 (likely range: 3.3°C to 5.7°C). The table of physical climate risks set out below is the result of this work to date.

Type	Category	Risk	Potential Impact
Physical Risks	Storms	Increased frequency of severe storms	Major disruption for customers and increased repair costs for networks and station assets
	Flooding	Increased riverine flooding and episodes of intense rainfall	Higher frequency of hundred year plus flood events on rivers with dams
	Flooding	Increased riverine, pluvial, and coastal flooding	Damage to network substations, customer outages. Damage to generation assets
	Changing weather patterns	Chronic changes in climate and weather patterns resulting in reduced wind speeds and lower river flows	Reduced renewable energy output and associated revenue

ESB Networks have utilised this output to inform work on the Climate Adaptation Framework. Refer to Adaptation section on page 68.

Transition Risk and Opportunities

In 2024, ESB assessed climate related transition risks and opportunities using two scenarios based on the International Energy Agency's World Energy Outlook 2024. The Stated Policies Scenario is associated with a 2.4°C temperature rise by the end of the century, and accounts for current energy, climate and related industrial policies in place or announced and to the extent that these are underpinned by adequate provisions for implementation. The Net Zero 2050 Scenario seeks to limit global temperature rise to 1.5°C by the end of the century and provides an ambitious pathway for the global energy sector to achieve net zero emissions by 2050. Both scenarios are aligned with Ireland's Climate Action Plan.

Transition risks and opportunities have been assessed based on potential impacts for the current period and for both the Stated Policies and Net Zero 2050 scenarios for two time horizons (2030 and 2050). The table opposite details the potentially most material risks and opportunities for ESB.

Type	Category	Risk/Opportunity	Potential Impact	Current	Related Policies		Net Zero 2050	
				2024	2030	2050	2030	2050
Transition Risks	Policy	Pace of regulatory change	Potential delay in renewable energy and decarbonisation policies; mandates on and regulation of existing products and services	Significant	Significant	Significant	Significant	Critical
	Policy	Compliance with sustainability policy and regulatory exposure	Potential increase in costs to meet sustainability obligations and loss of value of existing gas generation assets due to regulatory exposure	Significant	Significant	Significant	Significant	Critical
	Technology	Pace of technological development and deployment	Potential delay in deployment of new low-carbon energy system, including network infrastructure	Informative	Significant	Critical	Critical	Critical
Transition Opportunities	Market	Volatility in supply chain	Increased costs and reduced availability of raw materials and services	Significant	Significant	Significant	Critical	Critical
	Products and Services	Development and expansion of new products and services to support increased electrification	Increased demand for electrification (heat and transport), EV charging infrastructure, and consumer production and consumption services	Important	Significant	Critical	Critical	Critical
	Policy/ Technology	New low-carbon energy system investment and development	Increased investment opportunities in zero-carbon generation, storage and network	Significant	Critical	Critical	Critical	Critical

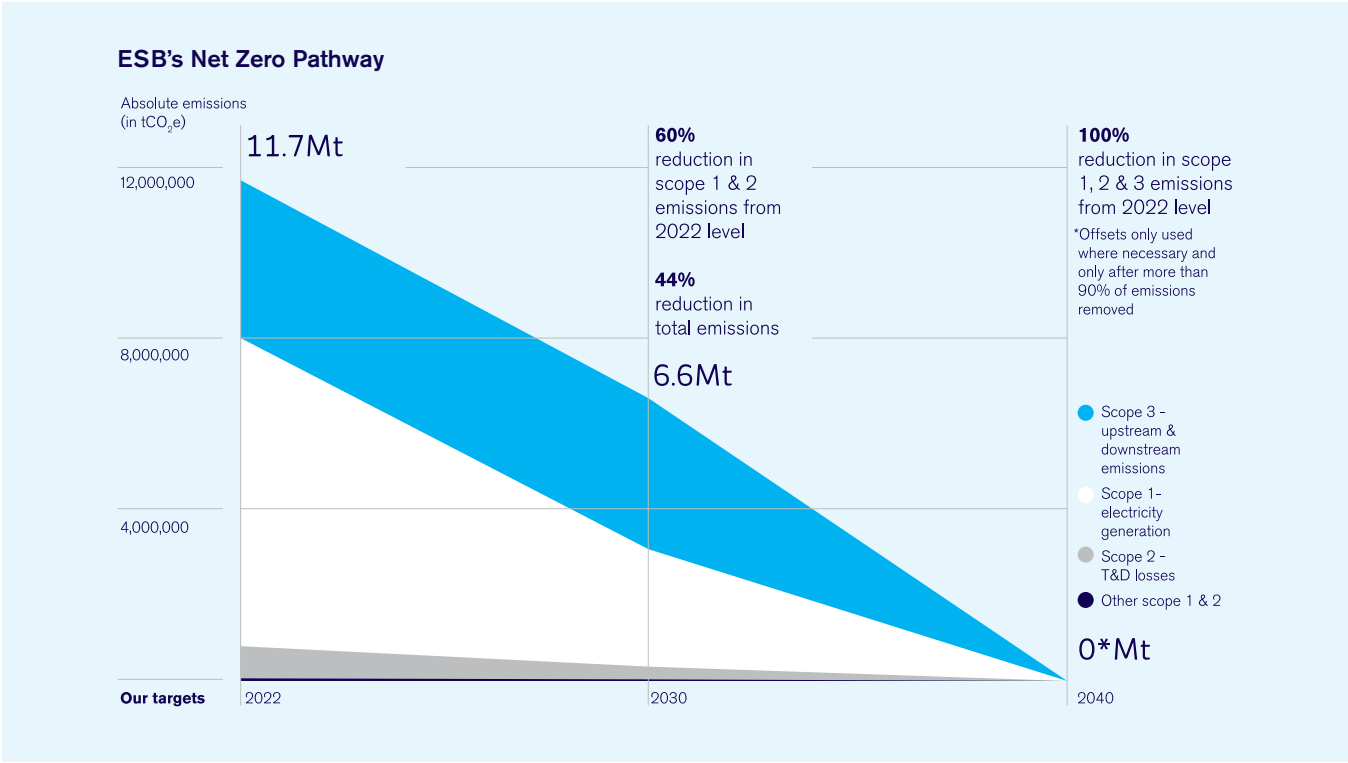
Sustainability (continued)

Strategy and Climate Transition Plan

In 2024, ESB published the Net Zero Pathway Report (available on the ESB website), detailing concrete steps to eliminate GHG emissions and support Ireland's broader decarbonisation goals. In 2025, rating agency Moody's carried out and published a Net Zero Assessment on ESB's Net Zero Pathway Report assigning an NZ-3 score (significant), consistent with a well below 2°C ambition.

During 2025, progress was made in delivering on decarbonisation plans. Highlights include the cessation of coal generation at Moneypoint, the delivery of ESB's first grid scale solar farm at Bullstown and the completion of construction on Neart na Gaoithe Offshore Wind Farm.

More details on the actions taken in 2025 to expand ESB's renewable energy portfolio and ensure a resilient network to support it are described in detail in the ESB Networks (page 42), NIE Networks (page 44) and Generation Trading (page 46) sections.



Actions and Targets

ESB is taking significant steps to deliver on its net zero ambition and mitigate the climate change IROs identified by the DMA. A subset of Strategic Performance Indicators set out on pages 18 and 19 serve as targets for climate change, together with the emission reduction targets set out in the Net Zero 2040 Pathway Report.

ESB's key actions are grouped into three subtopics: Mitigation, Energy, and Adaptation. This helps ESB focus on cutting carbon emissions, building a cleaner and smarter energy system, and preparing for the impacts of climate change. Mitigation and Energy actions are further grouped by Decarbonisation Lever, which are practical ways to reduce carbon emissions, for example switching to renewable energy, improving energy efficiency, electrifying transport and heating, and phasing out fossil fuels.

Mitigation

Decarbonisation Lever 1: Renewable Generation and Reduction of Fossil Fuels

Strategic Objective



Decarbonised Electricity

Actions taken under this decarbonisation lever contribute to targets relating to the renewable and renewable enabling portfolio, share of generation output from zero carbon sources, carbon intensity of generation assets and absolute reduction in CO₂. ESB continued to expand its renewable and renewable enabling capacity to 2 GW across onshore and offshore wind, solar and storage technologies throughout 2025 through its own developments, strategic partnerships and acquisitions. In addition, ESB progressed the reduction in fossil fuels through the cessation of coal generation in Moneypoint power station. There has been a 68% reduction in Scope 1 generation emissions from c 14.6MtCO₂e in 2005 at the commencement of the EU Emissions Trading System to c 4.7MtCO₂e in 2025. The key actions in this decarbonisation lever were delivered by Generation Trading (refer to page 46 for further information).

Decarbonisation Lever 2: Enabling renewable energy deployment

Strategic Objective



Resilient Infrastructure

Actions taken under this decarbonisation lever contribute to targets relating to the scale of zero carbon electricity enabled by Ireland's network infrastructure. The networks' businesses deliver these actions via their regulated investment and maintenance programmes, PR5 for ESB Networks and RP7 for NIE Networks. In 2025, ESB Networks and NIE Networks invested in excess of €1.7 billion in network infrastructure across the island of Ireland. This investment targeted the upgrade and expansion of resilient grid capacity, the connection of renewable generation customers, and supported the widespread adoption of electric transport and heating. In 2025, the network businesses' delivered connections for approximately 700 MW of grid scale renewables and over 350 MW for microgeneration renewables in the Republic of Ireland and NI.

The key actions in this decarbonisation lever were delivered by ESB Networks and NIE Networks (refer to pages 42 and 44 for further information).

Decarbonisation Lever 3: Enabling Electrification

Strategic Objective



Resilient Infrastructure



Empowered Customers

ESB's networks' businesses are enabling the electrification of transport across the island of Ireland through investments in network capacity, reliability and resilience. These investments facilitate the roll out of public EV charging points and enable the electrification of public transport infrastructure projects such as DART+, Metrolink, and as Dublin Bus and Bus Éireann transition to electric fleets, in line with public transport strategy and policies.

Actions taken under this decarbonisation lever contribute to the electrification of the transport network. Customer Solutions continues to expand and upgrade its public EV charging network and can now support up to 1,400 EVs charging at any one time on the Island of Ireland and up to 450 on its GB network. In addition, ESB Networks are working towards having zero carbon fleets by 2040 and aim to have 1,000 EVs by 2030 and to fully electrify all two-wheel drive vehicles by 2035.

Work is also being undertaken in evaluating viable pathways for electrification of heat. The National Network, Local Connections (NNLC) programme in ESB Networks is delivering new capabilities to ensure that the distribution network is ready for wholesale electrification of heat and transport. In addition, ESB Networks is investing in the network to ensure that domestic customers are low carbon technologies ready, ensuring that all new homes connected have sufficient electrical capacity in their homes to support a heat pump and EV charger. ESB's Smart Energy Services provides a variety of energy saving schemes to commercial customers including in the area of eHeat.

Decarbonisation Lever 4: Energy Efficiency and Technology

Strategic Objective



Empowered Customers

Actions taken under this decarbonisation lever contribute to a target of 2.6 million smart meters by 2030. ESB Networks continued smart meter deployment in 2025, installing approximately 190,000 units and bringing the total installed to 2.1 million. As a result, 26% of Electric Ireland customers now benefit from smart services or tariffs. In addition, ESB Networks connected over 43,000 new customers during the year, with almost 95% of applications now made through the ESB Networks' digital customer portal. NIE Networks have delivered over 8,000 new connections this year. Smart metering has enabled over 150,000 microgeneration customers to receive accurate rooftop solar payments and in addition the 1 GW threshold for rooftop solar has been passed. Refer to the ESB Networks and Customer Solutions inserts on pages 42 and 48 respectively for further details.



What is a Decarbonisation Lever?

These are practical actions, tools and mechanisms to reduce CO₂ emissions and achieve climate goals, e.g. switching from fossil fuel generation to renewable electricity generation.

Sustainability (continued)

Adaptation

Under the resilient infrastructure pillar of the 2040 strategy, ESB is significantly expanding and upgrading the network across Ireland to enable the decarbonisation of the electricity system. ESB recognises that adapting to the effects of climate change is essential for infrastructure resilience. As a result of the physical risk assessments (page 64), ESB is committing to developing adaptation strategies to manage these risks.

ESB Networks has cited climate adaptability as one of a number of focus areas for the PR6 programme and has committed in their PR6 Business Plan to evolve their climate adaptability framework to ensure that the risks and impacts

of climate change on the network are evaluated and addressed. ESB Networks' approach will be aligned with EU and national policies and legislation. The framework will also ensure effective governance of climate risk and develop climate resilience metrics linking climate risk mitigation initiatives. ESB Networks provided input into the Department of Climate, Energy and the Environment's 2025 Sectoral Adaptation Plan released in November 2025. In addition, ESB Networks continues to work with the OPW and their Catchment Flood Risk Assessment Management model to identify HV substations at risk of flooding and implementing mitigation measures where necessary. Furthermore, ESB Networks has created a new business

area that has dedicated responsibility for network reliability and resilience. NIE Networks have also committed to improving the resilience of the network to climate change under RP7. In April 2025, NIE Networks initiated a strategic programme to review severe weather resilience, taking a technology led approach to strengthening network resilience and improving emergency response.

Both ESB Networks and NIE Networks are applying lessons learned from Storm Éowyn to strengthen the resilience of the electricity networks and enhance emergency response capabilities, ensuring continued support for customers during future severe weather events.

Climate Change Metrics

GHG Emissions

	2025*	2024
Gross Scope 1 GHG Emissions (tonnes CO ₂ e) ¹	4,686,462	5,111,417
% of Scope 1 GHG Emissions from Regulated Trading Schemes ¹	99.5%	-*
Gross location-based Scope 2 GHG Emissions (tonnes CO ₂ e) ²	376,204	474,974
Gross market-based Scope 2 GHG Emissions (tonnes CO ₂ e) ³	374,764	-*

Energy

	2025*	2024
Total Non-Renewable Energy Production in MWh	11,169,507	-*
Total Renewable Energy Production in MWh	3,675,455	-*

* Reporting under ESRS methodology. Some prior year comparators not available.
¹ Scope 1 emissions consist of emissions from thermal fleet, vehicle transport, generators, gas in buildings and fugitive emissions. Thermal generation based on verified data.
² Scope 2 emissions include Group Network Losses on transmission and distribution assets, adjusted for emissions already accounted for in Scope 1, and premise electricity consumption. Emissions factors have been revised to improve the accuracy of the Group Network Losses methodology.
³ Scope 2 market-based emissions reflect supplier-specific emissions factors.

Operational Energy Consumption

Thermal Generation by Energy Source (MWh)⁴

	2025	2024
Coal	689,307	1,867,254
Natural Gas	20,003,272	19,529,317
Oil	1,158,595	1,588,863

⁴ Thermal generation fuel inputs data is reported for the current year. 2025 based on verified data.

Operational Energy (Primary Energy Equivalent (PEE) in MWh)⁵

	2024	2023
Electricity	40,338	36,992
Thermal	2,740	2,513
Transport	54,731	50,468

Energy Performance Indicator (EnPI)⁵

	2024	2023
MWh/FTE Employee	13.7	13.5
% improvement against energy baseline ⁶	55.1%	55.7%

⁵ Operational Energy Consumption is reported to SEAI under public sector energy efficiency regulations (SI426/2014). 2024 consumption data reflects 2025 SEAI reporting cycle.
⁶ Energy baseline is an average of 2006-2008 data.



Case Study
Storm Éowyn Response

In response to the unprecedented impact of Storm Éowyn in January 2025, ESB Networks developed and made significant progress in implementing its Winter Resilience Plan. The objective of the plan is to enhance the resilience of the grid in the most vulnerable locations for winter 2025/2026, to take some immediate short-term measures to reduce the impact of potential storms in winter 2025/2026, whilst progressing plans and initiatives for the longer term.

A status update was published by ESB Networks in October 2025. Specific examples of measures completed to enhance resilience to date are:

- Completion of network surveys in the worst affected areas and identification of remedial works required post storm.
- Overhead network that was weakened or damaged by the storm has been identified and is being addressed.
- Procurement of emergency timber contractors to address the identified hedgerow, timber and vegetation that is impacting the MV network backbone lines. The contractors are now mobilised with pre-work planning, landowner engagement and timber cutting underway.
- Work to address electrical network through forestry corridors is underway with ESB Networks working closely with Government on the legal framework to put the requirement for forestry corridors on a statutory footing. In addition, following the surveying of over 300 km of forestry corridors, the highest priority corridors have been identified. ESB Networks is continuing to engage with the identified landowners, with harvesters mobilised to address the corridors where agreement has been obtained.



- Replenishment and expansion of emergency storm stocks is progressing well.

Following a successful mutual aid arrangement between ESB Networks, NIE Networks and other European DSOs, ESB is leading a working group comprising of 12 utilities from across 37 member DSOs who are working together to formalise mutual aid arrangements with European utilities.

Sustainability (continued)

Emissions Verification

ESB reports emissions based on the GHG Protocol methodology. Scope 1, 2 and 3 emissions are reported annually and independently verified. ESB's generation emissions are verified under the EU Emissions Trading System (ETS) and UK ETS and submitted to the relevant environmental protection authority annually. In addition, all other Scope 1, 2 and 3 emissions will be verified to ISO14064-03.

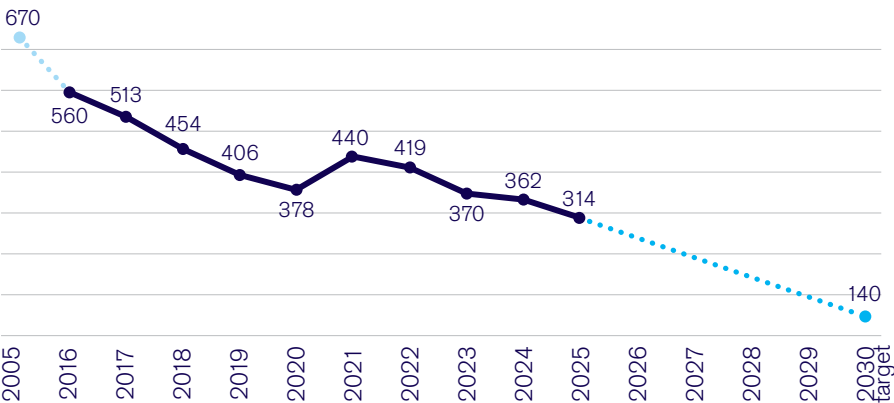
CDP Climate Change Disclosure

CDP is a global platform that helps companies and cities report and manage environmental information. In 2025, ESB maintained its B score (Management) from 2024. ESB's overall score had previously dropped to B in 2024 from A- as CDP set a new threshold requiring at least 25% of electricity be generated by renewables in order to earn a top score of A or A-. ESB's renewable generation does not currently meet this threshold. However, in 2025, ESB's scoring improved in seven categories. The CDP scoring report is available on the ESB website.

Energy Management and Performance

ESB operates a certified energy management system (ISO50001) to manage its operational energy from buildings and its transport fleet. Under the EU Energy Efficiency Directive, ESB is subject to a 50% energy efficiency improvement and a 51% reduction in absolute carbon emissions associated with operational energy use by 2030. ESB's energy performance continues to progress, with a 55% cumulative energy reduction against baseline performance (average of 2006–2008) reported to SEAI, total CO₂ was 25.6% below the baseline of 24,717,194kgCO₂ in baseline year of 2016–2018.

ESB's Generation Carbon Intensity g/kWh*



* The output of joint venture projects is included in the carbon intensity calculations based on ESB's shareholding in the relevant entity. 2025 based on verified data.

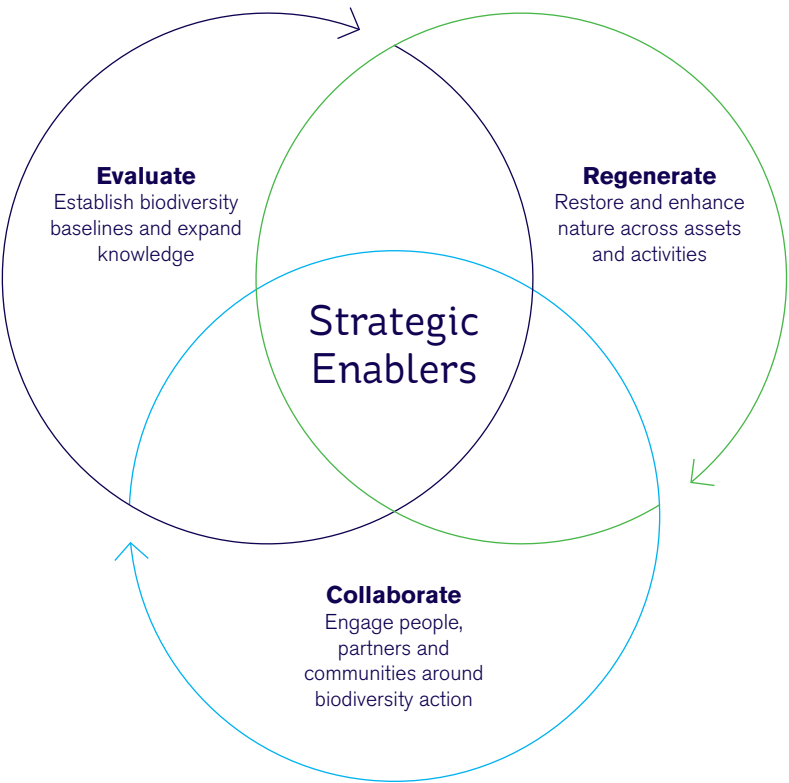
Biodiversity

Restoring Nature and Strengthening Biodiversity

ESB's ambition to be nature positive by 2030 guides its approach to environmental stewardship. The draft Group Biodiversity Strategy, in development under the Sustainability Leadership Plan, advocates the application of the Mitigation Hierarchy

(Avoid, Minimise, Restore and Offset) to all projects and operations. Business units across the Group build the consideration of biodiversity risks and appropriate controls into ISO14001:2015 certified Environmental Management Systems (EMS).

During 2025, ESB appointed a new Group Biodiversity Lead, tasked with driving and aligning biodiversity action across the organisation and facilitating collaboration with key stakeholders.



ESB is highly cognisant of its role in the 'Whole of Government, Whole of Society' approach to biodiversity protection and restoration advocated in Ireland's National Biodiversity Action Plan and is committed to fulfilling its biodiversity duties as a public body. ESB has also been a regular contributor to the National Restoration Plan Leaders' Forums throughout the year.

During the development of new energy infrastructure, ESB undertakes a range of assessments to identify and mitigate potential impacts on biodiversity; it has further expanded its in-house team of ecologists during 2025 to facilitate these assessments.

In 2025, ESB also undertook an Impact Driver Assessment covering all operational asset classes across ESB Group. This assessment will enable future site-level evaluation of biodiversity impacts, dependencies, risks and opportunities.

ESB is currently engaged in the Business for Biodiversity Ireland 'Strategy Track' and is a key partner of the All-Ireland Pollinator Plan. ESB is also a supporter of the Nature+Energy research project and was a sponsor of the 2025 'Hare's Corner' initiative.

Finally, ESB is committed to ensuring capacity building in the biodiversity sector and continued its funding and support of the Marine Mammal Observer Training Programme during 2025, delivered in conjunction with the Irish Whale and Dolphin Group.

Case Study Breeding Waders EIP

A key action of ESB's draft Biodiversity Strategy is to expand and enhance collaboration with other biodiversity stakeholders and conservation projects. During 2025, ESB's Centre of Sustainability initiated engagement with the Breeding Waders European Innovation Partnership (EIP) to assess the potential for ESB to support the project's objectives and practical implementation.

Since the 1970s, Ireland's breeding waders (including lapwing, curlew and redshank) have suffered dramatic declines in population size and national breeding range. The main objective of the Breeding Waders EIP is to tackle the causes behind these declines; central to achieving the project's goals is the enhancement of breeding success within these populations. The project aims to establish connections with landowners, stakeholders and communities to foster a comprehensive understanding of the breeding waders' requirements within the landscape.

Employees from the Centre of Sustainability and Generation Trading have undertaken a number of site visits with the Breeding Waders project team along the River Shannon callows. These meetings have facilitated the identification of ESB landholdings with potential to implement targeted management actions to support bird populations. ESB is currently reviewing the most suitable options for the implementation of these actions.

By recognising, valuing, and protecting these species, ESB hopes to support the successful delivery of the Breeding Waders EIP project, which promotes a range of ecosystem services that are of benefit to the whole of society.



Sustainability (continued)



Case Study
All-Ireland Pollinator Plan

Throughout 2025, ESB continued its engagement with the All-Ireland Pollinator Plan (AIPP). ESB is endeavouring to make pollinator action a keystone of its strategic approach to biodiversity. The Sustainable Leadership Plan and draft Group Biodiversity Strategy include actions to support management practices at relevant ESB sites to improve nectar resources for pollinators, whilst promoting the creation and retention of habitats important for pollinating insects. This has been exemplified by pro-pollinator landscape management activities undertaken at ESB's National Training Centre in Portlaoise, Co. Laois. Large areas of the expansive training field are now managed as long-flowering meadows, accompanied by AIPP-supplied informative signage for employees and visitors.

The 2021-2025 delivery phase of the AIPP recently concluded, and ESB is involved in consultation for the priorities of a third phase of the plan, which is expected to include a specific module for energy and transport utilities.

Resource Use and
Circular Economy

Sustainable resource use and circular economy is critical to ESB's ambition to deliver a just and sustainable transition to net zero. In 2025, ESB advanced its commitment to embed circular economy principles across operations, focusing on reducing reliance on virgin materials, optimising asset lifecycles, and minimising waste.

Work is underway to develop a Group-wide Resource Use and Circular Economy (RUCE) Strategy, which will consolidate existing initiatives and set a clear direction for sustainable resource use within ESB, embedding circular economy principles to support the transition to net zero.

Key milestones for sustainable resource use in 2025 included the ending of coal operations at Moneypoint power station, progressing end-of-life plans for wind turbines and embedding sustainability criteria into high-value tenders aligned with ISO20400. ESB also joined Circul@ire, Ireland's national platform for circular manufacturing, to foster collaboration and innovation in building resilient supply chains.

In June 2025, ESB hosted its first internal Circular Economy Strategy Conference, showcasing a range of circular economy projects from across the organisation. The purpose of the event was to bring people together from all areas of ESB to share knowledge, learn from one another, and explore practical examples such as circular design, refurbishment, reuse, and end-of-life planning. These initiatives demonstrate ESB's commitment to embedding circular economy principles across different departments and at various stages of project lifecycles. The conference highlighted both the complexities of the topic and the

challenges that lie ahead. Each business unit presented examples of their initiatives and successes in implementing circular economy practices, emphasising the critical role of sustainability leadership in driving environmental and operational improvements.

Looking ahead, ESB will continue to integrate circularity into governance, planning, and operations, working with industry and academia to address challenges in developing mature Irish circular systems. These efforts are critical to reducing environmental impact and supporting ESB's long-term net zero ambition.



Social Topics

ESB is committed to delivering its Net Zero by 2040 Strategy in a sustainable way, and an important part of delivering this strategy is social responsibility. ESB's ambition is to create a positive social impact across each of the four social groups: Own Workforce, Workers in the Value Chain, Affected Communities, and Customers. ESB is committed to fostering the social and environmental conditions that enable everyone to thrive. In its Sustainability Leadership Plan, ESB sets out its approach and ambitions for each of the four social groups impacted through its operations and in its supply chain:

Own Workforce

ESB is focused on empowering its workforce to act sustainably and to building and sustaining a workplace where everyone works safely, grows and can thrive as their true self. ESB continues to engage with employees through a range of channels to build and support a diverse and inclusive workforce. Refer to the Engaging with our Stakeholders section starting on page 20 and the People section starting on page 77 for further details.

Workers in the Value Chain

ESB collaborates with suppliers and with other external bodies to implement measures and controls to protect the human rights of workers in its supply chain. During 2025, ESB continued the process of establishing a structured Human Rights Due Diligence Process across all its operations. See below for further details.

Affected Communities⁷

ESB commits to engage strategically and innovatively with communities and other stakeholders to support the delivery of its strategy. During 2025, ESB engaged with and supported communities where it operates through a range of social initiatives, funding supports, volunteering initiatives and sponsorships. See pages 74 to 75 and Supporting Communities on page 57 for further details.

⁷ Affected Communities are defined in the Glossary on page 253.

Customers

ESB is committed to empower and support its customers to achieve net zero emissions by 2040 by continuing to invest in infrastructure to ensure reliable and secure electricity supplies to meet the changing needs and expectations of society, today and in the future. See further details in the ESB Networks (page 42), NIE Networks (page 44) and Customer Solutions (page 48) sections.

Human Rights

ESB assesses its social topics impact using the Human Rights Due Diligence (HRDD) approach.

As outlined in its Human Rights Policy, ESB is committed to respecting human rights, and to implementing and enforcing effective control measures in its operations, supply chain and in the communities and locations in which ESB operates to ensure human rights abuses are not taking place. This commitment is supported by a range of policies and by ESB's Code of Ethics ("Our Code").

During 2025, ESB continued to establish a HRDD process across its business activities. HRDD is a structured process developed to help ESB to identify and manage any potential and actual adverse human rights impacts caused or associated with its business activities. Establishing a formal HRDD across the organisation is a complex and ongoing process. ESB's HRDD process is designed in line with UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Challenges in Human Rights
Due Diligence

ESB is committed to respecting human rights and to implementing and enforcing effective control measures in its operations, supply chain, and in the communities and locations in which ESB operates taking steps to prevent and address human rights abuses. ESB is also in the process of establishing a structured HRDD process.

It recognises the challenges presented by the increasingly complex and global nature of supply chains where human rights risks and modern slavery risks may originate deep in the supply chain. ESB has a zero-tolerance approach to human rights violations and modern slavery.

The company conducts all procurement in a manner that is compliant with all applicable EU and Irish legislation. ESB requires all suppliers/contractors who are providing goods, services or works to, or on behalf of, ESB to confirm compliance with ESB's Requirements for Third Parties Policy and with ESB's Supplier Charter.

Independent audits are conducted to ensure that ESB's contractors are compliant with their obligations in the area of human rights, modern slavery, and employment legislation.

ESB is a member of a number of external collaborative bodies, all of which are aimed at increasing transparency and maintaining minimum standards across supply chains.

Sustainability (continued)

In 2025, ESB, as part of the HRDD process, reviewed its human rights saliency assessment⁹ to help better understand and prioritise its human rights impacts. ESB's approach to saliency, which is aligned with UNGPs, determines the saliency of a human rights issue by its significance and importance to stakeholders who may be impacted by ESB's activities. Human rights issues are identified and prioritised based on their potential severity (i.e. scope, scale and remediability), as well as their likelihood.

ESB reviewed its assessment of its business areas and locations during 2025 to identify potential human rights issues and risks and preventive measures, both within the Group and in its supply chain. The HRDD approach was used in conducting this assessment. The CSRD social topic framework was used to identify potential issues and risks under each of the topics - Own Workforce, Workers in the Value Chain, Affected Communities and Customers. Support and expertise in conducting this assessment was provided by an external third party. Meetings were conducted with representatives from across the business for each of the topics to verify the issues prioritised in the saliency assessment and the actions to address.

ESB's assessment of the potential human rights and equality issues (relating to business activities) and the policies, plans and actions in place or proposed to address those issues in compliance with Section 42(s) of the Irish Human Rights and Equality Act, 2014, is published separately on ESB's website.

Supply Chain

ESB is committed to respecting human rights and to implementing measures and controls in its supply chain to prevent and address human rights abuses. ESB's commitment is reinforced by regular assessments of Tier 1 suppliers (i.e. where ESB has entered into a contract for the provision of goods, works and/or services with supplier/contractors), supported by supplier engagement, and transparent reporting, as well as ongoing collaboration with stakeholders to continuously enhance the protection of workers' rights and uphold responsible business conduct throughout its value chain.

In 2025, the formal resolution process concluded in relation to a complaint made by the Global Legal Action Network under the OECD's Guidelines for Multinational Enterprises, regarding the purchase of coal sourced from Cerrejón, Colombia. In November 2025, Ireland's National Contact Point (NCP) for the OECD's Guidelines for Multinational Enterprises published the Final Assessment in relation to the complaint. ESB will continue to engage with the NCP in respect of the recommendations outlined in the Final Assessment.

Modern Slavery

ESB has a zero-tolerance approach to the abuse of human rights including human trafficking and modern slavery, which are criminal offences under Irish and UK law. In accordance with the UK Modern Slavery Act, 2015, ESB publishes an annual statement (available on the ESB website) setting out the steps taken during the previous financial year to ensure that slavery and human trafficking is not operating within ESB's own business or its supply chains. No incidents of modern slavery have been found to date through the due diligence process.

Workers in the Value Chain

ESB is committed to upholding the rights and wellbeing of workers across its value chain. ESB has embedded human rights and ethical labour standards into procurement and governance frameworks, strengthened supplier requirements through the updated Supplier Charter, and implemented annual HRDD processes.

All supplier contracts include clauses on compliance with employment legislation, anti-slavery and human trafficking laws, and are supported by compliance checks consisting of annual declarations, desktop compliance checks and onsite audits as required. ESB promotes responsible sourcing by aligning procurement practices with ISO20400 and engaging in industry collaborations such as Bettercoal, Responsible Commodities Sourcing Initiative (RECOSI) and the Solar Stewardship Initiative.

Supplier capability is further supported through other initiatives ESB is involved in such as the Irish Supply Chain Sustainability School, aimed at increasing knowledge and awareness of sustainability within the supply chain. In addition, ESB has undertaken a pilot programme with a number of SME suppliers aimed at increasing their carbon literacy, reinforcing ESB's commitment to sustainability across the value chain. These measures reflect ESB's dedication to mitigating risks, raising industry standards, and strengthening knowledge and awareness of sustainability-related themes, while fostering a value chain that upholds and protects workers' rights.

Affected Communities

Stepping forward on social responsibility is a key element of ESB's sustainability strategy. This means ensuring that ESB has a positive impact on the communities we serve. Throughout its long history, ESB has supported communities and programmes that enhance the economic and social fabric of Ireland, helping to bring light and energy to the people it serves, allowing individuals and communities to fulfil their potential.

Community Support

Throughout 2025, ESB invested over €2 million through its social programmes aimed at community support. This included almost €1 million from the Energy for Generations Fund⁹, €0.3 million via ElectricAid and a further €1 million via the Community Benefit Fund.

Community Benefit Fund

Along with joint venture partners, ESB has community benefit funds in place to encourage stronger interaction and engagement with communities neighbouring its sites in Ireland and Great Britain (GB). ESB's Community Benefit Fund makes €1 million available to communities neighbouring its wind farm and solar sites for the development of local infrastructure and services. ESB's intention is that its renewable investments will deliver long-term social, economic, and environmental benefits to the communities it serves.

⁹ In addition to the above, ESB provides financial support to the Business in the Community volunteering programmes ("Time to Read", "Time to Count", "Towards your Future" and "World of Work").

International Community Support

ESB is a proud corporate partner of the employee social justice fund ElectricAid, a registered charity established by employees of ESB in 1987. Today, ElectricAid has a membership of around 2,000 serving and retired employees, with donations matched by ESB on a 2:3 ratio to a ceiling of €300,000 annually. In 2025, ElectricAid provided almost €0.6 million in funding to 59 projects in 22 countries worldwide. Each project directly addressed one or more of the United Nations Sustainable Development Goals. In addition, €0.1 million in emergency funding was provided to UNICEF for humanitarian aid in Gaza and the Myanmar Emergency Appeal, and the Irish Red Cross for the Valencia floods. ElectricAid also funded €0.1m to strategic partners, including SeeBeyondBorders to support an education project in Cambodia. Total funding released in 2025 amounted to €0.8 million. Further information is available on the ElectricAid website www.electricaidcharity.ie.

Energy For Generations (EFG) Fund

In 2025, EFG, ESB's social giving fund, marked 20 years of making an impact in communities across Ireland. Since its establishment in 2005, it has provided €1 million annually in funding and supported 800 projects and initiatives, with a strong focus on suicide prevention and social inclusion through access to employment, access to education, and addressing homelessness.

In 2025, the fund supported 47 projects and maintained two key strategic partnerships: TrailblazHER, a TU Dublin initiative advancing gender equality in sectors where women are underrepresented, and the EPIC programme by Business in the Community (BITC) Ireland, which helps refugees and migrants access employment opportunities. Beyond financial support, ESB employees actively contributed to these partnerships by participating in mock interviews for EPIC students, hosting the EPIC annual graduation, engaging in the TrailblazHER MentorHER programme, and sponsoring the TU Dublin TrailblazHER Sustainability Award. Additionally, EFG provided Christmas funding to 24 charities including the Capuchin Day Centre, Barnardos, Depaul, Cork Penny Dinners, Focus Ireland, and ISPCC. Through these diverse initiatives, the fund continues to strengthen and build resilient communities across Ireland.

Energy for Generations Fund celebrates 20 years

Homelessness

€5.5 million

Supported 220 projects nationwide that focused on housing programmes and supporting people who experienced homelessness

Suicide Prevention

€8 million

Funded 320 projects providing mental health and crisis support services across Ireland with an overall aim in suicide prevention

Access to Education

€6.3 million

Enabled learning and development opportunities by supporting 250 projects that focused on education access for all

Access to Employment

€200,000

Created pathways to work through funding 10 projects/programmes that provided employment support

Employee Volunteering

Employees in ESB volunteer in many ways from committee membership of both the EFG Fund and ElectricAid, to getting involved in a variety of volunteering initiatives and organising fundraising events. ESB also partners with BITC in both primary and secondary schools throughout Ireland, enabling employees to volunteer in the Time to Read, Time to Count, Towards your Future and World of Work programmes. These programmes aim to improve literacy and numeracy skills in primary schools and prepare secondary school students for the world of work. In 2025, over 100 ESB employees volunteered almost 1,000 direct hours on these initiatives, supporting c.180 students nationwide.

ESB employees who volunteer over 20 hours with a registered charity can apply for €500 funding for their charity and an additional €250 for a second charity. This initiative encouraged employee volunteering efforts and ESB employee volunteers collectively gave over 4,300 hours to various organisations throughout Ireland during 2025. Also, as part of the EFG Fund 20-year anniversary, a Charity Champions draw took place in 2025 for ESB employees, resulting in nine charities successfully obtaining funding to a total of €20,000.

As a member of BITC, NIE Networks support local projects and partner with Disability Action, Autism NI, and the NOW Group, rolling out Just a Minute (JAM) training for frontline employees.

⁹ Salient human rights issues are defined in the Glossary on page 255.

Environmental Management Systems

ESB recognises that its activities — including electricity generation, transmission, distribution and supply — have the potential to impact the environment. The Group accepts responsibility for managing these activities in a way that ensures a high level of protection for the natural environment. ESB is committed to demonstrating leadership in environmental stewardship and strives to minimise the impact of its operations on surrounding ecosystems.

ESB complies with all applicable environmental laws and regulatory requirements. To support this, each business unit maintains Environmental Management Systems (EMS) certified to the ISO14001:2015 standard, ensuring environmental responsibilities are systematically managed and performance is continually improved. These systems provide the governance framework for

impact control, emissions reduction and pollution prevention, supported by robust compliance monitoring and reporting for all sites licensed by the Environmental Protection Agency (EPA), the Northern Ireland Environment Agency (NIEA) and local authorities. This structured approach underpins ESB's commitment to operating as a responsible, compliant and environmentally sustainable energy utility.

Environmental management responsibilities are led by Environment Teams, Managers and Specialists within each business unit, supported centrally by the Group Safety, Health and Environment (SHE) function and overseen by the SHE Leadership Team. Each business unit monitors key environmental performance indicators, including waste volumes and non-GHG emissions to air, land and water.

Environmental incidents and near misses are tracked and reviewed through Synergi Life, ESB's safety, health and environment platform. In 2025, new functionality was introduced enabling staff to log environmental Good Catches, further empowering employees to intervene proactively when they identify potential environmental risks.

There were 148 environmental incidents across ESB in 2025. All were classified minor Severity 1 and 2 incidents on the 5-point classification scale (1 being minor and 5 catastrophic). ESB operates 11 generating stations licensed by the EPA. The candidate site scores across all sites throughout 2025 were below trigger levels for EPA enforcement.

Access to Information on the Environment
ESB and ESB Networks DAC are separate public authorities under the European Communities (Access to Information on the Environment) Regulations 2014-2018 (the "AIE Regulations"). These regulations give members of the public the right to request environmental information held by or for ESB or ESB Networks DAC, promoting transparency and accountability. By providing access to information under AIE Regulations, ESB and ESB Networks DAC demonstrate their commitment to open communication and environmental responsibility, and in 2025 all ESB AIE requests were responded within the statutory timeframe.



People

'At ESB, we are proud to have just over 10,000 employees and 65 nationalities collaborating and working together. All are contributing and bringing their own unique blend of diverse skills, experience, and background. We know our people are at the heart of everything we do and are fundamental to our ongoing success. What sets us apart in the market are the values, high standards and behaviours we live every day. By investing in growth and supporting talent in a caring, inclusive, diverse, digitally enabled, and safe workplace, we strengthen our ability to be agile and adapt. And together we are building a brighter future for our employees, customers, and the communities we serve'.

Sinéad Kilkelly
Executive Director, People and Sustainability

People Strategy at ESB: Enable the culture and capability required for sustained performance, where everyone can make a difference to achieve net zero by 2040.

ESB's multigenerational and diverse workforce brings a rich mix of skills, perspectives and experience. ESB's People Strategy enables the organisation to attract, grow and retain the talent and capability essential for delivering its ambitious Net Zero by 2040 Strategy. The priorities and initiatives underpinning the key pillars of ESB's People Strategy continually evolve in response to changing business requirements, external influences, and employee feedback. Key areas of focus for 2025 across these pillars are outlined in this section.

Enabling Sustainable Transformation

At ESB, we believe our people are the drivers of meaningful transformation. By working collaboratively and putting people at the centre of decision making, and ensuring sustainability is a core principle, we empower our people to do great work in new and more sustainability led ways.

Scaling for Net Zero
As work accelerates towards achieving the ESB Net Zero by 2040 Strategy, transformation is essential. Every business unit in ESB is transforming and technology is a significant enabler of this transformation journey. During 2025, ESB continued to invest in building the digital capabilities of our people.

Following the initial launch of Microsoft Copilot in 2024, the focus shifted to adoption, skills and impact in 2025. All employees now have access to Copilot Webchat, enabling them to lighten their workload. To support safe and effective use, ESB's people completed over 1,300 hours of formal training in 2025, building confidence and digital capability across teams. As a result, thousands of employees are now active users of AI-enabled tools, applying them to everyday tasks such as drafting, summarising, analysing data and preparing customer-focused material.

In parallel, over 1,000 people are using Copilot for Microsoft 365, which integrates AI directly into workflows across Outlook, Teams and Office applications — enhancing collaboration and freeing time for higher-value work.

These developments demonstrate ESB's continued commitment to equipping its people with modern tools and skills, ensuring they can innovate, collaborate and deliver with pace in support of our purpose and net zero by 2040 ambition.

Capability, Leadership and Talent

People are at the heart of delivering a sustainable energy future. ESB is embedding a future-focused and resilient approach to workforce and organisational capability, ensuring its people have the skills, knowledge and confidence required to thrive in a rapidly evolving energy landscape. Through continued investment in critical and emerging capabilities, ESB enables every employee to contribute meaningfully to its ambition to achieve net zero by 2040.

Building Future Capability
ESB is committed to building future-ready capability across the organisation, enabling its people to grow, adapt and succeed as the business evolves. ESB's approach places strong emphasis on continuous learning and development, supported through initiatives such as the @MyDevelopment programme, leadership development pathways, and access to an award-winning internal mentoring and coaching programme. In 2025, ESB was recognised by the European Mentoring and Coaching Council (EMCC) with their highest honour, the Gold Award, and over 260 of our people availed of coaching and mentoring as part of their career development. Opportunities including innovation challenges, rotational assignments, and professional qualification funding further support skills and capability growth, equipping our people to play an active role in shaping Ireland's clean energy transition.

People (continued)

Leadership Development

Developing strong, values-led leadership remains a key priority as ESB continues to embed a people-centric culture across the organisation. In 2025, ESB continued delivering the 'Leading Through Our Values' programme, engaging with over 700 people managers over the last 12 months. Building on this momentum, the 'Leading Through Our Behaviours' programme will be delivered in 2026. This next step in leadership engagement and development will further strengthen behavioural leadership, reinforcing the role of leaders in creating an inclusive, high-performing and values-based organisation.

Planning Future Capability Needs

Looking ahead, anticipating trends, and preparing for future capability requirements has always been key to ESB success. In 2025, the People function led a project across business units focused on 'Future Capability', taking a 2040 future view on the capabilities needed to deliver ESB's net zero ambitions. The output from this project will inform long-term strategic workforce planning, ensuring the right capabilities are developed and deployed at the right time.

Building the Next Generation of Talent

ESB's Early Careers Strategy continues to strengthen the pipeline of emerging talent essential to future success. In 2025, ESB welcomed an increased number of students (78 from engineering and business backgrounds) onto its Graduate Programme, alongside more than 170 new apprentices to the ESB Networks' and NIE Networks' apprenticeship programmes. Year on year, gender diversity is a focus in the Craft Apprenticeship Campaign and female intake in ESB Networks has increased from a zero base to 26% over the last 10 years. Across the four years of its apprenticeship programme, ESB Networks currently have approximately 100 women in training. This progress has been driven by targeted attraction initiatives, inclusive recruitment practices, leadership development programmes, and early-career pipelines, all designed to broaden access to technical and operational career pathways. By inspiring and developing the next generation of Early Career talent particularly in Science, Technology, Engineering and Mathematics (STEM) and technical disciplines, ESB are building the skills and capabilities that will underpin Ireland's clean energy future.

Delivering Our People Promise

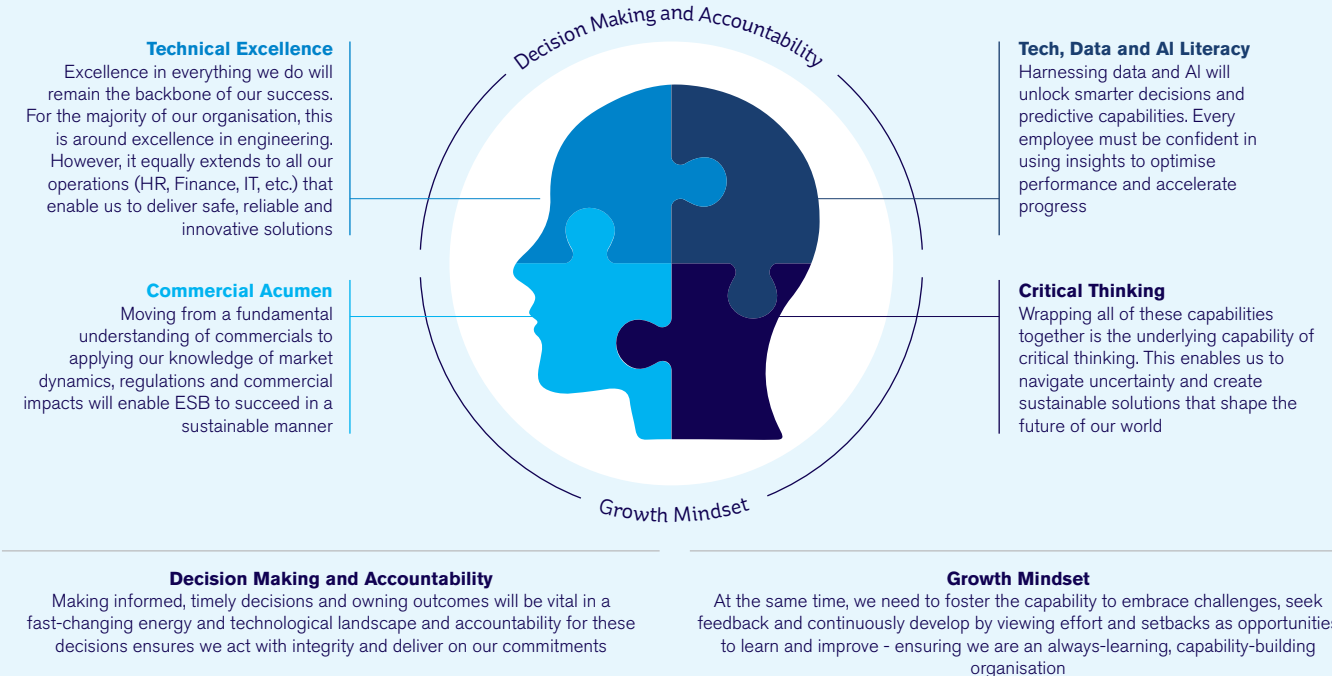
ESB is committed to fostering a workplace where all employees can thrive now and into the future. Our People Promise (ESB's employee value proposition) is more than a statement; it is a commitment made to every employee, made stronger by our values and behaviours. The promise demonstrates ESB's ongoing commitment to employees' wellbeing, professional growth, and sense of belonging.

Rewarding and Supporting People

ESB offers a competitive reward package, complemented by a comprehensive suite of benefits and supports. These include health and wellbeing initiatives, diversity and inclusion programmes, family supports, and flexible working arrangements. ESB recognises the value of in-person collaboration and actively encourages office attendance, while also maintaining a hybrid working model built on trust and business needs.

ESB is embarking on an ambitious strategy to decarbonise Ireland's electricity system by 2040 and it's clear that what got us here, won't get us there.

For ESB to succeed, there are a unique blend of future-ready capabilities all of our people will need to embrace, regardless of where they sit or the role they perform in the organisation.



'Our Behaviours' Framework



Investing in Growth and Opportunity

ESB believes in the power of continuous learning. Every employee is encouraged to invest in their own growth and professional development through the 'Your Career in Your Hands' Programme. This enduring commitment to upskilling and embracing modern technologies ensures that ESB's workforce is ready to meet the challenges and seize future opportunities.

Listening and Engaging

ESB cares deeply about what matters to its people. Through two-way engagement, focus groups, and the 'Our Voice' employee annual survey, ESB listens and acts on the feedback from its employees. This enhances the employee experience and brings 'Our People Promise' to life. In 2025, the ESB employee engagement score in the 'Our Voice' survey was 7.5/10. ESB remains committed to achieve the target score of 8/10 by 2030.

Highlights from the 2025 Our Voice Survey include:

- The 'Manager Support' metric achieved a notable score of 8.0/10, reflecting strong leadership driven by open and honest communications and leading with empathy. This result shows that employees across ESB have high levels of trust and confidence in their managers and feel supported in their roles.

- The 'Equality Score' measures commitment to inclusion, fairness and fostering a sense of belonging, this score rose to 8.3/10. This score was up from previous years and shows that employees across ESB increasingly feel that diversity, equity and inclusion is a priority and that they truly belong at ESB.

Employee Relations

ESB is proud to be an equal opportunity employer and respects each employee's right to join a trade union. ESB engages in collective bargaining with accredited trade unions through the ESB Group of Unions. ESB's internal grievance procedures include an Industrial Council, ensuring the fair and independent resolution of issues.

Delivering Pay Certainty

As part of its pay cycle, ESB reached a three-year pay agreement for approximately 6,200 employees, effective from 1 January 2025. The agreement provides pay stability and clarity for the ESB workforce over this period.

Giving Back Together

ESB supports the causes its employees care about, offering volunteering opportunities and matching charitable contributions to make a positive impact in communities. Refer to page 75 for further details.

Strengthening Culture and Behaviours

ESB recognises that an aligned and intentionally designed culture enables transformation, innovation, and high performance. The ESB refreshed Culture Strategy and 'Our Behaviours' Framework introduced in 2025 strengthens this alignment and supports everyone to play their part in delivering Net Zero by 2040.

Culture Framework - Embedding 'Our Behaviours'

ESB developed a culture framework to intentionally shape and strengthen its culture for the future and provide clear guidance on behaviours rooted in its core values. The 'Our Behaviour' framework highlights five key behaviours designed to reinforce ESB's four values, establishing expectations for how employees work together and serve customers and communities.

People (continued)

The 'Our Behaviours' framework was developed in 2025 and will be integrated into:

- Talent acquisition: ensuring new hires align with the 'Our Behaviours' framework
- Succession planning: developing future leaders who embody ESB's culture
- Learning and development: providing targeted growth opportunities
- Coaching and mentoring: supporting continuous improvement at every level
- Other HR processes

Measuring and Improving Culture

To monitor progress and drive improvement, ESB introduced an annual culture audit in 2025. This process analysed data from across the organisation as well as relevant external data. The process aimed to uncover:

- Best-practice 'behaviour-in-action' case studies for sharing
- The skills and capabilities which underpin these culture 'bright spots'
- Opportunities for improvement in order to mitigate cultural risks

Using data-driven insights gained, a plan-of-action is being put in place to augment how ESB activates its culture as a core strategic enabler of delivery, employee engagement and organisational effectiveness.

Strengthened Governance

Governance structures have been enhanced during the year to support cultural alignment. Improvements include:

- The diverse Culture Leadership Group meets quarterly to provide strategic oversight and share insights across business units
- A new operational Culture Core Team meets monthly to drive implementation and monitor progress on culture initiatives

Fostering Diversity, Equity and Inclusion (DEI)

Diversity, equity, and inclusion remained a strategic priority for ESB in 2025, underpinning the ambition to build a workforce that reflects the communities we serve and supports the organisation's Net Zero by 2040 Strategy. ESB recognises that a diverse and inclusive culture is essential for innovation, resilience, and sustainable progress.

Workforce Representation and Targets

ESB has clear and measurable targets for gender and disability representation. In 2025, women comprised 27% of the workforce, with a dedicated STEM Strategy Project Manager focused on advancing progress towards the 30% target for the Group by 2030. ESB are proud of the increase in women taking up Craft Apprenticeships in the networks businesses. Through dedicated

programmes and engagement with schools and the education system to encourage women to consider this career path, 26% of Craft Apprenticeship roles in ESB Networks are now held by women (from a base of 0% in 2016). In 2025, women represented 35% of senior management, 40% of the Executive Committee, and 42% of Board roles in ESB. ESB continues to exceed the public sector disability target, with 5.7% of employees self-identifying as having a disability.

Gender Pay Gap (GPG)

The mean GPG in 2025 was 12.2%, an increase of 1.2 percentage points compared to 2024. Excluding overtime and role-specific allowances, the gap narrowed to 2.7%, a 0.3 percentage point improvement. The primary driver remains lower female representation in STEM roles, which attract more overtime and allowances. The impact of Storm Éowyn, which led to an increase in overtime (and 98% of Network Technician roles are held by men), contributed to the increase.

GPG Reporting

	Republic of Ireland (including overtime) ¹		Republic of Ireland (excluding overtime) ¹		NIE Networks ²		So Energy ³	
	2025	2024	2025	2024	2025	2024	2025	2024
Mean GPG	12.2%	11.0%	2.7%	3.0%	1.8%	6.2%	15.7%	14.5%
Median GPG	11.5%	10.6%	0.9%	0.3%	-1.3%	1.2%	10.4%	0.3%

- 1 Reflects the requirements of Irish Gender Pay Gap Information Act, 2021 (and covers the 12-month reporting period ending 30 June). ESB's GPG report in full can be found on ESB's website.
- 2 While UK GPG requirements have been in place since 2017, there is currently no legal requirement in Northern Ireland to report on this. Calculations are based on full pay relevant employees as at the pay period that includes the snapshot date of 5 April. In addition to the above, the mean bonus GPG is -10.7% (2024: 11.4%) and median bonus GPG is -40.8% (2024: -7.1%).
- 3 Reflects the requirements of The Equality Action (Gender Pay Gap Information) Regulations 2017 (and covers the pay period that includes the snapshot date of 5 April). In addition to the above, the mean bonus GPG is 20.2% (2024: 22%) and median bonus GPG is 18.8% (2024: 16%).

Note: GPG reporting for ESB's other UK employees (i.e. excluding NIE Networks and So Energy) is not currently completed as ESB does not meet the 250 employee threshold on the snapshot date.

Key DEI Initiatives

ESB's DEI Strategy encompasses a wide range of initiatives, including targeted career development, inclusive recruitment, and ongoing monitoring of pay equity:

- The 'Pathways to Success' programme continued to support women's career development, welcoming over 120 participants in 2025 and achieving a 99% Net Promoter Score. This initiative, designed by women for women, equips participants with the tools for long-term career success at ESB.
- Recruitment policies were reviewed and partnerships strengthened with organisations including Open Doors, Business in the Community, AsIAM, AHEAD, Back to Work Connect, Way2Work, and the Irish Traveller Movement. These partnerships ensure that ESB's talent pipelines are open and accessible to all, supporting broader workforce diversity.
- The partnership with AHEAD's Willing Able Mentoring (WAM) programme has placed over 180 graduates with disabilities since 2006. In 2025, ESB received the Disability Inclusion Award at the Diversity in Tech Awards and the WAM Leader Award from AHEAD. Employees with disabilities were offered Copilot 365 licences as assistive technology, Disability Awareness training was delivered to customer-facing staff, and Irish Sign Language (ISL) training (QQI Level 3) was launched.

Recognition and Accreditation

In 2025, ESB achieved Silver Accreditation from the Irish Centre for Diversity. This accreditation affirms that ESB has embedded inclusive practices and a culture of fairness and belonging. The 2025 'Equality Score' (measures commitment to inclusion, fairness and belonging) from ESB's annual employee engagement survey increased to 8.3, up from previous years. This upward trend shows that employees across ESB increasingly feel that DEI is a priority and that they truly belong at ESB.

Other reporting – 2025 ESB Group Employee Composition

	Number	%
Total ESB Employees as at 31 December 2025 ¹	10,126	
Employees by Gender ²		
- Male	7,387	73%
- Female	2,739	27%
Employees by Geographical Area		
- Ireland	7,805	77%
- UK (including NI)	2,277	23%
- Other	44	-
Employee Turnover ³	594	6%
Senior Management Female ⁴	124	35%
Employees with Disabilities ⁵		6%

- 1 Employee data is reported based on ESB Group headcount as at 31 December 2025, as recorded in the HR systems. The figures above refer to ESB employees only.
- 2 ESB is reporting employee gender for each group of 'male' and 'female' as recorded on its HR systems.
- 3 The percentage of employee turnover is calculated as the number of employees who have left ESB during the reporting period (due to resignation, dismissal, death, ill health, normal retirement, completion of contract or career break), divided by the actual number of employees as at 31 December 2025.
- 4 Senior Management female percentage is calculated by including all female employees in ESB's senior management as at 31 December 2025. Senior Management includes all roles in ESB classed as senior management excluding the executive team.
- 5 Figure is rounded from 5.7% and represents the Republic of Ireland staff only based on the Republic of Ireland headcount as at 31 December 2024. Statutory returns for year end 2025, in line with Part 5 of the Disability Act, 2005, will be submitted to the National Disability Authority and published on their website in due course. In addition, employees with a disability in So Energy account for 7% of their workforce based on employees who have self-identified as having a disability as at 5 April 2025. No data is available for NIE Networks.

- ESB's four Employee Resource Groups (Accessibility, Cultural Diversity and Ethnicity, Gender, and LGBT+) continued to provide safe spaces, represent employee voices, and inform DEI strategy. These voluntary, employee-led groups play a vital role in fostering inclusion, facilitating awareness training, marking key dates, and providing input to ESB's DEI Strategy.

Looking Ahead

ESB is committed to advancing DEI through strategic action and continuous improvement. Priorities for 2026 include expanding inclusive leadership programmes, further embedding accessibility, and progressing gender and disability targets. ESB is building a workplace for future generations, where everyone can thrive and contribute to a sustainable future.



Safety, Health and Wellbeing

“At ESB, safety, health and wellbeing is at the heart of everything we do – we work together with an unwavering commitment to protect and care for our people, customers, the public and our future”.

ESB's Safety, Health and Wellbeing Vision

Overview

ESB places safety, health and wellbeing at the heart of everything it does. The Board, management and employees are committed to protecting and caring for its people (employees and contractors), customers and the public.

During 2025, ESB developed and approved a new five-year Safety, Health and Wellbeing Strategy reflecting the organisation's values and strategic intent. The strategy recognises safety is a shared responsibility and a fundamental part of ESB's culture. By placing safety, health and wellbeing at the centre of operations, ESB aims to create a sustainable, inclusive and resilient workplace where people thrive, and risks are actively managed. ESB is committed to leading with care, acting with integrity, and continuously improving - safeguarding today's workforce and future generations.

Safety, Health and Wellbeing - 5Cs

To support ESB's transformation and its Net Zero by 2040 Strategy, the Safety, Health and Wellbeing Strategy 2026–2030 is anchored in five strategic priorities or the 5Cs. These priorities form the foundation for a safe, healthy, and wellbeing-focused organisation and align with ESB's behavioural competencies, within its broader career and competencies framework. These are:

- **Compliance** ensures ESB identifies all relevant safety, health and wellbeing laws, regulations, licences and codes, and that its employees and contractors meet these obligations to safeguard its people and the communities we serve.
- **Competence** focuses on providing the training, knowledge and experience required to perform tasks safely and effectively.

- **Commitment** reflects the dedication of leaders and individuals to prioritise safety, driving accountability and continuous improvement.
- **Collaboration** encourages open communication and teamwork across the organisation, fostering shared responsibility for wellbeing.
- **Culture** underpins the entire strategy, embedding safety, health and wellbeing into everyday behaviours and decision-making, creating a workplace where people feel valued, protected, and empowered.

Culture at the Core: Safe and Sound/ Safer Together

ESB's Safety, Health and Wellbeing Strategy is grounded in the belief that culture drives performance. The success of the strategy depends on continuing the transformation begun with the Safe and Sound and the Safer Together culture transformation programmes in ESB and NIE Networks respectively. These programmes provide the cultural framework needed to deliver the strategy's vision.

In 2025, employees across ESB participated in leadership and culture development programmes. The Safety Culture team developed safety engagement training modules, to support employees and contractors and promote positive safety behaviours on site. In NIE Networks, Safety, Culture and Leadership Coaches strengthened internal capability to ensure a sustained cultural journey, supporting leadership teams and building on existing foundations.

Managing Key Safety Risks

ESB manages safety, health and wellbeing risks through the Three Lines model, which distinguishes between those who own and manage risks, those who provide oversight and specialist guidance, and those who deliver independent assurance. ESB operates seven cross company Centres of Competence that promote shared learning, engage with internal and external stakeholders, identify emerging risks and support each business unit in managing key risks. The Centres of Competence are Health and Wellbeing, Contractor Safety, Human Factors, Fire Safety, Process Safety, Road Safety and Public Safety.

Health and Wellbeing

ESB's Health and Wellbeing Programme continues to deliver value by supporting employees, reducing organisational risk, and strengthening ESB's reputation as a responsible and caring employer.

ESB's dedicated in-house Occupational Health Services team provides specialist guidance, and health surveillance is key in supporting employee wellbeing. ESB employees benefit from cardiovascular screening, flu vaccinations, and bowel screening initiatives, to promote early detection and overall wellbeing. In 2025, ESB launched a Menopause Support Programme, including Menopause Cafes, and delivered a week-long calendar of events focused on men's health.

The Employee Assistance Programme (EAP) offers confidential counselling and support 24/7 to look after mental health. ESB's EAP team are trained Critical Incident Stress Management practitioners and provide systematic crisis intervention

for individuals affected by traumatic events. It aims to reduce stress and prevent long-term mental health impacts. ESB also has 430 trained Mental Health First Aiders nationwide, ensuring accessible support for all employees and encouraging open conversations about mental health.

High engagement and wellbeing scores in the 2025 'Our Voice' staff survey reflect the positive impact of these programmes.

Road Safety

ESB is committed to road safety and believes all road deaths and serious injuries are preventable. Its aim is to lead by example and be recognised for safe, responsible driving. The new Road Safety Strategy 2026–2030 sets out short, medium, and long-term objectives, delivered through risk-based plans and targeted programmes focused on reducing risk and driving continuous improvement.

Public Safety

During 2025, ESB Networks developed its new Public Safety Strategy 2026–2030, outlining a comprehensive roadmap to protect the public and those who interact with the electricity network and ESB infrastructure. The strategy sets clear, measurable actions to enhance public safety awareness, education, and engagement, and emphasises collaboration with communities, emergency services, local authorities, its framework partners, third party contractors, and other stakeholders to embed safety across ESB Networks' operations.

NIE Networks advanced its Public Safety Programme under the theme 'Look Up, Look Out' during 2025, delivering targeted safety messaging across all age groups with a focus on agriculture, DIY, and contractor activities. A key priority was raising awareness among operators of mobile elevated platforms and lorry-mounted cranes working near overhead electricity networks. NIE Networks' Safety Liaison Officer worked directly with equipment hire companies to promote safe practices. The organisation also continued its longstanding support for local councils through its BeeSafe event and KidzSafe programmes for school-aged children.

There was one fatality in 2025 involving a member of the public and the electricity networks maintained by ESB Networks and NIE Networks. There were 15 incidents of contact with the network by members of the public that resulted in electric shock, four of which required hospital treatment. Both organisations delivered public safety campaigns across TV, radio, social media, print, and digital advertising to raise awareness of hazards such as fallen power lines, construction near overhead cables, and safe practices during storms. Through proactive engagement, ESB reduces the risk of injury and fatalities, meets regulatory obligations and reinforces its commitment to protecting lives and supporting a safer, more resilient society.

Safety Management Systems

ESB's business units maintained their Safety Management System certification to the ISO45001 international standard in 2025, reflecting ESB's commitment to the highest standards of occupational health and safety management. It provides a structured framework to identify, manage, and reduce workplace risks, ensuring the safety, health and wellbeing of ESB's people.

ESB introduced Synergi Life, a comprehensive environment, health and safety software platform designed to help organisations manage incidents, risks, audits, and quality processes through integrated reporting, analysis, and continuous improvement tools. The platform strengthens ESB's ability to systematically manage safety risks, incidents, and audits.

Safety Performance in 2025

ESB uses the following leading Key Performance Indicators (KPIs) to track safety performance:

- 1. Good Catch Reporting:**
A Good Catch is where an employee or contractor intervenes when they notice an unsafe act or unsafe condition. This helps to prevent a safety incident from occurring. 11,423 Good Catches were reported across the organisation during 2025 (target of 11,400).
- 2. P1 Investigation Closure:**
A P1 incident is an incident which has the potential to cause life changing injuries. ESB categorises all incidents and near misses with a particular focus on high potential incidents that could lead to more serious outcomes. All P1 incidents are thoroughly investigated to extract learnings for the organisation. The P1 investigation closure KPI reports on the on-time completion of investigations. This KPI target was exceeded at the end of 2025 achieving an average of 82% on-time closure rate per month.
- 3. P1 Action Closure:**
When a P1 incident is investigated the findings often result in corrective actions. This KPI tracks the timely completion of all actions associated with P1 incidents. The on-time P1 action closure target of 80% was exceeded in 2025, achieving an average of 86% closure rate per month.
- 4. Senior Management Leadership Activities:**
All senior managers in ESB are expected to demonstrate their safety leadership by conducting leadership activities each month. This KPI tracks completion of these activities. The average completion rate was 79% against a target of 80%.
- 5. Audit Non-Conformity Closure:**
ESB is certified to externally accredited Safety Management Systems (SMS). Non-conformities associated with external audits of these SMS are tracked for on-time completion. All actions were completed on time in 2025 and ESB was recommended for continued accreditation to the International ISO45001 standard by its independent external auditors.

Employee Lost Time Injuries (LTIs) during 2025 are reported in Key Performance Indicators (KPIs) on page 55.

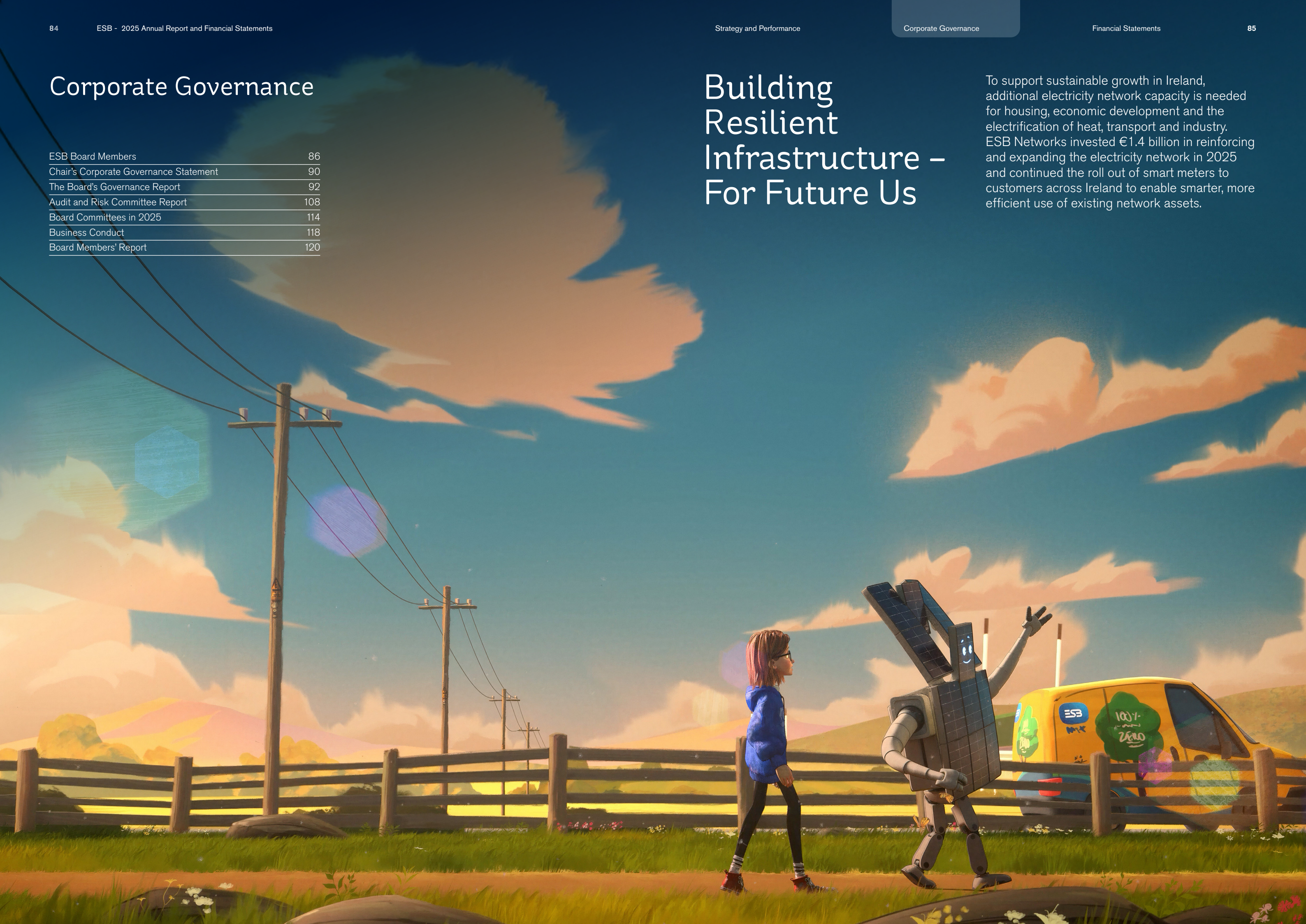


Corporate Governance

ESB Board Members	86
Chair's Corporate Governance Statement	90
The Board's Governance Report	92
Audit and Risk Committee Report	108
Board Committees in 2025	114
Business Conduct	118
Board Members' Report	120

Building Resilient Infrastructure – For Future Us

To support sustainable growth in Ireland, additional electricity network capacity is needed for housing, economic development and the electrification of heat, transport and industry. ESB Networks invested €1.4 billion in reinforcing and expanding the electricity network in 2025 and continued the roll out of smart meters to customers across Ireland to enable smarter, more efficient use of existing network assets.



ESB Board Members

Board members as at 31 December 2025



Terence O'Rourke
Chair

Appointment to the Board
10 November 2020 as Board member and Chair, re-appointed for a second three-year term in November 2025.

Tenure
5 years and 2 months.

Career experience
A Fellow and past President (2004-2005) of Chartered Accountants Ireland. Joined KPMG in 1975, became an audit partner in 1988 and was elected Managing Partner in 2006. A member of KPMG's Global Board, Global Executive Team, and EMA Board, from 2007 to 2013. Has a wide breadth of business skills with high-level experience in commercial, finance, decision making and strategy development roles, working with clients in Ireland and abroad. Former Chair of Enterprise Ireland. Dublin City University (DCU) conferred Terence with the award of Doctor of Philosophy (Honoris Causa) in October 2023, acknowledging his contribution to Irish business, education, the arts, and public services.

External appointments
Currently Chair of RTÉ, Kinsale Capital Management, and Ballymore (Ireland). Led the Arts Council 2014 Strategic Review Group and is and has been involved in several charity and cultural boards. A Patron of Chapter Zero Ireland, a community of non-executive directors that lead Irish boardroom discussions on the impacts of climate change.



Paddy Hayes
Chief Executive

Appointment to the Board
8 March 2022.

Tenure
3 years and 10 months.

Career experience
Appointed Chief Executive in August 2021. Before this, held the position of Managing Director, ESB Networks from 2018 and Executive Director, Generation and Wholesale Markets from 2012 to 2018. Holds a Masters of Engineering from University College Dublin (UCD), a Masters of Business Administration from the University of Warwick and is a Fellow of the Institute of Engineers of Ireland. Worked in the steel industry in the UK before moving to the energy sector in 1999 to lead the Synergen joint venture between ESB and Statoil.

External appointments
Member of the Board of Directors of the Electric Power Research Institute in the US. Chair of the Open Doors Initiative.



Michael Barry
Independent Board Member

Appointment to the Board
4 January 2023.

Tenure
3 years.

Career experience
A Chartered Accountant, who trained with PwC, a University College Cork (UCC) commerce graduate and a Chartered Director. Chief Financial Officer of Bord na Móna plc from 2006 to 2019 and was also Interim Managing Director of the Company in 2017/2018. Prior to that, Michael held several senior financial positions in Ireland, the UK and the US in a range of industries including pharmaceuticals, medical devices, property development and hospitality.

External appointments
A member of the National Paediatric Hospital Development Board since February 2021.



Audit and Risk Committee
Page 108



Customer, Innovation and Brand Committee
Page 114



Safety, Sustainability and Culture Committee
Page 115



Remuneration and Management Development Committee
Page 116



Finance and Investment Committee
Page 117



Committee Chair



Aisling Curtis
Independent Board Member

Appointment to the Board
25 April 2023.

Tenure
2 years and 8 months.

Career experience
More than 20 years' experience in the telecommunications and technology sectors including global, regional, and Irish market roles. Formerly held roles as Microsoft Strategy and Sustainability Director, Global Partner Solutions Director, and Commercial Director. Currently Market Leader for PwC's Strategic Alliances. Holds a Masters of Business Economics from UCC, studied at the Insead Data and Artificial Intelligence School and is a graduate of the Cambridge University Sustainability Leadership 2022 Programme. Previously held non-executive roles in the UK, Netherlands, South Africa and also sat on the National Maternity Hospital Foundation Board and held an advisory role on the IMI Council.

External appointments
Current Board member of The Shannon Airport Group. Serves on the 30% Club Technology Steering Group.



Annette Flynn
Senior Independent Board Member

Appointment to the Board
25 April 2023.

Tenure
2 years and 8 months.

Career experience
An executive career spanning Kerry Group plc and UDG Healthcare plc over 25 years across various roles as Executive Managing Director, Corporate and Strategy Development Officer and Financial Controller in Ireland, the UK, Europe, and the US. Annette is a Fellow of the Association of Chartered Certified Accountants, holds a Bachelor of Commerce from UCC, is a qualified Chartered Director and holds two professional diplomas in business and executive coaching from Smurfit Business School. Was Executive Director to the Board of UDG Healthcare plc from 2004 to 2011. Subsequently held several non-executive directorships with UDG Healthcare plc, Grafton Group plc, Irish Life, Aryzta AG, The Irish Times DAC and Dairygold Co-Operative Society Ltd (a position held until 31 December 2025).

External appointments
Currently CEO of Highfliier Executive Coaching, focusing on c-suite clients.



Pat Gaynor
Independent Board Member

Appointment to the Board
14 December 2024.

Tenure
1 year and 1 month.

Career experience
Managing Director, Corporate Banking at Bank of Ireland, until November 2020. A recognised senior leader and influencer in banking and financial services with over 40 years' experience across retail banking, credit risk, business and corporate banking, both domestically and internationally and across all sectors. Pat is a Fellow of the Chartered Association of Certified Accountants and the Institute of Bankers and a 2017 graduate of Harvard Business School's Advanced Management Programme.

External appointments
Non-Executive Director of Dairygold Co-Operative Society Ltd, Dunport Capital's Recovery and Growth Fund and Abbey Group. Pat is also a Trustee of the Bank of Ireland Staff Pension Fund and acts as advisor to the boards of several Irish private companies.

ESB Board Members (continued)



SS&C

Karen Halpenny
Worker Board Member

Appointment to the Board

1 January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
3 years.

Career experience

Worked in ESB International since 2001, primarily in the overhead line development area. Currently President of the Energy Services Union (but remains an employee of ESB and arrangements continue to be in accordance with the Worker Participation (State Enterprises) Acts, 1977 and 1988). Holds a Bachelor of Arts (Honours) Degree in HRM Strategy and Practice from the National College of Ireland (NCI) and a Higher Advanced Diploma in Applied Employment Law from King's Inn School of Law. Holds a Certificate in Management and Industrial Relations from NCI, a Certificate in Health and Safety from UCD and a Certificate in Mediation from the Mediators Institute of Ireland.

External appointments

Current President of the Energy Services Union (ESU) of Ireland, ESU representative on the Group of Unions forum and ESU representative on the Irish Congress of Trade Unions (ICTU) Health and Safety Committee. Trustee of Electric Aid, ESB's staff charity, and Secretary of the National Worker Director Group.



CI&B

Owen Kilmurray
Worker Board Member

Appointment to the Board

1 January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
3 years.

Career experience

Joined ESB in March 1982. Worked as a general worker, charge hand linesman, electrician and as a Networks Technician in ESB Networks for over 40 years.

External appointments

Active member of the ESB Group of Unions. Vice Chair of the SIPTU Energy Branch Committee, member of SIPTU's Transport, Energy, Aviation and Construction (TEAC) Committee and Treasurer of the National Worker Directors of Ireland.



SS&C CI&B

Jim Meade
Independent Board Member

Appointment to the Board

14 December 2024.

Tenure
1 year and 1 month.

Career experience

Former Chief Executive Officer of Iarnród Éireann having joined the company as an apprentice fitter in 1979. Appointed Director of Operations in 2013 and held the position of Chief Executive Officer from 2018 until retirement in October 2025. Former Chair of the Board of CIRO (Chartered Institute of Railway Operators).

External appointments

Chair of the National Apprentice Alliance and a Director of SOLAS Board. Irish Ambassador to UITP (Union Internationale des Transports Publics), the International Association of Public Transport. Board member of UITP Policy Board.

A&RC

Audit and Risk Committee
Page 108

CI&B

Customer, Innovation and Brand Committee
Page 114

SS&C

Safety, Sustainability and Culture Committee
Page 115

R&MD

Remuneration and Management Development Committee
Page 116

F&I

Finance and Investment Committee
Page 117

Committee Chair



F&I

Gráinne O'Shea
Worker Board Member

Appointment to the Board

1 January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
3 years.

Career experience

Joined ESB as a graduate engineer in 1989. Holds a primary degree and Masters of Engineering from Trinity College Dublin and DCU respectively and a Diploma in Asset Management from the Institute of Asset Management as well as a certificate and Diploma in Company Direction from the Institute of Directors. A Chartered Engineer (Engineers Ireland), Gráinne has worked in ESB Networks, Power Generation and Supply. Currently Business Strategy Manager for ESB Networks. Past Chair of the networks sub-branch of the Energy Sector Professionals Association. Previously director of ESB Fullabrook Wind Farm and Derrybrien Wind Farm (2012-2016).

External appointments

Irish representative on the General Assembly and on the Strategic Advisory Group of the EU Distribution System Operator Entity (E.DSO). Vice Chair of the Eurelectric Working Group on Regulation and Network Customers and a member of the Distribution and Market Facilitation Committee. Member of the E.DSO Policy and Regulation Committee and Chair of the Energy Skills Gap Taskforce. Member of the Electricity Association of Ireland Policy Committee.



SS&C CI&B

Dr Sara Venning
Independent Board Member

Appointment to the Board

14 December 2021.

Tenure
4 years and 1 month.

Career experience

CEO and Board member of Northern Ireland Water since 2010. Experience in regulated utility management, driving delivery in customer service and efficiency. Holds a Masters of Engineering in Electrical and Electronic Engineering from Queen's University, Belfast and received an honorary degree from the University in 2023. Energy networks experience gained working with NIE Networks from 1996–2010. A Fellow of the Institution of Civil Engineers.

External appointments

President of the WaterAid Northern Ireland Committee.



CI&B

Trevor Walsh
Worker Board Member

Appointment to the Board

1 January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
3 years.

Career experience

Technical Service Supervisor in ESB Networks. Previous roles include System Manager, Customer Service Supervisor, Training Officer, and Network Technician. Began his career as an apprentice electrician and has accumulated over 20 years' experience within ESB.

External appointments

Chair of the ESB Connect Technical Supervisor Branch. A representative in the ESB Group of Unions. Connect representative at the Irish Congress of Trade Unions and a member of the National Worker Director Group.

Chair’s Corporate Governance Statement



Terence O’Rourke
Chair

As Chair of the Board, it is my responsibility to ensure that ESB has sound governance and an effective Board, promoting business integrity, transparency, and accountability. The Board's role is to provide objective oversight and strategic guidance, challenging executive thinking constructively, and safeguarding the interests of the stockholders and other key stakeholders. The management team is responsible for the executive leadership and day to day running of the business to deliver on ESB's Net Zero by 2040 Strategy.

The Board's focus remains on ensuring that key decisions, including as regards strategy, sustainability, and financial matters, contribute to long-term value creation. The Board aims to strike an appropriate balance between oversight of strategy, business performance and governance matters in its workplan. The Board dedicated significant time during the year to monitoring the Group's strategy implementation and to overseeing the ongoing review of the strategy, led by the Chief Executive, to ensure that its ambition remains appropriate, deliverable and affordable. We have worked also to refine and improve the Board's approach to major decision-making through updates to delegations of authority to management, adoption of consent-based agendas and bi-annual reviews of board decisions and their outcomes in the context of delivering ESB's strategic objectives.

Governance Standards

ESB's governance structures are designed to comply with the relevant governance codes as set out in the Board's Governance Report. Following an in-depth assessment by the Audit and Risk Committee in 2024, the Board adopted the Irish Corporate Governance Code 2024 from 1 January 2025 on a voluntary basis (ESB sought to comply, on a voluntary basis, with the UK Corporate

Governance Code prior to this). In this way, ESB adheres, insofar as relevant, to listed company governance standards and appropriate measures have been put in place to comply with these standards.

Reports on compliance with relevant governance standards are made annually to the Audit and Risk Committee and the Remuneration and Management Development Committee as appropriate. The Board is satisfied that ESB has complied, where appropriate, with the requirements of the Code of Practice for the Governance of State Bodies, 2016 as amended (the State Code) and a report is issued annually to the Minister for Climate, Energy and the Environment (the Minister), which confirms such compliance. Confirmation is provided to the Minister where certain aspects of the State Code are not easily enforceable in respect of strategic alliances, joint ventures or other shareholding arrangements with shareholders other than other State entities.

The Board is satisfied that appropriate steps have been undertaken to ensure ESB's Irish subsidiaries' compliance with the applicable requirements of the Companies Act, 2014.

A detailed description of our governance framework is set out on pages 92 to 107.

Board Effectiveness

The Board strives to continually improve its performance and effectiveness. A formal internal evaluation is carried out annually, and every third year an independent external evaluation is carried out (last took place in 2024). The 2025 internal evaluation confirmed that the Board is continuing to operate effectively. Further detail on the process adopted, the key findings and an update on the recommendations from the last external evaluation are set out on page 101.

The Board and its Committees

The Board Committees play a central role in governance. The Chair reviews Committee membership from time to time to balance continuity, gender and fresh perspectives, and with a view to succession planning for Committee chair roles. Each Board Committee has an annual workplan, setting out their priorities for the year ahead and to support them with their oversight responsibilities.

Regular updates are provided on progress against the agreed workplan with quarterly updates provided for the Audit and Risk Committee and the Finance and Investment Committee and bi-annual reports provided for all other Board Committees via the Board's portal. Committee Chairs report to the Board on the performance of Committees against the workplan and on their effectiveness in delivering on their mandate as set out in their Terms of Reference. The Board retains ultimate responsibility for the decisions, performance and outcomes of its Committees. Details of the Committees and their activities during the year are set out on pages 108 to 117.

Board Diversity and Succession Planning

The Board's Inclusion and Diversity Policy (available on ESB's website) promotes an inclusive and diverse Board, and an annual review highlighted ongoing efforts to embed inclusion, equity and diversity through maintaining better balance on the Board, in the structures and ways of working it has adopted and in the engagements it has supported.

In advising the Minister on the role specification for new Board members and Board succession plans, inclusion and diversity in all its aspects is emphasised having regard to the Annex to the State Code "Gender Balance, Diversity and Inclusion". ESB is committed, subject to the Ministerial stockholders' support, to having no less than 40% female representation on the Board. As outlined on page 100, at 31 December 2025 the Board had five (2024: five) female and seven (2024: seven) male members. The Board is also conscious of the importance of addressing future skills requirements as part of its succession planning.

Internal Control and Risk Management Systems

ESB's approach to risk is set out in the Risk Report on pages 23 to 32. The work of a GRC (Governance, Risk, Compliance) Strategic Initiative continued in 2025 with the aim of further strengthening and streamlining risk management and internal control processes. During the year, a Group Policy on Compliance was published. This, together with the Risk Management Framework and Internal Control Framework Policy, are key policies which underpin the systems of risk management and internal control across the organisation.

Employee Engagement

The Board is informed of the views of colleagues through reviews of regular employee surveys (ESB's "Our Voice" survey and NIE Networks' staff survey), site visits and updates on investment in systems, talent and people capability. The Board is fortunate to have four elected Worker Board Members who share colleagues' views and perspectives in Board discussions. The Board has an active employee engagement plan in place.

Board members were pleased to be able to meet face to face with people from across the business during 2025. The Board's understanding of the generation business was enhanced by site visits to Aghada and Carrington power stations and to the ESB Renewables Operation Centre, which operates and monitors a range of technologies including wind, batteries, synchronous compensation, fast start fired turbines and solar PV arrays. Board members also met with colleagues from Customer Solutions at a business breakfast in Electric Ireland's offices to discuss the role of Customer Solutions in supporting and empowering existing and new customers. Additionally, the Board visited the ESB Networks Depot in Garrycastle, Athlone where the focus was on technology and innovation while the Safety, Sustainability and Culture Committee visited ESB Networks' Broomhill Road Headquarters in Dublin, gaining first-hand insight into fleet management, safety and sustainability. The Board also met with ESB apprentices from ESB Networks and Generation Trading during the year to learn more about the apprenticeship structure and training approach.

Through these interactions, the Board had the opportunity to see employees live ESB's values and were also able to gauge employees' engagement with the Net Zero by 2040 Strategy and their role in driving delivery. Refer to the Engagement with Stakeholders section of the Board's Governance Report on page 92 for further details.

Culture

Recognising the importance of culture as an enabler of ESB's strategy, the Board acknowledges the need to be intentional and set clear direction about

the behaviours of its people. The Board is provided with up-to-date insights in this area by the Executive Director, Group People and Sustainability and the Chief Executive, and has access to external expertise as appropriate. The Board (via the relevant Committees) continues to monitor progress in areas such as ethics and compliance, safety, customers and reputation, employee engagement, diversity, equity and inclusion, and people and performance. The Board also considers staff engagement scores, and the insights provided from this together with feedback from employee engagement sessions. In 2025, the Safety, Sustainability and Culture Committee considered ESB's revised and updated Culture Strategy. ESB's Behaviours Framework identifies five cultural priority behaviours, grounded in ESB's values, and an activation plan to bring the cultural priorities to life is being implemented. The focus going forward will be on embedding behavioural standards across policies, processes, systems and practices. Group Internal Audit also include a culture audit as a regular component in their audit work and report their findings to the Board via the Audit and Risk Committee.

Stakeholder Engagement

Stakeholder engagement remains a priority for the Board in the context of the transformational changes required to deliver ESB's strategy. The Board places a high level of priority on effective communications with stockholders and recognises the mutual benefits of engagement to foster understanding of ESB's strategy. During the year, the Secretary General of the Department of Climate, Energy and the Environment attended a segment of a Board strategy session to discuss perspectives on Irish energy policy and the programme for Government priorities. I was also delighted to welcome stockholder representatives to the AGM in April. The Board also met with Darragh O'Brien TD, Minister for Climate, Energy and the Environment during the year for a wide-ranging and engaging discussion on energy policy and infrastructure delivery priorities. These meetings provide opportunities to engage with stockholders on the contribution ESB is making and will continue to make to the energy transition.

We also seek other stakeholder views so that we can make better informed decisions. During 2025, the Board was updated on management's stakeholder engagement plan and was pleased to see management continue to engage proactively with stakeholders to identify the issues which are material to them, to raise awareness about ESB's issues, challenges, and priorities, and to maintain strong stakeholder support for ESB's Net Zero by 2040 Strategy.

ESG Reporting

As a statutory body, ESB is not subject to the disclosure requirements prescribed in the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations, 2017 as amended. However, ESB discloses a wide range of non-financial information, which is designed to be of use and relevance to the readers of the Annual Report. See table on page 4 for details.

ESB is committed to enhancing its sustainability capability, including developing and embedding sustainability reporting within the organisation. ESB is preparing for reporting, on a voluntary basis, under CSRD. During 2025, in light of changes in CSRD requirements, the Audit and Risk Committee approved a pathway toward full CSRD compliance for the financial year 2027. In the interim, work will continue in developing a sustainability reporting framework and implementing and maturing key sustainability processes and procedures within the business. ESB will publish a comprehensive standalone sustainability report for 2025 and 2026, with a full CSRD compliant Annual Report in 2027.

Conclusion

In the following pages, we outline in detail how the Board and its Committees have fulfilled their responsibilities during the year to ensure that robust governance practices are embedded in ESB.

Terence O’Rourke
Chair
27 February 2026

The Board’s Governance Report

Principles of Governance

ESB, in pursuit of its governance objectives, complies with the Code of Practice for the Governance of State Bodies, 2016 as amended (the State Code) together with additional arrangements agreed with the Department of Climate, Energy and the Environment in 2017, and, for 2025 and insofar as is reasonably applicable, with the Irish Corporate Governance Code 2024 (the Irish Code). As a statutory corporation established under the Electricity (Supply) Act, 1927 it was not obliged to comply with the Irish Code but did so on a voluntary

basis. Explanations for any exceptions are set out in the table on page 102. Prior to 1 January 2025, ESB sought to comply (on a voluntary basis) with the UK Corporate Governance Code. A copy of the Irish Code is available at www.euronext.com. A copy of the State Code can be found on the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation website (www.per.gov.ie.) ESB also complies with the Corporate Governance Guidelines and other obligations imposed by the Ethics in Public Office Act, 1995, the Standards in Public Office Act, 2001 and the Regulation of Lobbying Act, 2015.

The Irish Code sets out five key principles of governance: (1) Board Leadership and Company Purpose, (2) Division of Responsibilities, (3) Composition, Succession and Evaluation, (4) Audit, Risk and Internal Control and (5) Remuneration. The Board's Governance Report is structured accordingly.

Details of how the Board engages with stakeholders directly or is kept informed about their views and interests, and examples of actions taken by the Board to address the key priorities identified from the engagement is outlined below:

Stakeholder	How the Board is informed of their views and example outcomes
Customers	- Insights from customers are brought to the Board through the Customer, Innovation and Brand Committee. - The Board approved expenditure to deliver Phase 2 of Customer Solutions' 'Empowering Tomorrow' transformation programme during 2025. Phase 2 of the programme is focused on Electric Ireland's operating model and customer platform, and the proposed transformation will allow the business to meet growing customer needs and expectations by enhancing overall customer service and agility. In approving this investment, the Board considered the substantial benefits of the new operating model and system including a better customer experience with improved responsiveness to customer needs.
Communities	- Environmental protection and the restoration of ecosystems continue to be key priorities for the communities located adjacent to ESB's sites and operations as well as for those stakeholders who expect responsible environmental stewardship. - During the year, the Safety, Sustainability and Culture Committee received an update on the development of ESB's Nature and Biodiversity Strategic Roadmap. The Committee recognised the significant progress already made across the organisation (refer to Biodiversity on page 70), however, the Committee also noted the need for greater strategic alignment to ensure ESB's biodiversity actions deliver measurable, evidence-based benefits for nature and contribute to ESB's longer-term ambition of achieving nature positive outcomes. The Committee supported the development of an organisation-wide roadmap that provides clarity on priorities, governance, metrics and delivery pathways. It emphasised the importance of collaboration with ESB's people, partners and local communities in shaping this work.
Stockholders	- The views of stockholders are gathered through bi-lateral meetings between the Board, the Chair and the Chief Executive with various representatives of the Irish Government (as main stockholder) and the ESB Employee Share Ownership Plan (ESOP). - In 2025, the Secretary General of the Department of Climate, Energy and the Environment attended a segment of a Board strategy session to discuss perspectives on Irish energy policy and the programme for Government priorities. The Secretary General set forward the Government's energy policy ambitions and key targets as well as other key Government priorities including competitiveness, affordability and security issues and the factors shaping these priorities. The Board has considered these priorities in approval papers presented to the Board during the year.
Debt Investors and Rating Agencies	- The views of debt investors and rating agencies are brought to the Board via the Finance and Investment Committee. The Committee is briefed on the ongoing engagement by management with debt investors and rating agencies. - Available liquidity is a key focus for the credit rating agencies. During 2025, the Board approved the entry by ESB into a new revolving credit facility and in July, ESB entered a new €2.4 billion Sustainability-Linked Revolving Credit Facility with a group of 15 international banks. This replaced the €1.4 billion facility executed in 2020. The Board considered it appropriate to re-finance and up-size the revolving credit facility in 2025 considering future liquidity requirements.
Employees	- The Board keeps a pulse on employee sentiment, views and areas of interest through face-to-face meetings with people from across the business at off-site Board meeting days and attendance at organised events (see page 91). The views of employees are also represented on the Board through the four Worker Board Members who ensure the ESB workforce's perspectives are incorporated directly into board discussions and decision making. - The Safety, Sustainability and Culture Committee supports the Board with employee engagement. During the year, the Committee received an update on the Diversity, Equity and Inclusion (DEI) Strategy – an area identified as a key priority for employees. Key achievements for 2025 were highlighted to the Committee, further details of which are outlined on pages 80 and 81. The Committee noted the challenges confronting ESB in meeting DEI targets in terms of STEM roles in particular and welcomed the start of the Way 2 Work partnership. The Committee also actively encouraged the establishment of a DEI Forum and a new family and carers Employee Resource Group.

1. Board Leadership and Company Purpose

The Board

The Board provides the leadership of the Group and, either directly or through the operation of Committees, applies independent judgement on matters of values, strategy, performance, resources and governance. During 2025, the Board comprised of the Board members detailed on pages 86 to 89, of whom the Chair and the independent Board members were appointed by the Government and the four Worker Board Members were appointed pursuant to the Worker Participation (State Enterprises) Act, 1977 and 1988. The Board size and structure is governed by the Electricity (Supply) Acts 1927 to 2025, the Worker Participation (State Enterprises) Acts, 1977 and 1988 and the Worker Participation (State Enterprises) Order, 1978 (S.I. No. 186/1978).

The Board spends considerable time annually reviewing progress against ESB's Net Zero by 2040 Strategy. The Board is also currently involved in a review of the strategy to ensure that it remains appropriate, deliverable and affordable. The strategy is anchored in ESB's purpose to deliver a brighter future and to support the customers and communities we serve to achieve net zero. The strategic objectives are aligned to the Irish Government's

Climate Action Plan and are underpinned by the requirement for financial strength, the capability of ESB's people, leveraging data and digital technologies and a commitment to sustainability and social responsibility. Detail on progress during 2025 is outlined in the Strategic Performance Indicators section on pages 18 and 19, the Sustainability section starting on page 62 and Environmental Management Systems on page 76.

Engagement with Stakeholders

In line with the State Code and the Irish Code, the Board aims to ensure that ESB maintains open and positive dialogue with all stakeholders. The Board ensures a structured and robust Stakeholder Engagement Programme is in place and operating successfully via periodic reviews of the Stakeholder Strategy and reports on ESB's corporate reputation derived from customer and stakeholder surveys. The views of stakeholders including customers, suppliers and representative organisations are gathered through these surveys. Findings are shared with the Board through the Customer, Innovation and Brand Committee. Details of ESB's key stakeholders and engagement with them as well as the key priorities identified as a result of this engagement is outlined on pages 20 to 22.

Updates on the Stakeholder Engagement Programme has proven to be an effective way of providing the Board with an opportunity to understand the issues which matter most to ESB's stakeholders. The Board is committed to acting to promote the success of ESB for the benefit of all its stakeholders, amending strategy and the business model as required. The feedback and insights gained from stakeholder engagement during 2025 was used by the Board in its decision making throughout the year.

In making decisions, the Board has regard to:

- the likely consequences of any decision in the long-term
- relationships with customers, suppliers and others
- the impact of operations on the community and the environment
- the interests of employees
- maintaining a reputation for high standards of business conduct
- the need to act fairly between ESB's stakeholders

The Board’s Governance Report (continued)

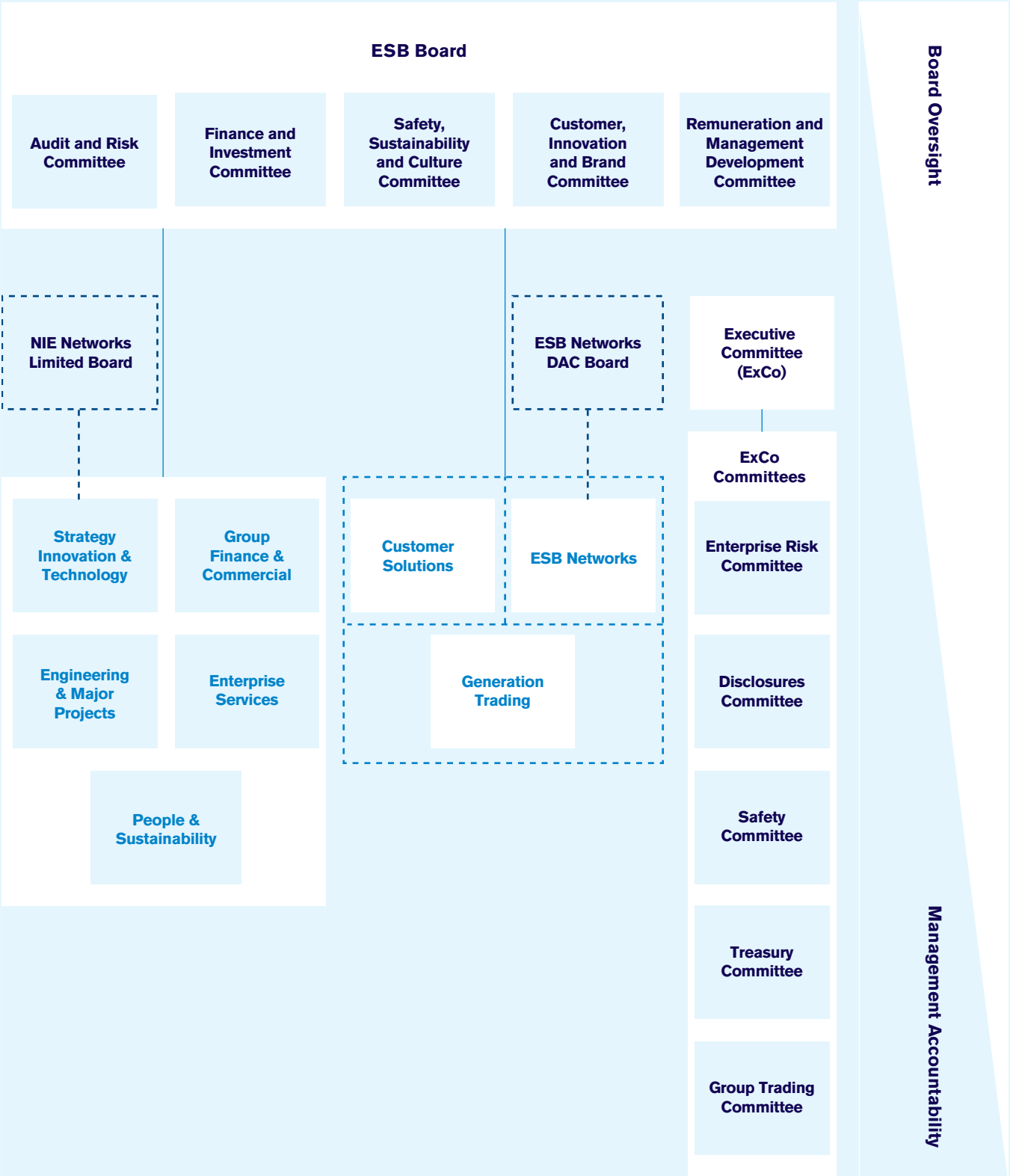
Stakeholder	How the Board is informed of their views and example outcomes
Suppliers, Contractors and Partners	▪ The views of suppliers, contractors and partners in relation to sustainability matters are brought to the Board through the Safety, Sustainability and Culture Committee. ▪ During the year, the Safety, Sustainability and Culture Committee received a presentation on resource use and the circular economy which highlighted the need for sustainable procurement including engaging with ESB’s supply chain and driving transparency. The Committee welcomed the focus on this topic and asked that the inclusion of resource use and the circular economy in investment proposals be considered when developing ESB’s policy on same.
Regulators, Environmental and Safety Authorities	▪ The Chief Executive meets with regulators during the year to share views and perspectives on energy market developments and industry regulation. ▪ Network resilience has been identified as a key priority for this stakeholder group. In January, Storm Éowyn caused extensive damage to electricity networks, resulting in severe impact on customers. The Board was briefed throughout the crisis event on the hard work of all those involved in restoring supplies north and south. During 2025, the Board approved an amendment to ESB Networks’ Annual Financial Plan 2025 to facilitate acceleration of investment and resourcing for improvements in network resilience. As network resilience becomes ever more important to the economy and society, the Board will continue to focus on investment in the networks and risk mitigations related to climate change.
Other Industry Bodies	▪ The Chief Executive meets with a wide array of stakeholders including with representatives from numerous business and civil society organisations each year. ▪ Transparency has been identified as a key priority for this stakeholder group. ESB is committed to the highest standards of corporate governance in all its activities and complies in all material respects with the State Code. During 2025, the Audit and Risk Committee reviewed the processes in place to ensure ESB complies with the State Code and the Board reviewed papers providing assurances of compliance. The Audit and Risk Committee also considered an assurance paper for compliance with statutory and regulatory obligations.

Conflicts of Interest

Board members make annual disclosures of any potential or actual conflicts of interest under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001. A request for disclosure of any potential conflicts is also made on the appointment of new Board members. In addition, Board members are responsible for notifying the Chair and the Company Secretary on an ongoing basis should they become aware of any change in their circumstances regarding conflicts of interest, as detailed in the ESB Board Members’ Code of Conduct.

The Code of Conduct also deals with the post-retirement obligations of Board members. There is a standard agenda item for each Board and Committee meeting asking members to disclose any specific conflicts that may arise. Details of interests disclosed by Board members is kept by the Company Secretary in a confidential register. Training on the ESB Board Members’ Code of Conduct and conflicts of interest for Board members takes place regularly.

ESB Governance Model



-- Licensed activities – business separation rules apply.
-- Ringfenced networks activities – operated and overseen in compliance with applicable regulatory licence conditions. The ESB Board exercises a supervisory role.

The Board’s Governance Report (continued)

2. Division of Responsibilities

The Way we are Structured

The Board has established certain principal Committees to assist it in fulfilling its oversight responsibilities, providing detailed focus on particular areas as set out in the respective Committee Reports on pages 108 to 117. The Committees focus on their areas of expertise enabling the Board to focus on strategy, performance, leadership and people, governance and risk, and stakeholder engagement. The organisation is structured to facilitate effective and efficient decision making with clear accountability. ESB’s Governance Model is set out on page 95. The Board Structure is set out on page 97. There is a clear division of responsibilities between the Chair and Chief Executive, as set out in the Board’s Terms of Reference which are available on the ESB website.

Role of the Board

The Board provides effective leadership and oversight of ESB and is responsible for promoting its long-term success. The Board ensures that strategy is reflective of Our Purpose and Our Values and that ESB’s culture is in alignment. In doing so, the Board seeks to balance the interests of ESB’s various stakeholders, including its stockholders, employees and the customers and communities we serve.

Decisions are made only after all appropriate information has been made available to Board members, and with due consideration of the risks identified through the risk management process and in the context of the Group Risk Appetite Statement. The Board carried out a review of Board decision making in both September and December 2025. In keeping with the Board’s commitment to continuous improvement, this was done to refine and improve future decision making.

The Board has reserved the following key decisions for its own consideration (reviewed annually and some of which are also subject to Ministerial stockholder approval):

- Approval of the Integrated Business Plan (incorporating annual budgets), corporate plans, and long-term strategy of ESB
- Approval of ESB’s key external financial reporting including annual and half yearly financial statements
- Declaration of, or making formal recommendations to, ESB’s stockholders concerning dividends

- Convening of general meetings of ESB
- Approval of major investments, significant expenditure (including capital expenditure), certain derivative contracts and financing facilities
- Appointment to, and dismissal from, ESB Chief Executive, Executive Director and Company Secretary positions
- Severance or ill-health retirement arrangements for ESB’s Chief Executive, Executive Directors and Company Secretary
- Appointment, or re-appointment, of the Chair of the Dam Safety Committee
- Appointment of Directors to the Board of ESB Networks DAC (other than Alternate Directors pursuant to the Articles of Association of ESB Networks DAC) and the Directors and Company Secretary of the NIE Networks Limited Board
- Major acquisitions, disposals or retirements of assets
- Approval of the Annual Risk Plan and Group Risk Appetite Statement
- Appointment of external auditors of ESB and ESB subsidiaries (except to branches of wholly owned subsidiaries)
- Approval of any loan to a member of ESB Board or directors’ loans to a director of a subsidiary company board or associated company board

- Appointments to Board Committees and approval of the Terms of Reference of the Board and its Committees
- Purchase of stock in ESB (other than pursuant to ESOP arrangements)
- Mass market residential tariffs
- Key regulatory, legal, employee relations, remuneration, pension, treasury, accounting and policy matters
- Exclusivity agreements in respect of transactions or potential transactions
- Review of operational and financial performance

The Board has delegated authority to management for decisions in the normal course of business, subject to specified limits and thresholds. Oversight of decisions that are delegated by the Board is retained through a robust reporting framework, central to which are effective relationships with the Board Committees, the Chief Executive, the Executive Director, Group Finance and Commercial and the Executive Committee. Assurance was provided to the Board in April 2025 confirming that specific delegated aspects of Board reserved matters were

implemented in line with the delegation granted by the Board over 2024, with an update on 2025 delegations planned for 2026.

Board Meetings

The Board met on 10 occasions during 2025, nine scheduled meetings (seven general Board meetings and two strategy sessions) and one unscheduled general Board meeting.

The Chair, with the assistance of the Company Secretary, is responsible for ensuring that Board members are supplied with information in a timely manner and of an appropriate quality that enables them to discharge their duties effectively. Board papers are made available electronically to each Board member no later than five working days prior to each meeting to allow adequate time to review and consider matters for discussion/decision. The Board packs also include the minutes of Board Committee meetings, and the Committee Chairs verbally update the Board at the Board meeting following their most recent session. There is ongoing reporting to the Board by the Chief Executive that includes information on company developments, performance, key risks and provides insights into matters likely to impact the prospects of ESB.

The aim of Board meetings is to achieve the right balance of oversight of strategy development and implementation, safety, sustainability, operations, finance, people, customers, stakeholder management, corporate governance, and risk matters. This is monitored through the tracking of time allocated via Board and Committee agenda to these matters, in addition to completing a year-end review of the significant decisions made by the Board. Through the annual Board evaluation process, the end of year Committee annual workplan reviews and informal feedback, matters such as preparation for, attendance at, and contribution to Board and Committee meetings, participation in staff engagement sessions, site visits, and training sessions are considered to ensure that adequate time is devoted to each matter.

An assessment of Board time commitments, both internal and external, was reviewed by the Remuneration and Management Development Committee and concluded that the Chair and each of the Board members committed sufficient time during

ESB Board Structure

Chair	Terence O'Rourke ▪ Agree a balanced agenda and ensure adequate time is available for discussion of items ▪ Facilitate effective contribution by all Board members ▪ Ensure accurate, timely and clear information is provided to the Board to assist in effective decision making and ensure that the Board applies rigorous scrutiny and challenge to management proposals ▪ In conjunction with the Company Secretary, ensure good information flows within the Board and its Committees and between senior management and Board members ▪ Lead on governance matters ▪ Lead the annual review of Board, Committee and Board member effectiveness			
Board	▪ Comprises of the Chair, Chief Executive, six independent Board members and four Worker Board Members ▪ Establish ESB's purpose, values and strategy and ensure these are reflected in the strategic plans and culture of the organisation ▪ Review strategic and financial planning to ensure integration of climate and sustainability considerations ▪ Ensure ESB conducts its affairs in compliance with its legal and regulatory obligations and duties and in a socially responsible manner ▪ Oversee the Chief Executive's and management's effective execution of strategy, performance and the embedding of an appropriate culture throughout the organisation ▪ Approve the appointment and removal of the Chief Executive, Executive Directors and the Company Secretary			
Senior Independent Board Member	Annette Flynn ▪ Act as a sounding board for the Chair and provide support ▪ Serve as an intermediary for the other Board members when necessary ▪ Lead the annual review of the Chair's effectiveness ▪ Ensure a clear division of responsibility between the Chair and Chief Executive			
Chief Executive	Paddy Hayes ▪ Execute the Board's strategy and report progress on execution against strategic goals and related performance metrics ▪ The day-to-day running of the business and delivery of profitable and sustainable business performance ▪ Bring investments, projects and proposals to the Board for approval and keep the Chair and the Board informed of significant business developments and emerging stakeholder priorities ▪ Ensure appropriate management structures are in place to drive the long-term success of ESB			
Company Secretary	Marie Sinnott ▪ Being accessible to all Board members ▪ Ensure compliance with Board procedures and advise the Board on governance matters generally ▪ Support the Chair in ensuring a good information flow within the Board and its Committees and between the executive management and non-executive Board members ▪ Ensure the essence of discussions and decisions at Board meetings are accurately captured in the minutes ▪ Keep the Board updated on any significant matters arising between Board meetings ▪ Arrange Board induction/professional development			
Audit and Risk Committee	Customer, Innovation and Brand Committee	Safety, Sustainability and Culture Committee	Remuneration and Management Development Committee	Finance and Investment Committee
▪ Refer to page 108.	▪ Refer to page 114.	▪ Refer to page 115.	▪ Refer to page 116.	▪ Refer to page 117.

Biographical details of the Board members can be found on pages 86 to 89. Biographical details of the Company Secretary can be found on page 35.

The Board's Governance Report (continued)

the year to enable them to fulfil their duties as Board members of ESB. The assessment reviewed attendance of Board members at Board/Committee meetings, site visits, employee engagements and training sessions and the external assessment was based on executive and non-executive positions held in 2025.

The Board's focus continues to be the execution of ESB's strategy Driven to make a Difference: Net Zero by 2040 and achieving the three core strategic objectives (see page 14 for further details). The Board holds two dedicated strategy meeting days during the year to consider developments in the external environment, hear from external experts/customers/stakeholders, conduct deep dives on specific strategy pillars, as well as progress in executing ESB's strategy. These reviews allow the Board the opportunity to input and decide on any required changes in strategic direction, emphasis or ambition. Matters considered and/or approved by the Board during the year to support the continued execution of ESB's strategy are outlined below.

Matters considered and/or approved by the Board in 2025

At the 2025 Board strategy sessions, key topics relevant to ESB's core strategic objectives were comprehensively addressed.

Networks capacity growth, resilience challenges and affordability together with an in-depth view of Generation Trading's longer-term strategic ambition beyond 2030, formed the core of the March strategy session. In this context, the Board noted the growing scale of the capital investment required to deliver the strategy ambition while maintaining ESB's financial strength. In addition to contributing to the review of the overall strategy, the November strategy session focused on key strategy fundamentals including the five-year Integrated Business Plan 2026-2030, related funding requirements and future people capability strategy - all of which set the strategy foundations for the period up to 2040.

Papers submitted to the Board for approval in 2025 were aligned with the Group strategy and the approved Integrated Business Plan, as appropriate. Significant commercial/investment decisions made by the Board during 2025 which will advance delivery of the strategy included:

- Capital expenditure for seven renewable projects (solar and offshore wind) totalling in excess of €600 million together with

investment in thermal generation projects to support security of supply and the transition to a net zero future

- Re-financing of ESB's Revolving Credit Facility (RCF) with a new €2.4 billion Sustainability-Linked RCF signed with 15 international banks
- Funding approval to 30 September 2026
- Approval of amendment to ESB Networks' Annual Financial Plan 2025 to facilitate acceleration of investment and resourcing for improvements in network resilience and the increased demand for capacity
- Approval of the 'Empowering Tomorrow' transformation programme, investing in Electric Ireland's core capabilities to maintain its strong market and financial position into the future
- So Energy funding facilities to meet Ofgem's financial resilience requirements for suppliers
- Electricity and gas prices for the Republic of Ireland residential customers
- Various commercial Framework Agreements to provide access to the resources needed to support growth projected in the five-year business plan and PR6 outcomes

In tandem with maintaining a strategic focus, the Board must also monitor day-to-day responsibilities. During 2025, the Board approved the publication of the results for the 2024 year-end and 2025 interim results. In terms of investments, ESB's hurdle rates were updated to reflect prevailing market developments, with appropriate adjustments made for ESB's strategic objectives and risk appetite. The Board also reviewed the Consolidated Authority Levels in 2025 to ensure that appropriate delegations are in place to facilitate timely decision making.

The Board maintained a strong focus on corporate governance during the year. The Chair submitted his annual Confidential Report to the Minister providing assurance of ESB's compliance with all aspects of the State Code. Furthermore, the Board considered the principal and emerging risks (refer to Risk Report starting on page 23) to successful implementation of ESB's strategy, the relevant risk tolerances set out in the Group Risk Appetite Statement and stakeholder priorities when making decisions.

Safety is always at the forefront of the Board's considerations. With the support of the Safety, Sustainability and Culture Committee, the Board inputted to the development of a revised Safety Strategy

2026–2030, ensuring the sound fundamentals of safety and wellbeing practices are built upon, and that human factors will remain at the core of ESB's strategy implementation.

Diversity, equity and inclusion also featured on the Board's agenda with an update on the initiatives and supports in place as part of the People Strategy to build and sustain an increasingly diverse workforce, ensuring equitable experiences, an agile culture of inclusion and belonging, making a difference and delivering a brighter net zero future for all. The 2025 Our Voice staff survey was also considered by the Board during the year, confirming that culture and strategy remain aligned.

Attendance at Meetings in 2025

The attendance by each Board member at scheduled and unscheduled meetings during the year is set out below. In addition to the Board members and Company Secretary, several Executive Directors and senior managers attended relevant sections of Board meetings, by invitation, to make presentations or participate in Board discussions to ensure that Board decisions are supported by a full analysis. The non-executive members of the Board also meet without management present to discuss relevant matters, and a review is scheduled at the end of each Board meeting to discuss relevant matters and, in particular, to review the specific Board process just completed.

Board members 2025	Meetings Attended* Scheduled (Unscheduled)
Terence O'Rourke	9 (1)
Paddy Hayes	9 (1)
Michael Barry ¹	9 (1)
Aisling Curtis ¹	7.5 ³ (1)
Annette Flynn ¹	9 (1)
Pat Gaynor ¹	8 (1)
Karen Halpenny ²	9 (1)
Owen Kilmurray ²	8 (1)
Jim Meade ¹	9 (1)
Gráinne O'Shea ²	9 (1)
Dr Sara Venning ¹	8 (1)
Trevor Walsh ^{2,3}	8.5 (1)

¹ Independent Board member
² Worker Board Member
³ Part attendance at a general Board meeting during 2025
* The Board's Terms of Reference sets out the expectation for full attendance at all Board/Committee meetings. Non-attendance is notified in advance to the Chair and reasons for any absence provided. Occasionally, for pressing personal or business reasons, Board members are unable to attend scheduled meetings. Board members can still provide their observations on/indicate their support to the Chair of the Board (or the Chair of the relevant Committee) for agenda items and have their inputs considered at the relevant meeting. The Chair of the Board meets with all Board members annually to discuss their performance (including attendance) and development needs.

Board Skills Mix – Board at 31 December 2025

	Sectoral Experience			Functional Expertise									
	Energy/Regulated Markets	Safety/Environment	Infrastructure Delivery and Project Management	Transformation/M&A	Strategy/Innovation	Finance/Accounting/Audit	IT/Cyber/Digital	Talent Management, Culture and Compensation	Governance	Customer Experience, Brand and Marketing	Stakeholder Relations	Risk Management	Sustainability
Terence O'Rourke	●			●	●	●	○	●	●	●	●	●	●
Paddy Hayes	●	●	●	●	●	○		●	●	●	●	●	●
Michael Barry	●		●	●	●	●	○	○	●		○	●	○
Aisling Curtis					●	○	●	○	●	●	○	●	●
Annette Flynn	●			●	●	●		●	●	○	○	●	○
Pat Gaynor	●			●	●	●	○	●	●	●	●	●	○
Karen Halpenny	○	●	○					○	●			○	
Owen Kilmurray	○	●	○					○	○	○		○	
Jim Meade		●	●	○	●	●	●	●	●	●	●	●	○
Gráinne O'Shea	●	●	●		●			○	●		○	●	○
Dr Sara Venning	●	●	●	○	●	●	●	●	●	●	●	●	●
Trevor Walsh	○	●	●				○	○	●	○		○	

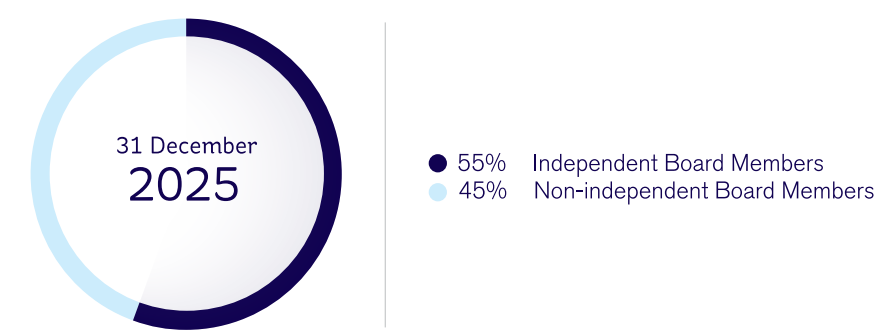
● Has required sectoral experience/functional expertise
○ Has some of the sectoral experience/functional expertise

Independence

The roles of the independent Board members are particularly important in bringing impartial judgement to bear in decision making and ensuring all issues proposed by the executive management are fully discussed and examined to consider the long-term interests, not only of ESB, but also the stockholders and other stakeholders. An Independent Director Assessment Policy is in place to provide, overseen by the Remuneration and Management Development Committee, assurance to the Board in this regard.

Based on an assessment completed for the year ended 2025, the Board has determined that excluding the Chief Executive and the Worker Board Members, the Board members were independent during 2025. The determination of Board members' independence takes account of the State Code, the Irish Code and the Independent Director Assessment Policy

Independence of Board excluding Chair



regarding Board members' independence in character and judgement, and the absence of relationships or circumstances that could compromise a Board member's independence. Specific factors considered in the assessment include employment in or material business relationships with ESB/Group within the last three years, additional remuneration from

ESB apart from a Board member's fee, family ties with ESB's advisers, Executive Committee or senior employees, and cross-directorships or significant links with other Board members through involvement in other companies or bodies. An independence assessment was carried out on the appointment of the current Chair.

The Board's Governance Report (continued)

3. Composition, Succession and Evaluation

Composition of Board (Gender)



Length of Tenure



Board Member Age Profile



Board Membership

The Board's primary role is to exercise objective and informed judgement in constructively challenging and helping to develop and approve ESB's Group strategy, to ensure there is a strong management team in place to execute the strategy and drive business performance, and to maintain a framework of prudent and effective controls to mitigate risk.

Two critical factors determine how the Board is equipped to fulfil those duties and obligations successfully:

- A diverse and deep range of skills and experience among Board members
- Processes to ensure that all Board members develop and maintain a good understanding of the Group's operations and external environment and are therefore well placed to make informed decisions

In 2025, the Board members brought diverse experience and independence to support effective decision making with Board members' skills and experience harnessed to best effect through their membership of the relevant Board Committees. The range of Board members' experience is set out in the Board members' biographies on pages 86 to 89. As part of the Board's consideration of diversity and inclusion at Board level, an assessment of skills and experience is undertaken (page 99), which is a key input into the Board training and development programme (see opposite for further details). The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of them and to address the major challenges facing ESB.

Board Appointments

Board members (other than Worker Board Members) are appointed under Section 2 of the Electricity (Supply) Act, 1927. The Government issued Guidelines on Appointments to State Boards, 2014 apply to ESB and Board appointments are therefore a matter for Government (including the appointment of Worker Board Members). There were no Board vacancies in 2025. The Chair was re-appointed by the Minister in November 2025 following a detailed review of his achievements, contribution and involvement during his first term which had contributed to driving sustainable long-term success for the business.

The Remuneration and Management Development Committee keeps Board skills under review in the context of strategy priorities, and the Chair sets out any skills gaps identified in his report to the Minister annually confirming compliance with the State Code. These skills gaps are addressed through the State Board appointment process when a vacancy arises as the Chair engages with the Government in advance of the appointment process about the specific skills and diversity that are required on the Board.

Independent Board members are normally appointed for an initial term of five years, renewable for a further period up to a maximum of eight years in total (in line with the 2020 Code of Practice Annex). In the case of Worker Board Members, they are appointed for an initial term of four years and may be re-elected for further terms. The Chief Executive and independent Board members may be reappointed to the Board by Government. Any reappointment of Worker Board Members is pursuant to the Worker Participation (State Enterprises) Acts, 1977 and 1988 and subject to approval by Government.

Induction

An induction programme is in place to familiarise new Board members with the operations of the Group. This programme is the responsibility of the Company Secretary, on behalf of the Chair, and is tailored to the experience, background and requirements of the individual. Key elements are meeting members of the Executive Committee, visiting sites and receiving briefings on ESB's strategy, individual businesses and the Enterprise Risk Management (ERM) Framework.

Training and Development

A continuing training and development programme is in place for all Board members focussed on new legal obligations, external developments, the customer and sustainability. The Chair and Company Secretary liaise with Board members for their specific needs, such as attendance at conferences, courses and webinars relevant to the business and the development of an in-house programme which includes briefings by management on specific topics. Board members are also authorised to obtain, at ESB's expense, outside legal or other professional advice where this is deemed necessary to allow Board members discharge their responsibilities.

The design of the in-house programme is driven by ESB's strategy, and the skills required by the Board to guide and support its implementation. During 2025, a review of the programme was undertaken with the Executive Committee to identify industry topics of relevance, in particular areas in which subject matter experts (internal or external) could provide additional insight into new/emerging areas, instances where previously briefed topics have evolved, or topics of a technical nature that may be the subject of a Board submission in the near term.

In 2025, as well as a team building session, in-depth training sessions were held on the Generation Trading business model, a corporate hybrid capital overview, the North South Interconnector Project, the Annual Report and Board responsibilities under CSRD, the Networks Information Security (NIS) 2 Directive and its implications for boards, competition law developments and ESB Networks' Statement of Charges. 2026 will focus on numerous topics including understanding the EU Pay Transparency Directive and its application at ESB, the capacity market in I-SEM, the changing media landscape impacting on engagement with customers and other stakeholders, the changes proposed under the EU's New Electricity Market Design Directive and flood management on rivers which have ESB dams.

The online resource materials available to the Board were also maintained and updated during 2025. These resources provide content to the Board on a range of topics including corporate governance, financial matters, strategy, enterprise risk, IT, environment and sustainability, people and culture, customers and Group policies.

Board Effectiveness

In compliance with the State Code and the Irish Code, the Board conducts an annual evaluation of its own performance and that of its Committees, with an independent assessment undertaken by an external evaluator every third year. The evaluation relates to the Board's and Committees' collective performance and not to the individual performance of Board members. Instead, the Chair reviews individual Board members contributions in annual one-to-one review meetings. The performance of the Chair is explicitly considered as part of the Board evaluation process, both internal and external.

The scheduled internal evaluation took place in 2025. To ensure the review was as robust and objective as possible, the evaluation consisted of a questionnaire which was issued to each Board member and separate questionnaires were issued for each Committee. The Chair evaluation process was also undertaken using a questionnaire sent to Board members. Overall, the evaluation confirmed that the Board and its Committees are operating effectively, and the Chair's effectiveness was strongly endorsed. The assessment highlighted the diverse preferences of Board members regarding provision of information, in particular the volume of materials provided to support decision-making and oversight. Arising from this, the Company Secretary will work with leadership over 2026 to optimise Board paper processes while accommodating the differing Board member information needs. Other recommendations include providing increased clarity on Board succession planning and increasing awareness of the role of the Senior Independent Board Member. An action plan for the implementation of these recommendations and individual Committee recommendations will be developed and tracked throughout 2026. The Senior Independent Board Member discussed the results of the Chair evaluation process with the Chair.

The last externally facilitated Board evaluation took place in 2024, and the overall assessment was that the Board's performance was consistent with best governance practices by reference to the benchmarks used. No high priority recommendations arose from the review, and the Board is satisfied that all medium priority recommendations have been addressed.

The Board’s Governance Report (continued)

4. Audit, Risk and Internal Control

Compliance with the Irish Code

In 2024, the Audit and Risk Committee reviewed the new Irish Code, evaluated its requirements relative to both the 2018 and 2024 UK Corporate Governance Codes, and determined that the Irish Code was most appropriate for ESB and its investors going forward, confirming ESB would adopt it on a voluntary basis from 1 January 2025 on a “comply or explain” basis. Aligned to this decision, the Committee undertook a detailed assessment during 2025 of arrangements established in ESB to deliver compliance with the Irish Code. The Committee is satisfied, based on this review, to conclude that ESB complies with the Irish Code except for certain matters set out in the table below. The Chair of the Audit and Risk Committee is satisfied that no significant risk arises to ESB from these exceptions.

Irish Code

Principle/ Provision	Explanation
3	Committee Chairs do not engage with Ministerial stockholders as there is a process in place whereby the Chair engages with them and ensures that the Board and management are aware of the views of the stockholders. No change is proposed to this process.
15	Members of the Board of ESB are appointed in accordance with Section 2 of the Electricity (Supply) Act, 1927 and the Worker Participation (State Enterprises) Acts, 1977 and 1988. Therefore, the requirement to take account of demands on directors' time and the undertaking of additional external appointments at the time of appointment is a matter for the Government. ESB discloses the demands on time as part of the recruitment process and requires a disclosure of interests, including directorships, as part of the onboarding process.
J/17/20	Appointments to the Board are a matter for the Government. While ESB does not have a Nominations Committee, it has a Remuneration and Management Development Committee that fulfils this role apart from leading the process for the appointment of the Chair and independent Board members, which is undertaken by the Public Appointments Service.
L/21	The Board evaluation process does not evaluate the individual performance of Board members (except for the Chair) as the Board does not have a formal role in determining its own composition. Instead, the Chair reviews individual Board members' contributions in an annual one-to-one review meeting. Board members' attendance and contributions are considered by Government prior to re-appointment for a second term.
18	As outlined under the Board Appointments section on page 100, Board members are appointed for multi-year terms and are not subject to annual re-election.
33	The Chair is also Chair of the Remuneration and Management Development Committee, given the importance of compliance by ESB with Government policy in this area and the role of the Chair as the primary interface with the Government.
34/ 35/ 37/ 40	ESB's policies and disclosures in relation to the remuneration of the Chief Executive are in accordance with applicable Government guidelines. Fees for the Chair and Board members are set by Government. The details of Board members' remuneration on page 107 do not include amounts paid to the four Worker Board Members as employees of ESB (as such pay is neither increased nor decreased because of their membership of the Board). Obligations regarding share awards are not relevant to ESB, nor are post-employment shareholding requirements relevant as beneficial interests in the stock of ESB are held only through participation in ESB's Employee Share Ownership Plan (ESOP) and ESB is majority owned by the Government. Notice periods for Board members is a matter for Government. Notice periods in the Chief Executive's contract are in accordance with Government guidelines.
41	The Government sets the pay of the Chief Executive and establishes pay policy relevant to senior management. This limits the discretion of the Remuneration and Management Development Committee in relation to these matters.

Financial and Business Reporting

The Board recognises its responsibility in preparing the Annual Report and Financial Statements and in presenting a fair, balanced and understandable assessment of the Group's position and prospects. The Board members' responsibilities regarding the Financial Statements and going concern are set out on page 124.

Procurement

ESB complies with applicable procurement laws and the State Code. A paper detailing obligations and providing assurance of compliance is provided annually to the Audit and Risk Committee. This paper also includes details of any non-compliant procurement in line with the requirements of the State Code.

Internal Control

While the Board has overall responsibility for the Group's system of internal control and for monitoring its effectiveness, it delegates responsibility for the monitoring of the effectiveness of those systems to the Audit and Risk Committee. The system of internal control is designed to provide reasonable, but not absolute assurance for the achievement of the following objectives:

- Effectiveness and efficiency of operations and safeguarding of the organisation's assets against loss
- Reliability of reporting for internal and external use
- Compliance with applicable laws and regulations

In order to discharge its responsibilities in a manner which ensures compliance with legislation and regulations, the Board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Group uses the integrated internal control framework as developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) as guidance for designing, implementing and conducting internal control and assessing its effectiveness.

ESB has in place a strong internal control framework, which includes the following:

- A clearly defined organisational structure, with defined authority limits and reporting mechanisms to higher levels of management and to the Board, which support the maintenance of a strong control environment
- A Code of Ethics (“Our Code”) that sets the tone from the top and requires all employees to maintain the highest ethical standards in conducting business
- Policies and procedures relating to operational and financial controls as well as compliance obligations including regulatory licence and ring-fencing obligations
- A corporate governance framework that includes risk analysis, financial control review and formal annual governance compliance statements by the management of business units and joint ventures

- Comprehensive budgeting systems with an annual budget and five-year plan approved by the Board
- A comprehensive system of financial and non-financial reporting
- Cumulative actual results and KPIs are reported against budget and considered by the Board on a regular basis
- Large capital projects requiring the approval of the Board are closely monitored on an ongoing basis by the Finance and Investment Committee
- Reporting on compliance with applicable laws and regulations
- A comprehensive Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, and Whistleblowing and Protected Disclosures Policy
- Insider trading policies and procedures for the prevention of market abuse
- A Governance Framework for Non-Wholly Owned Entities
- A telephone helpline and online webchat service that provides employees and other external stakeholders with a confidential and, if required, anonymous means of reporting any suspected wrongdoing or ethical concerns
- A Group Tax Compliance Framework and an ESB Group Tax Strategy

An annual review of the effectiveness of the Group's system of internal control takes place and controls are reviewed systematically by Group Internal Audit. In these reviews, emphasis is placed on areas of greater risk as identified by risk analysis. Where weaknesses in the internal control system have been identified through the monitoring framework above, plans for addressing them are put in place and action plans are regularly monitored until completed.

Joint Venture Governance

Non-wholly owned entities, particularly joint ventures, play an increasingly important role in the delivery of ESB's strategy. ESB's Policy for Governance of Non-Wholly Owned Entities is designed to ensure the Group's investments and partnerships are protected and managed to the high standards expected of and by ESB. ESB's policy is that all non-wholly owned entities should be established/ acquired, structured, governed and

operated in a robust manner that is consistent with ESB's values, strategic goals and governance requirements. An annual review of the governance frameworks in material non-wholly owned entities takes place.

Risk Management

Effective risk management is critical to the achievement of ESB's strategic objectives and the long-term sustainable growth of its business. The rapid changes taking place in ESB, the energy industry and the wider economy requires the Board to continuously identify and assess the risks facing ESB and have clear strategies, controls and mitigations in place to manage those risks. The Board has overall responsibility and accountability for the Group's approach to risk, satisfying themselves that the systems of risk management are robust and defensible. Specifically, the Board's responsibilities and accountability in respect of risk include:

- Ensuring that an adequate process designed to identify the principal risks and uncertainties is in place
- Embedding an appropriate risk culture throughout the Group
- Oversight of the risk management and crisis management processes
- Assessment of the likely effectiveness of management's mitigation measures and controls

An external review of the risk management process takes place periodically with the most recent review commencing in late 2025 and is being completed in early 2026. A dedicated project which aims to further strengthen ESB's governance, risk and compliance structures and processes continued during 2025, and progress is being monitored by the Audit and Risk Committee.

The Board has carried out a robust assessment of the principal risks facing the Group, including those that might threaten its business model, future performance, solvency and liquidity. A cyclical review process for identifying, assessing and managing risks has been in place for the year under review and up to the date of approval of this Annual Report. The principal risks and uncertainties facing the Group, and the mitigating strategies and controls are set out on pages 25 to 32.

The Board's Governance Report (continued)

The Board is aware that it must lead by example in shaping and supporting the Group values that underpin the approach to risk. It also seeks to ensure that sufficient risk management skills and capabilities are available in the business and that the knowledge and experience of employees who understand the risks associated with operations are utilised. Regular reporting has facilitated the Board to stay abreast of changes in identified principal risks, emerging risks and uncertainties.

The Board focuses primarily on those risks that could undermine ESB's strategy, or which could adversely affect the long-term viability or reputation of the Group. The Board delegates responsibility for oversight of specific risks to Board Committees in accordance with the Committees' Terms of Reference and respective area of expertise. The Board agrees how Committees will keep one another, and the Board itself, informed about risks and risk oversight practices. Efficiency and effectiveness call for clear boundaries, communication channels, and handoff points. The Board defines these elements clearly, adjusting as needed. The Committee Chairs report to the Board on key risks falling within their remit, developments and matters requiring further discussion and consideration. The Audit and Risk Committee retains overall responsibility for ensuring that enterprise risks are properly identified, assessed, reported and controlled on behalf of the Board.

Risk appetite may also vary over time, and the Board has explicitly considered the level of this appetite and how specific risks are managed within it. The propensity to take risk is always balanced by a focus on exercising appropriate control.

As well as regular reporting, a session of the Audit and Risk Committee was dedicated to risk during 2025, with all Board members invited to attend. The focus of this risk session was on power system fundamentals and how ESB's security of supply response is managed, the outlook for winter 2025/2026, the Iberian blackout and Ireland's emergency plans in the event of a similar blackout.

Activities undertaken by the Audit and Risk Committee during 2025 in respect of its risk responsibilities and accountability are included on page 109.

The 2025 Review of the Effectiveness of Internal Control and Risk Management Systems

The Board retains overall responsibility for internal control and risk management. The Board has, directly and through delegated authority to the Audit and Risk Committee, reviewed the effectiveness of the Group's system of internal control covering material financial, operational, reporting and compliance controls and risk management systems for 2025 and will ensure a similar review is performed in 2026.

The process used by the Board and the Audit and Risk Committee to review the effectiveness of the system of internal control includes:

- Review and consideration of the Annual Risk Plan, half-yearly risk review process, quarterly risk management updates and an annual risk deep dive review of a selection of principal risks (facilitated by ESB's dedicated risk management function)
- Received updates from Group functional leads, including CIO to review the operation of controls mitigating cybersecurity risks, Group Tax outlining ESB's approach to ensuring compliance with tax legislation, an annual review of business continuity and crisis management arrangements, and compliance confirmations from the Data Protection Office and Group Procurement
- Independent advice on the adequacy of the current ERM process operating in ESB (most recent review commenced in late 2025 and is being completed in early 2026)
- Internal audit of the ERM process
- Review and consideration of confirmation from management of satisfactory and effective operation of systems of internal control, both financial and operational – this is in the form of a detailed annual report presented to the Committee in January each year related to the preceding calendar year
- Review and consideration of assurances from management that an appropriate internal control framework is in place for material non-wholly owned entities
- A review of the programme of GIA and consideration of its findings and reports. GIA also reports regularly on the status of implementation of recommendations raised previously from its reports

- An independent assessment of the effectiveness of the internal audit function is carried out every three years and an assessment commenced in 2025 with a final report provided to the Audit and Risk Committee in early 2026
- A review of reports from the external auditor which contain details of work carried out on the key audit risks and recommendations regarding internal control improvements
- A review of the risk oversight activities of other Board Committees in relation to specific risk areas falling within their remit under their Terms of Reference

Separately, the Safety, Sustainability and Culture Committee reviews the effectiveness of processes in place to identify, assess, report and control risks in relation to health, safety and environmental matters. Each quarter, the Committee considers a report on the health, safety and environmental performance of the Group, including key performance leading and lagging indicators, noting any significant trends or developments.

Based on this review, the Board confirms the following for 2025:

- There is an ongoing process for identifying, evaluating and managing the principal and emerging risks of ESB
- Systems of internal control have been in place for the year under review and up to the date of approval of this Annual Report
- ESB materially complies with the Financial Reporting Council (FRC) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting
- A number of control incidences occurred, areas of improvement were identified, processes are in place to ensure that appropriate actions are taken, and progress is monitored until completed
- Allegations of wrongdoing are investigated and reported to the Audit and Risk Committee as set out on page 113
- No other significant failings or weaknesses in internal control were identified in the review

Through its ongoing involvement and overview of internal control and risk management activities, the Board is satisfied that internal control and risk management processes are effective.

Viability Statement

In accordance with the Irish Code, the Board members have assessed the prospects of ESB over a longer period than that required in adopting the going concern basis of accounting. ESB's assessment has been made over a five-year period, which is consistent with the time frame of ESB's business planning process. The assessment is based on consideration of ESB's current position and prospects, maintenance of its financial strength (page 36), progress against ESB's strategy (pages 18 and 19), risk appetite, principal risks and how these are managed (pages 25 to 32). This includes consideration of the developments in the external environment (including the macroeconomic environment) in which ESB operates as set out on page 15 and the climate related-risks and opportunities set out on pages 64 and 65.

The Board has carried out a robust risk assessment of the principal and emerging risks facing ESB. As part of the ERM process, the major and material potential consequences of a principal risk materialising are identified and, where possible and appropriate, the financial impact estimated. In addition, the ERM process considers the interdependency of principal risks, particularly in terms of impact. These risks and the way they are being managed and mitigated are outlined on pages 25 to 32.

Business Continuity and Crisis Management Plans have been developed to mitigate risks which may impact ESB's operations. These plans are exercised as part of an annual test plan, based on scenarios that could adversely impact ESB and assess the degree to which these risks can be mitigated. Results and lessons learned arising from the annual review and testing programme are reported to the Audit and Risk Committee.

The Board believes that a five-year viability assessment is most appropriate as it aligns with the business planning process cycle. The projections in the business plan consider ESB's cash flows, committed funding and liquidity positions and examine future funding requirements and financial covenants, along with other key financial ratios including those relevant to maintaining investment grade credit ratings.

The business plan also includes an assessment of performance against ESB's Strategic Performance Indicators (as set out on pages 18 and 19) as well as consideration of relevant risks and opportunities. This includes consideration of the impact of climate-related matters notably the challenge associated with the scale of energy infrastructure which ESB is targeting to deliver as well as the drive to greater electrification in ESB's markets. It also includes GHG projections (Scope 1, 2 and 3) and considerations.

The financial metrics in the business plan are subject to sensitivity analysis, which involves flexing a number of the main assumptions underlying the plan to assess their impact on key financial metrics, such as Net Debt, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and ROCE (Return on Capital Employed) and, where appropriate, analysis is carried out to evaluate the potential financial impact of ESB's principal risks actually occurring. The current five-year assessment included consideration of the risks outlined in the table below (not listed in order of priority).

Relevant Principal Risks	Sensitivity Considered
▪ Unable to deliver the investment programme due to inadequate funding capacity or Balance Sheet constraints, or ESB's financial position is weakened by an economic downturn, by geopolitical or financial market challenges, growing capital intensity or by inadequate business performance ▪ Failing to meet ESB's sustainability targets or to inform or respond to climate change policies and/ or to capture opportunities and manage challenges presented by those policies, or to manage the implementation of climate mitigation strategies ▪ Failing to deliver the reliable network infrastructures and increasingly complex systems required to meet future customer and societal needs ▪ Exposure to continued volatility in energy markets ▪ Failing to develop and deliver the scale, quality and target financial returns of renewable generation assets required ▪ Failing to secure, retain or embed internal and external resources and adequate capability required to deliver ESB's strategy	▪ Outturn from PR6 Final Determination ▪ Capital expenditure delivery ▪ Delivery of performance improvement targets and an earnings performance stretch ▪ Inflation and interest rates ▪ Commodity market movements ▪ GHG emission projections ▪ Joint venture debt ▪ Financial flexibility options ▪ Employee numbers

The Board recognises the significance of maintaining financial strength and this is called out as a principal risk and as a foundational strategic capability. ESB's funding operations support capital investment, the refinancing of maturing debt and the maintenance of adequate liquidity. ESB's debt management strategy targets a debt portfolio profile with a diverse mix of counterparties, funding sources and maturities. The new €2.4 billion Sustainability-Linked RCF entered in July 2025 provides ESB with a substantial level of standby liquidity. This facility extends to 2030, with options to extend the maturity to 2032. ESB's strong liquidity position reflects its underlying financial strength. ESB has credit ratings of A (BBB+ on a standalone basis) with S&P Global Ratings and A3 (Baa1 on a

standalone basis) with Moody's Ratings. Further details on ESB's liquidity and funding activities are set out on page 40.

Based on the results of the above analysis, the Board members have a reasonable expectation that ESB will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Going Concern

The Group has considerable financial resources and ESB's cashflow and liquidity position has remained strong throughout 2025. Accordingly, the Board continues to adopt the going concern basis in preparing ESB's financial statements as set out in note 1 of the Financial Statements.

The Board’s Governance Report (continued)

5. Remuneration

Based on ESB’s Group structure and its operations across several jurisdictions, there are a number of remuneration models in place across the Group. For employees covered by collective bargaining agreements, pay bands and rates are collectively bargained with the recognised trade unions. ESB informs and consults all of its employees on remuneration matters including through the performance management and engagement processes. Reviews and benchmarks of market-based reward offerings are completed on an ongoing basis to ensure that they continue to attract and maintain the capability needed to deliver the strategy. Preparations are underway for the introduction of new pay transparency requirements in 2026.

The Terms of Reference of the ESB Board Remuneration and Management Development Committee sets out the overall approach to executive remuneration. The Board adopts and implements a policy on executive remuneration which is clear, simple, predictable, proportionate and manages the risk of excessive reward. The objective of the policy is to support the successful implementation of ESB’s business strategy by establishing a market-based reward proposition and related governance that attracts, motivates, and retains executives of the quality required to lead ESB successfully and which is consistent with ESB’s values.

Chief Executive’s Remuneration

The Chief Executive’s remuneration is set by reference to Government policy on the payment arrangements for Chief Executives of commercial State Bodies. ESB’s Chief Executive remuneration consists of an annual salary, a company car (EV) (subject to benefit-in-kind) and employer pension contribution.

In line with Government policy, the Chief Executive does not receive performance related payments, therefore no such payments were made to the Chief Executive during 2025. In accordance with the Government’s ‘One Person, One Salary’ rule, the Chief Executive is not entitled to receive a fee as a member of the ESB Board, and no Board fees have been paid in respect of year end 2025.

Worker Board Members’ Remuneration

Worker Board Members are appointed under the Worker Participation (State Enterprises) Acts, 1977 and 1988 and are employees of ESB. They are members of an ESB Pension Scheme. Worker Board Members are entitled to receive a separate fee in respect of their position as Board members.

Executive Director and Senior Managements’ Remuneration

ESB’s performance management process and remuneration is grounded in the Group’s strategic objectives and measured by the Group and business unit performance indicators (including certain financial and ESG metrics) as well as specific individual objectives and key results. Incentives are payable on a phased basis over three years for Executive Directors and are payable following the end of the performance period for senior managers. External market benchmarks are provided to the Remuneration and Management Development Committee to support them in their consideration of the appropriate level of remuneration.

Business separation arrangements for the licensed networks’ businesses require that the remuneration of the relevant Managing Directors and senior managers is linked to their performance and the performance of those networks’ businesses only.

The Remuneration and Management Development Committee may demand the repayment of executive performance related incentives in circumstances where it considers it appropriate to do so (e.g. in the case of misconduct). Such clawback expires after a period of three years from the payment of the incentive. No clawbacks were demanded in 2025.

Independent Board Members’ Remuneration

Independent Board members (including the Chair) serving on the Board of ESB are entitled to fees, at levels determined by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. The current fee is set out in the respective warrant of appointment issued to Board members by the Minister for Climate, Energy and the Environment.

Board Members’ Expenses

Board members are entitled to reimbursement of reasonable mileage and expenses incurred for attending Board and related meetings/events. In compliance with the State Code, expenses paid to Board members is outlined opposite. During 2025, €43,563¹ was reimbursed to, or paid on behalf of, Board members for travel expenses, accommodation and other expenses incurred directly in relation to their roles as Board members. These expenses do not include those of the Chief Executive or the Worker Board Members in respect of their executive or employee duties. They also do not include amounts relating to training or membership fees paid on behalf of Board members.

Board Members’ and Chief Executive Remuneration and Expenses

	Remuneration		Expenses	
	2025	2024	2025	2024
	€	€	€	€
Terence O'Rourke	31,500	31,500	4,641	14,824

Chief Executive

	Remuneration		Expenses	
	2025	2024	2025	2024
	€	€	€	€
Salary and taxable benefits	318,083	318,083		
Benefit-in-Kind (Car)	5,560	5,560		
Pension contributions (Defined Benefit Pension)	49,179	49,303		
Total	372,822	372,946	1,257	311

Independent/Worker Board Members

	Remuneration		Expenses	
	2025	2024	2025	2024
	€	€	€	€
Michael Barry	15,750	15,750	2,762	11,147
Aisling Curtis	15,750	15,750	1,899	4,367
Annette Flynn	15,750	15,750	14,407	5,333
Pat Gaynor ¹	15,750	762	3,598	-
Karen Halpenny	15,750	15,750	884	6,255
Owen Kilmurray	15,750	15,750	631	2,494
Jim Meade ¹	3,218	-	3,934	-
Gráinne O'Shea	15,750	15,750	1,574	1,573
Dr Sara Venning	15,750	15,750	6,435	8,107
Trevor Walsh	15,750	15,750	1,541	4,650
Total	144,968	126,762 ²	37,665	43,926 ²

¹ Term commenced 18 December 2024. Mr Meade was not entitled to a Board fee under the ‘One Person, One Salary’ rule until October 2025

² Excludes remuneration and expenses for Paul Lynam and Alf Smiddy who were not Board members in 2025

¹ The amount of any expense claimed by a non-executive Board member which is subject to deduction of tax is grossed up (that is, expenses grossed up for tax purposes at the applicable rate of tax for the individual Board member) to ensure Board members are fully reimbursed. The amount of expenses disclosed opposite includes the impact of any such grossing up where relevant.

Audit and Risk Committee Report



Michael Barry
Chair

Chair’s Introduction

On behalf of the Audit and Risk Committee, I am pleased to introduce the Audit and Risk Committee Report for the year ended 31 December 2025. The purpose of the report is to provide an insight into the workings of the Audit and Risk Committee over the last 12 months. I confirm that the Audit and Risk Committee has satisfied its responsibilities as set out in its Terms of Reference and under the Code of Practice for the Governance of State Bodies, 2016 as amended (the State Code), the Irish Corporate Governance Code 2024 (the Irish Code) (with explanations for any exceptions set out in the table on page 102).

The Audit and Risk Committee consists of three independent Board members who bring a broad range of experience and expertise from a wide range of industries, which is vital in supporting effective governance. The Board has confirmed that each member of the Audit and Risk Committee is independent, and that the membership meets the requirements of the State Code and the Irish Code in terms of recent and relevant financial experience (competence in accounting or auditing) and experience relevant to the sector in which the Group operates. Biographical details of the Committee members can be found on pages 86 and 87.

Committee Meetings

The Audit and Risk Committee held nine meetings during 2025. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of Service	Meetings Attended*
Michael Barry (Chair)	Independent Board Member	3 years	9
Annette Flynn	Senior Independent Board Member	2 years and 7 months	9
Pat Gaynor	Independent Board Member	1 year	7
* The Board's Terms of Reference sets out the expectation for full attendance at all Board/Committee meetings. Non-attendance is notified in advance to the Chair and reasons for any absence provided. Occasionally, for pressing personal or business reasons, Board members are unable to attend scheduled meetings. Board members can still provide their observations on/indicate their support to the Chair of the Board (or the Chair of the relevant Committee) for agenda items and have their inputs considered at the relevant meeting. The Chair of the Board meets with all Board members annually to discuss their performance (including attendance) and development needs.			

Role

The Audit and Risk Committee assists the Board in discharging its responsibilities in relation to the corporate reporting process, internal audit, external audit, internal control and risk management oversight. Further detail on the role of the Audit and Risk Committee is set out in its Terms of Reference, a copy of which can be found on the ESB website. The Terms of Reference were reviewed during the year and revised and updated where appropriate.

Duty	Activities carried out in 2025
Statutory Financial Reporting	Reviewed, considered and recommended to the Board (where applicable): - ESB's Annual Report and Financial Statements ensuring these were fair, balanced and understandable - Accounting standards applied and the estimates and judgements made by the Group - Final Dividend 2024 - ESB Regulatory Accounts - ESB's Interim Financial Report - Subsidiary company audits including the status of large company subsidiary audits and financial statements (as defined by the Companies Act, 2014)
Sustainability Reporting	Reviewed and considered: - CSRD reporting update including the approach for FY2025 - CSRD Readiness Review

Duty	Activities carried out in 2025
Internal Controls, Compliance and Risk Management Systems	Reviewed, considered and recommended to the Board (where applicable): - Effectiveness of the Group's system of internal control - Governance Frameworks for Material Non-Wholly Owned Entities - Review of business continuity and crisis management arrangements - Internal Control, Risk and BCP Management Frameworks in NIE Networks - ESB's Risk Plan (and mid-year review) and regular risk reports - Biannual Data Protection reporting - Cybersecurity Strategy and other regular cybersecurity updates - Overview of financial control in Enterprise Services - Use of spreadsheets for critical accounting transactions and any control enhancements which may be required - Review of Irish Code requirements - Compliance with the State Code (including Procurement compliance) and related Governance Assurance Action Plan progress update - Biannual Subsidiary Governance Reports - Update on the operation of the Tax Control Framework, Group Policy on Tax Compliance and a Tax Strategy update - Payroll assurance update - Assurance paper on ESB's compliance with statutory and regulatory obligations - Gift register assurance - Other governance updates including embedding the Second Line role in ESB's system of internal control - Risk deep dive with a focus on security of supply
Whistleblowing, Fraud and Investigations	Reviewed, considered and approved (where applicable): - Updates on fraud and wrongdoing allegations - Disclosures as required by the Protected Disclosures Act, 2014 - Annual update on fraud risk management
Internal Audit	Reviewed, considered and approved (where applicable): 2025 Internal Audit Plan (including NIE Networks) - Progress against the internal audit plans (including NIE Networks) - Update from the Head of Group Internal Audit (GIA) where management were not present - Review of the Internal Audit Charter - GIA Resourcing Plan and extension of Co-Source Contract - IT and culture thematic reviews - GIA Strategy and Business Plan update - Draft 2026 Internal Audit Plan
External Audit	Reviewed, considered and approved (where applicable): - Effectiveness of the external audit process - External Audit Plan - Deloitte's Audit Findings Report - Deloitte's Audit Quality and Regulators' Report - Revised Non-Audit Services Policy - Non-audit services provided by Deloitte and other audit firms - Policy approach to the employment of former employees of the external auditor - Updates from the external auditor where management were not present - Deloitte's internal control recommendations and management's response - Briefing from Deloitte on sectoral and accounting developments of relevance

Audit and Risk Committee Report (continued)

Statutory Financial Reporting

The Audit and Risk Committee receives and considers the interim and year-end financial statements from management, including consideration of the consistent application of ESB's accounting policies. Annually, the Committee receives a paper on the key accounting estimates and judgements contained within the financial statements. In addition, the Committee receives reports from the internal audit team and discusses the audit strategy with the external auditor.

Considering the information from these activities, the Audit and Risk Committee determined the key areas of judgement in the Group's financial statements relate to the following:

Key area of judgement	Significant issues considered
Carrying value of long-lived assets and goodwill	Judgements are made to assess whether indicators of impairment exist in respect of long-lived assets. The appropriateness of key assumptions in the impairment reviews also need to be considered. Long-lived assets Where indications of potential impairment on the Republic of Ireland and UK generation assets were identified, impairment reviews were performed to ensure the carrying values were supported by forecast future discounted cash flows. As at 31 December 2025, no indicators of impairment of ESB's generation assets or the carrying value of the asset base of ESB Networks and NIE Networks were identified. Goodwill Goodwill was recognised on the acquisition of NIE Networks and So Energy. An annual impairment test of the carrying value of this goodwill was carried out which resulted in the write off of €22 million of goodwill arising from the So Energy acquisition. Goodwill as at 31 December 2025 amounted to €174 million. Further details are in note 16 of the financial statements.
Carrying value of investments in, and loans to, equity accounted investees (joint ventures)	Judgements are made to assess whether indicators of impairment exist in respect of equity investments in and shareholder loans to joint ventures. The appropriateness of key assumptions in the impairment reviews also need to be considered. An impairment assessment of the carrying value of the investment (and related shareholder loan) in Neart na Gaoithe was carried out and no impairment was required. Further details are in note 17 of the financial statements.
Valuation of asset retirement obligations	The identification and quantification of all asset retirement obligations requires significant estimation and judgement. ESB has provided for the expected retirement and decommissioning costs of generation assets, wind farms, ESB Networks' and NIE Networks' creosote treated wood poles. The costs are capitalised in property, plant and equipment and depreciated over the useful economic lives of the assets to which they relate unless the related asset has reached the end of its useful life. See note 2 and 31 of the financial statements for further details.
Pension obligations - ESB Defined Benefit Pension Scheme (the Scheme)	There is a high level of complexity and judgement involved in the interpretation of the Scheme rules and the determination of the related accounting in the financial statements. In accordance with IAS 19 Employee Benefits, ESB continues to reflect the extent of its existing committed obligations to the Scheme only, as the Scheme is not a typical balance of cost Defined Benefit Scheme where the employer is liable to pay the balance of contributions required to fund benefits. See note 27 of the financial statements for further details.

Key area of judgement	Significant issues considered
Financial instruments and own use contracts	Within its regular course of business, ESB Group companies routinely enter into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with ESB's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 Financial Instruments. The application of the own use exemption in IFRS 9 requires significant judgement. Further details of the impact of the fair valuation of such contracts are included in note 26 of the financial statements.
Security of Supply arrangement between ESB and EirGrid at Moneypoint	On 1 July 2025, ESB commenced a Services Agreement with EirGrid in relation to the operation of electricity generation assets at Moneypoint, Co. Clare for system back-up purposes. Judgement required in relation to the accounting treatment of the Services Agreement. The arrangement between ESB and EirGrid has been assessed as containing a lease and has been classified as a finance lease. Upon commencement of the lease, the HFO-fired units at Moneypoint were derecognised from property, plant and equipment, and a finance lease receivable was recognised. Further details are included in note 19 of the financial statements.

The Audit and Risk Committee reviewed and challenged papers prepared and presented by management detailing the basis for the accounting treatment and the assumptions applied for each of the key areas of judgement outlined above. Following the review, the Committee is satisfied with the approach adopted including the underlying assumptions and that the appropriate accounting treatment has been determined. The Audit and Risk Committee also reviewed the audit findings report at the conclusion of the audit of the year-end financial statements.

The above description of significant issues considered should be read in conjunction with the independent auditor's report on pages 125 to 132 and the use of estimates and judgements disclosed in note 2 of the financial statements.

Fair, Balanced and Understandable

At the request of the Board, the Audit and Risk Committee has considered whether, in its opinion, the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provide all the necessary information for stockholders/stakeholders to assess ESB's position, performance, business model and strategy. Consideration is also given to whether the information is presented in a clear and concise format, avoids the use of jargon and is easily understood by the reader.

To assist in the process of supporting the fair, balanced and understandable assessment statement, management prepared a report to the Audit and Risk Committee setting out the key considerations in arriving at the statement and to assist in its challenge and testing of a fair, balanced and understandable assessment.

In reaching their conclusion, the Audit and Risk Committee considered the following:

- A robust process was put in place by management for the preparation of the Annual Report and Financial Statements for the year ended 31 December 2025, including early planning, taking into consideration regulatory changes and best practice.

- Understandable language and clear linkages to the strategic objectives throughout the report.
- The Key Performance Indicators and Alternative Performance Measures used and reported are at an appropriate level.
- All key events and issues reported to the Board during the year, both positive and negative, have been adequately referenced or reflected.
- Disclosures on ESG related matters were discussed in detail.
- The effectiveness of the internal control and risk management systems were appropriately reflected.
- The senior finance management and Executive team review.
- Board members received copies of the Annual Report and Financial Statements for timely review and effective challenge, including ensuring the key messages in the Annual Report were aligned with the Group's performance, business model and strategy and the narrative sections of the Annual Report were consistent with the Financial Statements.

Audit and Risk Committee Report (continued)

Following its review, the Audit and Risk Committee is of the opinion that the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for stockholders/ stakeholders to assess ESB's position, performance, business model and strategy and has recommended them to the Board for approval.

External Audit
Audit Quality

To maintain audit quality and provide assurance on the integrity of financial reporting, the Audit and Risk Committee reviews and challenges the proposed external Audit Plan, including its scope and materiality prior to approval, to ensure that the external auditor has identified the key audit risks and developed a robust approach. The Audit and Risk Committee considers the external auditor's response to accounting, financial control and audit issues as they arise and meets with them at least once annually without management present, providing the external auditor with the opportunity to raise any matters in confidence.

A report from the external auditors on their own internal quality procedures and the results of their most recent external inspections was also presented to the Audit and Risk Committee during the year. This noted that strong communication is a pre-requisite of a robust audit and incorporating feedback from ESB management is important to improve efficiencies and gain learnings from previous years. A detailed debrief session was held between Deloitte and management following the year end 2024 audit. Key areas identified for enhancement were incorporated into the 2025 Audit Plan.

Discussions with External Auditor
The Audit and Risk Committee reviewed the external auditor's report on the audit findings, including critical judgements and key estimates noted on pages 110 and 111. Having reviewed the external auditor's reports and having discussed their findings at Committee meetings, the Committee is satisfied that the audit appropriately addressed critical judgements and key estimates, and that the external auditor has demonstrated appropriate levels of professional scepticism.

Throughout the year, ESB and Deloitte were engaged in ongoing, open communication on current matters as and when they arose. During 2025, Glenn Gillard retired from Deloitte and was replaced as the lead partner on the ESB engagement by Ciarán O'Brien. The Audit and Risk Committee were advised of this proposed change by Deloitte in a timely manner and had an opportunity to meet Ciarán before his appointment was confirmed. I would like to thank Glenn for his challenging and constructive approach as audit partner on the ESB engagement and wish him well in the future.

Auditor Independence
The Audit and Risk Committee assesses the auditor's independence on an ongoing basis.

Auditor independence and objectivity is safeguarded by several control measures, including:

- A limit on the nature and value of non-audit services performed by the external auditor as covered under the policy for non-audit services
- Monitoring any changes in legislation related to auditor objectivity and independence
- Confirmation from Deloitte that they have appropriate internal safeguards in place that are consistent with applicable professional standards
- Audit partner rotation every five years
- Providing opportunities to meet with the Audit and Risk Committee privately
- Annual review of the effectiveness of the external audit process
- Consider the results of the Irish Auditing and Accounting Supervisory Authority's (IAASA) Inspection Results 2023 of Deloitte Ireland LLP

- Annual confirmation of independence by the external auditor
- Controls and monitoring in relation to the employment of former employees of the external auditor

The Audit and Risk Committee is satisfied that the auditor, Deloitte, is both independent and objective.

The Committee considers the appointment of the external auditor, and this process is subject to public tender. The last tender process was completed in 2021 and, following this tender, Deloitte were appointed as auditor beginning with the financial year ended 2022. In accordance with Section 7(2) of the Electricity (Supply) Act, 1927 (as amended), the auditor is subject to reappointment each year at the Annual General Meeting of the stockholders.

Audit Process Effectiveness
The effectiveness of the current external audit process is reviewed annually, taking into account feedback from a questionnaire on the evaluation of the external auditor and the external audit process by the Audit and Risk Committee. Feedback is obtained from both management and the Committee and, for the first time in 2025, observers who attended all Committee meetings. The evaluation focuses on areas such as the organisation of the audit, planning, execution and reporting and the role of management. Overall, the Audit and Risk Committee is satisfied with the effectiveness of the external audit process.

Non-Audit Services
An updated Policy on Non-Audit Services was approved by the Audit and Risk Committee during 2025 and takes account of the relevant ethical standards, namely the IAASA Ethical Standard for Auditors (Ireland) 2020 and the Financial Reporting Council Revised Ethical Standard 2024. The policy outlines the governance arrangements that apply to the provision of non-audit services and includes a list of permitted non-audit services and prohibited services. The policy also includes a defined approval process and follows ESB procurement procedures and Group authority levels.

An update on the nature of non-audit services provided by Deloitte and the value of such services is presented to the Audit and Risk Committee annually to demonstrate that the services comply with the policy (including that they are within the fee cap set out in the policy). A summary of the audit and non-audit fees paid to the external auditor is set out in note 12 of the financial statements. The primary non-audit related services provided by the external auditor during the year were in respect of permitted work on the review of interim financial information, pre-CSR D assurance work, work regarding the EMTN (Euro Medium Term Note) and a letter of comfort for a NIE Networks bond. The Audit and Risk Committee is satisfied that the fees paid in 2025 did not compromise the independence or integrity of the external auditor. The Committee will continue to monitor the type and level of services provided to lessen any perceived or actual risk to auditor's objectivity and independence. An update on the nature and value of non-audit spend with audit firms, other than Deloitte, was also presented to the Audit and Risk Committee during the year. The Committee will continue to monitor the level of non-audit spend with leading audit firms, including Deloitte.

Internal Audit
The Audit and Risk Committee has a specific role to monitor and assess the role and effectiveness of the internal audit function. GIA conducts its activities in conformance with the International Standards for Professional Practice of Internal Auditing (IIAS). The IIAS require that an external assessment of compliance with the standards be carried out every three years. An external assessment, led by KPMG, commenced in 2025 and the final report was provided to the Committee in early 2026 confirming that GIA are operating in conformance with IIAS. Based on the outcome of this assessment, updates provided in 2025 together with the completeness of the internal audit 2025 plans, the Audit and Risk Committee is satisfied that the internal audit function is both independent and effective.

Anti-Bribery, Corruption, Fraud and Wrongdoing
In line with its Terms of Reference, the Audit and Risk Committee reviewed and assessed reports on incidents of fraud and attempted fraud during the year, as well as the processes in place to manage the risk of fraud. During 2025, the Committee received updates from the Fraud Risk Manager (a role within GIA) on work undertaken during the year including increasing the capability of investigators, continuous fraud monitoring through the use of data and analytics, further enhancing reporting of the independent Fraud and Wrongdoing Triage Committee, fraud risk assessments, workshops and communications.

Audit and Risk Committee Effectiveness
As part of the internal Board evaluation conducted in 2025, the operation of the Audit and Risk Committee was evaluated. The evaluation confirmed the Committee was operating efficiently with only minor recommendations made for improvements to its processes. Detail on the Board effectiveness evaluation is included on page 101.

Additionally, on an annual basis, an end of year report is prepared for the Committee, which reviews materials that were presented to the Committee by reference to its annual workplan to provide assurance that the Committee had adequate coverage of its oversight responsibilities and is delivering against its Terms of Reference.

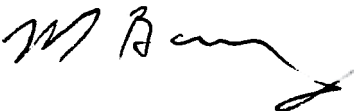
Meetings
The internal and external auditors have full and unrestricted access to the Audit and Risk Committee. The Audit and Risk Committee Chair reports the outcome of its meetings to the Board. Meetings, or part thereof, are routinely attended by the Board Chair, Chief Executive and/ or Deputy Chief Executive, Executive Director, Group Finance and Commercial, Head of GIA and representatives of the external auditor. Committee-only sessions are arranged at the beginning/end of meetings, as determined by the Audit and Risk Committee Chair.

Looking Ahead
In addition to core responsibilities for oversight of financial reporting and monitoring systems of internal control, the key areas of focus in 2026 for the Audit and Risk Committee will include the following:

- Impact of AI on financial and internal control processes – risks and opportunities
- Management of succession within the financial/internal audit functions and future capability requirements
- Cybersecurity and data governance
- Audit quality
- Risk reporting

The Audit and Risk Committee will also continue to keep its activities under review, taking into consideration external developments and Board priorities.

On behalf of the Audit and Risk Committee


Michael Barry
Chair, Audit and Risk Committee
27 February 2026

Board Committees in 2025

The Terms of Reference of each Board Committee are reviewed regularly (and at least annually in the case of the Audit and Risk Committee) and revised and updated where appropriate. The Terms of Reference of all Committees are available on the ESB website.



Aisling Curtis
Chair

Customer, Innovation and Brand Committee

Committee Meetings

The Committee held five meetings during 2025. The members of the Committee, length of service and the number of meetings attended are set out below:

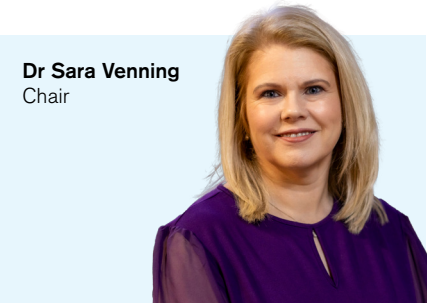
Members	Designation	Length of service	Meetings attended*
Aisling Curtis (Chair) ¹	Independent Board Member	2 years and 7 months	3
Owen Kilmurray	Worker Board Member	2 years and 7 months	2
Jim Meade ¹	Independent Board Member	1 year	4
Marguerite Sayers ¹	Deputy Chief Executive	2 years and 7 months	5
Dr Sara Venning	Independent Board Member	2 years and 7 months	5
Trevor Walsh	Worker Board Member	2 years and 7 months	5

Key Activities of the Customer, Innovation and Brand Committee in 2025

Duty	Activity
Customer	Reviewed and considered: - Customer Solutions' quarterly reporting - Electric Ireland's call centre performance update - ESB Networks' customer performance update 'Empowering Tomorrow' – Customer Solutions' transformation programme - ESB Networks' National Outreach Programme - supporting customers to proactively manage their energy use
Brand, Reputation and Stakeholder Management	Reviewed and considered: - Lobbying Act Report 2024 - Sponsorship Strategy update - Update on customer and stakeholder communications - Branding and marketing supports for ESB's Net Zero by 2040 Strategy - Stakeholder Engagement Strategy
Innovation/ Technology	Reviewed and considered: - ESB ecars' Strategy and EV charging infrastructure updates - Harnessing digital and data in engineering design and asset management performance - Energy storage solutions for electricity systems - Business Unit Innovation Programmes – benefits realisation and culture change - AI review and progress update - Briefing on digital culture and capability - IT governance and risk management - IT delivery updates - Emerging Technology Insights Report 2025

¹ Marguerite Sayers chaired the May 2025 meeting and Jim Meade chaired the September meeting in the Chair's absence.

* The Board's Terms of Reference sets out the expectation for full attendance at all Board/ Committee meetings. Non-attendance is notified in advance to the Chair and reasons for any absence provided. Occasionally, for pressing personal or business reasons, Board members are unable to attend scheduled meetings. Board members can still provide their observations on/indicate their support to the Chair of the Board (or the Chair of the relevant Committee) for agenda items and have their inputs considered at the relevant meeting. The Chair of the Board meets with all Board members annually to discuss their performance (including attendance) and development needs.



Dr Sara Venning
Chair

Role

The Safety, Sustainability and Culture Committee assists the Board in fulfilling its oversight responsibilities in respect of reviewing the strategies, policies, programmes, risks, targets, and performance of the Company and, where appropriate, of its suppliers and contractors in relation to safety, health and wellbeing, the environment and sustainability. The Committee also supports the Board in providing oversight of culture, employee engagement and corporate social responsibility including respect for human rights.

¹ Part attendance at the July 2025 Committee meeting.

* The Board's Terms of Reference sets out the expectation for full attendance at all Board/ Committee meetings. Non-attendance is notified in advance to the Chair and reasons for any absence provided. Occasionally, for pressing personal or business reasons, Board members are unable to attend scheduled meetings. Board members can still provide their observations on/indicate their support to the Chair of the Board (or the Chair of the relevant Committee) for agenda items and have their inputs considered at the relevant meeting. The Chair of the Board meets with all Board members annually to discuss their performance (including attendance) and development needs.

Safety, Sustainability and Culture Committee

Committee Meetings

The Committee held five meetings during 2025. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended*
Dr Sara Venning (Chair)	Independent Board Member	4 years and 1 month	5
Aisling Curtis	Independent Board Member	2 years and 7 months	2.5 ¹
Karen Halpenny	Worker Board Member	3 years	4
Paddy Hayes	Chief Executive	3 years and 10 months	5
Jim Meade	Independent Board Member	1 year	5

Key Activities of the Safety, Sustainability and Culture Committee in 2025

Duty	Activity
Safety, Health and Wellbeing, and the Environment	Reviewed and considered: - Quarterly reports and performance updates - Safety, Health and Environment Strategy 2026-2030 - Road Safety Strategy (and an overview of the road safety risk for ESB) - Annual Dam Safety Review - Update from the Fire Safety Centre of Competence - Oversight of safety/environment incidents' reviews and investigations - Review of environmental risks and Climate Risk Assessments, including reporting to external bodies for carbon disclosures (e.g. Sustainable Energy Authority of Ireland and CDP) - Embedding 'Safe and Sound' Programme in Engineering and Major Projects - Planning and environment obligations for large projects
Sustainability	Reviewed and considered: - Quarterly Sustainability Report and performance updates - ESB Networks' environmental and biodiversity updates - NIE Networks' sustainability update - Generation Trading environment risk and sustainability update - Update on CSRD and sustainability engagement - Biodiversity Strategy – implementation update - Resource use and circularity update - ESB Networks' fleet electrification update - Annual sustainable rivers and conservation update - Corporate Social Responsibility in ESB
Culture and People	Reviewed, considered and recommended to the Board (as applicable): - Our Voice briefing - Diversity, Equity and Inclusion Strategy update (including the Gender Pay Gap Report) - Update on Culture Strategy - ESB's Code of Conduct ("Our Code") update - Human Rights Due Diligence process and implementation update - Coaching and mentoring in ESB - Modern Slavery Statement - ESB Networks' people update - NIE Networks' employee engagement

For further information on Safety, Sustainability and Culture in 2025, see the Planet, Place, People section starting on page 59.

Board Committees in 2025 (continued)



Terence O'Rourke
Chair

Role
The Remuneration and Management Development Committee is responsible for overseeing the operation of ESB's Executive Remuneration Policy and for setting the remuneration and assessing the performance of the Chief Executive, the Executive Directors and the Company Secretary. The Committee is also responsible for the Chief Executive's and Executives' development and advises the Chair in relation to succession planning for these key executive positions. The Committee is also responsible for the implementation of remuneration arrangements for Board members and advises the Chair in relation to Board independence and succession planning.

Remuneration and Management Development Committee

Committee Meetings

The Committee held four meetings during 2025. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended
Terence O'Rourke (Chair)	Chair	5 years and 2 months	4
Annette Flynn	Senior Independent Board Member	2 years and 7 months	4
Pat Gaynor	Independent Board Member	1 year	4

Key Activities of the Remuneration and Management Development Committee in 2025

Duty	Activity
Executive Remuneration Policy	Reviewed and approved (as applicable): - Executive Remuneration Annual Risk Review - Annual leave allowance review - Short-term Incentive Plan rule revisions – ESG aspects
Board and Main Subsidiary Board Members' Remuneration	Reviewed, approved or recommended to the Board (where applicable): - Extension of the term of an Independent Non-Executive Director on NIE Networks Board - Remuneration arrangements for Worker Board Member - Consideration of fees payable to non-Government appointed Non-Executive Directors
Board Succession Planning	Reviewed the submission supporting the re-appointment of the Chair for a second term.
Board Member Independence	Reviewed and approved (as applicable): - Board independence assessment for 2024 year end - Framework for assessment of Board Members' time commitments
Chief Executive's Performance and Remuneration	Reviewed and approved (as applicable): - Chief Executive's 2024 performance review - Submission to the Minister seeking sanction for Chief Executive's salary revision - Proposal for 2026 objectives and key results for the Chief Executive
Executive Performance and Remuneration	Reviewed and approved (as applicable): - Remuneration compliance review (Code of Practice) - Executive team performance review 2024 - Executive/Managing Director short-term incentive plan 2024 outcome 2026 short-term incentive programme ESG targets - Annual remuneration review of the Managing Director and the Finance and Regulation Director of NIE Networks
Succession Planning and Leadership Development	Reviewed, approved or recommended to the Board (where applicable): - Executive Director development including an Executive team 2025 development update - Appointment of a new Managing Director, NIE Networks



Annette Flynn
Chair

Role
The Finance and Investment Committee supports the Board in assessing new investment opportunities and divestment proposals and in its oversight of the Group's financial strategy, long-term financial planning, financial and treasury risks, energy markets risk exposures and other matters.

Finance And Investment Committee

Committee Meetings

The Committee held seven scheduled meetings during 2025. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended*
Annette Flynn (Chair)	Senior Independent Board Member	2 years and 7 months	7
Michael Barry	Independent Board Member	2 years and 7 months	7
Pat Gaynor	Independent Board Member	1 year	5
Paddy Hayes	Chief Executive	3 years and 10 months	7
Gráinne O'Shea	Worker Board Member	3 years	7

Key Activities of the Finance and Investment Committee in 2025

Duty	Activity
Investments and Capital Expenditure	Reviewed, considered and recommended to the Board (where applicable): - Renewable investment/expenditure (wind and solar) - Other significant investment/expenditure - Generation Trading's Capital Expenditure Programme 2025/2026 - SIRO business update - Offshore wind projects and other Generation Trading capital investments updates - Update on Customer Solutions' 'Empowering Tomorrow' transformation programme - Updates on ESB Networks' PR5 delivery and PR6 Draft and Final Determination - ORESS Tonn Nua auction bid
Funding	Reviewed, considered and recommended to the Board (where applicable): - Re-financing of the main bank Revolving Credit Facility - Funding updates and the Group borrowing limit - Government equity injection for PR6 - Group Collateral and Securities Annual Report - Update on the FFO/Debt metric - An overview of joint venture loans - So Energy funding - Credit rating agency reviews - Treasury investment solutions
Financial Performance/ Stockholder Matters	Reviewed, considered and recommended to the Board (where applicable): - Monthly Performance Dashboard (including financial, operation, customer and market, people and sustainability KPIs) - Other monthly and quarterly financial updates (capital expenditure etc.) - Non-Open Market Property Disposal Report - Consultancy Spend Report 2024 - Strategic Investment Framework and hurdle rates - So Energy business performance update - Moody's Net Zero Assessment - Annual Budget 2026 - ESB Networks' and NIE Networks' annual financial plans
Energy Markets and Trading	Reviewed and considered: - Electric Ireland's Energy Trading Strategy and performance update - Generation Trading's Energy Trading Strategy and risk management - Generation Trading routes to market - Electric Ireland's residential electricity tariff - Regulation and Energy Policy update - Energy Markets and Trading Strategy execution update - Risk and Compliance Framework for management of energy trading risks

* The Board's Terms of Reference sets out the expectation for full attendance at all Board/ Committee meetings. Non-attendance is notified in advance to the Chair and reasons for any absence provided. Occasionally, for pressing personal or business reasons, Board members are unable to attend scheduled meetings. Board members can still provide their observations on/indicate their support to the Chair of the Board (or the Chair of the relevant Committee) for agenda items and have their inputs considered at the relevant meeting. The Chair of the Board meets with all Board members annually to discuss their performance (including attendance) and development needs.

Business Conduct

Our Code

The Board is responsible for ensuring that ESB conducts its affairs in compliance with its legal and regulatory obligations and duties in a socially responsible manner as well as setting the tone at the top on conduct and ethics. The expertise of the Board in relation to Business Conduct matters is set out in their biographies on pages 86 to 89 and the Board Skills Mix matrix on page 99.

ESB has established a Code of Ethics, known as “Our Code”, which denotes its approach to responsible and ethical business behaviour, underpinned by ESB’s values. The underlying principle of Our Code is that employees can best serve ESB by adhering to the highest standards of integrity, loyalty, fairness and confidentiality and by meeting all legal and regulatory requirements. The Safety, Sustainability and Culture Committee reviewed updates to Our Code in 2025 which were required to reflect current Group policies and procedures. To establish, develop and promote positive corporate culture, Our Code training is carried out at induction for all direct employees. Training material is also published on the ESB intranet and is available through ESB’s learning and development platform. Completion of this training is monitored, and evaluation of ESB corporate culture is further promoted through regular staff surveys and other forms of staff engagement. In addition, ESB’s ‘Leading Through Our Values’ programme, designed to support people managers in understanding and role modelling desired behaviours, continued to be rolled out during 2025.

For regulatory ring-fencing purposes, NIE Networks maintains its own Code of Ethics and regular communications are sent to staff to raise awareness of the code and its contents. So Energy have a ‘Living Our Values’ Programme which is in line with local laws, policies and procedures but which aligns to ESB’s Our Code format and content. So Energy carries out annual compulsory training in expenses, whistleblowing, anti-corruption and incident management and this training also forms part of their induction programme.

The Board’s Code of Conduct

Board members are expected to lead by example, and the Board has its own Code of Conduct committing to the highest standards of conduct and business ethics. A review of the Board’s Code of Conduct was undertaken in 2025 to ensure that it continues to support the culture transformation underpinning the ambition of the Net Zero by 2040 Strategy. The Board Code of Conduct is available on the ESB website. Board members are also mindful of their obligations under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

Anti-Bribery, Corruption, Fraud and Wrongdoing

ESB has a detailed Anti-Bribery, Anti-Corruption and Fraud Prevention Policy in place which outlines the standards of behaviour expected of staff in how they work and to promote controls to prevent, deter and detect bribery, corruption and fraud. Ireland has enacted anti-bribery and corruption laws consistent with the aims of the United Nations Convention against Corruption. ESB’s Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, available on the ESB website, is consistent with these laws. Online training on the policy is available for employees on the ESB intranet, and it is included as standard in induction for new employees. Fraud risk assessment/awareness workshops were also conducted by the business units and key operational areas during 2025. These workshops were facilitated by the Fraud Risk Manager and external facilitators as required.

ESB’s Requirements for Third Parties Policy and ESB’s Supplier Charter set out the basic principles expected of all suppliers/contractors who are providing goods, services or works to, or on behalf of, ESB. This includes requirements to comply with anti-bribery and corruption laws. Suppliers/contractors doing or wishing to do business with ESB are asked to familiarise themselves with the requirements and confirm compliance with same. The documents are available on the ESB website.

ESB has a zero-tolerance approach to bribery, corruption and fraud and is committed to investigating all incidents of this nature promptly, independently and objectively.

Group Internal Audit (GIA) oversees all investigations ensuring that appropriate terms of reference are agreed, appropriate budget is available to conduct investigations and fair, unbiased investigations are conducted in line with ESB’s Whistleblowing and Protected Disclosures Policy and related guidelines for investigating/managing incidents of wrongdoing. The outcome of each investigation is reported by GIA to the Audit and Risk Committee.

During 2025:

- There were 15 confirmed incidents of fraud or wrongdoing, seven by third parties and eight incidents involving employees who attempted to defraud the organisation. There were also a number of attempted break-ins and third party theft of ESB property. There were no confirmed incidents of corruption or bribery.
- There were no prosecutions, convictions or fines relating to the violation of anti-corruption or anti-bribery laws by ESB or ESB staff.
- There were no confirmed incidents in 2025 relating to ESB employees in which employees were dismissed or disciplined for corruption or bribery incidents. Appropriate disciplinary procedures were followed for all fraud and wrongdoing related incidents.
- There were no confirmed incidents relating to contracts with business partners that were terminated or not renewed by an ESB Group company due to violations related to corruption or bribery.
- There were no insufficiencies identified in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.

Incidents or attempted incidents of fraud are reported to the Audit and Risk Committee on a quarterly basis as outlined on page 113.

Whistleblowing

In addition to Our Code and the Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, ESB has, in compliance with the Protected Disclosures Act, 2014 (as amended), a Whistleblowing and Protected Disclosures Policy, which outlines specific procedures for the reporting and investigation of concerns raised in relation to wrongdoing.

The policy is available on ESB’s website. A telephone helpline and online webchat service provides employees and external parties with a confidential and, if required, anonymous means of reporting any suspected wrongdoing or ethical concerns. NIE Networks has a process in place for raising a concern to the Company Secretary. Measures to protect whistleblowers are outlined in ESB’s Whistleblowing and Protected Disclosures Policy.

Ireland and the UK (other than NIE Networks)

When a wrongdoing is identified through any of the forums noted above or through business line management, an initial assessment is completed to determine whether there is sufficient information to merit a formal investigation. The initial assessment is conducted by the line manager who was made aware of the potential wrongdoing (to the extent that they themselves are not involved), together with the Wrongdoing Triage Committee chaired by the Group Internal Auditor. Where a formal investigation is required, the Triage Committee appoints an independent investigator(s), with advice obtained from Legal and HR as required. The investigator/investigation team is independent from the incident, with no connection to the subject matter of the investigation and will have the relevant skills and expertise to conduct the investigation properly. The investigator/ investigation team may be ESB employees or external third parties (or a combination of both).

GIA oversees all investigations ensuring that fair, unbiased investigations are conducted in line with ESB’s Whistleblowing and Protected Disclosures Policy and related guidelines for investigating/managing incidents of wrongdoing. The outcome of each investigation is reported by GIA to the Audit and Risk Committee and if required, it is reported to relevant external parties including An Garda Síochána. The outcome is reported to the complainant, if known.

NIE Networks

The Company Secretary is responsible for ensuring any investigations are undertaken, and an impartial individual is designated to conduct the investigation to determine if there is sufficient evidence that wrongdoing may have occurred. If wrongdoing has occurred, a formal investigation will be initiated by the Company Secretary, in consultation with relevant senior managers, to investigate the matter further. Reports are made to the Police Service of Northern Ireland or to a regulatory body where appropriate. All cases are reported to GIA and subsequently reported to the Audit and Risk Committee.

Lobbying and Political Donations

Lobbying is an essential part of the democratic process and integral to ESB’s broader stakeholder management plans. ESB engages directly and indirectly with legislators, and other public officials on a range of matters, some of which are lobbying activities within the meaning of applicable legislation in the relevant jurisdictions where ESB conducts its activities.

In accordance with ESB policy on Lobbying and Political Engagement, ESB seeks to operate to the Responsible Lobbying Framework to ensure that lobbying activity is conducted in a transparent, consistent and accountable manner and in compliance with legal obligations. Management of compliance with ESB policy on lobbying resides with Group Compliance. Under ESB policy, political donations are prohibited and no ESB designated lobbyist should have previously held a position of Designated Public Official (DPO) in Ireland in the previous two years.

ESB is registered with the Standards in Public Office Commission (SIPO) on the publicly available Lobbying Register (www.lobbying.ie) and files the required returns on an annual basis.

In accordance with the requirements of the Regulation of Lobbying Act, 2015 (as amended), ESB has made the required returns to SIPO for the three return periods across 2025 focusing on influencing government policies required to enable ESB’s Net Zero by 2040 Strategy delivery. Lobbying activities in Ireland during 2025 included outlining ESB’s perspective on the development of Ireland’s offshore renewable policy, seeking changes to planning procedures and policy in support of the efficient delivery of renewable energy projects, and measures for ensuring a safe and resilient electricity network in the event of storms. Full details of all lobbying activity can be found on www.lobbying.ie.

In accordance with the Lobbying (Scotland) Act, 2016, ESB is also registered with the Scottish Parliament, and two nil returns were submitted during 2025 as no lobbying activity (as defined) was deemed to have taken place.

In the UK, under the Transparency of Lobbying, Non-Party, Campaigning and Trade Union Administration Act, 2014, registered consultant lobbyists engaged by ESB must submit details of lobbying activity they have completed on behalf of ESB on a quarterly basis. In 2025, external consultants in the UK engaged in lobbying efforts aimed at safeguarding vulnerable customers. These efforts focused on securing the permanent ban on acquisition-only tariffs, addressing household energy debt, and improving affordability by refining the price cap to enable greater flexibility in pricing and encourage innovation.

Finally, ESB is also registered on the EU Transparency register, registration number 441077550178-21.

Sanctions

In line with the Group Policy on Sanctions and Related Matters, ESB is committed to complying with applicable sanctions laws and, accordingly, with economic and/ or trade sanctions imposed on individuals and entities with whom ESB has any dealings, and on jurisdictions in which ESB operates.

Board Members’ Report

The Board members present their report together with the audited financial statements of ESB and of the Group for the year ended 31 December 2025.

Principal Activities

The principal activities of the Group are the generation, transmission, distribution and supply of electricity, gas and energy services in the island of Ireland. The Group also operates in the generation and supply of electricity in Great Britain.

ESB Annual General Meeting (AGM)

ESB holds an AGM each year, no later than 15 months after the last AGM. The 2025 AGM was held on 30 April 2025. The Chair gave an overview of the year and invited representatives of the Ministerial stockholders and of the Trustee of the ESB Employee Share Ownership Plan to make comments. The external auditor also attends the AGM.

Business Review

Commentaries on performance for the year ended 31 December 2025, including information on recent events and potential future developments, are contained in the Chair’s Statement and the Chief Executive’s Review on pages 10 and 12 respectively. The performance of the business, its financial position and the principal risks faced by the Group are reflected in the reviews for each major business unit on pages 42 to 51, the Financial and Operating Review starting on page 36 and the Risk Report starting on page 23.

Results and Dividend for the year

The financial results of the Group show a profit after tax, exceptional items and certain re-measurements of €636 million for the financial year 2025, compared with a profit after tax (after exceptional items and certain re-measurements) of €706 million for 2024. The dividend policy updated and agreed with the Government in early 2026, provides for targeted dividends at a rate of 30% of adjusted profit after tax. The Board, in line with this updated policy, is recommending a dividend for 2025 of 6.78 cent per unit of stock, or €149.3 million.

Capital Stock

Capital stock in ESB is allocated in accordance with the Electricity (Supply) Acts, 1927-2025 and the ESB Regulations. During 2025, ESB created and issued (a) 243,243,243 new units of capital stock (of one Euro each) to the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in return for payment of €1.35 billion, and (b) 27,027,027 new units of capital stock (of one Euro each) to the Minister for Climate, Energy and the Environment in return for payment of €150 million. In addition, ESB purchased and cancelled 3.8 million units of capital stock (2024: 3 million units) at a cost of €10.1 million (2024: €8.1 million). Details of the allocation of capital stock in ESB, including details related to the Employees Share Ownership Plan are outlined in note 23 and 35 of the financial statements.

Principal Risks and Uncertainties

A description of the principal risks and uncertainties facing the Group is set out in the Risk Report on pages 25 to 32.

Financial Instruments

The financial risk management objectives and policies of the Group along with a description of the use of financial instruments is set out in note 32 of the financial statements.

Accounting Records

The Board members believe that they have employed accounting personnel with appropriate expertise and provided adequate resources to the finance function to ensure compliance with ESB’s obligation to keep adequate accounting records. The accounting records of ESB are held at 27 Fitzwilliam Street Lower, Dublin 2, D02 KT92.

Report under Section 22 of the Protected Disclosures Act, 2014

Section 22 of the Protected Disclosures Act, 2014 (as amended (the “Act”)) imposes obligations on ESB regarding protected disclosures made to it under the Act. ESB has internal reporting channels set out in its Group Policy on Whistleblowing and Protected Disclosures, which includes a confidential reporting line managed by an external third party. ESB publishes a report under Section 22 relating to protected disclosures made to it on its website.

Official Languages Act, 2003 and 2021

ESB is committed to ensuring compliance with the provisions of the Official Language Act, 2003 and 2021 (the “Acts”). In accordance with Section 4B (a) of the Acts, a senior manager has been appointed to oversee the performance by ESB of obligations arising under the Acts and a report of activities relating to compliance during 2025 was submitted to the Chief Executive. In summary, the report referred to the implementation of procedures designed to ensure compliance with the legislative requirements.

Political Donations - Electoral Act, 1997

Under ESB policy, political donations are prohibited.

Human Rights (including Protection Against Modern Slavery)

ESB is committed to respecting all internationally recognised human rights including those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. ESB’s Group Policy on Human Rights is published on ESB’s website and further details can also be found in the Planet, Place, People section starting on page 59.

Sustainability

Sustainability is a core element of ESB’s strategy and purpose, enabling the delivery of secure, affordable, and clean electricity while creating long-term value for the customers we serve and the communities in which we operate. In 2025, ESB continued to strengthen its sustainability leadership across strategy, risk, governance, investment, and performance frameworks. This included aligning its approach to sustainability with CSRD, advancing the Net Zero by 2040 pathway, and integrating climate, nature and social considerations into business planning.

Through the Centre of Sustainability, ESB is driving transparency, capability development and data assurance across all business units. The Sustainability Leadership Plan continues to embed sustainability into culture and operations balancing decarbonisation, resilience, and social impact.

Information on the Group’s sustainability performance, including social programmes (or Corporate Social Responsibility) is set out on pages 62 to 75.

Environmental Management

ESB manages its environmental responsibilities through an established Environmental Management System (EMS) aligned with ISO14001 standards and applied across generation, networks and corporate operations. The EMS ensures that ESB identifies and manages environmental risks, complies with statutory and licence obligations, and continuously improves environmental performance. It provides the governance framework for resource efficiency, emissions reduction, and pollution prevention, underpinned by robust monitoring and reporting of compliance with the Environmental Protection Agency and local authorities. This structured approach supports ESB’s commitment to operating as a responsible, compliant, and environmentally sustainable energy utility. Further information is set out on page 76.

Principal Subsidiary, Joint Venture and Associated Undertakings

Details of the principal subsidiary, joint venture and associated undertakings are outlined in note 38 of the financial statements.

Prompt Payments Regulation

The Board acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the Prompt Payment of Accounts Act, 1997 and European Communities (Late Payments in Commercial Transactions) Regulations, 2012 (S.I. No. 580 of 2012) as amended by European Communities (Late Payment in Commercial Transactions) (Amendment) Regulations, 2016 (S.I. No. 281 of 2016). The Board is satisfied that ESB has implemented procedures which provide assurance against material non-compliance with the requirements of the Regulations. Refer to page 247 for the report on compliance.

Related Party Transactions

Related party transactions are set out in note 34 of the financial statements.

Research and Development

ESB’s business is involved in innovative projects and programmes related to the energy sector. A number of these projects and programmes are referred to in the Strategy and Performance section on pages 7 to 83.

Statement under Section 330 of the Companies Act, 2014

The ESB Regulations require ESB to observe the provisions of the Companies Act, 2014 applying to a Companies Act entity in regard to audit and/or auditors. This requires the Board members to make a statement in the form required by Section 330 of the 2014 Act. In compliance with this requirement, the Board confirms that it complies with Section 330 of the Companies Act, 2014 and, in this regard, each of the Board members confirms that:

- So far as the Board member is aware, there is no relevant audit information of which ESB’s statutory auditor is unaware.
- Each Board member has taken all the steps that he or she ought to have taken as a Board member in order to make himself or herself aware of any relevant audit information and to establish that ESB’s auditor is aware of that information (within the meaning of Section 330).

Internal Control and Risk Management Systems

As set out on pages 103 and 104, the Board confirms that there is an ongoing process for identifying, evaluating and managing risks faced by the Group. The Board has delegated responsibility to the Audit and Risk Committee to monitor and review the Group’s risk management and internal control processes. The report of the Audit and Risk Committee is set out on page 108.

Viability Statement and Going Concern

The Board members’ viability statement and going concern assessment are set out on page 105. Based on this assessment, the Board has a reasonable expectation that ESB will continue in operation for at least 12 months from the date of approval of the financial statements.

Significant Events Since Year End

On 27 January 2026, NIE Finance plc issued a new £600 million 5.875% fixed rate bond maturing in September 2041. There are no other significant events since the year end which would require adjustment to, or disclosure in this report.

Future Developments

ESB is a strong diversified, vertically integrated utility operating right across the electricity/gas and energy services markets from generation, through transmission and distribution to supply of customers, operating predominantly in the Irish and UK energy markets. ESB’s strategy is designed to ensure that the business continues to grow while maintaining the financial strength to invest at the necessary scale and pace to deliver on its commitment to net zero by 2040 (see pages 14 to 19 for more information on the strategy).

Auditor

At the AGM held during 2025, Deloitte Ireland LLP was reappointed as ESB’s auditor for the 2026 financial year in accordance with Section 7(2) of the Electricity (Supply) Act, 1927 (as amended).

At the 2026 AGM, the stockholders will be asked to authorise the Board members to fix the remuneration of the auditor in respect of the year ended 31 December 2026.

Approval of the 2025 Annual Report and Financial Statements

The Board is satisfied, after taking into account the recommendation of the Audit and Risk Committee, that the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provides the information necessary for stockholders to assess ESB’s performance, business model and strategy.



Terence O’Rourke
Chair



Paddy Hayes
Chief Executive

27 February 2026

Supporting the Transition to Cleaner Transport - For Future Us

As Ireland's largest EV charge point operator, ESB builds, owns and operates a growing network of over 1,600 charge points across the island of Ireland. This year, ESB celebrated a key milestone, with the completion of the Climate Action Fund programme, co-funded by ESB and the Irish Government. This project delivered 55 new charging hubs across the island of Ireland, 52 of which offer high power charging. 100 standard AC charge points were upgraded to provide higher charging speeds. Approximately 500 existing AC charge points were replaced with newer and better technology. The project has significantly improved the speed and reliability of ESB's public EV charging network. ESB is supporting the transition to cleaner transport for future us, empowering the adoption of EVs by providing charging solutions that meet the evolving needs of customers.

Financial Statements

Statement of Board Members' Responsibilities	124
Independent Auditor's Report to the Stockholders of Electricity Supply Board (ESB)	125
Financial Statements	133



Statement of Board Members' Responsibilities

The Board is responsible for preparing the annual report, incorporating financial statements for ESB and for the ESB Group, comprising ESB and its subsidiaries ("the Group").

Notwithstanding that ESB as a statutory body is not in scope of the Companies Act, 2014, under Regulation 78 of ESB's governing regulations, adopted pursuant to Section 6(1) of the Electricity (Supply) Act, 1927 (as amended) ("the ESB Regulations"), the Board is required to prepare financial statements comprised of and in the form required for Companies Act entities under Section 292 of the Companies Act and (for group financial statements) under Section 295 of the Companies Act.

ESB is also required under Section 7(4) of the Electricity (Supply) Act, 1927 (as amended) and Regulation 78 of the ESB Regulations to furnish its annual report, which incorporates the financial statements, to the Minister for Climate, Energy and the Environment.

The Code of Practice for the Governance of State Bodies provides¹ that the Board is responsible for the preparation of the annual report, and financial statements which are prepared in accordance with relevant accounting standards. The Board has elected to prepare ESB's financial statements in accordance with IFRS as adopted by the European Union and as applied in accordance with the applicable provisions of the Companies Act, 2014 and the ESB Regulations.

The Board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and of ESB and of the Group's profit or loss for that year.

In preparing the financial statements, the Board members are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State that the financial statements comply with IFRS as adopted by the European Union, and as regards ESB, as applied in accordance with the Companies Act, 2014 and the ESB Regulations
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and ESB will continue in business

The Board members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of ESB, and which enable them to ensure that the financial statements of ESB and the Group are prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with applicable provisions of the Companies Act, 2014 and the ESB Regulations.

The Board members are also responsible for safeguarding the assets of ESB and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board members are responsible for the maintenance and integrity of the corporate and financial information included on ESB's website (www.esb.ie).

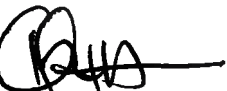
Each of the Board members confirms that, to the best of his or her knowledge and belief:

- The Group financial statements, prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of Companies Act, 2014 and by the ESB Regulations, give a true and fair view of the assets, liabilities, financial position of the Group at 31 December 2025 and of the profit of the Group for the year then ended
- ESB's financial statements, prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of Companies Act, 2014 and by the ESB Regulations, give a true and fair view of the assets, liabilities and financial position of ESB at 31 December 2025
- The Board Members' Report contained in the annual report includes a fair review of the development and performance of the business and the position of the Group and ESB, together with a description of the principal risks and uncertainties that they face
- The annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for stockholders to assess ESB's position, performance, business model and strategy

On behalf of the Board


Terence O'Rourke

Chair


Paddy Hayes

Chief Executive

27 February 2026

Independent Auditor's Report to the Stockholders of Electricity Supply Board (ESB)

Report on the Audit of the Financial Statements

Opinion on the Financial Statements of ESB

In our opinion the Group and Parent financial statements:

- give a true and fair view of the assets, liabilities, and financial position of the Group and Parent as at 31 December 2025 and of the profit of the Group and Parent for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act, 2014 as applied by Regulation 78 of the ESB's governing regulations.

The financial statements we have audited comprise:

- The Group financial statements:
 - the Group Income Statement;
 - the Group Statement of Comprehensive Income;
 - the Group Balance Sheet;
 - the Group Statement of Changes in Equity;
 - the Group Cash Flow Statement; and
 - the related notes 1 to 38, including a summary of material accounting policy information as set out in note 1.
- The Parent financial statements:
 - the Parent Balance Sheet;
 - the Parent Statement of Changes in Equity;
 - the Parent Cash Flow Statement; and
 - the related notes 1 to 38, including a summary of material accounting policy information as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group and Parent financial statements is the Companies Act, 2014 (as applied by Regulation 78 of the ESB's governing regulations) and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') interpretations ("the relevant financial reporting framework").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

Summary of our Audit Approach

Key audit matters	The key audit matters that we identified in the current year were: ▪ Revenue recognition - retail electricity receivables – unbilled ▪ Recoverability of amounts due from equity accounted investees: Neart Na Gaoithe
	Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with  .
Materiality	The materiality that we used for the Group in the current year was €75 million which was determined on the basis of a multi-benchmark approach and represents approximately 4% of the Group's Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA before exceptional items and certain remeasurements). The materiality that we used for the Parent in the current year was €67 million which was determined on the basis of 90% of Group materiality.
Scoping	We conducted our work across the four reportable segments and the head office function. With the exception of NIE Networks and So Energy, the group has a centralised financial management and reporting structure and as a result the majority of audit work was performed by the Group audit team. For the NIE Networks business within the NIE Networks segment and the So Energy business within the Customer Solutions segment, the Group team utilised component audit teams to perform further audit procedures based on our group risk assessment.

¹ Paragraph 1.2 - Code of Practice for the Governance of State Bodies - Business and Financial Reporting Requirements.

Independent Auditor’s Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

Significant changes in our approach	We adopted a different basis to determine materiality in the current year. In the prior year, materiality was determined using approximately 5% of profit before tax before exceptional items.
	This year materiality was determined, on the basis of the Group's EBITDA before exceptional items and certain remeasurements, to be €75 million. This represents approximately 4% of EBITDA.
	Given ESB's increasing investments in assets and to ensure greater alignment with the interests and focus of the financial statement users we consider EBITDA before exceptional items and certain remeasurements to be an appropriate benchmark in the current year.
	We refined and reassessed our risk assessment during the current year and as a result the prior year key audit matters, set out below, were deemed to no longer be the matters which were of most significance in the audit: ▪ Carrying value of long-lived assets ▪ Valuation of asset retirement obligations ▪ Energy derivatives – classification of own use contracts ▪ Completeness of pension obligations
	We determined that the key audit matter in relation to the recoverability of interests in joint ventures is pinpointed to the amounts due from equity accounted investee: Neart na Gaoithe, due to the significant auditor attention required around the recoverability of those assets.

There were no other significant changes to our approach in the current year.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Board members' assessment of the Group and Parent's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Group's process and relevant controls for assessing going concern and reviewing management's and the Board members' output of that assessment;
- Evaluating the financial forecast prepared by the Group, including challenging whether key assumptions used in the preparation of the forecast are reasonable and whether the forecast reflects the estimated economic impacts of climate relating to the Group;

- Evaluating management's ability to forecast accurately based on an assessment of the historical accuracy of forecasts;
- Evaluating the Group's financing arrangements, including the agreements in respect of the undrawn committed bank facilities in place, collateral requirement sensitivities and overall headroom within the Group;
- Reading and considering the key terms of revolving credit facility agreements to confirm their availability; and
- Reviewing and evaluating the appropriateness of the relevant disclosures included in the financial statements on going concern and, through our audit procedures, assessing whether they are appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the Irish Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Board members' statement in the financial statements about whether the Board members considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Board members with respect to going concern are described in the relevant sections of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters reported in the prior year relating to carrying value of long lived assets, valuation of asset retirement obligations, energy derivatives – classification of own use contracts and completeness of pension obligations have been removed in the current year. These were not considered key audit matters in the current year as they no longer require significant audit attention.

Revenue recognition – Retail electricity receivables - unbilled

Key audit matter description	Retail electricity receivables - unbilled is the revenue from energy supplied to the customer between the date of their last bill and the financial year end date and requires estimation (“unbilled revenue”).
	In determining the unbilled revenue at the financial year end, key estimates and assumptions include allocation of volumes across tariff bands, loss factors, and unit rate applied. We consider unbilled revenue relating to retail electricity as a key audit matter as the unbilled revenue balances are based on management estimates and derived from complex models. Due to these factors, this risk related to revenue recognition is a presumed fraud risk.
	At 31 December 2025 the unbilled revenue balance was €337.0 million (2024: €420.8 million).
	The Group's accounting policy for unbilled revenue is disclosed in Note 1 – Statement of Material Accounting Policy Information, section (xix) Revenue from contracts with customers - sub-section - 'Revenue from sales to electricity and gas customers'. The key sources of estimation uncertainty in relation to unbilled revenue are disclosed in Note 2 – 'Use of Estimates and Judgements', sub-section (vii) Valuation of receivable and payables (estimate) and further disclosures are presented in Note 21 – 'Trade and other receivables'.

How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to unbilled revenue including relevant IT controls.
	We discussed with management the revenue recognition policy for each of the revenue streams, including those that rely on estimates or are derived from output of unbilled revenue models and calculations.
	In addressing the fraud risk, we assessed and challenged the key assumptions used in the unbilled revenue models. The integrity of the models was assessed by evaluating the calculation methodology used and consistency with the prior year.
	The calculations within the models were checked for arithmetical accuracy.
	We agreed the key inputs in the calculation to source data.

	We reviewed post year end billings and compared them to provisions made at year end to identify any over/ under provisions made.
	We also considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.

Key observations	We have not identified any observations that impact our audit in respect of the amounts related to unbilled revenue.
------------------	--

Independent Auditor’s Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

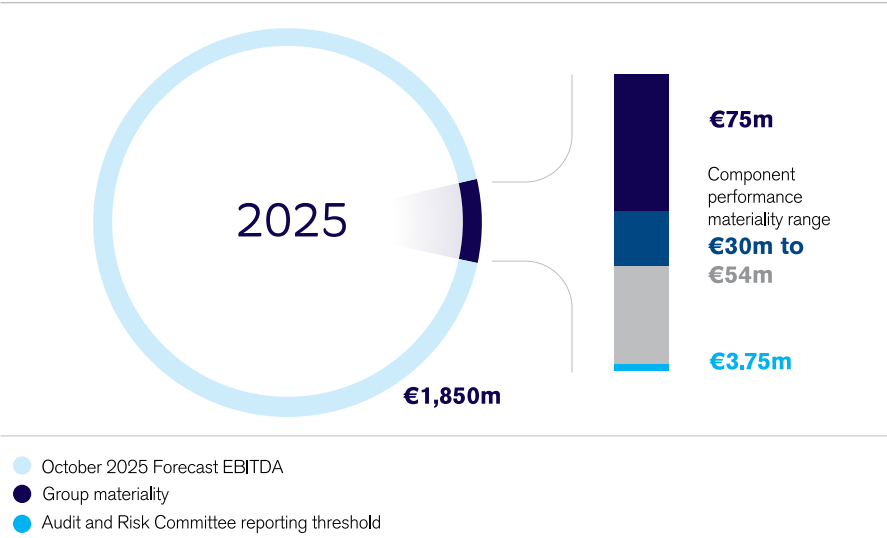
Recoverability of amounts due from equity accounted investees: Neart Na Gaoithe

Key audit matter description	The Group has a number of investments in joint ventures including windfarm and solar projects. In addition, the group has provided finance to its related entities which are accounted for in accordance with IFRS 9. The carrying values of some of these investments and loans are dependent upon estimated future cash flows. Due to delays in the construction of one of the windfarm projects, Neart Na Gaoithe ('NNG') and determination of final costs [commitments], an assessment of the expected credit loss ("ECL") was performed in line with IFRS 9 on amounts owed by NNG as at 31 December 2025. There is a risk, including the risk of management bias, that key assumptions used in the ECL model relating to discount rates, to future energy prices, timings and amounts of cash flows, cashflows assumed in relation to insurance and contractor claims may be misstated. We consider the recoverability of amounts due from NNG to be a key audit matter given the complexity of the ECL model used and the significant management judgements required in determining inputs and assumptions. As per note 17, the carrying value of the amounts due from NNG as at 31 December 2025 was €436.6 million (2024: €339.5 million). An expected credit loss of €nil (2024: €134.6 million) was recognised during the financial year. The Group's accounting policy for amounts due from equity accounted investees is disclosed in Note 1 – 'Statement of Material accounting policy information' - (i) General information and basis of preparation – sub-section - 'Exceptional items and certain remeasurements' and (xiii)- 'Financial assets and liabilities'. The key sources of estimation uncertainty in relation to amounts due from equity accounted investees are disclosed in Note 2 – 'Use of Estimates and Judgements' and further disclosures are presented in Note 6 – 'Exceptional items' under sub section – 'Expected credit loss related to Neart na Gaoithe' and in Note 17 – 'Equity accounted investees and other financial investments'. This matter has been included as a significant issue on page 110 of the Audit and Risk Committee Report in the <i>Corporate Governance</i> section.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to managements' ECL assessment of amounts due from equity accounted investees: NNG. We obtained management's ECL model for NNG and with the assistance of our specialists performed the following: ▪ We assessed the appropriateness of key assumptions and inputs used in the model including agreeing inputs to third party information, where available. ▪ We assessed the model for integrity by evaluating its consistency with generally accepted valuation practices. ▪ The calculations within the model were checked for arithmetical accuracy. ▪ We performed stress testing on the model to determine the impact of reasonably possible changes to the assumptions on the outcome of the model and challenged assumptions for robustness. ▪ We challenged the key facts and assumptions including the discount rates, the future energy prices, timings and amounts of cash flows, cashflows assumed in relation to insurance and contractor claims. We agreed the carrying value of the NNG loans to the ECL models and determined whether the appropriate expected credit loss was calculated. We also considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.
Key observations	Based on the audit procedures performed, we concluded that the expected credit loss assessment on the recoverability of amounts due by NNG is reasonable and that the related disclosures included in the financial statements are appropriate.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our Application of Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.



Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent financial statements
Materiality	€75 million (2024: €44 million)	€67 million (2024: €39 million)
Basis for determining materiality	We have considered key financial metrics, including EBITDA, revenue, net assets, total assets, and profit before tax before exceptional items. Based on this evaluation, materiality was determined at €75 million, representing approximately 4% of the Group's EBITDA before exceptional items and certain remeasurements.	90% of Group materiality.
Rationale for the benchmark applied	We considered both quantitative and qualitative factors based on our understanding of the Group and its environment, ensuring the materiality level is appropriate and relevant to users. Group's EBITDA, along with other financial metrices, is an important measure for the users of the Group's financial statements as it reflects the Group's core operating performance without the impact of financing, tax, depreciation, and exceptional items, making it more relevant for users assessing business results. Primary users of the financial statements are the Irish Government being the majority shareholder, workforce, debt holders and regulators.	We considered it appropriate to restrict materiality for the Parent financial statements to €67 million, given the size of the Parent relative to the Group. We also considered the other factors such as a significant portion of the reporting segments are operated directly by the Parent.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent financial statements
Performance materiality	80% (2024: 80%) of Group materiality	80% (2024: 80%) of Parent materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - the quality of the control environment and whether we were able to rely on controls, - control deficiencies reported in prior years, - the nature, volume, and size of misstatements (corrected and uncorrected) in the previous audit, and - changes in the business might affect our ability to forecast misstatements.	

Independent Auditor’s Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of €3.75 million (2024: €2.20 million) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An Overview of the Scope of our Audit

We determined the scope of our audit by updating our understanding of the Group and its operating environment, including the identification of key controls, and assessing the risks of material misstatement at the Group level. A significant portion of audit planning time was spent to ensure that the scope of our work is appropriate to address the Group's and Parent's identified risks of material misstatement of significant account balances, classes of transactions and disclosures in the Group and Parent financial statements.

We conducted our work across the four reportable segments and the head office function. With the exception of NIE Networks and So Energy, the group has a centralised financial management and reporting structure and as a result the majority of audit work was performed by the Group audit team. For the NIE Networks segment and the So Energy business within the Customer Solutions segment, the Group team utilised component audit teams to perform further audit procedures based on our group risk assessment.

The Group audit team exercised direction, supervision and review over the audit work performed by component audit teams in scope for the Group audit. We provided detailed instructions to component audit teams; held on-going status calls and reviewed relevant workpapers prepared by the component teams. Our audit work for all components was executed at levels of performance materiality applicable to each individual component which were lower than Group performance materiality and ranged from €30 million to €54 million.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 financial statements or our knowledge obtained in 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 financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Board Members

As explained more fully in the Statement of Board Members' Responsibilities, the Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act, 2014 as applied by Regulation 78 of the ESB's governing regulations and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Group and Parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Group and Parent or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit
of the Financial Statements

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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential
risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for key management's remuneration, bonus levels and performance targets;
- The Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board members on 15 December 2025;

- Results of our enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team and relevant component audit team members, internal specialists, including valuations, pensions, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: 'Revenue recognition - Retail electricity receivables - unbilled'. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group and Parent operate in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Irish Corporate Governance Code and the Companies Act 2014 as applied by Regulation 78 of the ESB's governing regulations, pension legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Parent's

ability to operate or to avoid a material penalty. These included the Group's operating licence, energy and utility regulator requirements in the Republic of Ireland, Northern Ireland and the UK and environmental regulations.

Audit response to risks identified

As a result of performing the above, we identified 'Revenue Recognition - Retail electricity receivables - unbilled' as the key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the licensing authority; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on Other Legal and
Regulatory Requirements

Opinion on Other Matters Prescribed
by the Companies Act, 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Parent were sufficient to permit the financial statements to be readily and properly audited.
- The Parent balance sheet is in agreement with the accounting records.
- In our opinion the information given in the Board Members' Report is consistent with the financial statements.
- In our opinion, those parts of the Board Members' Report specified for our review have been prepared in accordance with the Companies Act, 2014 as applied by Regulation 78 of the ESB's governing regulations.

Corporate Governance Statement

ISAs (Ireland) requires us to review the Board members' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's voluntary compliance with the applicable provisions of the Irish Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Board members' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified on page 105;
- The Board members' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 105;
- The Board members' statement on fair, balanced and understandable set out on page 111;

Independent Auditor’s Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

- The Board members’ confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on page 105;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 104; and
- The section describing the work of the Audit and Risk Committee set out on page 108.

Matters on which we are Required to Report by Exception

Under the Code of Practice for the Governance of State Bodies (the “Code”) we are required to report to you if the statement regarding the system of internal control included in the Board’s Governance Report on pages 92 to 107 does not reflect the Group’s compliance with paragraph 1.9(iv) of the Business and Financial Reporting Requirements of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

Based on the knowledge and understanding of the Group and the Parent and their environment obtained in the course of the audit, we have not identified material misstatements in the Board Members’ Report.

We have nothing to report in respect of the provisions in the Companies Act, 2014 as applied by Regulation 78 of the ESB’s governing regulations which require us to report to you if, in our opinion, the disclosures of Board members’ remuneration and transactions specified by law are not made.

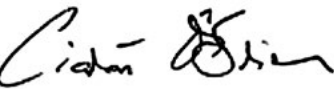
Other Matters which we are Required to Address

Following the recommendation of the Audit and Risk Committee and subsequent approval by the Minister for State, we were appointed by the Board members on 22 May 2022 (the date of our engagement letter) to audit the financial statements for the financial year ending 31 December 2022 and subsequent periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years, covering the year ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our Report

This report is made solely to the stockholders, as a body, in accordance with Section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the stockholders those matters we are required to state to them in an auditor’s 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 Parent and the stockholders as a body, for our audit work, for this report, or for the opinions we have formed.



Ciarán O’Brien
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory
Audit Firm
Deloitte & Touche House, 29 Earlsfort
Terrace, Dublin 2

27 February 2026

Group Income Statement
For the financial year ended 31 December 2025

	Notes	2025			2024		
		Before exceptional items and certain re- measurements €m	Exceptional items and certain re- measurements Note 7/8 €m	Total €m	Before exceptional items and certain re- measurements €m	Exceptional items and certain re- measurements Note 7/8 €m	Total €m
Revenue and other operating income (net)	4	6,738.5	-	6,738.5	7,259.1	58.6	7,317.7
Operating costs and net impairment losses	9	(5,824.3)	(19.4)	(5,843.7)	(6,284.1)	56.9	(6,227.2)
Operating profit / (loss)		914.2	(19.4)	894.8	975.0	115.5	1,090.5
Share of equity accounted investees' profit / (loss), net of tax	17	7.3	-	7.3	(5.3)	-	(5.3)
Profit before net finance cost and taxation		921.5	(19.4)	902.1	969.7	115.5	1,085.2
Finance cost and other financing charges	10	(246.3)	-	(246.3)	(216.6)	(134.6)	(351.2)
Finance income	10	93.9	-	93.9	135.4	-	135.4
Net finance cost and other financing charges		(152.4)	-	(152.4)	(81.2)	(134.6)	(215.8)
Profit / (loss) before taxation		769.1	(19.4)	749.7	888.5	(19.1)	869.4
Income tax (expense) / credit	24	(116.2)	2.4	(113.8)	(182.8)	19.6	(163.2)
Profit / (loss) after taxation		652.9	(17.0)	635.9	705.7	0.5	706.2
Attributable to:							
Equity holders of the Parent		658.1	(17.0)	641.1	712.8	0.5	713.3
Non-controlling interest		(5.2)	-	(5.2)	(7.1)	-	(7.1)
Profit / (loss) for the financial year		652.9	(17.0)	635.9	705.7	0.5	706.2

Group Statement of Comprehensive Income

For the financial year ended 31 December 2025

	2025 €m	2024 €m
Profit for the financial year	635.9	706.2
Items that will not be reclassified subsequently to the income statement:		
NIE Networks pension scheme actuarial losses	(19.6)	(15.3)
Tax on NIE Networks pension scheme actuarial losses	4.9	3.9
	(14.7)	(11.4)
Items that are or may be reclassified subsequently to the income statement:		
Fair value (losses) / gains on cash flow hedges	(96.8)	108.3
Tax on fair value movements on cash flow hedges	16.3	(20.9)
Share of fair value losses on cash flow hedges in equity accounted investees	(29.1)	(4.7)
Tax on share of fair value losses on cash flow hedges in equity accounted investees	7.3	0.4
Transferred to the income statement on cash flow hedges	(15.6)	22.6
Tax on cash flow hedges transferred to the income statement	2.0	(2.8)
Translation adjustments on consolidation of foreign subsidiaries	(40.7)	45.6
	(156.6)	148.5
Other comprehensive (loss) / income for the financial year, net of tax	(171.3)	137.1
Total comprehensive income for the financial year	464.6	843.3
Attributable to:		
Equity holders of the Parent	469.8	850.4
Non-controlling interest	(5.2)	(7.1)
Total comprehensive income for the financial year	464.6	843.3

Group Balance Sheet

As at 31 December 2025

	Notes	2025 €m	2024 €m
Assets			
Non-current assets			
Property, plant & equipment	13	14,348.1	13,203.1
Intangible assets	14	774.0	692.7
Right-of-use assets	15	139.3	110.3
Goodwill	16	173.8	205.0
Equity accounted investees and other financial investments	17	245.4	277.9
Finance lease receivables	19	35.1	-
Trade and other receivables	21	732.2	607.2
Derivative financial instruments	26	99.9	115.9
Deferred tax assets	24	1.3	1.3
Asset – NIE Networks pension scheme	27	50.6	68.5
Total non-current assets		16,599.7	15,281.9
Current assets			
Inventories	20	126.6	144.0
Intangible assets	14	327.2	385.8
Derivative financial instruments	26	124.0	253.2
Current tax assets		44.6	51.6
Finance lease receivables	19	38.2	-
Trade and other receivables	21	2,691.9	2,072.5
Cash and cash equivalents	22	707.0	1,064.9
Total current assets		4,059.5	3,972.0
Total assets		20,659.2	19,253.9
Equity			
Capital stock	23	2,202.6	1,936.1
Capital stock premium	23	1,229.7	-
Translation reserve		3.7	44.9
Capital redemption reserve		47.6	43.8
Cash flow hedging reserve		169.3	284.7
Other reserves		(151.3)	(138.6)
Retained earnings		4,262.1	3,819.7
Equity attributable to equity holders of the Parent		7,763.7	5,990.6
Non-controlling interest		(73.9)	(67.4)
Total equity		7,689.8	5,923.2
Liabilities			
Non-current liabilities			
Borrowings and other debt	25	6,915.3	7,004.9
Lease liabilities	15	132.2	99.0
Liability – ESB pension scheme	28	60.6	65.1
Employee related liabilities	28	7.9	12.2
Trade and other payables	29	11.6	13.8
Deferred income	30	1,740.0	1,615.7
Provisions	31	541.1	588.4
Deferred tax liabilities	24	652.0	632.1
Derivative financial instruments	26	344.4	350.0
Total non-current liabilities		10,405.1	10,381.2
Current liabilities			
Borrowings and other debt	25	509.5	480.2
Lease liabilities	15	15.1	18.0
Liability – ESB pension scheme	28	8.4	9.1
Employee related liabilities	28	98.8	108.5
Trade and other payables	29	1,287.6	1,655.1
Deferred income	30	130.7	108.7
Provisions	31	396.2	457.0
Derivative financial instruments	26	118.0	112.9
Total current liabilities		2,564.3	2,949.5
Total liabilities		12,969.4	13,330.7
Total equity and liabilities		20,659.2	19,253.9

Terence O'Rourke
Chair

Paddy Hayes
Chief Executive

Paul Stapleton
Executive Director, Group Finance and Commercial

Group Statement of Changes in Equity

For the financial year ended 31 December 2025

	Capital stock €m	Capital stock premium €m	Translation reserve €m	Capital redemption reserve €m	Cash flow hedging reserve €m	Other reserves¹ €m	Retained earnings €m	Total €m	Non- controlling interest €m	Total equity €m
Reconciliation of changes in equity										
Balance at 1 January 2024	1,939.1	-	-	40.8	181.8	(136.0)	3,334.6	5,360.3	(60.3)	5,300.0
Total comprehensive income for the year										
Profit for the financial year	-	-	-	-	-	-	713.3	713.3	(7.1)	706.2
NIE Networks pension scheme actuarial losses	-	-	-	-	-	(15.3)	-	(15.3)	-	(15.3)
Foreign currency translation adjustments	-	-	44.9	-	-	0.7	-	45.6	-	45.6
Cash flow hedges:										
▪ Net fair value gains on cash flow hedges	-	-	-	-	108.3	-	-	108.3	-	108.3
▪ Transfers to the income statement										
- Finance cost (interest)	-	-	-	-	5.3	-	-	5.3	-	5.3
- Other operating expenses	-	-	-	-	17.3	-	-	17.3	-	17.3
Fair value losses for hedges in equity accounted investees	-	-	-	-	(4.7)	-	-	(4.7)	-	(4.7)
Tax on fair value movements on cash flow hedges	-	-	-	-	(20.9)	3.9	-	(17.0)	-	(17.0)
Tax on cash flow hedges transferred to the income statement	-	-	-	-	(2.8)	-	-	(2.8)	-	(2.8)
Tax on share of fair value losses on cash flow hedges in equity accounted investees	-	-	-	-	0.4	-	-	0.4	-	0.4
Total comprehensive income for the year	-	-	44.9	-	102.9	(10.7)	713.3	850.4	(7.1)	843.3
Transactions with owners recognised directly in equity										
Dividends	-	-	-	-	-	-	(220.1)	(220.1)	-	(220.1)
Repurchase of capital stock¹	(3.0)	-	-	3.0	-	-	(8.1)	(8.1)	-	(8.1)
Repurchase of ESOP capital stock¹	-	-	-	-	-	8.1	-	8.1	-	8.1
Balance at 31 December 2024	1,936.1	-	44.9	43.8	284.7	(138.6)	3,819.7	5,990.6	(67.4)	5,923.2
Balance at 1 January 2025	1,936.1	-	44.9	43.8	284.7	(138.6)	3,819.7	5,990.6	(67.4)	5,923.2
Total comprehensive income for the year										
Profit for the financial year	-	-	-	-	-	-	641.1	641.1	(5.2)	635.9
NIE Networks pension scheme actuarial losses	-	-	-	-	-	(19.6)	-	(19.6)	-	(19.6)
Foreign currency translation adjustments	-	-	(41.2)	-	0.5	-	-	(40.7)	-	(40.7)
Cash flow hedges										
▪ Net fair value losses on cash flow hedges	-	-	-	-	(96.8)	-	-	(96.8)	-	(96.8)
▪ Transfers to the income statement										
- Finance cost (interest)	-	-	-	-	4.8	-	-	4.8	-	4.8
- Other operating expenses	-	-	-	-	(20.4)	-	-	(20.4)	-	(20.4)
Fair value loss for hedges in equity accounted investees	-	-	-	-	(29.1)	-	-	(29.1)	-	(29.1)
Tax on fair value movements on cash flow hedges	-	-	-	-	16.3	4.9	-	21.2	-	21.2
Tax on cash flow hedges transferred to the income statement	-	-	-	-	2.0	-	-	2.0	-	2.0
Tax on share of fair value losses on cash flow hedges in equity accounted investees	-	-	-	-	7.3	-	-	7.3	-	7.3
Total comprehensive income for the year	-	-	(41.2)	-	(115.4)	(14.7)	641.1	469.8	(5.2)	464.6
Transactions with owners recognised directly in equity										
Dividends	-	-	-	-	-	-	(188.7)	(188.7)	(1.3)	(190.0)
Repurchase of capital stock¹	(3.8)	-	-	3.8	-	-	(10.0)	(10.0)	-	(10.0)
Issue of capital stock	270.3	1,229.7	-	-	-	-	-	1,500.0	-	1,500.0
Repurchase of ESOP capital stock¹	-	-	-	-	-	2.0	-	2.0	-	2.0
Balance at 31 December 2025	2,202.6	1,229.7	3.7	47.6	169.3	(151.3)	4,262.1	7,763.7	(73.9)	7,689.8

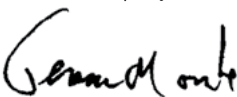
1 Other reserves include (i) other reserves relating to the Northern Ireland Electricity Networks Limited (NIE Networks) pension scheme of (€145.1) million (2024: (€130.4) million), (ii) an ESOP repurchase provision which relates to the amount that ESB has committed to date to purchase from the ESOP internal market of €nil (2024: (€2.0) million) and (iii) other reserves of (€6.2) million (2024: (€6.2) million).

Parent Balance Sheet

As at 31 December 2025

	Notes	2025 €m	2024 €m
Assets			
Non-current assets			
Property, plant & equipment	13	10,213.6	9,457.8
Intangible assets	14	702.6	628.7
Right-of-use assets	15	45.0	29.6
Investments in subsidiary undertakings	17	69.8	79.7
Finance lease receivables	19	35.1	-
Trade and other receivables	21	838.8	1,586.9
Derivative financial instruments	26	68.7	86.6
Total non-current assets		11,973.6	11,869.3
Current assets			
Inventories	20	63.5	91.3
Intangible assets	14	301.2	351.9
Derivative financial instruments	26	96.6	140.5
Current tax assets		19.0	38.4
Finance lease receivables	19	38.2	-
Trade and other receivables	21	4,983.4	4,323.9
Cash and cash equivalents	22	627.8	745.4
Total current assets		6,129.7	5,691.4
Total assets		18,103.3	17,560.7
Equity			
Capital stock	23	2,202.6	1,936.1
Capital stock premium	23	1,229.7	-
Capital redemption reserve		47.6	43.8
Cash flow hedging and other reserves		8.7	13.1
Retained earnings		3,221.3	2,822.4
Equity attributable to equity holders of the Parent		6,709.9	4,815.4
Liabilities			
Non-current liabilities			
Borrowings and other debt	25	363.0	442.1
Lease liabilities	15	42.4	24.1
Liability – ESB pension scheme	28	60.5	65.1
Employee related liabilities	28	7.9	12.2
Deferred income	30	1,201.5	1,084.1
Provisions	31	434.2	480.9
Deferred tax liabilities	24	445.1	430.7
Derivative financial instruments	26	17.0	29.5
Total non-current liabilities		2,571.6	2,568.7
Current liabilities			
Borrowings and other debt	25	47.4	59.0
Lease liabilities	15	5.4	8.2
Liability – ESB pension scheme	28	8.4	9.1
Employee related liabilities	28	91.1	99.5
Trade and other payables	29	8,276.4	9,597.6
Deferred income	30	94.9	74.8
Provisions	31	218.7	222.1
Derivative financial instruments	26	79.5	106.3
Total current liabilities		8,821.8	10,176.6
Total liabilities		11,393.4	12,745.3
Total equity and liabilities		18,103.3	17,560.7

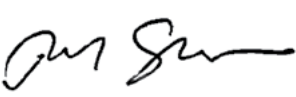
A separate Parent entity Income Statement is not presented (see note 1). The profit for the year dealt with in the financial statements of the Company amounts to €587.5 million (2024: €557.2 million).



Terence O'Rourke
Chair



Paddy Hayes
Chief Executive



Paul Stapleton
Executive Director, Group Finance and Commercial

Parent Statement of Changes in Equity
For the financial year ended 31 December 2025

	Capital stock €m	Capital stock premium €m	Capital redemption reserve €m	Cash flow hedging and other reserves €m	Retained earnings €m	Total €m
Reconciliation of changes in equity						
Balance at 1 January 2024	1,939.1	-	40.8	(3.4)	2,485.3	4,461.8
Total comprehensive income for the year						
Profit for the financial year	-	-	-	-	557.2	557.2
Cash flow hedges:						
▪ Net fair value losses on cash flow hedges	-	-	-	(10.1)	-	(10.1)
▪ Transfers to the income statement						
- Finance cost (interest)	-	-	-	5.3	-	5.3
- Other operating expenses	-	-	-	17.3	-	17.3
Fair value losses for hedges in equity accounted investees	-	-	-	(3.0)	-	(3.0)
Tax on items taken directly to OCI	-	-	-	1.3	-	1.3
Tax on cash flow hedges transferred to the income statement	-	-	-	(2.8)	-	(2.8)
Tax on share of fair value losses on cash flow hedges in equity accounted investees	-	-	-	0.4	-	0.4
Total comprehensive income for the year	-	-	-	8.4	557.2	565.6
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	(220.1)	(220.1)
Repurchase of ESOP capital stock ¹	(3.0)	-	3.0	-	-	-
ESOP repurchase provision ¹	-	-	-	8.1	-	8.1
Balance at 31 December 2024	1,936.1	-	43.8	13.1	2,822.4	4,815.4
Balance at 1 January 2025	1,936.1	-	43.8	13.1	2,822.4	4,815.4
Total comprehensive income for the year						
Profit for the financial year	-	-	-	-	587.6	587.6
Cash flow hedges:						
▪ Net fair value profit on cash flow hedges	-	-	-	8.3	-	8.3
▪ Transfers to the income statement						
- Finance cost (interest)	-	-	-	4.8	-	4.8
- Other operating expenses	-	-	-	(20.5)	-	(20.5)
Tax on items taken directly to OCI	-	-	-	(1.0)	-	(1.0)
Tax on cash flow hedges transferred to the income statement	-	-	-	2.0	-	2.0
Total comprehensive income for the year	-	-	-	(6.4)	587.6	581.2
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	(188.7)	(188.7)
Repurchase of ESOP capital stock ¹	(3.8)	-	3.8	2.0	-	2.0
Issue of share capital stock	270.3	1,229.7	-	-	-	1,500.0
Balance at 31 December 2025	2,202.6	1,229.7	47.6	8.7	3,221.3	6,709.9

1 Refer to note 35 for information on the ESOP repurchase.

Group Cash Flow Statement
For the financial year ended 31 December 2025

	Notes	2025 €m	2024 €m
Cash flows from operating activities			
Profit before taxation		749.7	869.4
Adjustments for:			
Depreciation and amortisation	9	1,069.3	1,004.6
Revenue from supply contributions and amortisation of other deferred income	4/30	(110.3)	(117.9)
Net emissions movements	14/31	5.8	0.4
Profit on disposal of non-current assets	8	(4.7)	-
Profit on disposal of investments	8	(15.4)	(5.6)
Profit on disposal of subsidiaries	8	(8.0)	(58.6)
Net finance cost	10	152.4	215.8
Impact of fair value adjustments in operating costs	9	19.4	(56.9)
Share of (gains) / losses from equity accounted investees	17	(7.3)	5.3
Dividend received	8	(2.7)	(2.8)
Net impairment losses on financial assets	9/21	58.8	75.5
Impairment charge	9	27.3	1.6
Operating cash flows before changes in working capital and provisions		1,934.3	1,930.8
Restricted cash movement	22	(206.6)	(342.9)
Charge in relation to provisions	31	(4.1)	35.7
Charge in relation to employee related liabilities	28	73.4	134.0
Utilisation of provisions	31	(37.5)	(19.5)
Payments in respect of employee related liabilities		(97.1)	(141.2)
Deferred income received	30	37.6	27.6
Networks supply contributions received		231.6	200.7
Net exchange traded collateral (paid) / received		(26.9)	476.2
Decrease / (increase) in trade and other receivables		12.2	(2.4)
Decrease in inventories		17.4	17.6
Decrease in trade and other payables		(151.2)	(234.6)
Cash generated from operations		1,783.1	2,082.0
Current tax paid		(58.3)	(148.9)
Payments on inflation linked interest rate swaps	26	-	(1.4)
Financing costs paid		(236.9)	(247.0)
Net cash inflow from operating activities		1,487.9	1,684.7
Cash flows from investing activities			
Payment for acquisition of subsidiary	18	(95.5)	(63.9)
Transfer of proceeds on issue of capital stock to short-term deposits ¹	21	(1,100.0)	-
Purchase of property, plant & equipment		(2,044.3)	(1,532.1)
Purchase of intangible assets		(199.4)	(182.8)
Principal elements of finance lease		16.4	-
Proceeds from sale of non-current assets	8	4.7	-
Proceeds from sale of investments	8	15.4	9.8
Proceeds from sale of subsidiaries	8	14.3	58.6
Amounts advanced to equity accounted investees as shareholder loans		(148.9)	(355.6)
Amounts repaid by equity accounted investees		449.7	-
Dividends received from equity accounted investees	17	14.2	24.1
Dividends received from investments measured at fair value through profit or loss	8	2.7	2.8
Purchase of financial assets and equity accounted investments	17	(6.7)	(16.5)
Interest received	10	53.8	81.0
Net cash outflow from investing activities		(3,023.6)	(1,974.6)
Cash flows from financing activities			
Dividends paid	23	(190.0)	(220.1)
Principal elements of lease payments	15	(21.8)	(15.8)
Repurchase of ESOP capital stock	35	(10.1)	(8.1)
Proceeds on issue of capital stock ¹	23	1,500.0	-
Repayments from borrowing activities	25	(52.3)	(364.3)
Payments on inflation linked interest rate swaps	26	(55.3)	-
Net cash inflow / (outflow) from financing activities		1,170.5	(608.3)
Net decrease in cash and cash equivalents		(365.2)	(898.2)
Cash and cash equivalents at 1 January	22	1,064.9	1,977.8
Effect of exchange rate fluctuations on cash held		7.3	(14.7)
Cash and cash equivalents at 31 December ¹	22	707.0	1,064.9

1 Included in cash equivalents at 31 December 2025 is €400.0 million (2024: €nil) comprising a portion of the Government of Ireland's additional equity investment of €1.5 billion in ESB, which was received in December 2025 (note 23). This €1.5 billion investment is ringfenced for use by ESB Networks to finance works and capital projects under the ESB Networks Price Review 6 Business Plan and any other CRU approved investment programmes in electricity grids and related infrastructure that amend, replace, or supplement the PR6 plan. These funds are not available for use by the wider ESB Group without the prior written consent of the Government of Ireland. The balance of the €1.5 billion received through the Government of Ireland's equity investment in ESB is included in short-term deposits within Trade and Other Receivables (see note 21 for further details).

Parent Cash Flow Statement
For the financial year ended 31 December 2025

	Notes	2025 €m	2024 €m
Cash flows from operating activities			
Profit before taxation		686.0	651.1
Adjustments for:			
Depreciation and amortisation		731.5	676.9
Revenue from supply contributions and other deferred income	30	(62.7)	(68.3)
Net emissions movements	14/31	42.8	9.6
Net finance cost		(12.0)	(28.2)
Impact of fair value adjustments in operating costs		12.3	(36.2)
Share of losses from equity accounted investees		9.9	14.4
Dividend received from subsidiary undertakings		(11.0)	(10.5)
Net impairment losses on financial assets		25.9	32.9
Impairment charge	13	0.4	-
Operating cash flows before changes in working capital and provisions		1,423.1	1,241.7
Restricted cash movement	22	(72.7)	(7.3)
Charge in relation to provisions		2.3	23.8
Charge in relation to employee related liabilities	28	64.5	121.1
Utilisation of provisions		(13.8)	(13.3)
Payments in respect of employee related liabilities	28	(86.0)	(128.5)
Networks supply contributions received		185.7	150.4
Net exchange traded collateral (paid) / received		(27.3)	476.7
Decrease / (increase) in trade and other receivables		1,171.5	(676.2)
Decrease in inventories		27.8	24.2
Decrease in trade and other payables		(1,290.7)	(812.9)
Cash generated from operations		1,384.4	399.7
Current tax paid		(52.6)	(54.2)
Interest paid		(159.9)	(186.1)
Net cash inflow from operating activities		1,171.9	159.4
Cash flows from investing activities			
Purchase of property, plant & equipment		(1,472.9)	(1,170.0)
Purchase of intangible assets		(173.1)	(159.0)
Principal elements of finance lease		16.4	-
Amounts advanced to equity accounted investees as shareholder loans		(18.0)	-
Amounts received from subsidiary undertakings		51.1	723.0
Interest received		147.0	207.4
Transfer of proceeds on issue of capital stock to short-term deposits ¹	21	(1,100.0)	-
Dividends received from subsidiary undertakings		11.0	10.5
Net cash outflow from investing activities		(2,538.5)	(388.1)
Cash flows from financing activities			
Dividends paid	23	(188.7)	(220.1)
Principal elements of lease payments	15	(8.5)	(8.6)
Proceeds on issue of capital stock ¹	23	1,500.0	-
Repayments from borrowing activities	25	(61.1)	(64.3)
Net cash inflow / (outflow) from financing activities		1,241.7	(293.0)
Net decrease in cash and cash equivalents		(124.9)	(521.7)
Cash and cash equivalents at 1 January	22	745.4	1,281.8
Effect of exchange rate fluctuations on cash held		7.3	(14.7)
Cash and cash equivalents at 31 December¹	22	627.8	745.4

1 Included in cash equivalents at 31 December 2025 is €400.0 million (2024: €nil) comprising a portion of the Government of Ireland's additional equity investment of €1.5 billion in ESB, which was received in December 2025 (note 23). This €1.5 billion investment is ringfenced for use by ESB Networks to finance works and capital projects under the ESB Networks Price Review 6 Business Plan and any other CRU approved investment programmes in electricity grids and related infrastructure that amend, replace, or supplement the PR6 plan. These funds are not available for use by the wider ESB Group without the prior written consent of the Government of Ireland. The balance of the €1.5 billion received through the Government of Ireland's equity investment in ESB is included in short-term deposits within Trade and Other Receivables (see note 21 for further details).

Notes to the Financial Statements

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

(i) General information and basis of preparation

Electricity Supply Board ("ESB") is a statutory corporation established under the Electricity (Supply) Act, 1927 and is domiciled in Ireland. The consolidated financial statements of ESB as at and for the financial year ended 31 December 2025 comprise the Parent and its subsidiaries (together referred to as "ESB" or "the Group") and the Group's interests in associates and jointly controlled entities.

The financial statements of the Parent and Group have been prepared in accordance with the EU IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective for accounting periods beginning on 1 January 2025. Notwithstanding the ESB is a statutory body and not a company, Regulation 78 of ESB's governing regulations, adopted pursuant to Section 6(1) of the Electricity (Supply) Act, 1927 (as amended) requires ESB to prepare financial statements comprised of and in the form required for Companies Act entities under Section 291 of the Companies Act and (for group financial statements) under Section 295 of the Companies Act. The financial statements of the Parent and Group are prepared on this basis. Accordingly, ESB does not present a Parent entity Income Statement. The Parent and consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and certain financial asset investments which are measured at fair value.

The policies set out below have been consistently applied to all years presented in these consolidated financial statements and have been applied consistently by all Group entities. Parent accounting policies are consistent with the consolidated financial statements policies outlined below.

Going concern

The amount of cash and cash equivalents that the Group had on hand on 31 December 2025 was €707.0 million (see note 22) with a further €1.1 billion of Short-term deposits included within Trade and Other Receivables (see note 21). The Group also has an undrawn revolving credit facility of €2.4 billion providing standby liquidity to July 2030, and a European Investment Bank borrowing facility, of which €300 million was undrawn and available to draw at 31 December 2025. Including these facilities, and cash on hand, the Group has overall liquidity of €4.5 billion at 31 December 2025 (2024: almost €2.5 billion). ESB continues to effectively manage the cash collateral position of the Group in relation to exchange traded gas, carbon and power hedging contracts. Note 25 and 32 include an overview of financial risk management, details of the Group's financial instruments and hedging activities and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources and the Board believes that the Group is well placed to manage its risks successfully. After making appropriate enquiries, the Board is satisfied that ESB has sufficient cash flows, available strong liquidity and access to capital markets to continue in operational existence for at least twelve months from the date of approval of the financial statements. There are no material uncertainties that face the Group considered sufficient to impact on the going concern assessment of ESB within 12 months of approval of these financial statements. Accordingly, the consolidated and Parent financial statements are prepared on the going concern basis of accounting.

Exceptional items and certain re-measurements

The Group has used the term "exceptional" to describe certain items which, in ESB's view, warrant separate disclosure by virtue of their materiality or nature. Exceptional items may include restructuring, significant impairments, profit or loss on asset disposals, material changes in estimates or non-recurring gains or costs where material, and where separate identification is important to gain an understanding of the financial statements. Further details of the Group's exceptional items are provided in note 6 of the financial statements.

In the normal course of business, the Group enters into forward fuel commodity price trades, and related foreign exchange contracts, to protect and optimise the value of its underlying generation assets and contracts, and to meet the future needs of its customers. These trades are designed to reduce the financial risks and exposures arising from holding such assets, contracts or customer demand, and are subject to strict risk limits and controls.

Because some of these trades are prohibited from being designated as 'own use', IFRS 9 'Financial Instruments' requires them to be individually fair valued. Fair value movements on these forward fuel commodity price trades, and related foreign exchange contracts, are included within operating costs, as they cannot be designated as accounting hedges under IFRS 9, although Management consider them to be effective economic hedges. Fair value movements on these trades do not reflect the underlying performance of the business because they are economically related to the Group's generation assets or customer demand, and to associated physically settled electricity price hedging trades, which are not fair valued. Therefore, fair value movements on these forward fuel commodity price trades and related foreign exchange contracts (together, "certain re-measurements") are reported separately from financial performance, and are subsequently reflected in underlying operating profit when the underlying transaction or asset impacts profit or loss. The effects of these certain re-measurements are presented within either Revenue or Energy Costs when recognised in underlying operating profit, depending on the nature of the contract. Further details of the Group's re-measurements are provided in note 7 of the financial statements.

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ii) Basis of consolidation

The Group's financial statements consolidate the financial statements of the Parent and of all subsidiary undertakings and include the Group's share of the results and net assets of associates and joint ventures made up to 31 December 2025. The results of subsidiary undertakings acquired or disposed of in the year are included in the Group income statement from the date of acquisition or up to the date of disposal.

Accounting for business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions

When accounting for business combinations under IFRS 3 'Business Combinations', the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as a financial liability. Contingent consideration liabilities are subsequently remeasured to fair value, with changes in fair value recognised in the income statement unless the re-measurement is considered a measurement period adjustment in which case it is factored into the fair value of consideration transferred. Measurement period adjustments are only made if they both relate to facts and circumstances present at the acquisition date and are within one year of the acquisition date.

Costs relating to the acquisition (other than those associated with the issue of debt or equity securities) that the Group incurs in connection with a business combination are expensed as incurred.

IFRS 10 - Consolidated Financial Statements

The IFRS 10 control model focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, IFRS 10 requires the Group to consolidate investees that it controls on the basis of de facto control.

In accordance with IFRS 10, the Group's assessment of control is performed on a continuous basis and the Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of the control model.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Accounting for equity accounted investees

Joint ventures

Joint venture undertakings ("joint ventures") are those undertakings over which ESB exercises contractual control jointly with another party, whereby the Group has rights to net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Joint ventures are accounted for using the equity method of accounting and disclosed as equity accounted investees. Under the equity method, the Group's share of the profits or losses after tax of joint ventures is included in the consolidated income statement after interest and financing charges. The Group's share of items of other comprehensive income is shown in the statement of comprehensive income.

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Group's interests in the net assets are included as investments in joint ventures on the face of the consolidated balance sheet at an amount representing the Group's share of the fair values of the net assets at acquisition plus goodwill, acquisition costs, the Group's share of post acquisition retained income and expenses less any impairment charge. Net liabilities are only recognised to the extent that ESB has incurred legal or constructive obligations or made payments on behalf of joint ventures.

Where contingent consideration has been recognised on acquisition, the Group recognises a liability. Any subsequent change in the measurement of the contingent consideration is accounted for using the cost-based approach and applied prospectively in accordance with IAS 8. The change in contingent consideration liability is adjusted to the cost of the investment.

The amounts included in the consolidated financial statements in respect of post acquisition results of joint ventures are taken from their latest financial information made up to the Group's balance sheet date.

The Group assesses if a change in the facts and circumstances requires reassessment of whether joint control still exists. The Group has evaluated its involvement in joint arrangements and has confirmed that these investments meet the criteria of joint ventures which continue to be accounted for using the equity method.

In the Parent financial statements, investments in joint ventures are accounted for using the equity method of accounting using the same method as described above.

Associates

Entities other than joint arrangements and subsidiaries and over whose operating and financial policies the Group is in a position to exercise significant influence but not control or joint control, are accounted for as associates using the equity method and are included in the consolidated financial statements from the date on which significant influence is deemed to arise until the date on which such influence ceases to exist.

(iv) New standards, standard amendments and interpretations

The following amendments are effective for the Group for the financial year beginning on 1 January 2025:

Amendments to standards	Details	Effective Date	Effect on the results and financial position of the Group
IAS 21 (Amendments)	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025	No material effect

(v) Standards, standard amendments and interpretations that are not yet effective

The following standards, amendments to standards and interpretations are not effective for the financial year beginning on 1 January 2025 and have not been applied in preparing these financial statements:

Standards or amendments	Details	Effective Date	Expected effect on the results and financial position of the Group
IFRS 9 and IFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026	Management are currently assessing impact
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026	Management are currently assessing impact
IFRS 19 (New Standard)	Subsidiaries without Public Accountability: Disclosures	1 January 2027	No material effect
IFRS 18 (New Standard)	Presentation and Disclosure in Financial Statements	1 January 2027	Management are currently assessing impact
IAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027	No material effect

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(vi) Foreign currencies

These financial statements are presented in euro, which is the Parent's functional currency.

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euro.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the income statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation adjustments on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation adjustments on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Group income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

Goodwill arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(vii) Property, plant & equipment and depreciation

Recognition and measurement

Property, plant & equipment is stated at construction cost less accumulated depreciation and accumulated impairment in value, except for land which is shown at cost less impairment. Property, plant and equipment includes capitalised employee, interest, other costs that are directly attributable to the asset, an appropriate portion of relevant overheads, and; where it is considered probable that the asset will be constructed through to operation or where market value for a project is being created, pre-construction costs.

Depreciation

The charge for depreciation is calculated to write down the cost of property, plant and equipment to its estimated residual value over its expected useful life using methods appropriate to the nature of the Group's business and to the character and extent of its property, plant and equipment. No depreciation is provided on freehold land or on assets in the course of construction. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Generation plant and thermal station structures	Up to 20 years
Wind farm generating assets	Up to 25 years
Distribution plant and structures	Up to 30 years
Transmission plant and structures	Up to 30 years
General buildings and hydro stations	Up to 50 years
Smart Meters	Up to 10 years

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Subsequent expenditure

Subsequent expenditure on property, plant & equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged in the income statement during the financial period in which they are incurred.

Included in property, plant and equipment are strategic spares in relation to the electricity generation business. Strategic spares in the ESB Network's business are carried within assets under construction pending commissioning.

(viii) Intangible assets and goodwill

(a) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented separately on the balance sheet. Where the Group acquires less than 100% of a business, goodwill is measured using the proportionate share of the net assets recognised in the purchase price allocation calculation.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of the asset or cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses in respect of goodwill are recognised in the income statement, and are not reversed. For impairment losses where goodwill is recognised using the proportionate share of purchase price allocation, only the impairment loss relating to the goodwill that is allocated to the Parent is recognised as a goodwill impairment loss.

(b) Emission allowances and renewable obligation certificates ("ROCs")

Emission allowances purchased by ESB are recorded as current intangible assets at cost.

As emissions arise, a charge is recorded in the income statement to reflect the amount required to settle the liability to the relevant authority. This provision includes the carrying value of the emission allowances held, as well as the current market value of any additional allowances required to settle the obligation. These allowances are returned to the relevant Authority in charge of the scheme within four months of the end of that calendar year for the European CO2 emissions trading scheme and three months for the UK emissions trading scheme, in order to cover the liability for actual emissions of CO2 during that year. Accordingly, all emission allowances and ROCs are presented in the balance sheet as current intangible assets.

ROCs are certificates issued to operators of accredited renewable generating stations in the UK for the eligible renewable electricity they generate. The Group internally generates ROCs via its wind farms and also purchases ROCs from third parties. Internally generated ROCs are recognised at fair value (based on the prevailing compliance period buyout price and estimate of recycle benefit) in the income statement and intangible assets in line with the electricity physically generated. Purchased ROCs are recognised initially at cost (purchase price) within intangible assets. The group uses both internally generated and externally purchased ROCs to settle the associated renewable obligation scheme liability in the Customer Solutions business.

Emission allowances and ROCs held as intangible assets are not subsequently amortised or revalued as they are held for settlement of the related liabilities or external sale in the following year.

(c) Software costs and other intangible assets

Acquired computer software licenses and other intangible assets including grid connections and other acquired rights, are capitalised on the basis of the costs incurred to acquire and bring the specific asset into use. These assets are measured at cost less accumulated amortisation, which is estimated over their useful lives on a straight-line basis, and accumulated impairment losses. Major asset classifications and their allotted life spans are:

Software	3 / 5 years
Other intangibles	up to 20 years

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when the following criteria are met:

- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell;
- the expenditure attributable to the software during its development can be reliably measured.

Direct costs include the costs of software development, employees and an appropriate portion of relevant overheads. These assets are measured at cost less accumulated amortisation, which is estimated over their estimated useful lives (three to five years) on a straight-line basis, and accumulated impairment losses.

Incremental costs of obtaining a contract are capitalised in line with IFRS 15 'Revenue from Contracts with Customers' where those costs would not have been incurred if the contract had not been obtained and ESB expects to recover those costs. These assets are measured at cost less accumulated amortisation, which is estimated over their useful lives (two years) on a straight-line basis, and accumulated impairment losses.

(d) Research and development

Research expenditure and development expenditure that does not meet the criteria above is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(ix) Impairment of non-current assets other than goodwill

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets not yet in use are tested annually for impairment. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

For electricity generation assets, value in use is based on the estimated cash flows expected to be generated by the asset and is based on estimates of forecast power generation and forecast power, gas, carbon and capacity prices (where applicable) and the timing and extent of operating costs and capital expenditure. These cash flows are discounted to their present value using a pre-tax discount rate that reflects the current markets assessment of the time value of money and the risks specific to the asset. See (xiii) below in relation to the Group's approach to the measurement of expected credit loss on non-current financial assets, including shareholder loans advanced to equity accounted investees.

(x) Right-of-use of assets and lease liabilities

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. At the inception of a lease contract the Group assess whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an asset for a period of time in exchange of consideration, it is recognised as a lease.

To assess the right to control an asset, the Group considers the following:

- does the contract contain an identifiable asset;
- does the Group have the right to obtain substantially all of the economic benefits of the asset;
- does the Group have the right to operate the asset throughout the period of the contract.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and;
- restoration costs (see (xvi) provisions below).

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate;
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets within ESB comprise predominantly of IT equipment and small items of office furniture.

The Group leases various land and buildings, wind farm land and motor vehicles. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(xi) Borrowing costs

Borrowing costs attributable to the construction of major assets, which necessarily take substantial time to get ready for intended use, are added to the cost of those assets at the weighted average cost of borrowings, until such time as the assets are substantially ready for their intended use. The capitalisation rate applied equates to the average cost of ESB's outstanding debt and where applicable, a project specific rate is applied. The impact of hedging is also factored into the calculation of the capitalisation rate where applicable. Fees associated with the raising of debt are capitalised and then amortised over the life of the corresponding debt. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to the income statement when the qualifying asset affects profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

(xii) Inventories

Inventories are carried at the lower of average cost and net realisable value. Cost comprises all purchase price and direct costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is based on normal selling price less all further costs expected to be incurred prior to disposal.

Specific provision is made for damaged, deteriorated, obsolete and unusable items where appropriate.

(xiii) Financial assets and liabilities

Classification and measurement

The following accounting policies apply to the measurement of financial assets in the ESB's consolidated financial statements:

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets at fair value through profit or loss (“FVTPL”)

On initial recognition, these assets are recognised at fair value, with transaction costs being recognised in the income statement and subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

Financial assets at fair value through other comprehensive income (“FVOCI”)

On initial recognition, these assets are recognised at fair value and subsequently measured at fair value. Net gains and losses are recognised in other comprehensive income.

Financial assets at amortised cost

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

Trade and other receivables

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Loans and balances with equity accounted investees

Loans and balances with equity accounted investees are non-derivative financial assets or liabilities which are not quoted in an active market. Loans and balances receivable are included in current assets on the balance sheet where amounts are either expected to be settled within 12 months of the balance sheet date or where loans are repayable on demand. Loans and balances receivable which are not expected to be settled within 12 months of the balance sheet date and are not repayable on demand are classified as non-current assets. Loans and balances payable which include a right to defer settlement for 12 months existing at the balance sheet date and are not repayable on demand are classified as non-current liabilities. If this is not the case, loans and balances payable are classified as current liabilities. The classification of loans and balances payable is unaffected by the expectation on whether the right to defer settlement will be exercised. Loans and balances that are included within trade and other receivables or trade and other payables are initially recorded at invoiced value and thereafter at amortised cost using the effective interest rate method less loss allowance made for impairment.

Loans and balances with Group companies (Parent)

Loans and balances with Group companies are non-derivative financial assets or liabilities which are not quoted in an active market. Loans and balances receivable are included in current assets on the balance sheet where amounts are either expected to be settled within 12 months of the balance sheet date or where loans are repayable on demand. Loans and balances receivable which are not expected to be settled within 12 months of the balance sheet date and are not repayable on demand are classified as non-current assets. Loans and balances payable which include a right to defer settlement for 12 months existing at the balance sheet date and are not repayable on demand are classified as non-current liabilities. If this is not the case, loans and balances payable are classified as current liabilities. The classification of loans and balances payable is unaffected by the expectation on whether the right to defer settlement will be exercised. Loans and balances are included within trade and other receivables or trade and other payables in the Parent balance sheet and are initially recorded at fair value or invoiced value respectively. Thereafter, loans and balances are recorded at amortised cost.

Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

Impairment and expected credit losses

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables and loans and balances with Group companies. Expected credit losses on shareholder loans advanced to equity accounted investees are measured using the general approach. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the Group's past history, existing market conditions and forward looking estimates at the end of each reporting period. Refer to note 21 for further details.

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

For loans and balances with group companies, the Parent applies the general approach permitted by IFRS 9, which requires 12 month expected credit losses to be recognised on initial recognition of these receivables. If a significant increase in credit risk occurs, this requires expected lifetime credit losses to be recognised on these receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents for the purpose of cash flow include bank overdrafts payable on demand and form an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash deposits with maturities of more than 90 days but not greater than one year are included as short-term deposits within trade and other receivables. However, they are included within Liquidity and Net Debt for the purposes of Alternative Performance Measures (“APMs”).

Bank balances used by the Group are subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting the use of bank balances are disclosed in note 22. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the balance sheet.

(a) Borrowings

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition these borrowings are stated at amortised cost using the effective interest rate method. If a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss is recognised in the income statement. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

(b) Derivative financial instruments and other hedging instruments

The Group uses derivative financial instruments to hedge its exposure to commodity price, foreign exchange and interest rate risk arising from operational, financing and investing activities. The principal derivatives used include interest rate swaps, inflation-linked interest rate swaps, currency swaps and forward foreign currency contracts. Commodity contracts are also used to hedge the Group's exposures to the purchase of fuel and sale of electricity. The Group applies the general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 'Financial Instruments'.

Commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value. The changes in fair value when a hedge accounting relationship exists and the contract has been designated as held for hedging purposes will be recognised in accordance with IFRS 9 as cash flow hedges or fair value hedges.

Financial derivative instruments are used by the Group to hedge interest rate and currency exposures. All such derivatives are recognised at fair value and are re-measured to fair value at the balance sheet date. With the exception of the inflation-linked interest rate swaps the majority of other derivative financial instruments are designated as being held for hedging purposes.

The designation of the hedge relationship is established at the inception of the contract. The treatment of gains and losses on subsequent re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a fair value or cash flow hedge.

All fair value movements on derivatives that are not designated as hedging relationships are recorded through the income statement within finance income and expense or other operating costs, as appropriate. Fair value movements on the commodity derivatives which primarily relate to energy margin are recorded in total operating costs while any fair value movements on interest related derivatives impact finance costs in the income statement.

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of that asset or liability. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the hedged transaction. The gain or loss relating to the ineffective portion is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Hedge of net investment in foreign entity

Where a foreign currency liability hedges a net investment in a foreign operation, foreign exchange differences arising on translation of the liability are recognised directly in other comprehensive income, and taken to the translation reserve, with any ineffective portion recognised in the income statement immediately.

(c) Guarantees

During the normal course of business, the Group provides guarantees and bonds to third parties, subsidiary companies of the Parent and equity accounted investees. The Group has availed of the accounting policy choice available under IFRS 17 to account for financial guarantees in line with IFRS 9. Financial guarantees are therefore recognised initially at fair value. Subsequently, financial guarantees are measured at the higher of their fair value and a value calculated in line with the expected credit loss model as per IFRS 9.

(xiv) Capital stock

The units of capital stock are measured at the price at which they were initially issued to the Department of Public Expenditure and Reform (now the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation), the Department of Environment, Climate and Communications (now the Department of Climate, Energy and the Environment) and ESB ESOP Trustee Limited.

Capital stock premium represents the excess of funds received at fair value over the par value of the additional units of capital stock issued by the Parent, which is recognised within equity.

(xv) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income or equity.

(a) Current tax

Current tax is provided at current rates and is calculated on the basis of results for the year. The income tax expense in the income statement does not include taxation on the Group's share of profits of joint venture undertakings, as this is included within the separate line on the face of the income statement for share of equity accounted investee profit / (loss), net of tax.

(b) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised only to the extent that the Board consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(xvi) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provision for asset retirement obligations

The provision for retirement and decommissioning of generating stations, wind farms, other electricity generation assets, leased asset restoration liabilities, ESB Networks and NIE Networks creosote treated wood poles represents the present value of the current estimate of the costs of closure of the stations, restoration of leased assets (if applicable) and the disposal of the poles at the end of their useful lives.

The estimated costs of asset retirement obligations and restoration liabilities are recognised in full at the outset of the asset life, but discounted to present values using an appropriate pre-tax discount rate. The costs are capitalised in property, plant and equipment or right-of-use assets in respect of restoration liabilities and are depreciated over the useful economic lives of the stations or other assets to which they relate unless the related asset has reached the end of its useful life. Subsequent changes in the liability in respect of assets that have reached the end of their useful life are recognised in the income statement as they occur. The costs are reviewed each year and amended as appropriate. Amendments to the discounted estimated costs are capitalised into the relevant assets and depreciated over the remaining life of those assets to the extent that the assets are still in use.

As the costs are capitalised and initially provided on a discounted basis, the provision is increased by a financing charge in each period, which is calculated based on the provision balance and discount rate applied at the last measurement date (updated annually) and is included in the income statement as a financing charge. In this way, the provision will equal the estimated closure costs at the end of the useful economic lives of stations or other assets. The actual expenditure is set against the provision as stations are closed or other obligations are met.

The provision for asset retirement obligations is included within current or non-current provisions as appropriate on the balance sheet.

(xvii) Employee related liabilities

(a) Restructuring liabilities

Voluntary termination benefits are payable under various collective agreements between the Board of ESB and ESB Group of Unions when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as a result of an offer made to employees to encourage voluntary redundancy. Ordinary termination benefits not covered by the aforementioned agreement are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group begins to implement the restructuring plan. Benefits expected to be settled more than twelve months after the balance sheet date are discounted to present value. Future operating losses are not provided for.

(b) Other short-term employee related liabilities

The costs of holiday leave and bonuses accrued are recognised when employees render the service or performance that increases their entitlement to future compensated absences or payments.

(xviii) Pension obligations

The Group companies operate various pension schemes in the Republic of Ireland ("ROI"), Northern Ireland ("NI") and Great Britain ("GB"), which are funded through payments to trustee administered funds.

Pension schemes in the Republic of Ireland

The Group operates two pension schemes, which are called the ESB Defined Benefit Pension Scheme and the ESB Defined Contribution Pension Scheme. Pensions for employees in the electricity business are funded through a contributory pension scheme called the ESB Defined Benefit ("DB") Pension Scheme ("the Scheme"). The fund is vested in Trustees nominated by ESB and its members for the sole benefit of employees and their dependants. The Scheme is registered as a Defined Benefit Scheme with the Pensions Authority.

The regulations governing the Scheme stipulate the benefits that are to be provided and the contributions to be paid by both ESB and the contributing members. Benefits payable are determined by reference to a Career Average Revalued Earnings ("CARE") pension model for benefits earned after 1 January 2012 (previously based on final salary). ESB has no legal obligation to increase contributions to maintain benefits in the event of a deficit and ESB's rate of contribution cannot be altered without the agreement of ESB and approval of the Minister for Climate, Energy and the Environment and the Minster for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Should an actuarial deficit arise in the future, ESB is obliged under the Scheme regulations to consult with the Trustees and the Scheme Actuary to consider the necessity of submitting an amending Scheme for Ministerial approval.

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Under the 2010 Pensions Agreement (approved by employees in July 2010 and formally ratified by the Board of ESB on 20 October 2010), ESB agreed to a once-off cash injection into the Scheme. The fixed contribution rates for the employer and for employees were not changed. Under the Agreement, membership of the Scheme has been closed to new joiners.

The obligations to the Scheme reflected in ESB's financial statements have been determined in accordance with IAS 19 Employee Benefits. Given that the Scheme is not a typical "balance of costs" Defined Benefit Scheme (where the employer is liable to pay the balance of contributions required to fund benefits), the obligations to be reflected in the financial statements require the exercise of judgement. Should a deficit arise in the future, the Company, as noted above, is obliged to consult with the parties to the Scheme. However, ESB has no obligation to increase contributions to maintain benefits in the event of a deficit and the Company does not intend that any further contributions, other than the normal on-going contributions will be made. €591.0 million additional contribution agreed as part of the 2010 Pensions Agreement has now been fully paid. Therefore, ESB has concluded that the financial statements should reflect its obligations to the Scheme, which consist of:

- a. Pre-existing commitments relating to past service (the present value of the agreed contributions that relates to service prior to October 2010); and
- b. Past Voluntary Severance ("VS") Programmes – in 2010 the Company recognised a future commitment in respect of staff who have left the Company under past VS programmes. ESB will make pension contributions in respect of those staff and these are recognised at fair value.

Ongoing contributions (up to 16.4%) are recognised in the income statement as incurred. Any unpaid amounts at year end are recognised as liabilities on the balance sheet.

The ESB Defined Contribution Pension Scheme is a defined contribution scheme and contributions to this scheme are accounted for on a defined contribution basis with the employers' contribution charged to the Group Income Statement in the period the contributions become payable.

FM United Kingdom Stakeholder Scheme

ESB operates a stakeholder pension scheme for all its UK employees other than those in Northern Ireland Electricity Limited and So Energy Limited. The pension scheme is a defined contribution scheme and contributions to the Scheme are accounted for on a defined contribution basis with the employers' contribution charged to the Group Income Statement in the period the contributions become payable.

Pension scheme in Northern Ireland

The Group's wholly owned subsidiary undertaking, Northern Ireland Electricity Networks Limited ("NIE Networks"), operates a pension scheme which has two sections: "Options" (defined contribution) and "Focus" (defined benefit). Pension costs in respect of the defined contribution scheme are charged to the income statement as they become payable. "Focus" has been closed to new members since 1998. The defined benefit obligation of NIE Networks is calculated annually by independent actuaries using the projected unit credit method, and discounted at a rate selected with reference to the current rate of return of high quality corporate bonds of equivalent currency and term to the liabilities. Pension scheme assets are measured at fair value. Full actuarial valuations are obtained at least triennially and are updated annually thereafter. Actuarial gains and losses are recognised in full in the period in which they occur and are recognised in other comprehensive income.

The cost of providing benefits under the defined benefit scheme is charged to the income statement over the periods benefiting from employees' service. Past service costs including curtailment losses are recognised in the income statement in the period they occur. The interest income from pension scheme assets and the interest expense on pension scheme liabilities are included within net finance cost.

Where a surplus on the 'Focus' defined benefit scheme exists, the Group recognises an accounting surplus in line with the most recent IAS 19 valuation on the basis of the Group's assessment that it has the right to any remaining surplus on the eventual winding up of the pension scheme following gradual settlement of the scheme's liabilities.

(xix) Revenue from contracts with customers

Revenue principally comprises the sales values derived from the following:

- Customer Solutions revenues consist primarily of sales to electricity and gas customers.
- ESB Networks and NIE Networks earn Use of System income in the Republic of Ireland and Northern Ireland respectively.
- Generation Trading revenue derives mainly from electricity generation.
- Revenue derived from the provision of engineering, telecommunication and other services.

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Customer Solutions

Revenue from sales to electricity and gas customers

This revenue is earned from both residential and business customers in the Republic of Ireland, Northern Ireland and Great Britain. Revenue is recognised at the point in time of consumption of gas and electricity. Electricity and gas revenue includes the value of units supplied to customers between the date of the last meter reading and the period end. This estimate at the point in time of consumption is initially included in trade and other receivables in the balance sheet as retail energy receivables - unbilled, customers are billed monthly or bi-monthly depending on the type of account, and are subsequently recognised as retail energy receivables - billed. Residential credit terms and debtor days in respect of retail electricity receivables are 14 days. Credit terms for business customers vary by contract.

Unbilled revenue is arrived at by using estimated revenue which is calculated by applying the tariffs applicable to specific customer types to estimated volume (or actual volume, if available) of electricity or gas consumed across those customer types, less the total amounts already billed for the relevant period. This process includes the analysis of calculated unbilled volumes and rates (in GWh and millions of therms) taking into consideration, movements in pricing tariffs, seasonality and data on total consumption by supplier obtained by SEM. There are a number of offerings such as sign-up bonuses, discounts and rewards available to customers which are all accounted for as variable consideration under IFRS 15. Discounts and rewards that are enduring are applied over time to our relevant customer bills. On joining the sign-up bonuses are applied to customer accounts which are recognised over time in line with customer usage.

Other revenue

Other revenue comprises of income derived from the provision of energy and telecommunications services and represents the transaction prices of services and works delivered to customers. Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its performance obligations under its contracts. Revenue is recognised over time in accordance with the input method in the income statement in line with the contract terms in proportion to the stage of completion, based on total costs of the contract. Billed revenue is recognised as a trade receivable-non energy and is normally settled in 30 business days. Unbilled revenue is recognised in other receivables.

ESB Networks - Revenue from Use of System charges to customers

ESB Networks mainly recognises revenue from Use of System that comprises of Distribution Use of System ("DUoS") revenue and Transmission Use of System ("TUoS") revenue. ESB Networks operates in the Republic of Ireland and is a regulated business, earning its revenue primarily from an allowed return on its Regulated Asset Base ("RAB") and recovery of its operating costs.

DUoS revenue is earned through charges to suppliers for the use of the ESB Networks distribution system. DUoS revenue is recognised in line with the use of the system by suppliers and any outstanding billed and unbilled usage for DUoS is included as a Use of System receivable on the balance sheet. DUoS revenue is invoiced on a bi-monthly basis. Revenue is also earned from operations & maintenance annual charges for generators connected to the distribution system. These are based on a standard amount per km line or cable and are recognised over time as the performance obligation is satisfied.

TUoS revenue is earned by maintaining the transmission assets to facilitate their effective operation by EirGrid. For this fixed price contract TUoS revenue is recognised over time on a straight-line basis and a Use of System receivable is recognised on the balance sheet.

ESB Networks receives non-repayable supply contributions income as a result of providing new connections to its existing network in respect of property, plant and equipment. These contributions are held in trade and other payables as progress payments until their performance obligation is satisfied. When the work on the connection has met the performance obligation they are transferred to deferred income and released to revenue in the income statement over the estimated useful economic lives of the related assets (as a proxy for the life of the customer relationship). The useful life of these assets is estimated at 25 and 30 years for distribution and transmission networks respectively.

ESB Networks also recognises revenue from a number of unregulated sources. Revenue is recognised from providing ancillary network services and other miscellaneous income. All unregulated income is recognised at a point in time with a corresponding receivable carried on the balance sheet for each item.

Notes to the Financial Statements (continued)

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

NIE Networks - Revenue from Use of System charges to customers

NIE Networks derives its revenue principally through charges for use of the distribution system ("DUoS") levied on electricity suppliers and transmission service charges ("TSC") mainly for use of the transmission system levied on System Operator for Northern Ireland ("SONI"). NIE Networks is a regulated business, earning revenue primarily from an allowed return on its RAB. Revenue is recognised when the Group has satisfied its performance obligations in respect of the contract with the customer. Revenue is measured based on the consideration specified in a contract with a customer. The following specific recognition criteria must also be met before revenue is recognised:

DUoS revenue is recognised over time in line with the use of the system by consumers under the schedule of entitlement set by the UR for each tariff period. Any outstanding billed and unbilled usage for DUoS is included within Use of System receivable at the balance sheet date. Revenue includes an assessment of the volume of electricity distributed, estimated using historical consumption patterns.

TSC is earned by maintaining the transmission assets to facilitate the effective operation by SONI. For this fixed price contract, revenue is recognised over time on a straight-line basis in line with the schedule of entitlement set by the UR for each tariff period and a Use of System receivable is recognised on the balance sheet.

Included within the Group's operating profit are revenues and costs associated with the Public Service Obligation ("PSO") charges which are fully recoverable (including amounts paid under the NI Sustainable Energy Programme), albeit there are timing differences between the receipt of revenue / payment of costs and the recovery of those amounts through the PSO charges. PSO revenue is earned over time in line with the use of system by consumers under the schedule of entitlement set by the UR for each tariff period. In addition to PSO tariff revenues, NIE Networks recognises income received from the Power Procurement Business ("PPB") at a point in time as NIE Networks does not have control over the amount or timing of receipt of PPB revenues.

NIE Networks receives non-repayable supply contributions income as a result of providing new connections to its existing network in respect of property, plant and equipment. These contributions are held in trade and other payables as progress payments until their performance obligation is satisfied. When the work on the connection has met the performance obligation they are transferred to deferred income and released to revenue in the income statement over the estimated useful life of the customer relationship (up to 40 years).

Generation Trading revenue - derives mainly from electricity generation
Republic of Ireland
Integrated-Single Electricity Market ("I-SEM")

The I-SEM is the wholesale electricity market arrangement for Ireland and Northern Ireland. Within I-SEM there are multiple markets or auctions, each spanning different trading time frames, with separate (although related) clearing and settlement mechanisms.

There are two ex-ante markets for physical energy: the Day-Ahead Market and the Intraday Market. In addition, Energy balancing services are offered into the Balancing Market by generators (energy producers) and suppliers (energy consumers). Capacity is a commitment by a generator or interconnector owner to be available to deliver energy into the grid, if called on to do so. Capacity providers who are successful in the Capacity Market receive a regular capacity payment, which assists with funding generation capacity. Revenue from the sale of electricity in the I-SEM markets are recognised over time on consumption of electricity and an I-SEM receivable is recognised on the balance sheet and settled daily for the ex-ante market and weekly for the ex-post market.

Capacity income is received through the 'Capacity Remuneration Mechanism' ("CRM") where a capacity payment is made to a participant in respect of a Generator Unit in each Capacity Period on the basis of the Unit's Eligible Availability, which is based on the Unit's Availability Profile. Revenue is recognised over time and recognised as an I-SEM receivable on the balance sheet and settled within one month.

Ancillary income is received through 'Delivering a Secure Sustainable Electricity System' ("DS3") programme for provision of frequency response services to the grid. Ancillary income is recognised over time. Ancillary income is recognised as an I-SEM receivable on the balance sheet and settled within one month.

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Great Britain ("GB")

British Electricity Trading and Transmission Arrangements is the wholesale electricity market operating in GB. Unlike the I-SEM, trading can take place between generators and suppliers either bilaterally or through exchanges. Both physical and financial contracts can be struck to manage price volatility, for timescales ranging from several years ahead to on-the-day trading markets. The British Government operates a capacity remuneration scheme and under the scheme, generators are awarded capacity contracts (based on the outcome of an auction) that enable them to receive payments for the provision of generation capacity while also incurring penalties for non-delivery during scarcity events. Revenue in respect of capacity payments is recognised over time.

Revenue derived from GB is through the sale of power to individual GB counterparties and is recognised over time when performance obligations are satisfied. Revenue relating to the GB market is recognised as other electricity receivables on the balance sheet and settled daily or monthly depending on the terms of the individual contract.

Other Segments - Other revenue

Other revenue comprises of income derived from the provision of electrical, mechanical, civil, environmental, engineering, property sales and consultancy services and represents the transaction price of services and works delivered to customers.

Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its performance obligations under its contracts. Revenue is recognised over time in accordance with the input method in the income statement in line with the contract terms in proportion to the stage of completion, based on total costs of the contract. Billed revenue is recognised as a trade receivable-non electricity and settled in 30 business days. Unbilled revenue is recognised in other receivables.

(xx) Other operating income

Other operating income comprises of income which accrues to the Group outside of the Group's trading activities.

(xxi) Operating segments – IFRS 8

ESB has applied the disclosure requirements of IFRS 8 Operating Segments to the Group. IFRS 8 specifies how an entity should disclose information about its segments using a "management approach" under which segment information is presented on the same basis as that used for internal reporting. Financial information for segments whose operating activities are regularly reviewed by the Executive Committee and the Board, collectively the Chief Operating Decision Maker ("CODM"), in order to make decisions about allocating resources and assessing performance has been presented in note 3 to the financial statements.

(xxii) Costs

(a) Employee costs

Salaries, overtime, expenses, bonuses, social welfare contributions (PRSI), national insurance, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by the employees of the Group.

(b) Energy costs

Energy costs comprise direct fuel (primarily coal and gas), purchased electricity, Use of System charges (other electricity costs) and net emissions costs. Fuel and purchased electricity costs are recognised as they are utilised. Also included in energy costs is an amount relating to the impact of the Irish Government's scheme to cap the market revenues of certain electricity generators from 1 December 2022 until June 2023.

(c) Operating and other maintenance costs

Operating and other maintenance costs relate primarily to overhaul and project costs, contractor costs and establishment costs. These costs are recognised in the income statement as they are incurred.

(d) Finance income and finance costs

Finance income comprises interest income on bank deposits, which attract interest at prevailing deposit interest rates, interest income on loans, and interest income on amounts due from equity accounted investees. Finance income in Parent also comprises interest income on amounts due from subsidiary undertakings.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, pension financing charges, fair value gains and losses on financial instruments not qualifying for hedge accounting or where hedge accounting is not used, losses on hedging instruments that are not recognised in operating costs and reclassifications of amounts previously recognised in other comprehensive income.

Notes to the Financial Statements (continued)

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of Parent and consolidated financial statements requires a significant number of judgemental assumptions and estimates to be made. These impact on the income and expenses contained within the income statement and other comprehensive income, and the valuation of the assets and liabilities in the balance sheet. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation.

It should be noted that the impact of variation in some assumptions and estimates can have a particularly material impact on the reported results. These include but are not limited to:

(i) Impact of climate-related risks (Estimate)

Specifically given the nature of the Group's operations and the Group's Net Zero (see definition of Net Zero within the Glossary of these financial statements) by 2040 Strategy, ESB has considered how climate related risks may impact upon the financial statements. In this context, the following have been considered:

(a) Physical Climate Impacts

ESB has carried out physical climate risk and vulnerability assessments for its activities and the relevant hazards under a number of Inter-Governmental Panel on Climate Change ("IPCC") scenarios.

Physical climate events notably storms, flooding and changing weather patterns have the potential to cause damage to ESB assets, particularly in ESB's generation and networks businesses. Preventative maintenance, timber cutting and other programmes are in place to reduce physical climate risks in these businesses, and these are reviewed in the context of rising climate risk. In relation to electricity network assets, regulatory mechanisms exist in relation to the treatment of the costs of extreme storms.

Changing weather patterns may also impact on the volumes achieved from the Group's wind and hydro generation assets. Weather events such as intense rainfall could also lead to more incidences where ESB has to manage flood water through its hydro generation plants. A provision for legal claims relating to flooding in Cork in 2009 is in place as set out in note 31.

Physical climate issues are considered as part of ESB's impairment and provisions assessments as required.

(b) Net Zero Transition

ESB's commitments to Net Zero, as well as energy policy changes and the regulatory environment have the potential to impact, in the medium to long term, on the level of electricity generation from ESB's thermal generation fleet. This coupled with an increasing amount of renewables being connected to the grid both in Ireland and Great Britain, as well as increased costs related to thermal energy sources, including carbon costs, may result in changes to future cash flows derived from thermal assets and impact on expected useful lives. These changes are considered through the Group's annual impairment assessments and reviews of asset lives.

ESB's thermal generation fleet has been subject to impairment charges in recent years and the majority of thermal assets are close to the end of their useful economic lives (with the exception of some newer gas fired generation stations, notably Carrington in Great Britain and flexible gas generation assets). ESB's thermal assets, including new flexible generation assets, are required to provide security of supply in both Ireland and GB in the medium term during the transition to net zero. Therefore, no adjustments to the useful economic lives of assets with material carrying values have been made during the year ended 31 December 2025.

(c) Environmental Obligations

Given the nature of the Group's assets, there are specific decommissioning provisions in place relating to asset retirement obligations arising from environmental and other legislation. See part (iii) below.

(d) Going concern and Viability Statement

The implications of climate-related risks and opportunities have been considered in the Group's going concern viability statement assessments (as part of ESB's business planning process).

(ii) Impairment assessments and carrying value of long-lived assets and goodwill (Estimate)

Assessment of the recoverable amount, being the higher of value in use and the fair value less costs of disposal, of property, plant & equipment, intangible assets, right-of-use assets, goodwill (described in note 16) and equity accounted investees, in accordance with IAS 36 Impairment of Assets, as described below:

- For power generation assets, value in use is based on the estimated cash flows expected to be generated by the asset which are based on an external review of forecast power generation and forecast power, gas, carbon and capacity prices (where applicable), the timing and extent of operating costs and capital expenditure and ancillary income.

2. USE OF ESTIMATES AND JUDGEMENTS (continued)

- For goodwill on the acquisition of Northern Ireland Electricity Networks, the fair value is calculated by reference to the market valuations of comparable regulated utilities. See note 16 for further details.
- An impairment review of the goodwill recognised on the acquisition of So Energy Limited ("So Energy") was carried out during the year. As a result of ongoing challenges experienced by So Energy in the UK retail energy market, and the impact of these challenges based on projected future cashflows, an impairment of the goodwill arising on the acquisition of So Energy of €21.8 million has been recognised in 2025. See note 16 for further details.
- For other tangible and intangible assets, where assets are required to be tested for impairment, value in use is determined based on estimated cashflows or other benefits expected to be derived from use of the assets.
- For fair value less costs of disposal, the approach is consistent across all assets where fair values are based on independent third party assessments less costs.
- Cash flows used in value in use models are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. The estimation of forecasted revenues and the timing of expenditure requires judgement and is dependent on the economic factors associated with these assets.
- The equity investment in Neart na Gaoithe has been fully impaired and has a carrying value of €nil (2024: €nil). No reversal of the cumulative impairment charges recognised in the equity investment of Neart na Gaoithe has occurred to date. Any such reversal will be based on an assessment of projected future earnings from the project, which achieved commercial operations during 2025. Please refer to note 17 for further details.
- On 7 February 2025, the ESB Group acquired 100% of the shares and voting interest in Lettermuckoo Windfarm Holdings Limited thereby obtaining a 100% control of its operations. The acquisition involved estimating the fair value of the assets and liabilities acquired. Please refer to note 18 for further details.

(iii) Asset retirement obligations, legal and other provisions (Estimate)

Future costs required to settle current provisions such as the power station closure costs, creosote treated wood pole retirement provision and employee liabilities including severance obligations. These liabilities are disclosed in notes 27, 28 and 31.

There is significant estimation and judgement required in the calculation of the provision for generation assets, including the impact of regulation, the accuracy of the site surveys, unexpected contaminants, the impact of alternative technologies and the use of appropriate discount rates.

There is significant estimation required in determining the level of provision required for the disposal of creosote treated wood poles. This includes estimating the disposal cost per pole, which will be determined via competitive tender processes, the period over which poles will be disposed of which is dependent on pole condition and the use of an appropriate discount rate. The period over which poles are disposed of is estimated based on current operational plans which could change significantly in the future as a result of environmental legislation or pole condition.

The calculation of provisions in respect of legal claims requires judgement including an assessment of the outcome of relevant claims. Details of estimates and judgements regarding ongoing legal claims are disclosed in notes 31 and 33.

(iv) Retirement benefits (Judgement)

The accounting for the ESB pension liability requires judgement regarding the appropriate accounting treatment in line with IAS 19 Employee Benefits relating to ESB's committed obligations to the scheme. The Board is satisfied that the appropriate accounting treatment, determined in accordance with IAS 19 Employee Benefits, is to reflect its existing committed obligations, as set out in the notes to the financial statements (see note 28).

The employees in NIE Networks are entitled to membership of the Northern Ireland Electricity Pension Scheme (the NIE Networks Scheme) which has both defined benefit and defined contribution arrangements. The estimation of and accounting for retirement benefits obligation involves judgements made in conjunction with independent actuaries. This involves estimates about uncertain future events including the life expectancy of scheme members, future salary and pension increases and inflation as well as discount rates. A pension asset on NIE Networks defined benefit pension scheme has been recognised as the amount of the surplus at the balance sheet date that the Group has a right to. The assumptions used by the Group and a sensitivity analysis of a change in these assumptions are described in note 27.

Notes to the Financial Statements (continued)

2. USE OF ESTIMATES AND JUDGEMENTS (continued)

(v) Financial instruments (Estimate)

As described in note 32 section (i), the valuation of certain financial instruments is based on a number of judgemental factors and assumptions which of necessity are not based on observable inputs. These have been classified as level 3 financial instruments, under the meaning of IFRS 13 Fair Value Measurement and IAS 36 Impairment of Assets. The designation of commodity contracts as own use (and therefore not within the scope of IFRS 9) requires judgement related to the nature of the contract and the expected sale, purchase or usage requirements of the relevant commodity.

(vi) Partnership with Ørsted (Estimate)

In June 2023, ESB and Ørsted entered into a joint arrangement to develop a portfolio of offshore wind projects around the east, south and west coast of Ireland. The arrangement includes contingent consideration to be received by ESB from Ørsted related to a number of key milestones being reached on each project. Due to the projects being in the early stages of development, the fair value of this contingent consideration has been estimated as €nil (2024: €nil).

(vii) Valuation of receivables and payables (Estimate)

The measurement of a number of assets, liabilities, income and costs at year end which require a high degree of estimation and judgement are estimated in accordance with the accounting policies of the Group and current EU IFRS. Items which require a high degree of estimation and judgement include the calculation of unbilled electricity income and trade and other receivables (see note 21), amounts due from equity accounted investees (see note 21), the valuation of fuel stocks (see note 20), the cost of fuel consumed (see note 20), the useful lives of property, plant & equipment (see note 13) and also accruals for goods received or work carried out for which supplier invoices have not yet been received (see note 29).

ESB provide services to almost 1.5 million residential and business customer accounts, mainly on credit terms. It is known that certain debts due to ESB will not be paid through the default of a small number of customers. Forward looking estimates are used in determining the level of debts that is expected to not be collected. These estimates include such factors as the current state of the economic situation in Ireland and Great Britain and particular industry issues (see note 21).

Recoverability of amounts due from subsidiaries by ESB Parent requires judgement in respect of the ability of subsidiary companies to generate sufficient cash flows to repay the amounts as they fall due.

(viii) Lease receivables and liabilities (Judgement)

Application of IFRS 16 requires the Group to make judgements that affect the valuation of lease liabilities, the valuation of right-of-use assets, the discount rate used to discount the lease payments and the lease terms.

On 1 July 2025, EirGrid plc entered into a Services Agreement for the lease from ESB of electricity generation units at Moneypoint, Co. Clare. The units at Moneypoint have been converted from coal to heavy fuel oil ("HFO"). On execution of the Agreement, the HFO powered units at Moneypoint were derecognised from property, plant and equipment, and a lease receivable asset was recognised. This conversion and Agreement supports the Government of Ireland's Climate Action Plan which included a commitment to end the burning of coal in Moneypoint by 2025 and also to maintain security of electricity supply. Judgement is required regarding how this Agreement is presented in the Group financial statements. As ESB does not retain the risks and rewards of ownership of these HFO powered units, the associated property, plant & equipment is derecognised once constructed, and the Agreement has been accounted for as a finance lease receivable (see note 19).

(ix) Presentation of relevant balances associated with Temporary Emergency Generation contracts (Judgement)

During 2023, ESB entered into Temporary Emergency Generation contracts with EirGrid whereby ESB's role in the arrangements is to accommodate the provision of temporary electricity generation capacity providing security of energy supply to the Irish electricity grid. As of 31 December 2025, two such arrangements are in place at North Wall in Dublin and Shannonbridge in Co. Offaly. Under the arrangements, all associated costs (net of revenues generated) of the related assets, including purchasing, construction, operation, maintenance and decommissioning (net of disposal proceeds) are reimbursed in full to ESB by EirGrid. The direction regarding use of the asset is determined by EirGrid and not by ESB.

Judgement is required regarding how these arrangements are presented in the Group financial statements. In making this judgement the requirements of the IFRS Conceptual Framework for Financial Reporting, IAS 1 Presentation of Financial Statements, IAS 32 Financial Instruments: Presentation, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases have been considered.

With ESB not retaining risk and reward associated with ownership of the assets and ESB being fully reimbursed for all related costs (net of revenues generated), no property, plant & equipment nor right-of-use assets have been recognised in the Group financial statements. Costs and associated reimbursements are presented on a net basis in the financial statements where transacted with the same party. Where this is not the case, costs and associated reimbursements are presented on a gross basis. Service fees accruing to ESB are recognised in line with the requirements of IFRS 15 Revenue from Contracts with Customers.

3. SEGMENT REPORTING

For management purposes, the Group is organised into four key reportable segments, being the Group's strategic divisions which are managed separately and in respect of which internal management information is supplied to Executive Management and to the Board being collectively the Chief Operating Decision Maker ("CODM") of the Group. Four further corporate divisions, including primarily Engineering and Major Projects ("EMP") and Enterprise Services, provide support and other services to the principal operating divisions of the Group and are combined as Other Segments in this Segment Reporting note.

A description of the Group's key reportable segments is as follows:

(a) Customer Solutions develops, markets, sells and services innovative energy supply and service offerings through all of ESB's customer-facing brands (Electric Ireland, Smart Energy Services, ESB e-Cars, ESB Telecoms, ESB Energy and So Energy) in Ireland ("ROI"), NI and GB. Electric Ireland is the leading supplier of electricity and gas to domestic customers in the Republic of Ireland. Customer Solutions operates in the GB domestic market through So Energy. Electric Ireland also has a substantial market share in the non-domestic sector in both the Republic of Ireland and NI. Revenues are primarily derived from sales to electricity and gas customers.

(b) ESB Networks is principally concerned with the ownership and operation of the electricity distribution network and the ownership of the electricity transmission network in the Republic of Ireland. ESB Networks is a regulated business earning an allowed return on its Regulated Asset Base ("RAB") and derives its revenue principally from charges for the use of the distribution system levied on electricity suppliers and from charges for transmission services collected from EirGrid plc. It is ring-fenced by regulation from the Group's generation and supply business.

(c) Generation Trading ("GT") operates, develops, constructs and trades the output of electricity generation and storage related assets in the Republic of Ireland, NI and GB. This includes wholly owned subsidiaries and investments in joint ventures.

(d) NIE Networks is principally concerned with the ownership and operation of the electricity distribution network and the ownership of the electricity transmission network in NI. NIE Networks is a regulated business earning an allowed return on its RAB and derives its revenue principally from charges for the use of the distribution system levied on electricity suppliers and from charges for transmission services collected from the System Operator for Northern Ireland ("SONI").

(e) Other Segments include the results of internal service providers, which supply the main business units of the Group with support services. These segments are governed by regulation, and service level agreements are designed to ensure that transactions between operating segments are on an arm's length basis similar to transactions with third parties. This segment also includes most finance costs in the Group, as the majority of Treasury activity is conducted centrally. Finance costs incurred centrally are not recharged to other operating segments.

The CODM monitors the operating results of the segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit. Assets and liabilities are not reported by segment to the CODM.

Revenue by product

Reportable segments are split by type of product revenue earned. Customer Solutions revenues consist of sales to electricity and gas customers and other related services as set out at (a) above. Generation Trading revenue derives mainly from electricity generation. ESB Networks and NIE Networks earn Use of System income in the Republic of Ireland and NI respectively. Revenue included within Other Segments relates primarily to engineering services.

Notes to the Financial Statements (continued)

3. SEGMENT REPORTING (continued)

(a) Income Statement

	Customer Solutions €m	ESB Networks €m	Generation Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
(i) Segment revenue and other operating income (net) - 2025							
External revenues	4,127.9	1,230.7	935.7	406.3	7.1	-	6,707.7
Inter-segment revenue	208.5	443.9	1,568.3	44.2	510.3	(2,775.2)	-
Other operating income (net) - Note 8	0.4	0.4	9.7	-	89.2	(68.9)	30.8
Revenue and other operating income (net)	4,336.8	1,675.0	2,513.7	450.5	606.6	(2,844.1)	6,738.5
(ii) Segment operating costs (net) - 2025							
Net impairment losses on financial assets	(60.2)	(0.3)	(4.3)	-	(21.3)	-	(86.1)
Depreciation and amortisation	(38.8)	(608.1)	(198.8)	(187.9)	(35.7)	-	(1,069.3)
Other operating costs	(4,109.9)	(690.9)	(1,972.1)	(163.3)	(576.8)	2,844.1	(4,668.9)
Operating costs and net impairment losses	(4,208.9)	(1,299.3)	(2,175.2)	(351.2)	(633.8)	2,844.1	(5,824.3)
(iii) Operating result - 2025							
Operating profit / (loss) before exceptional items and certain re-measurements	127.9	375.7	338.5	99.3	(27.2)	-	914.2
Exceptional items and certain re-measurements - Note 6 and 7	-	-	(19.4)	-	-	-	(19.4)
Operating profit / (loss) after exceptional items and certain re-measurements	127.9	375.7	319.1	99.3	(27.2)	-	894.8
Share of equity accounted investees' profit / (loss)	-	-	17.5	-	(10.2)	-	7.3
Profit before net finance cost and taxation	127.9	375.7	336.6	99.3	(37.4)	-	902.1

Included within the operating results of the Customer Solutions segment is €20.9 million of revenue (2024: €54.9 million) and €1.8 million of operating profit (2024: €14.0 million of operating loss) relating to the Electric Ireland's Northern Ireland Residential business which the Group is actively in the process of exiting.

The operating results of the Generation Trading segment includes €7.4 million of revenue (2024: €21.2 million) and €nil of operating profit (2024: €13.3 million) relating to Corby Power Limited, which operates a gas-fired power station based in Corby, United Kingdom. In August 2025, ESB completed the disposal of its 100% investment in Corby Power Limited (see note 8).

3. SEGMENT REPORTING (continued)

	Customer Solutions €m	ESB Networks €m	Generation Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
(i) Segment revenue and other operating income (net) - 2024							
External revenues	4,821.1	1,123.0	814.7	475.2	15.9	-	7,249.9
Inter-segment revenue	215.7	414.0	1,703.3	50.8	461.9	(2,845.7)	-
Other operating income (net) - Note 8	0.2	1.2	2.7	-	151.5	(146.4)	9.2
Revenue and other operating income (net)	5,037.0	1,538.2	2,520.7	526.0	629.3	(2,992.1)	7,259.1
(ii) Segment operating costs (net) - 2024							
Net impairment losses on financial assets	(67.6)	(0.4)	(6.0)	-	(3.1)	-	(77.1)
Depreciation and amortisation	(27.2)	(575.5)	(166.6)	(202.4)	(32.9)	-	(1,004.6)
Other operating costs	(4,828.9)	(595.6)	(2,037.5)	(135.1)	(597.4)	2,992.1	(5,202.4)
Operating costs and net impairment losses	(4,923.7)	(1,171.5)	(2,210.1)	(337.5)	(633.4)	2,992.1	(6,284.1)
(iii) Operating result - 2024							
Operating profit / (loss) before exceptional items and certain re-measurements	113.3	366.7	310.6	188.5	(4.1)	-	975.0
Exceptional items and certain re-measurements - Note 6 and 7	-	-	115.5	-	-	-	115.5
Operating profit / (loss) after exceptional items and certain re-measurements	113.3	366.7	426.1	188.5	(4.1)	-	1,090.5
Share of equity accounted investees' profit / (loss)	-	-	9.6	-	(14.9)	-	(5.3)
Profit before net finance cost and taxation	113.3	366.7	435.7	188.5	(19.0)	-	1,085.2

All inter-segment revenues are eliminated upon consolidation and are reflected in the eliminations column above.

(b) Other disclosures

	2025 €m	'Reclassified 2024 €m
Capital Investment		
Customer Solutions	47.1	38.7
ESB Networks	1,401.1	1,129.8
Generation Trading	880.3	734.2
NIE Networks	329.9	276.6
Other Segments	20.9	19.9
Total	2,679.3	2,199.2

1 Additions to non-current assets include investments in property, plant & equipment, intangible assets (excluding emission allowances), financial assets, equity accounted investees and loans advanced to equity accounted investees. Additions to non-current assets at 31 December 2024 has been reclassified to include €355.6 million in relation to loans advanced to equity accounted investees to ensure consistency with the current year disclosure.

Notes to the Financial Statements (continued)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 requires disclosure to reflect the nature, timing, amount and uncertainty of its revenue within its disclosure requirements. ESB has determined that the disaggregation using existing segments and the nature of revenues is appropriate for its circumstances.

	Customer Solutions €m	ESB Networks €m	Generation Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
2025							
External revenues							
Revenue from Power Generation	-	-	859.8	-	-	-	859.8
Revenue from Use of System charges to customers	-	1,104.7	-	394.2	-	-	1,498.9
Revenue from supply contributions	-	77.9	-	9.2	-	-	87.1
Revenue from sales to electricity and gas customers	4,083.5	-	-	-	-	-	4,083.5
Other revenue	44.4	48.1	75.9	2.9	7.1	-	178.4
Revenue from contracts with customers	4,127.9	1,230.7	935.7	406.3	7.1	-	6,707.7
Inter-segment revenue	208.5	443.9	1,568.3	44.2	510.3	(2,775.2)	-
Other operating income (net) - Note 8	0.4	0.4	9.7	-	89.2	(68.9)	30.8
Revenue and other operating income (net)	4,336.8	1,675.0	2,513.7	450.5	606.6	(2,844.1)	6,738.5

Included in revenue from sales to electricity and gas customers is an amount of €nil (2024: €28.8 million) from the UK Government in respect of the Energy Price Guarantee scheme.

	Customer Solutions €m	ESB Networks €m	Generation Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
2024							
External revenues							
Revenue from Power Generation	-	-	783.7	-	-	-	783.7
Revenue from Use of System charges to customers	-	1,020.3	-	447.9	-	-	1,468.2
Revenue from supply contributions	-	68.4	-	26.2	-	-	94.6
Revenue from sales to electricity and gas customers	4,777.4	-	-	-	-	-	4,777.4
Other revenue	43.7	34.3	31.0	1.1	15.9	-	126.0
Revenue from contracts with customers	4,821.1	1,123.0	814.7	475.2	15.9	-	7,249.9
Inter-segment revenue	215.7	414.0	1,703.3	50.8	461.9	(2,845.7)	-
Other operating income (net) - Note 8	0.2	1.2	2.7	-	151.5	(146.4)	9.2
Revenue and other operating income (net)	5,037.0	1,538.2	2,520.7	526.0	629.3	(2,992.1)	7,259.1

5. GEOGRAPHIC INFORMATION

(a) Non-current assets by geographic location

	2025 €m	2024 €m
Ireland	12,105.6	10,837.6
UK including Northern Ireland	3,329.6	3,373.5
Total	15,435.2	14,211.1

Non-current assets for this purpose consist of property, plant & equipment, intangible assets (excluding emission allowances and ROCs), right-of-use assets, and goodwill. Investments in equity accounted investees, financial asset investments, trade and other receivables, derivative financial instruments, deferred tax assets and NIE networks pension assets are excluded.

5. GEOGRAPHIC INFORMATION (continued)

(b) External revenue by geographic market

	2025 €m	2024 €m
Ireland	4,936.0	5,161.6
UK including Northern Ireland	1,797.1	2,085.4
Rest of world	5.4	12.1
Revenue and other operating income (net)	6,738.5	7,259.1

6. EXCEPTIONAL ITEMS

	2025 €m	2024 €m
Expected credit loss related to Neart na Gaoithe (note 10)	-	(134.6)
Profit on disposal of Thameside Energy Recovery Limited (note 8)	-	58.6
Exceptional items before taxation	-	(76.0)
Tax credit on exceptional items	-	26.7
Exceptional items after taxation	-	(49.3)

The Group has used the term “exceptional” to describe certain items which, in Management’s view, warrant separate disclosure by virtue of their size or incidence, or due to the fact that certain gains or losses are determined to be non-recurring in nature.

Expected credit loss related to Neart na Gaoithe

NNG Windfarm Holdings Limited (“NNG”) is a joint arrangement between ESBII UK Limited and EDF Renewables UK Limited. NNG is a 448 MW wind farm project off the east coast of Scotland, which commenced construction in 2019 and achieved commercial operations during 2025. Due to delays in the construction of the project, additional equity commitments, partially in the form of financial guarantee contracts to third party lenders, were made by the two Shareholders in 2022 and in 2025. These delays and additional commitments gave rise to an expected credit loss on ESB’s shareholder loans to NNG as at 31 December 2024, which was classified as an exceptional item.

A calculation of the expected credit loss on ESB’s shareholder loans to NNG was performed as at 31 December 2025 based on a lifetime expected credit loss model in line with IFRS 9. A discounted cash flow model was used to determine the level of expected credit loss based on the expected cashflows to and from the project over its life.

The main assumptions used in expected credit loss model are outlined below:

- Revised project timelines, which impact on the overall construction costs and operational cash flows.
- Estimated construction costs net of insurance and contractor claims.
- The level of additional loan drawdowns by NNG from ESB.
- The impact of inflation, interest and FX rates, taking NNG’s associated hedging instruments into account.
- Estimate of long-term inflation rate for unhedged revenues.
- Forecast wholesale market prices.
- Forecast wind load factors, and level of curtailment.
- An appropriate discount rate for operational cash flows.

An expected credit loss of €134.6 million was recognised in the Group Income Statement as an exceptional finance cost (note 10) in 2024. No further expected credit loss has been recognised arising from the assessment as at 31 December 2025. However, the expected credit loss model is particularly sensitive to the level of cashflows assumed in relation to insurance and contractor claims. While Management consider the modelled assumptions related to these matters to be reasonable, there is a range of possible outcomes, and further credit losses could arise in the future if the final outcome of these matters is materially different from that assumed. Construction of the project is now complete and commercial operations have been achieved in 2025.

Notes to the Financial Statements (continued)

6. EXCEPTIONAL ITEMS (continued)

Profit on disposal of Thameside Energy Recovery Limited

In November 2024 ESB completed the disposal of its 80% shareholding in Thameside Energy Recovery Limited ("TERF"). TERF is a company incorporated in the United Kingdom which holds the development rights to construct an energy from waste plant located in port of Tilbury in the United Kingdom.

- A total gain of €58.6 million was recognised in 2024 on the disposal of ESB's shareholding in TERF.
- €69.0 million of total proceeds were received - including €14.2 million received in 2022 but deferred until all conditions of the sale were met.
 - compared to a carrying value of €10.4 million relating to the development rights held by TERF, recognised as a disposal during the year from intangible assets following the satisfaction of the conditions of sale.

7. CERTAIN RE-MEASUREMENTS

	2025 €m	2024 €m
Fair value (loss) / gain on fuel commodity swaps	(35.6)	56.9
Fair value gain on forward electricity price contract	16.2	-
Certain re-measurements before taxation	(19.4)	56.9
Tax credit / (expense) on certain re-measurements	2.4	(7.1)
Certain re-measurements after taxation	(17.0)	49.8

In the normal course of business, the Group enters into a forward fuel commodity price trades, and related foreign exchange contracts, to protect and optimise the value of its underlying generation assets and contracts, and to meet the future needs of its customers. These trades are designed to reduce the financial risks and exposures arising from holding such assets, contracts or customer demand, and are subject to strict risk limits and controls.

Because some of these trades are prohibited from being designated as 'own use', IFRS 9 'Financial Instruments' requires them to be individually fair valued. Fair value movements on these forward fuel commodity price trades, and related foreign exchange contracts, are included within operating costs, as they cannot be designated as accounting hedges under IFRS 9, although Management consider them to be effective economic hedges. Fair value movements on these trades do not reflect the underlying performance of the business because they are economically related to the Group's generation assets or customer demand, and to associated physically settled electricity price hedging trades, which are not fair valued. Therefore, fair value movements on these forward fuel commodity price trades and related foreign exchange contracts (together, "certain re-measurements") have been reported separately for the year ended 31 December 2025, and will be subsequently reflected in underlying operating profit when the underlying transaction or asset impacts profit or loss. The effects of these certain re-measurements are presented within either Revenue or Energy Costs when recognised in underlying operating profit, depending on the nature of the contract.

At 31 December 2025, a non-cash fair value loss of €35.6 million (2024: a gain of €56.9 million) has been recognised in the Income Statement on these commodity contracts and disclosed separately from underlying financial performance as certain re-measurements. The losses arises as a result of negative forward market prices for those commodities relative to contracted prices and negative FX movements.

As part of the Lettermuckoo Windfarm acquisition, a forward electricity price contract with a negative fair value on acquisition of €81.0 million was recognised. Positive fair value movements of €16.2 million were recognised in the Income Statement during the period since the acquisition (note 26).

8. OTHER OPERATING INCOME

	2025 €m	2024 €m
Profit on disposal of property, plant & equipment and intangible assets	4.7	0.8
Profit on disposal of investments ¹	15.4	5.6
Profit on disposal of subsidiary ^{2/3}	8.0	58.6
Dividends received	2.7	2.8
Total	30.8	67.8

- ¹ A number of investments were disposed of during 2025. Nualight Limited was the most significant disposal resulting in a profit on disposal of €15.0 million.
² A total gain of €8.0 million was recognised in 2025 on the disposal of ESB's 100% shareholding in Corby Power Limited. This comprised €14.3 million of total proceeds net of disposal costs and the carrying value of net assets sold.
³ The profit on disposal of subsidiary (Thameside Energy Recovery Limited) in 2024 was classified as an exceptional item (see note 6).

9. OPERATING COSTS (including impairment charges)

	2025 €m	2024 €m
Employee costs (note 11)	715.3	680.2
Energy costs	3,174.2	3,862.2
Operations and maintenance ¹	779.4	660.0
Depreciation and amortisation (notes 13/14/15)	1,069.3	1,004.6
Net impairment charges ²	86.1	77.1
Operating costs (net) before fair value (gains) / losses	5,824.3	6,284.1
Fair value losses / (gains) on fuel commodity and related foreign exchange contracts	19.4	(56.9)
Operating costs and net impairment losses	5,843.7	6,227.2

- ¹ Included in operations and maintenance is a foreign exchange retranslation loss of €16.9 million (2024: gain of €27.5 million) predominantly related to sterling denominated intercompany positions, short-term deposits and long term debt and a charge of €nil (2024: charge of €0.3 million) relating to fair valuing of foreign exchange contracts which have not been designated as accounting hedges.
² Net impairment charges includes net impairment losses of €58.8 million (2024: €75.5 million) on financial assets (note 21), and impairment charges of €1.3 million (2024: €0.6 million) in respect of property, plant & equipment (note 13), of €4.2 million (2024: €0.3 million) in respect of intangible assets (note 14), €nil (2024: €0.7 million) in respect of right-of-use assets (note 15), and of €21.8 million (2024: €nil) in respect of goodwill recognised on the acquisition of So Energy Limited (note 16).

Notes to the Financial Statements (continued)

10. NET FINANCE COST AND OTHER FINANCING CHARGES

	2025 €m	2024 €m
Interest payable on borrowings	234.8	249.6
Less capitalised interest	(43.6)	(43.6)
Net interest on borrowings	191.2	206.0
Financing charges:		
▪ on NIE Networks pension scheme (note 27)	(3.7)	(3.9)
▪ on ESB pension scheme (note 28)	3.5	3.4
▪ on provisions (note 31)	17.0	17.1
▪ on lease obligations (note 15)	3.8	3.2
Total financing charges	20.6	19.8
Fair value losses / (gains) on financial instruments:		
▪ interest rate swaps and inflation linked swaps not qualifying for hedge accounting	29.0	(14.5)
▪ currency / interest rate swaps: cash flow hedges, transfer from OCI	4.7	5.3
▪ loss / (gain) arising on derivatives as designated hedging instruments in fair value hedges	25.3	(19.7)
▪ (gain) / loss arising on adjustment for the hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship	(24.5)	19.7
Total fair value losses / (gains) on financial instruments	34.5	(9.2)
Expected credit loss related to equity accounted investee (note 6)	-	134.6
Finance cost and other financing charges	246.3	351.2
Finance income from amounts due from equity accounted investees (note 17)	(40.1)	(54.4)
Finance income from cash and short-term deposits	(50.4)	(81.0)
Finance lease income (note 19)	(3.4)	-
Finance income	(93.9)	(135.4)
Net finance cost and other financing charges	152.4	215.8

The financing charges on provisions are calculated in accordance with the policy for discounting of future payment obligations as disclosed in the accounting policies - see note 1.

Included in interest rate swaps and inflation linked swaps not qualifying for hedge accounting are fair value losses relating to interest rate swaps, fair value losses on inflation linked interest rate swaps and fair value gains on currency swaps. See note 26a for further details of these movements.

11. EMPLOYEES

Group

(a) Average number of employees in year by business activity, including temporary employees:

	2025 Number	2024 Number
Generation Trading	870	842
Customer Solutions	1,014	1,038
ESB Networks	4,061	3,883
NIE Networks	1,666	1,582
Engineering & Major Projects	1,010	947
Enterprise Services	1,023	1,004
Other	324	292
Total	9,968	9,588

(b) Employee costs in year

	2025 €m	2024 €m
Current staff costs (excluding pension)		
Salaries	754.3	711.6
Overtime	72.7	56.4
Wages and salaries	827.0	768.0
Social welfare costs (PRSI and national insurance)	77.4	67.0
Other payroll costs ¹	44.4	64.5
Payroll cost for employees	948.8	899.5

(c) Pension and other employee benefit costs

	2025 €m	2024 €m
Pensions charge - other schemes ²	73.1	66.7
NIE Networks pension scheme charge ³	5.1	5.3
Total employee related costs	1,027.0	971.5
Capitalised employee costs	(311.7)	(291.3)
Total employee related costs charged to the income statement	715.3	680.2

¹ These costs primarily include travel and subsistence allowances.

² The pension charge for other schemes include contributions of €21.2 million (2024: €20.8 million) to the ESB Defined Benefit Pension Scheme, €30 million (2024: €26.4 million) to the ESB Defined Contribution Scheme, €20.6 million (2024: €18.6 million) to the Options section of the NIE Networks Pension Scheme (NIE Networks Scheme) and €1.3 million (2024: €0.9 million) to the stakeholder pension scheme (FMUK Pension Scheme) for employees of the Group in Great Britain. See note 25 and 26 for further details.

³ The NIE Networks pension scheme charge relates solely to the Focus section of the Northern Ireland Electricity Scheme (the NIE Networks Scheme). See note 27 for further details.

Parent

(a) Average number of employees in year by business activity, including temporary employees:

	2025 Number	2024 Number
Generation Trading	588	561
Customer Solutions	463	434
ESB Networks	4,049	3,872
Engineering & Major Projects	939	862
Enterprise Services	1,023	1,004
Other	324	292
Total	7,386	7,025

Notes to the Financial Statements (continued)

11. EMPLOYEES (continued)

(b) Employee costs in year

	2025 €m	2024 €m
Current staff costs (excluding pension)		
Salaries	580.6	542.1
Overtime	52.6	42.0
Wages and salaries	633.2	584.1
Social welfare costs (PRSI and national insurance)	59.7	52.0
Other payroll costs ¹	36.7	56.8
Payroll cost for employees	729.6	692.9

(c) Pension and other employee benefit costs

	2025 €m	2024 €m
Pension charge ²	48.1	43.0
Total employee related costs	777.7	735.9
Capitalised employee costs	(216.1)	(205.8)
Total employee related costs charged to the income statement	561.6	530.1

1 These costs primarily relate to travel and subsistence allowances.
2 The pension charge includes contributions to the ESB Defined Contribution Scheme and the ESB Defined Benefit Pension Scheme. See note 27 for further details.

12. PROFIT FOR THE FINANCIAL YEAR

	2025 €m	2024 €m
Auditor's remuneration:		
▪ Audit of Group financial statements ¹	0.9	0.7
▪ Audit of subsidiaries	1.4	1.2
	2.3	1.9
▪ Other assurance services	0.2	0.2
▪ Tax advisory services (Parent and NIE Networks entities only)	0.1	0.2
▪ Other non-audit services	0.1	0.1
	2.7	2.4
ESB (Parent) Board members' remuneration:		
▪ Emoluments ²	0.5	0.5
▪ Pension contributions ³	0.1	0.1

1 Auditors remuneration attributable to the Parent comprises €0.4 million (2024: €0.4 million) related to the audit of Parent financial statements, €0.4 million (2024: €0.4 million) related to other assurance services, €nil (2024: €nil) related to tax advisory services and €0.1 million (2024: €0.1 million) related to other non-audit services.
2 The details of Board members remuneration do not include amounts paid to four Worker Board members as employees of ESB (as such pay is neither increased nor decreased because of their membership of the Board), but do include amounts paid to them by way of Board fees.
3 Post-employment benefit charges of €0.1 million (2024: €0.1 million) arise under the ESB Defined Benefit Scheme relating to one Board Member.

13. PROPERTY, PLANT & EQUIPMENT

Group	Land and buildings €m	Plant and machinery €m	Total assets in commission €m	Assets under construction €m	Total €m
Cost					
Balance at 1 January 2024	1,340.9	23,323.8	24,664.7	2,012.4	26,677.1
Additions	2.6	802.1	804.7	835.2	1,639.9
Retirements / disposals	(1.3)	(516.9)	(518.2)	(1.2)	(519.4)
Transfers out of assets under construction	477	752.3	800.0	(800.0)	-
Transfers from / (to) intangible assets	(7.0)	7.6	0.6	(9.7)	(9.1)
Translation adjustments	1.0	284.9	285.9	1.1	287.0
Balance at 31 December 2024	1,383.9	24,653.8	26,037.7	2,037.8	28,075.5
Balance at 1 January 2025	1,383.9	24,653.8	26,037.7	2,037.8	28,075.5
Additions	-	890.1	890.1	1,145.7	2,035.8
Acquisitions (note 18)	-	283.4	283.4	-	283.4
Retirements / disposals	(0.9)	(206.6)	(207.5)	(87.6)	(295.1)
Transfers out of assets under construction	8.1	424.6	432.7	(432.7)	-
Transfers from / (to) intangible assets	-	1.2	1.2	(5.5)	(4.3)
Other transfers	(4.0)	(0.3)	(4.3)	15.4	11.1
Translation adjustments	(1.1)	(297.4)	(298.5)	(2.7)	(301.2)
Balance at 31 December 2025	1,386.0	25,748.8	27,134.8	2,670.4	29,805.2
Depreciation					
Balance at 1 January 2024	774.3	13,572.0	14,346.3	5.9	14,352.2
Charge for the year	24.1	867.1	891.2	-	891.2
Retirements / disposals	(0.9)	(511.2)	(512.1)	-	(512.1)
Transfers to intangible assets	-	(0.3)	(0.3)	-	(0.3)
Impairment	-	0.6	0.6	-	0.6
Translation adjustments	0.1	140.7	140.8	-	140.8
Balance at 31 December 2024	797.6	14,068.9	14,866.5	5.9	14,872.4
Balance at 1 January 2025	797.6	14,068.9	14,866.5	5.9	14,872.4
Charge for the year	24.1	905.4	929.5	-	929.5
Retirements / disposals	(0.4)	(204.0)	(204.4)	-	(204.4)
Impairment	-	1.3	1.3	-	1.3
Translation adjustments	(0.1)	(141.6)	(141.7)	-	(141.7)
Balance at 31 December 2025	821.2	14,630.0	15,451.2	5.9	15,457.1
Carrying amount at 31 December 2025	564.8	11,118.8	11,683.6	2,664.5	14,348.1
Carrying amount at 31 December 2024	586.3	10,584.9	11,171.2	2,031.9	13,203.1
Carrying amount at 1 January 2024	566.6	9,751.8	10,318.4	2,006.5	12,324.9

Included in disposals is €86.2 million relating to the derecognition of Property, plant & equipment in relation to the services agreement with EirGrid plc (note 19).

Included in other transfers is €11.1 million relating to a reclass between Property, plant & equipment and Deferred Income for a correction in relation to a misclassification in prior years.

Notes to the Financial Statements (continued)

13. PROPERTY, PLANT & EQUIPMENT (continued)

During the year the Group capitalised interest of €38.5 million (2024: €39.2 million) in assets under construction, using a capitalisation rate of 2.5% (2024: 2.6%).

The carrying value of non-depreciable assets (land) at 31 December 2025 is €136.4 million (2024: €137.6 million).

Property, plant & equipment with a carrying amount of €nil at 31 December 2025 is included above at a cost of €5,722.8 million (2024: €5,459.5 million).

Included within additions in 2025 is the net decrease in the asset retirement provision capitalised for Generation Trading, ESB Networks and NIE Networks of (€3.8) million (2024: decrease in the asset retirement provision capitalised of €4.8 million). See note 31 for further details.

Retirements / disposals in both 2025 and 2024 primarily relate to the retirement of assets that have been fully depreciated.

The impairment charge in 2025 of €1.3 million (2024: €0.6 million) relates to development projects no longer proceeding and individual assets which are no longer operational.

Parent	Land and buildings €m	Plant and machinery €m	Total assets in commission €m	Assets under construction €m	Total €m
Cost					
Balance at 1 January 2024	1,237.1	16,556.4	17,793.5	1,922.1	19,715.6
Additions	-	471.7	471.7	740.2	1,211.9
Retirements / disposals	(0.6)	(16.9)	(17.5)	3.9	(13.6)
Transfers out of assets under construction	47.5	728.4	775.9	(775.9)	-
Transfers to intangible assets	(7.0)	7.6	0.6	(13.6)	(13.0)
Balance at 31 December 2024	1,277.0	17,747.2	19,024.2	1,876.7	20,900.9
Balance at 1 January 2025	1,277.0	17,747.2	19,024.2	1,876.7	20,900.9
Additions	-	570.3	570.3	884.7	1,455.0
Retirements / disposals	(2.3)	(19.2)	(21.5)	(87.6)	(109.1)
Transfers out of assets under construction	8.1	337.0	345.1	(345.1)	-
Transfers from / (to) intangible assets	-	1.1	1.1	(1.7)	(0.6)
Other transfers	(2.8)	(0.3)	(3.1)	14.2	11.1
Balance at 31 December 2025	1,280.0	18,636.1	19,916.1	2,341.2	22,257.3
Depreciation					
Balance at 1 January 2024	755.7	10,112.4	10,868.1	-	10,868.1
Charge for the year	22.3	561.8	584.1	-	584.1
Retirements / disposals	(0.1)	(8.7)	(8.8)	-	(8.8)
Transfers to intangible assets	-	(0.3)	(0.3)	-	(0.3)
Balance at 31 December 2024	777.9	10,665.2	11,443.1	-	11,443.1
Balance at 1 January 2025	777.9	10,665.2	11,443.1	-	11,443.1
Charge for the year	22.3	596.7	619.0	-	619.0
Retirements / disposals	(0.4)	(18.0)	(18.4)	-	(18.4)
Balance at 31 December 2025	799.8	11,243.9	12,043.7	-	12,043.7
Carrying amount at 31 December 2025	480.2	7,392.2	7,872.4	2,341.2	10,213.6
Carrying amount at 31 December 2024	499.1	7,082.0	7,581.1	1,876.7	9,457.8
Carrying amount at 1 January 2024	481.4	6,444.0	6,925.4	1,922.1	8,847.5

13. PROPERTY, PLANT & EQUIPMENT (continued)

Included in disposals is €86.2 million relating to the derecognition of Property, plant & equipment in relation to the services agreement with EirGrid plc (note 19).

Included in other transfers is €11.1 million relating to a reclass between Property, plant & equipment and Deferred Income for a correction in relation to a misclassification in prior years.

During the year the Parent capitalised interest of €38.5 million (2024: €39.2 million) in assets under construction, using a capitalisation rate of 2.5% (2024: 2.6%).

The carrying value of non-depreciable assets (land) at 31 December 2025 is €120.2 million (2024: €120.8 million).

Property, plant & equipment with a carrying amount of €nil at 31 December 2025 are included above at a cost of €4,631.7 million (2024: €4,385.9 million).

Included within additions in 2025 is the decrease in the asset retirement provision capitalised for Generation Trading and ESB Networks of €15.2 million (2024: increase in the asset retirement provision capitalised of €4.4 million). See note 31 for further details.

Retirements / disposals in both 2025 and 2024 primarily relate to the retirement of assets that have been fully depreciated.

Notes to the Financial Statements (continued)

14. INTANGIBLE ASSETS

Group	Software and other intangible assets €m	Emission allowances & ROCs €m	Software under development €m	Total €m
Cost				
Balance at 1 January 2024	1,197.1	438.1	206.0	1,841.2
Software additions	21.0	-	166.2	187.2
Purchase of / internally generated emission allowances	-	400.4	-	400.4
Settlement of emission allowances	-	(454.1)	-	(454.1)
Software retirements	(8.4)	-	(9.8)	(18.2)
Transfers out of software under development	131.6	-	(131.6)	-
Transfers from / (to) property, plant & equipment	12.0	-	(2.9)	9.1
Translation adjustments	13.4	-	0.5	13.9
Balance at 31 December 2024	1,366.7	384.4	228.4	1,979.5
Balance at 1 January 2025	1,366.7	384.4	228.4	1,979.5
Software additions	20.0	-	184.5	204.5
Purchase of / internally generated emission allowances	-	340.3	-	340.3
Settlement of emission allowances	-	(397.9)	-	(397.9)
Software retirements	(127.2)	-	-	(127.2)
Transfers out of software under development	139.4	-	(139.4)	-
Transfers from property, plant & equipment	1.1	-	3.2	4.3
Translation adjustments	(10.7)	-	-	(10.7)
Balance at 31 December 2025	1,389.3	326.8	276.7	1,992.8
Amortisation				
Balance at 1 January 2024	802.4	-	-	802.4
Charge for the year	97.0	-	-	97.0
Transfers from property, plant & equipment	0.3	-	-	0.3
Retirements	(8.4)	-	-	(8.4)
Impairment	0.3	-	-	0.3
Translation adjustments	10.8	(1.4)	-	9.4
Balance at 31 December 2024	902.4	(1.4)	-	901.0
Balance at 1 January 2025	902.4	(1.4)	-	901.0
Charge for the year	120.9	-	-	120.9
Retirements	(127.2)	-	-	(127.2)
Impairment	4.2	-	-	4.2
Translation adjustments	(8.3)	1.0	-	(7.3)
Balance at 31 December 2025	892.0	(0.4)	-	891.6
Carrying amount at 31 December 2025	497.3	327.2	276.7	1,101.2
Carrying amount at 31 December 2024	464.3	385.8	228.4	1,078.5
Carrying amount at 1 January 2024	394.7	438.1	206.0	1,038.8
Analysed as follows:				
Non-current intangible assets	497.3	-	276.7	774.0
Current intangible assets	-	327.2	-	327.2
Total intangible assets at 31 December 2025	497.3	327.2	276.7	1,101.2
Non-current intangible assets	464.3	-	228.4	692.7
Current intangible assets	-	385.8	-	385.8
Total intangible assets at 31 December 2024	464.3	385.8	228.4	1,078.5

Software assets include both internally developed and externally purchased assets with the majority being represented by internally developed assets.

Other intangibles assets include grid connections with a carrying value of €8.9 million (2024: €7.2 million).

During the year the Group capitalised interest of €5.1 million (2024: €4.4 million) in software under development, using a capitalisation rate of 2.5% (2024: 2.6%).

Retirements / disposals in both 2025 and 2024 primarily relate to the retirement of assets that have been fully amortised.

The impairment charge in 2025 of €4.2 million (2024: €0.3 million) relates to windfarm projects that may no longer proceed.

14. INTANGIBLE ASSETS (continued)

Parent	Software and other intangible assets €m	Emission allowances €m	Software under development €m	Total €m
Cost				
Balance at 1 January 2024	957.4	403.4	188.7	1,549.5
Software additions	0.4	-	163.0	163.4
Purchase of / internally generated emission allowances	-	141.4	-	141.4
Settlement of emission allowances	-	(192.9)	-	(192.9)
Software retirements	(8.4)	-	(0.2)	(8.6)
Transfers out of software under development	131.6	-	(131.6)	-
Transfers from property, plant & equipment	12.1	-	0.9	13.0
Balance at 31 December 2024	1,093.1	351.9	220.8	1,665.8
Balance at 1 January 2025	1,093.1	351.9	220.8	1,665.8
Software additions	-	-	178.2	178.2
Purchase of / internally generated emission allowances	-	97.2	-	97.2
Settlement of emission allowances	-	(147.9)	-	(147.9)
Software retirements	(3.8)	-	-	(3.8)
Transfers out of software under development	135.7	-	(135.7)	-
Transfers from / (to) property, plant & equipment	1.0	-	(0.4)	0.6
Balance at 31 December 2025	1,226.0	301.2	262.9	1,790.1
Amortisation				
Balance at 1 January 2024	608.2	-	-	608.2
Charge for the year	84.9	-	-	84.9
Retirements / disposals	(7.9)	-	-	(7.9)
Balance at 31 December 2024	685.2	-	-	685.2
Balance at 1 January 2025	685.2	-	-	685.2
Charge for the year	104.5	-	-	104.5
Retirements / disposals	(3.8)	-	-	(3.8)
Impairment	0.4	-	-	0.4
Balance at 31 December 2025	786.3	-	-	786.3
Carrying amount at 31 December 2025	439.7	301.2	262.9	1,003.8
Carrying amount at 31 December 2024	407.9	351.9	220.8	980.6
Carrying amount at 1 January 2024	349.2	403.4	188.7	941.3
Analysed as follows:				
Non-current intangible assets	439.7	-	262.9	702.6
Current intangible assets	-	301.2	-	301.2
Total intangible assets at 31 December 2025	439.7	301.2	262.9	1,003.8
Non-current intangible assets	407.9	-	220.8	628.7
Current intangible assets	-	351.9	-	351.9
Total intangible assets at 31 December 2024	407.9	351.9	220.8	980.6

Software assets include both internally developed and externally purchased assets with the majority being represented by internally developed assets.

Other intangible assets include grid connections with a carrying value of €1.0 million (2024: €1.0 million).

During the year the Parent capitalised interest of €5.1 million (2024: €4.4 million) in software under development, using a capitalisation rate of 2.5% (2024: 2.6%).

Retirements / disposals in both 2025 and 2024 primarily relate to the retirement of assets that have been fully amortised.

Notes to the Financial Statements (continued)

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group
(a) Amounts recognised in the balance sheet

	Land and buildings €m	Motor vehicles €m	Total €m
Right-of-use assets			
Balance at 1 January 2024	124.8	5.1	129.9
Additions	20.3	(1.9)	18.4
Depreciation	(15.6)	(0.8)	(16.4)
Impairment	(0.7)	-	(0.7)
Remeasurement of right-of-use assets	(23.0)	-	(23.0)
Translation adjustments	1.8	0.3	2.1
Balance at 31 December 2024	107.6	2.7	110.3
Balance at 1 January 2025	107.6	2.7	110.3
Additions	39.8	9.5	49.3
Depreciation	(17.3)	(1.6)	(18.9)
Remeasurement of right-of-use assets	1.5	-	1.5
Translation adjustments	(2.3)	(0.6)	(2.9)
Balance at 31 December 2025	129.3	10.0	139.3
			Total €m
Lease liabilities			
Balance at 1 January 2024			(136.0)
Additions			(18.4)
Interest expense			(3.2)
Effect of modification of lease liability			26.8
Lease payments ¹			15.7
Translation adjustments			(1.9)
Balance at 31 December 2024			(117.0)
Balance at 1 January 2025			(117.0)
Additions			(49.3)
Interest expense			(3.8)
Effect of modification of lease liability			(1.5)
Lease payments ¹			21.8
Translation adjustments			2.5
Balance at 31 December 2025			(147.3)
			2025 €m
2024 €m			
Analysed as follows:			
Non-current liabilities			(132.2)
Current liabilities			(15.1)
Total			(147.3)

1 Lease payments include principal elements shown as financing activities of €17.9 million (2024: €12.5 million).

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(b) Other amounts recognised in the income statement

	2025 €m	2024 €m
Expenses relating to variable lease payments not included in lease liabilities	3.1	3.5
Total	3.1	3.5

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Parent
(a) Amounts recognised in the balance sheet

	Land and buildings
Right-of-use assets	€m
Balance at 1 January 2024	59.8
Additions	5.5
Depreciation	(7.9)
Remeasurement of right-of-use assets	(27.1)
Impairment	(0.7)
Balance at 31 December 2024	29.6
Balance at 1 January 2025	29.6
Additions	23.6
Depreciation	(8.0)
Remeasurement of right-of-use assets	(0.2)
Balance at 31 December 2025	45.0
	Total
Lease liabilities	€m
Balance at 1 January 2024	(62.9)
Additions	(5.5)
Interest expense	(0.8)
Effect of modification of lease liability	28.3
Lease payments ¹	8.6
Balance at 31 December 2024	(32.3)
Balance at 1 January 2025	(32.3)
Additions	(23.6)
Interest expense	(0.6)
Effect of modification of lease liability	0.2
Lease payments ¹	8.5
Balance at 31 December 2025	(47.8)

	2025 €m	2024 €m
Analysed as follows:		
Non-current liabilities	(42.4)	(24.1)
Current liabilities	(5.4)	(8.2)
Total	(47.8)	(32.3)

1 Lease payments include principal elements shown as financing activities of €7.9 million (2024: €7.8 million).

Notes to the Financial Statements (continued)

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(b) Other amounts recognised in the income statement

	2025 €m	2024 €m
Expenses relating to variable lease payments not included in lease liabilities	0.3	0.1
Total	0.3	0.1

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

16. GOODWILL

	€m
Balance at 1 January 2024	195.3
Translation adjustments	9.7
Balance at 31 December 2024	205.0

Balance at 1 January 2025	205.0
Impairment	(21.8)
Translation adjustments	(9.4)
Balance at 31 December 2025	173.8

NIE Networks (“NIE”)

Goodwill was recognised on the acquisition of Northern Ireland Electricity Networks (“NIE Networks”) in December 2010.

Goodwill is reviewed annually in December for impairment by assessing the recoverable amount of the investment. The annual impairment test of goodwill was carried out in December 2025 based on its fair value less costs of disposal in line with IAS 36. The Group calculated the fair value of NIE by reference to market valuations of comparable regulated utilities using a Regulated Asset Base (“RAB”) valuation. This involved a review of comparable regulated utility transactions over several years and applying a conservative RAB multiple (based on the RAB multiples used in those transactions) in determining the valuation of NIE. Based on this assessment, the fair value of NIE significantly exceeded its carrying value and no reduction in the value of goodwill was deemed to be required.

The carrying value of this goodwill at 31 December 2025 is €173.8 million (2024: €183.2 million).

So Energy Limited (“So Energy”)

Goodwill was recognised on the acquisition of So Energy in 2021.

Goodwill is reviewed annually in December for impairment, by assessing the recoverable amount of the investment, based on its value in use. The annual impairment test of goodwill was carried out in December 2025 in accordance with IAS 36. The Group calculated the value in use using a discounted cash flow model. The discount rate was determined with reference to an appropriate Weighted Average Cost of Capital (“WACC”) for the So Energy business. Taking market and competitive factors into account, an impairment of €21.8 million (2024: €nil) has been recognised as at 31 December 2025.

The carrying value of this goodwill at 31 December 2025 is €nil (2024: €21.8 million).

17. EQUITY ACCOUNTED INVESTEEES AND OTHER FINANCIAL INVESTMENTS

(a) Group

	Equity accounted investees €m	Financial assets at fair value through profit or loss €m	Total €m
Balance at 1 January 2024	292.2	5.0	297.2
Additions	16.5	-	16.5
Disposal of investments	-	(4.2)	(4.2)
Transfer to other receivables	(0.3)	-	(0.3)
Share of loss	(5.3)	-	(5.3)
Fair value movement on cash flow hedges (net of tax) ¹	(4.3)	-	(4.3)
Reduction in contingent consideration provision (note 31)	(6.3)	-	(6.3)
Dividends received ²	(24.1)	-	(24.1)
Translation adjustments ³	8.7	-	8.7
Balance at 31 December 2024	277.1	0.8	277.9

Balance at 1 January 2025	277.1	0.8	277.9
Additions	6.7	-	6.7
Share of profit	7.3	-	7.3
Fair value movement on cash flow hedges (net of tax) ¹	(21.8)	-	(21.8)
Reduction in contingent consideration provision (note 31)	(1.2)	-	(1.2)
Dividends received ²	(14.2)	-	(14.2)
Translation adjustments ³	(9.3)	-	(9.3)
Balance at 31 December 2025	244.6	0.8	245.4

- 1 The fair value movement on cash flow hedges for equity accounted investees relates to derivatives held in Aldeburgh Offshore Wind Holdings Limited, NNG Windfarm Holdings Limited, Oweninny Power Holdings DAC, Oweninny Power Holdings 2 DAC, SIRO Limited, Inch Cape Offshore Holdings Limited and Raheenleagh Power DAC which have been designated as cash flow hedging relationships in these entities.
- 2 Dividends received during the year from equity accounted investees consists of Aldeburgh Offshore Wind Holdings Limited €13.6 million (2024: €18.0 million), Oweninny Power Holdings DAC €nil (2024: €3.0 million), and Raheenleagh Power DAC €0.6 million (2024: €3.1 million).
- 3 Translation adjustments for equity accounted investees relate to Aldeburgh Offshore Wind Holdings Limited, Inch Cape Offshore Holdings Limited, Five Estuaries Offshore Wind Farm Limited, Lewis Wind Power Holdings Limited, Highland Wind Farm Limited, Western Isles Offshore Wind N2, Western Isles Offshore Wind N4, Gwynt Glas Offshore Wind Farm and NNG Windfarm Holdings Limited as these companies’ functional currency is Sterling.

Equity accounted investees

The entities listed below are legally separated from the parties and the legal form and the contractual arrangement do not give the parties direct rights to the assets and liabilities of the vehicle. Having assessed each investment, ESB have concluded that they have joint control under IFRS 10 and IFRS 11, with the exception of Five Estuaries Offshore Wind Farm Limited, Western Isles Offshore Wind N2 & Western Isles Offshore Wind N4 which are considered associates. Accordingly, ESB’s investment in these entities is equity accounted in line with IAS 28 Investment in Associates and Joint Ventures.

The Group have assessed the nature of, and changes in, the risks associated with its interests in equity accounted investees;

The credit risks associated with the amounts due from equity accounted investees are assessed in note 21.

Equity accounted investees are assessed for impairment when an indicator of impairment exists. Refer to note 6 for details. There were no impairment charges in 2025 (2024: €134.6 million in respect of NNG Windfarm Holdings Limited).

The Group’s share of capital commitments for all equity accounted investees are detailed in note 33.

Notes to the Financial Statements (continued)

17. EQUITY ACCOUNTED INVESTEEES AND OTHER FINANCIAL INVESTMENTS (continued)

Interests in equity accounted investees

The following companies have been included in the ESB Group accounts as joint ventures using equity accounting:

		Holding of share capital owned		Carrying value of Group Equity Interest		Amounts due from Equity Accounted Investees ^{4/6}	
		2025 %	2024 %	2025 €m	2024 €m	2025 €m	2024 €m
Name of the company	Country						
Offshore Renewables							
Inch Cape Offshore Holdings Limited	Great Britain	50.0	50.0	-	21.8	34.4	450.0
NNG Windfarm Holdings Limited	Great Britain	50.0	50.0	-	-	436.6	339.5
Aldeburgh Offshore Wind Holdings Limited	Great Britain	50.0	50.0	116.3	122.6	-	-
Five Estuaries Offshore Wind Farm Limited	Great Britain	20.8	20.8	16.2	16.0	-	-
Western Isles Offshore Wind N2 ¹	Great Britain	24.5	24.5	5.8	6.2	0.7	0.2
Western Isles Offshore Wind N4 ¹	Great Britain	24.5	24.5	17.1	18.5	0.2	0.2
Gwynt Glas Offshore Wind Farm Limited	Great Britain	50.0	33.3	2.3	1.6	7.3	3.5
Clogherhead Offshore Wind Holdings DAC	Republic of Ireland	75.0	75.0	-	-	0.7	2.7
Celtic 1 OSW Power DAC ²	Republic of Ireland	50.0	50.0	-	-	0.5	1.1
Celtic 2 OSW Power DAC ²	Republic of Ireland	50.0	50.0	-	-	0.3	0.4
Helvick Head Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	17.8	9.5
Loch Garman Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	-	0.2
Moneypoint 1 Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	0.1	0.4
Moneypoint 2 Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	-	0.2
Seastacks Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	0.1	0.2
Saoirse Wave Energy Limited ⁴	Republic of Ireland	-	50.0	-	-	-	-
				157.7	186.7	498.7	808.1
Onshore Renewables							
Raheenleagh Power DAC	Republic of Ireland	50.0	50.0	6.1	5.1	-	0.6
Oweninny Power Holdings DAC	Republic of Ireland	50.0	50.0	16.5	11.5	4.4	4.3
Oweninny Power Holdings 2 DAC	Republic of Ireland	50.0	50.0	9.1	8.8	20.4	19.4
FuturEnergy Ireland Development Holdings DAC	Republic of Ireland	50.0	50.0	49.6	49.8	52.5	34.5
Sundew Solar DAC	Republic of Ireland	50.0	50.0	0.7	-	53.7	47.1
Lewis Wind Power Holdings Limited	Great Britain	50.0	50.0	2.8	3.0	13.3	12.7
Highland Wind Farm Limited	Great Britain	50.0	50.0	-	-	2.2	1.3
				84.8	78.2	146.5	119.9
Other							
Emerald Bridge Fibres DAC ⁵	Republic of Ireland	-	50.0	-	-	-	0.2
SIRO Limited ³	Republic of Ireland	50.0	50.0	-	9.9	84.6	82.3
Superhomes Ireland DAC	Republic of Ireland	50.0	50.0	2.1	2.3	1.8	2.3
Kestrel Energy Storage DAC	Republic of Ireland	33.3	33.3	-	-	0.7	-
				2.1	12.2	87.1	84.8
Total				244.6	277.1	732.3	1,012.8

1 These investments are part of the investment in the Western Isles Group.
2 These investments are part of the investment in the ESB & Ørsted Offshore Portfolio Group.
3 This investment is held by Parent. Please refer to note 17 (b) for further details.
4 In 2025, ESB purchased the remaining 50% shares of Saoirse Wave Energy Limited. This is now a subsidiary in the ESB Group.
5 In 2025, ESB disposed of its 50% shareholding in Emerald Bridge Fibres DAC.
6 Included in finance income (note 10) in the Income Statement is interest on loans due from Equity Accounted Investees totalling €40.1 million for 2025 (2024: €54.4 million). This consists of interest receivable from Neart na Gaoithe €29.9 million (2024: €32.0 million), Inch Cape Offshore Limited €4.2 million (2024: €17.0 million), SIRO Limited €2.1 million (2024: €2.0 million), Oweninny Power 2 Holdings DAC €1.0 million (2024: €1.0 million), Sundew Solar DAC €2.0 million (2024: €2.0 million) and Other €0.8 million (2024: €0.4 million). See note 21 for balance sheet information on these receivables.

17. EQUITY ACCOUNTED INVESTEEES AND OTHER FINANCIAL INVESTMENTS (continued)

Inch Cape Offshore Holdings Limited

In November 2020, the Group acquired a 50% stake in Inch Cape Offshore Holdings Limited (“ICOHL”), a joint arrangement with Red Rock Power Limited. ICOHL owns 100% of Inch Cape Offshore Limited. The purpose of this joint arrangement is to develop a 1,080 MW Inch Cape windfarm, located off the east coast of Scotland.

In January 2025, the project reached financial close, securing a funding package from shareholders and lenders. The project has now progressed to its construction phase.

The amount due in respect of loans to the project (before provision for expected credit loss) at 31 December 2025 was €34.4 million (2024: €450.0 million). The Group also had further commitments and guarantees of €936.7 million (2024: €96.4 million). See note 33 for further details.

NNG Windfarm Holdings Limited (“Neart na Gaoithe”)

In December 2019, the Group acquired a 50% stake in NNG Windfarm Holdings Limited (“NNGWH”), a joint arrangement with EDF Renewables UK Limited.

NNGWH owns 100% of Neart na Gaoithe Offshore Wind Limited (“NNGOW”). The purpose of this joint arrangement was to develop the 448 MW Neart na Gaoithe windfarm off the east coast of Scotland. The 50% investment in NNGWH indirectly provides ESB with a 50% stake in NNGOW. Construction of the project is now complete, and commercial operations were achieved in 2025.

The carrying value of the Group's equity interest in NNGWH remains at €nil as of 31 December 2025 (2024: €nil).

An expected credit loss was recorded in respect of loans to the project at 31 December 2024 €134.6 million. See note 6 for further details.

The amount due in respect of loans to the project (before provision for expected credit loss) at 31 December 2025 was €567.1 million (2024: €476.5 million). The Group also had further commitments and guarantees of €228.9 million at 31 December 2025 (2024: €331.3 million). See note 33 for further details.

Aldeburgh Offshore Wind Holdings Limited (“AOWHL”)

In March 2018, the Group acquired 50% of the issued share capital of AOWHL. The Group also acquired 50% of the loan notes issued by Aldeburgh Offshore Wind Investments Limited (“AOWIL”) a 100% owned subsidiary of AOWHL to become a 50% joint venture partner with Sumitomo Corporation Europe Limited.

AOWHL has a 25% stake in the Galloper Wind Farm project. The Galloper project is a 353 MW development located in the Outer Thames estuary, 30km off the coast of Suffolk, England. The 50% investment in AOWHL indirectly provides ESB with a 12.5% stake in the Galloper project.

Five Estuaries Offshore Wind Farm Limited

The purpose of Five Estuaries Offshore Wind Farm Limited is the development of the Five Estuaries Offshore Wind Farm adjacent to the Galloper Offshore Wind Farm off the Suffolk coast. This investment is accounted for using the equity method and is classified as an associate as ESB has power to participate in the financial and operating policy decisions of the investee but do not control or joint control the policies.

Western Isles Group

In May 2023, the Group purchased two 24.5% equity shareholdings in Western Isles Offshore Wind N2 Limited (Havbredey Limited) and Western Isles Offshore Wind N4 Limited (Spiorad na Mara Limited) from Northland Power Inc. These investments are accounted for using the equity method and are classified as associates as ESB has power to participate in the financial and operating policy decisions of the investee but do not control or joint control the policies. The purpose of these associates is to build a 840 MW fixed bottom site and 1,500 MW floating offshore windfarm off the coast of Scotland.

Gwynt Glas Offshore Wind Farm Limited

In May 2024, the Group acquired a 33.3% equity shareholding in Gwynt Glas Offshore Wind Farm Limited, a joint venture with EDF Renewables UK and Reventus Power. The purpose of this joint venture is to develop a floating offshore windfarm in the Celtic Sea with a capacity of up to 1.5 GW.

Following Reventus' exit from the project during 2025, ESB's equity shareholding increased to 50%. In June 2025, the project was successful in securing development rights in the Celtic Sea as part of the Crown Estate Offshore Wind Leasing Round 5.

Notes to the Financial Statements (continued)

17. EQUITY ACCOUNTED INVESTEEES AND OTHER FINANCIAL INVESTMENTS (continued)

Clogherhead Offshore Wind Holdings DAC

The Group is a 75% partner in Clogherhead, a joint arrangement formed with JERA Nex bp. The purpose of this joint arrangement is to develop an offshore windfarm off the coast of Co. Louth in Ireland. Works on this project are currently paused.

The joint venture agreement is structured so that the power to manage activities are held jointly by both the investors and as such the arrangement is considered a joint arrangement.

ESB & Ørsted Offshore Group

In June 2023, ESB and Ørsted entered into a joint arrangement to develop a portfolio of offshore wind projects around the east, south and west coast of Ireland. To this end, special purpose vehicles have been incorporated and are controlled equally by ESB and Ørsted to develop these projects. These special purpose vehicles were wholly owned subsidiaries of ESB prior to the arrangement and are now joint ventures.

In December 2025, the Department of Climate, Energy and the Environment (DCEE) awarded Helvick Head Offshore Wind Farm DAC the rights to develop the “Tonn Nua” project off the coast of Co. Waterford.

Raheenleagh Power DAC (Raheenleagh)

The Group is a 50% partner in Raheenleagh, a joint arrangement with GR Wind Farms 1 Limited. This joint arrangement operates a 35 MW wind farm in Co. Wicklow.

Oweninny Power Holdings DAC & Oweninny Power Holdings 2 DAC (“Oweninny”)

The Group is a 50% partner in Oweninny Power Holdings DAC (OPH) and in Oweninny Power Holdings 2 DAC (OPH2), two joint arrangements formed with Bord na Móna. The two joint arrangements operate wind farms with a combined capacity of 172 MW located in Bellacorrick, Co. Mayo.

OPH owns 100% of Oweninny Power DAC (OP1). The 50% investment in OPH indirectly provides ESB with a 50% stake in OP1.

OPH2 owns 100% of Oweninny Power 2 DAC (OP2). The 50% investment in OPH2 indirectly provides ESB with a 50% stake in OP2.

FuturEnergy Ireland Development Holdings DAC

The Group is a 50% partner in FuturEnergy Ireland Development Holdings DAC (“FEIDH”), a joint arrangement with Coillte Limited.

FEIDH owns 100% of FuturEnergy Ireland Development DAC (“FEID”). The purpose of this joint arrangement is to develop relevant renewable energy projects. The 50% investment in FEIDH indirectly provides ESB with a 50% stake in FEID.

Sundew Solar DAC

The Group is a 50% partner in Sundew Solar DAC, a joint arrangement formed with Bord na Móna. The purpose of this joint arrangement is solar farm development.

Construction of the project “Timahoe North Solar Farm” was completed, and commercial operations were achieved in 2025.

Lewis Wind Power Holdings Limited

In October 2023, the Group entered into a joint venture agreement with EDF Renewables UK Limited. The purpose of this joint arrangement is the development of Stornoway Wind Farm on the Isle of Lewis. Stornoway Wind Farm is a consented 180 MW Remote Island wind project on the Isle of Lewis, off the west coast of Scotland.

Highland Wind Farm Limited

In December 2023, the Group entered into a joint venture agreement with Ampyr Energy UK Limited. The purpose of this joint arrangement is the development of a 168 MW wind farm project “Highland Wind Farm” in the highlands of Scotland.

Emerald Bridge Fibres DAC (“EBFD”)

The Group was a 50% partner in EBFD, a joint arrangement with ZAYO Group. The Group disposed of its shareholding in June 2025.

17. EQUITY ACCOUNTED INVESTEEES AND OTHER FINANCIAL INVESTMENTS (continued)

SIRO Limited (“SIRO”)

SIRO is a joint arrangement in which the Group has joint control and a 50% ownership interest. SIRO was founded by the Group with Vodafone Ireland Limited acquiring a 50% stake in November 2014. This joint arrangement runs fibre optic cables alongside ESB’s existing electricity network to provide broadband straight to homes and businesses in regional towns and cities across Ireland.

Superhomes Ireland DAC

The Group is a 50% partner in Superhomes Ireland DAC (“SIDAC”), a joint arrangement with Tipperary Energy Agency. The purpose of this joint arrangement is to develop a national deep-retrofit business of scale focusing exclusively on the Irish domestic market.

Kestrel Energy Storage DAC

In June 2024, ESB entered into a joint venture agreement with dCarbonX and Bord Gais Energy. The purpose of this joint agreement is a redevelopment of the decommissioned gas reservoirs in the offshore Kinsale area gas fields for large-scale energy storage of renewable gas and green hydrogen with provision of storage of natural gas until large volumes of these gasses are available for storage.

The Group's aggregate share of the non-current assets, current assets, non-current liabilities, current liabilities, income and expenses related to its interests in these joint ventures are as follows:

Summarised profit or loss¹

	Offshore Renewables		Onshore Renewables		Other		Total	
	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m
Revenue	248.0	12.4	73.0	49.2	84.6	75.6	405.6	137.2
Depreciation	(89.2)	(4.4)	(3.2)	(11.3)	(43.4)	(41.0)	(135.8)	(56.7)
Interest paid	(184.7)	(30.2)	(10.4)	(7.9)	(18.6)	(12.2)	(213.7)	(50.3)
Income tax	0.3	(0.2)	(2.3)	(0.4)	7.6	9.0	5.6	8.4
Total gain / (loss)	32.7	(9.5)	14.1	-	(34.2)	(30.4)	12.6	(39.9)
Group share of gain / (loss)	20.1	(0.7)	7.0	-	(16.9)	(15.1)	10.2	(15.8)
Other adjustments¹/²	(9.9)	10.5	0.3	(0.3)	6.7	0.2	(2.9)	10.4
Group share of fair value movements on cash flow hedges (net of tax)	(21.9)	0.9	0.1	(2.6)	-	(2.6)	(21.8)	(4.3)
Total comprehensive (loss) / gain	(11.7)	10.7	7.4	(2.9)	(10.2)	(17.5)	(14.5)	(9.7)

Summarised balance sheet

	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m
Non-current assets	5,863.6	4,349.8	469.3	469.2	674.9	656.9	7,007.8	5,475.9
Current assets	370.1	573.1	54.2	77.5	40.5	45.9	464.8	696.5
Cash	340.8	362.3	98.3	31.0	58.7	40.1	497.8	433.4
Current liabilities	(468.1)	(1,421.6)	(59.3)	(123.5)	(37.7)	(195.2)	(565.1)	(1,740.3)
Non-current liabilities	(6,535.9)	(4,217.6)	(496.1)	(412.5)	(769.4)	(544.0)	(7,801.4)	(5,174.1)
Net assets / (liabilities)	(429.5)	(354.0)	66.4	41.7	(33.0)	3.7	(396.1)	(308.6)

Reconciliation of the above amounts to the investment recognised in the consolidated balance sheet.

Notes to the Financial Statements (continued)

17. EQUITY ACCOUNTED INVESTEEES AND OTHER FINANCIAL INVESTMENTS (continued)

Group equity interest⁴

	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m
Net assets / (liabilities)	(429.5)	(354.0)	66.4	41.7	(33.0)	3.7	(396.1)	(308.6)
Group Share	(237.8)	(198.5)	33.3	20.9	(16.5)	1.9	(221.0)	(175.7)
Other adjustments ³	395.5	385.2	51.5	57.3	18.6	10.3	465.6	452.8
Carrying value of Group's equity interest	157.7	186.7	84.8	78.2	2.1	12.2	244.6	277.1

- 1

The numbers included in the above table are based on unaudited management accounts. When audited financial statements become available, any adjustments are reflected in the following year.
- 2

Where the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognising its share of further losses unless there is legal or constructive obligation to recognise further losses. Unrecognised losses in 2025 include Highland Wind Farm, Emerald Bridge Fibres DAC, Clogherhead Offshore Wind Holdings Limited, Kestrel Energy Storage DAC and ESB & Ørsted Offshore Group of €10.2 million (cumulative unrecognised losses to date of €25.8 million (2024: €15.6 million)).
- 3

Other adjustments include differences between the Group's investment in these joint ventures and the Group's share of their net assets or liabilities, together with cumulative unrecognised losses of these joint ventures in respect of which the Group has no legal or constructive obligation.
- 4

Please refer to Interest in equity accounted investees table for the breakdown of group equity interest % holding and grouping of equity accounting investees within the above sub-groups Offshore Renewables, Onshore Renewables and Other.

Interest in financial assets held at fair value through profit or loss

The Group owns a venture capital fund, ESB Novusmodus Limited Partnership, in which seed capital is invested into emerging technology entities. These investments are managed purely for an investment return and are consequently carried at fair value through profit or loss. ESB does not control the entity in which these financial assets are held. The investments comprise of a number of clean energy and new technology companies. These investments have been fair valued at the year end and the movement is reflected in profit or loss. Proceeds of €15.0 million (2024: €4.2 million) were received during the year in relation to the disposal of the fund's stake in Nualight Limited (note 8).

The Group has a 5% share in Oriel Offshore Wind Farm Limited and this investment is accounted for under fair value to profit or loss as a financial asset investment in line with IFRS 9.

(b) Parent

	Equity accounted investees investments € m	Subsidiary undertakings € m	Total € m
Balance at 1 January 2024	26.8	61.8	88.6
Additions	-	8.0	8.0
Share of loss	(14.4)	-	(14.4)
Fair value movement on cash flow hedges (net of tax)	(2.5)	-	(2.5)
Balance at 31 December 2024	9.9	69.8	79.7
Balance at 1 January 2025	9.9	69.8	79.7
Share of loss	(9.9)	-	(9.9)
Balance at 31 December 2025	-	69.8	69.8

18. GROUP ACQUISITIONS

Acquisition of Lettermuckoo Windfarm

On 7 February 2025, the ESB Group acquired 100% of the shares and voting interest in Lettermuckoo Windfarm Holdings Limited and Group (together “Lettermuckoo Windfarm”) thereby obtaining a 100% control of its operations. Lettermuckoo Windfarm Holdings Limited owns and operates one onshore wind farm of 101 MW which became operational in 2023 and owns the development rights to another wind farm of 13.5 MW which is under development, both located in Co. Galway.

For the eleven months ended 31 December 2025, Lettermuckoo Windfarm contributed revenue of €14.0 million, underlying profit since acquisition of €12.0 million, which includes a gain of €16.2 million within other re-measurements to the Group's results. If the acquisition had occurred on 1 January 2025, Management estimates that consolidated revenue would have been €15.3 million, and consolidated profit for the year would have been €13.1 million. In determining these amounts, Management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2025.

(a) Consideration transferred:

The following table summarises the acquisition date fair value of each major class of consideration transferred:

Total Consideration Summary	Ref:	€m
Cash consideration paid on acquisition		95.5
Deferred Consideration	(i)	7.5
Total consideration		103.0

(i) Deferred Consideration

The deferred consideration of €7.5 million relates to Phase 2 of the project between ESB and the vendor. The deferred consideration is payable in 2026.

(b) Acquisition-related costs:

The Group incurred acquisition-related costs of €1.6 million.

(c) Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition:

Lettermuckoo Windfarm	€m
Property, Plant & Equipment (note 13)	283.4
Cash and cash equivalents	18.8
Bank borrowings (note 25)	(122.8)
Derivative financial instruments (note 26)	(58.6)
Other assets and liabilities (net)	(17.8)
Total identifiable net assets acquired	103.0

Measurement of fair values

Assets and liabilities acquired have been fair valued on a discounted cashflow basis using appropriate market discount rates as of the acquisition date.

(d) Goodwill:

No goodwill has arisen from the transaction as demonstrated below:

Goodwill on acquisition	€m
Consideration	103.0
Fair value of identifiable net assets	103.0
Goodwill	-

Notes to the Financial Statements (continued)

19. FINANCE LEASE RECEIVABLES

On 1 July 2025, ESB commenced a Services Agreement with EirGrid plc in relation to the electricity generation assets at Moneypoint, Co. Clare. In advance of commencing the Agreement, works were undertaken to convert the Moneypoint units from burning coal to heavy fuel oil ("HFO") in order to meet the operational requirements of the Agreement. This conversion, and the Agreement, supports the Government of Ireland's Climate Action Plan, which included a commitment to end the burning of coal at Moneypoint by 2025 and also to maintain security of electricity supply.

The Agreement between ESB and EirGrid plc was assessed to contain a lease, as the generation assets are specifically identifiable and the Agreement specifies the passing of control of the assets to EirGrid plc over its term. The lease is classified as a finance lease because the lease term represents a major part of the remaining economic life of the underlying assets, and the present value of lease payments amounts to substantially all of the fair value of the assets.

Upon commencement of the Agreement, the HFO powered units at Moneypoint were derecognised from Property, Plant & Equipment, and a finance lease receivable was recognised. The finance lease receivable was assessed for expected credit losses when evaluating the recoverability of the lease receivable. Based on this assessment, the expected credit loss was considered immaterial and, accordingly, no loss allowance was recognised.

The Agreement includes specific enhancements to the Moneypoint units that ESB will undertake to improve the asset's response time. These asset enhancements are part of the Services Agreement and will form part of the finance lease receivable when they are ready for their intended use, which is expected to be by the end of 2026. The potential risk of non-recoverability of expected capital expenditure on these asset enhancements is being managed through ongoing budgeting and monitoring, and is therefore assessed to be recoverable under the terms of the Agreement.

The term of the finance lease is 27 months, which reflects early termination options included within the Agreement.

The present value of future minimum leasing receipt under the finance lease at commencement and subsequent years were as follows:

	2025 €m	2024 €m
Total future minimum lease payments (receivable)	78.2	-
Less interest charges	(4.9)	-
	73.3	-

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

	2025 €m	2024 €m
Within one year	41.8	-
Between 1-5 years	36.4	-
Total future minimum lease payments	78.2	-
Unearned finance income	(4.9)	-
Net investment in lease	73.3	-
Current	38.2	-
Non-current	35.1	-
Balance at 31 December	73.3	-

The following table presents the amounts included in the Group Income Statement:

	2025 €m	2024 €m
Finance income on the net investment in finance leases	3.4	-

20. INVENTORIES

	Group		Parent	
	2025 €m	2024 €m	2025 €m	2024 €m
Materials	83.2	61.6	32.7	22.1
Fuel	43.4	82.4	30.8	69.2
Total	126.6	144.0	63.5	91.3

Included within inventories in Group at 31 December 2025 is €50.0 million carried at net realisable value (2024: €35.6 million). The cost of inventories carried at net realisable value in Group at 31 December 2025 is €51.8 million (2024: €37.2 million).

Included within inventories in Parent at 31 December 2025 is €nil carried at net realisable value (2024: €nil). The cost of inventories carried at net realisable value in Parent at 31 December 2025 is €nil (2024: €nil).

	Group		Parent	
	2025 €m	2024 €m	2025 €m	2024 €m
Inventories consumed	78.3	135.6	73.5	133.1
Inventory write-off	(5.2)	(1.3)	(4.7)	(0.8)

21. TRADE AND OTHER RECEIVABLES

	Group		Parent	
	2025 €m	2024 €m	2025 €m	2024 €m
Current receivables:				
Retail energy receivables - billed	209.5	200.4	71.9	58.8
Retail energy receivables - unbilled	337.0	420.8	153.3	157.2
Total retail energy receivables	546.5	621.2	225.2	216.0
I-SEM pool & GB related receivables	9.4	11.2	-	-
Use of System receivables (including unbilled)	373.6	355.7	58.2	59.2
Other electricity receivables	73.7	107.4	53.1	85.5
Total energy receivables	1,003.2	1,095.5	336.5	360.7
Trade receivables - non-energy	108.4	38.5	80.5	7.4
Amounts due from equity accounted investees	13.4	428.1	0.5	2.1
Amounts due from insurers	8.9	22.2	8.9	22.4
Short-term deposits ¹	1,100.0	-	1,100.0	-
Cash collateral	147.1	116.1	114.5	83.5
Other receivables	170.0	256.7	120.0	220.2
Amounts due from subsidiary undertakings	-	-	3,165.0	3,558.3
Prepayments	140.9	115.4	57.5	69.3
Total current receivables	2,691.9	2,072.5	4,983.4	4,323.9
Non-current receivables:				
Amounts due from equity accounted investees	718.9	584.7	136.9	116.8
Amounts due from subsidiary undertakings	-	-	693.0	1,447.8
Amounts due from insurers	8.9	22.5	8.9	22.3
Other receivables	4.4	-	-	-
Total non-current receivables	732.2	607.2	838.8	1,586.9
Total receivables	3,424.1	2,679.7	5,822.2	5,910.8

¹ Included in short-term deposits at 31 December 2025 is €1.1 billion (2024: €nil) comprising a portion of the Government of Ireland's additional equity investment of €1.5 billion in ESB, which was received in December 2025 (note 23). This €1.5 billion investment is ringfenced for use by ESB Networks to finance works and capital projects under the ESB Networks Price Review 6 Business Plan and any other CRU approved investment programmes in electricity grids and related infrastructure that amend, replace, or supplement the PR6 plan. These funds are not available for use by the wider ESB Group without the prior written consent of the Government of Ireland. The balance of the €1.5 billion received through the Government of Ireland's equity investment in ESB is included in cash short-term deposits within Cash and cash equivalents (see note 22 for further details).

Notes to the Financial Statements (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

Expected credit loss allowance

Under IFRS 9 an expected credit loss ("ECL") impairment model is in place for the calculation of impairment loss allowances. Under this impairment model, it is assumed that all receivables carry a risk of default. This impairment model is used to calculate the probability of default at a range of possible outcomes, weighted by the probability of their occurrence. These ECLs are measured under the general approach or simplified approach.

The simplified approach is applied to ESB's trade and other receivables within the scope of IFRS 15. Under the simplified approach, an entity will recognise a loss based on the lifetime ECLs. It allows an entity to use a provision matrix for calculating the ECLs. This matrix considers the historical default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates.

The general approach is applied to all loans and receivables not eligible for application of the simplified approach, which for the Group are loans to equity accounted investees and for Parent also includes amounts due from subsidiary undertakings. Assessment of the probability of default for loans to equity accounted investees is included below. For further details of these loans see note 16. Under the general approach, an entity must determine whether the financial asset is in one of three stages in order to determine the amount of ECL to recognise;

Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, entities are required to recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

Stage 2 is where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, entities are required to recognise lifetime ECL but interest income will continue to be recognised on a gross basis.

Stage 3 is where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, entities will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. This means that interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The expected credit losses of the Group at 31 December 2025 and 31 December 2024 are set out in the following tables. The Parent company stated in the following tables exclude amounts due from subsidiary undertakings of €3,858.0 million (2024: €5,006.1 million).

Impact of macro-economic environment

The economic impacts arising from the sustained high energy costs (relative to historical prices) in energy markets in the geographies in which the Group operates have increased the level of uncertainty around the estimates the Group makes in measuring the impairment loss allowances of financial assets. Where customers experience difficulties in settling balances, the increased aging of these amounts results in an increase in allowances held in respect of them under the simplified approach employed. In measuring the allowance for expected losses, the Group has also considered macroeconomic forecasts and the potential economic impacts of rising energy prices on the sectors in which they operate.

The assumptions made in estimating the impairment charge for the period and allowances held at the reporting date are deemed to be appropriate, however the current high level of economic uncertainty means that impairment charges and allowances in respect of financial assets are a matter of significant judgement.

Simplified approach - Expected Credit Losses

2025

	Group			Parent		
	Gross amount	Loss allowance	Net amount	Gross amount	Loss allowance	Net amount
	receivable			receivable		
	€m	€m	€m	€m	€m	€m
Not past due receivables	1,218.5	(11.1)	1,207.4	567.9	(4.3)	563.6
Past due < 30 days	103.8	(7.0)	96.8	43.5	(5.4)	38.1
Past due 30 - 120 days	80.5	(16.6)	63.9	35.5	(8.7)	26.8
Past due > 120 days	172.6	(130.1)	42.5	41.7	(26.3)	15.4
Past due by more than one year	95.5	(73.0)	22.5	65.2	(57.6)	7.6
Total	1,670.9	(237.8)	1,433.1	753.8	(102.3)	651.5

21. TRADE AND OTHER RECEIVABLES (continued)

2024

	Group			Parent		
	Gross amount	Loss allowance	Net amount	Gross amount	Loss allowance	Net amount
	receivable			receivable		
	€m	€m	€m	€m	€m	€m
Not past due receivables	1,290.6	(9.9)	1,280.7	615.0	(4.2)	610.8
Past due < 30 days	110.5	(6.3)	104.2	25.3	(4.8)	20.5
Past due 30 - 120 days	61.3	(16.9)	44.4	23.1	(8.5)	14.6
Past due > 120 days	167.3	(113.5)	53.8	48.6	(30.3)	18.3
Past due by more than one year	77.9	(54.2)	23.7	50.2	(42.6)	7.6
Total	1,707.6	(200.8)	1,506.8	762.2	(90.4)	671.8

General approach - Expected Credit Losses

2025

	Group			Parent		
	Gross amount	Loss allowance	Net amount	Gross amount	Loss allowance	Net amount
	receivable			receivable		
	€m	€m	€m	€m	€m	€m
Stage 1 - 12 Month ECL (not credit impaired)	209.6	-	209.6	52.9	-	52.9
Stage 2 - Lifetime ECL (not credit impaired)	86.2	-	86.2	84.5	-	84.5
Stage 3 - Lifetime ECL (credit impaired)	436.5	-	436.5	-	-	-
Total	732.3	-	732.3	137.4	-	137.4

2024

	Group			Parent		
	Gross amount	Loss allowance	Net amount	Gross amount	Loss allowance	Net amount
	receivable			receivable		
	€m	€m	€m	€m	€m	€m
Stage 1 - 12 Month ECL (not credit impaired)	590.6	(0.2)	590.4	36.6	-	36.6
Stage 2 - Lifetime ECL (not credit impaired)	86.3	(3.1)	83.2	82.3	-	82.3
Stage 3 - Lifetime ECL (credit impaired)	473.8	(134.6)	339.2	-	-	-
Total	1,150.7	(137.9)	1,012.8	118.9	-	118.9

Expected Credit Losses Reconciliation

	Group		Parent	
	2025	2024	2025	2024
	€m	€m	€m	€m
Simplified approach	1,433.1	1,506.8	651.5	671.8
General approach	732.3	1,012.8	137.4	118.9
Prepayments ¹	140.9	115.4	57.5	69.3
Amounts due from subsidiary undertakings	-	-	3,858.0	5,006.1
Amounts due from insurers ¹	17.8	44.7	17.8	44.7
Short term deposits ¹	1,100.0	-	1,100.0	-
Total	3,424.1	2,679.7	5,822.2	5,910.8

1 Prepayments, amounts due from insurers and short-term deposits are excluded from the analysis as no credit exposure is perceived in relation to these balances.

Notes to the Financial Statements (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

Parent

Amounts due from subsidiary undertakings

At 31 December 2025, the Parent had balances receivable of €3,858.0 million (2024: €5,006.1 million) from its subsidiaries. These receivables mainly relate to management services and loans to subsidiaries as well as electricity charges including Use of System charges. Total allowance in respect of amounts due from subsidiary undertakings at 31 December 2025 is €156.2 million (2024: €166.3 million).

The impairment loss recognised in the Parent in respect of amounts due from subsidiary undertakings has been calculated using the expected credit loss model as required by IFRS 9. In determining the impairment loss, amounts due from subsidiaries were classified as either amounts repayable on demand, low credit risk receivables or amounts for which there has been a substantial increase in credit risk since initial recognition. In determining the expected credit loss (including probability of default and loss given default), regard was given to the historic performance of the relevant loan as well as forward looking information for the relevant subsidiary including detailed discounted cash flow forecasts. For repayable on demand loans where the loan could not be repaid at the reporting date, expected credit losses were calculated by considering the likely recovery strategies of the Parent, including consideration of ‘repay over time’ strategies. For loans with a substantial increase in credit risk, consideration was given to the future activities and cash flows of the subsidiary and lifetime expected credit losses were recognised accordingly where appropriate.

Movement in the expected credit loss of trade and other receivables

The loss allowances for financial assets are based on assumptions about credit risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The movement in the expected credit loss in respect of trade receivables and other receivables during the year was as follows:

	Group		Parent	
	2025 €m	2024 €m	2025 €m	2024 €m
Balance at 1 January	200.8	147.8	90.4	77.2
Impairment loss recognised (net)	58.6	72.2	25.9	29.8
Allowance utilised	(21.6)	(19.3)	(14.0)	(15.3)
Translation adjustments	-	0.1	-	(1.3)
Balance at 31 December	237.8	200.8	102.3	90.4

Amounts due from equity accounted investees

Amounts due from equity accounted investees include shareholder loans, interest on these loans and trade receivable balances. Trade receivable balances from equity accounted investees are assessed for probability of default using the simplified approach under IFRS 9. All other balances due from equity accounted investees are assessed for probability of default using the general approach. In applying the general approach, the Group has used judgement in making assumptions and selecting the inputs to the expected credit loss calculation based on market conditions as well as forward looking estimates at the end of the reporting period.

Following an assessment of all ESB’s shareholder loans advanced to equity accounted investees, an expected credit loss of €134.6 million was recognised in the Group Income Statement as an exceptional finance cost (note 10) in 2024. No further expected credit loss has been recognised arising from the assessment as at 31 December 2025.

The remaining shareholder loans to equity accounted investees are assessed as stage 1 (not credit impaired) financial assets. The 12-month expected credit loss approach has been applied to the stage 1 loans consisting of analysis on both historical and forward looking qualitative and quantitative information to determine the credit risk. These loans are deemed to be of low credit risk given no indications of an increase in credit risk since initial recognition. As a result, the expected credit loss for these loans is immaterial.

Retail energy receivables

Retail energy receivables which includes electricity and gas customers relate to both residential and business customers. The credit risk on energy accounts is managed through the ongoing monitoring of debtor days, putting in place appropriate collateral and a collection policy based on the credit worthiness, size and duration of debt. The concentration of risk in Customer Solutions is in relation to retail energy accounts that have closed in arrears. Receivables from residential and business customers are generally considered to be credit impaired where the payment is past the contractual due date. In addition, given the continuing increase in competition, certain customers may switch suppliers before they have settled their outstanding balances. These accounts are managed within the Group’s debt collection policy by a combination of internal debt follow-up, the use of debt collection agencies and legal action where necessary including the obtaining of publication of judgements.

21. TRADE AND OTHER RECEIVABLES (continued)

Providing for future expected losses in relation to retail electricity receivables, including both billed and unbilled, is based on analysis of recent debt performance and an evaluation of the impact of economic conditions and industry issues. An additional loss allowance may be made on a portfolio basis to cover additional anticipated losses. Collateral is held in the form of security deposits on new customer accounts not on direct debit arrangements.

Controls around energy receivables are focused on the full recovery of amounts invoiced. The closing balance of the expected credit loss in respect of energy receivables as at 31 December 2025 is €232.0 million (31 December 2024: €191.1 million). Retail energy receivables are written off where there is no reasonable expectation of recovery and only once a period of time has elapsed since the final bill. The single largest customer amount written off during the year was €680,000 (2024: €156,000) relating to a company dissolution/liquidation. Retail energy receivables arise largely in the Republic of Ireland, with 13% (2024: 13%) relating to NI revenue and 16% (2024: 16%) relating to GB revenue.

Unbilled electricity receivables represent estimates of consumption not yet invoiced. A 5% sensitivity on the unbilled retail energy receivables accrual would equate to an increase or decrease in the receivables balance of €16.8 million (2024: €21.4 million). Credit risk in relation to unbilled electricity is managed in line with billed electricity receivables as discussed above.

Integrated Single Electricity Market (I-SEM & GB) receivables

Credit risk in relation to the I-SEM related receivables is managed by the Energy Trading and Risk functions within those business units engaged in electricity trading through the I-SEM. Each of these functions is ring-fenced from each other and segregation of responsibilities between the back office, middle office and front office functions is maintained in each case. The Trading back office function is responsible for invoicing customers and maintaining all accounts receivable. Payment terms for all trading balances relating to each of the I-SEM revenue streams are governed by the I-SEM settlement calendar.

Use of System receivables

Use of System income in the Republic of Ireland comprises of Distribution Use of System (“DUoS”) income, Transmission Use of System (“TUoS”) income and Operation and Maintenance (“O&M”) charges for generators connected to the Distribution System. The credit terms for DUoS are 10 business days and there are currently 53 suppliers (2024: 50 suppliers). TUoS is collected by EirGrid, and the Transmission Asset Owner (“TAO”) allowed revenue is invoiced to EirGrid over 12 monthly instalments with each invoice due 36 days after month end. Invoices were issued in respect of 271 generators during 2025 for O&M charges (2024: 259 generators), credit terms for O&M charges are 30 days. Generators are invoiced for connection charges on a staged basis, as approved by CRU, with 65% of the capital contribution recouped in advance of construction, 90% in advance of energisation and the balance post energisation. Included in amounts due from subsidiary undertakings in Parent are amounts billed and collected through ESB Networks DAC, a subsidiary of the Parent in respect of Use of System receivables €132.2 million (2024: €129.4 million).

The credit risk in relation to DUoS is managed by the invocation of section 7 of the DUoS Framework Agreement approved by CRU on 1 August 2002. This section provides for the provision of security by each supplier. Before a supplier can register as a customer they must sign up to the DUoS agreement. All suppliers must provide security in accordance with section 7.2 of the DUoS Framework Agreement. The DUoS credit risk is also managed through the timely collection procedures in place which are in line with what is outlined in section 6 of the DUoS Framework Agreement and the monitoring of debtor days to keep these to a minimum. In the event of a supplier defaulting in line with section 7 of the DUoS Framework Agreement there is security cover in place for all suppliers.

TUoS credit risk is managed through the timely collection procedures in place and the monitoring of debtor days to keep these to a minimum. Procedures for the payment by EirGrid of TUoS income due to ESB Networks DAC as TAO are governed by the Infrastructure Agreement between EirGrid and ESB. This is not a normal bilateral contract freely entered into by the will of the parties, but an arrangement required by legislation and many of whose terms are specified in that legislation. Accordingly, the credit risk in relation to TUoS receivables is considered to be low. The amount due in respect of TUoS income at 31 December 2025 was €58.2 million (2024: €59.2 million), which is the largest Use of System receivable balance in the Republic of Ireland.

In respect of the networks business in NI, revenue is derived principally from charges for use of the distribution system, PSO charges levied on electricity suppliers and charges for transmission services levied on SONI (System Operator for Northern Ireland). Credit risk in respect of Use of System receivables from electricity suppliers is mitigated by security received in the form of cash deposits, letters of credit or Parent company guarantees. With the exception of public bodies, payments in relation to new connections or alterations are paid for in advance of the work being carried out. Normal credit terms and debtor days in respect of trade receivables from electricity suppliers are less than 30 days. The largest Use of System electricity receivable in NI at 31 December 2025 is €14.4 million (2024: €12.5 million).

Other electricity receivables

Other electricity receivables include amounts in relation to ancillary services and amounts owed in relation to the PSO REFIT and RESS Schemes administered by the CRU.

Notes to the Financial Statements (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

Cash collateral

The cash collateral balance includes amounts pledged by the Group to clearing banks for exchange trading of gas, carbon and power contracts of €118.2 million (2024: €91.3 million). The amounts pledged cover initial margin and daily mark to market movements.

Included within this category are also collateral amounts pledged by the Group to bilateral parties of €28.9 million (2024: €24.8 million).

Trade - non-electricity and other receivables

Trade receivables (non-electricity) and other receivables relate to balances due in respect of the Group's non-electricity trading (including commodity trading) and other operations. It includes amounts due in respect of the Group's telecommunications, consultancy, facility management and other ancillary operations. Credit risk with regard to these balances is not considered to be significant. The largest unsecured single balance included within this category at 31 December 2025 is an amount of €58.1 million (2024: €59.1 million) due from an external company.

22. CASH AND CASH EQUIVALENTS

	Group		Parent	
	2025 €m	2024 €m	2025 €m	2024 €m
Cash at bank and in hand	307.0	858.3	227.8	672.7
Restricted cash	-	206.6	-	72.7
Cash equivalents	400.0	-	400.0	-
Total	707.0	1,064.9	627.8	745.4

As at 31 December 2025, €118.2 million (2024: €91.3 million) was paid in respect of exchange traded gas, carbon and power contracts. €28.9 million (2024: €21.6 million) was also paid in respect of collateral amounts pledged by the Group to bilateral parties. These amounts are included in trade and other receivables and trade and other payables.

Included in the cash and cash equivalents at 31 December 2024 was €206.6 million (€72.7 million Parent related) of restricted cash relating to the Irish Government's Electricity Costs Emergency Benefit Scheme. Such cash was not freely available to ESB and was paid to customers of ESB Networks or credited to relevant customer accounts for electricity customers of ESB Group. This balance was fully utilised during 2025.

Included in cash equivalents at 31 December 2025 is €400.0 million (2024: €nil) comprising a portion of the Government of Ireland's additional equity investment of €1.5 billion in ESB, which was received in December 2025 (note 23). This €1.5 billion investment is ringfenced for use by ESB Networks to finance works and capital projects under the ESB Networks Price Review 6 Business Plan and any other CRU approved investment programmes in electricity grids and related infrastructure that amend, replace, or supplement the PR6 plan. These funds are not available for use by the wider ESB Group without the prior written consent of the Government of Ireland. The balance of the €1.5 billion received through the Government of Ireland's equity investment in ESB is included in short-term deposits within Trade and Other Receivables (see note 21 for further details).

23. CHANGES IN EQUITY

(i) Capital stock

There are 2,202,552,125 units of capital stock in issue at a par value of €1.00 each (2024: 1,936,081,855 units at a par value of (€1.00 each).

	2025 €m	2024 €m
Comprised as:		
Stock issued from converted reserves	2,151.2	1,880.9
Stock issued for subscription by ESOT	51.4	55.2
	2,202.6	1,936.1

23. CHANGES IN EQUITY (continued)

In accordance with the Electricity (Supply) (Amendment) Act 2001, on 30 December 2001, the equity of ESB was converted to capital stock which was issued to the Department of Finance. At the same time, ESB ESOP Trustee Limited, established to act as Trustee for an ESB employee shareholding scheme, subscribed for 5% of the stock. The principal rights attaching to each unit of capital stock include the rights to exercise a vote at annual meetings, entitlements to dividends from profits when declared and the rights to proportionate participation in a surplus on winding up.

The Energy (Miscellaneous Provisions) Act 2006 amended Section 2 of the 2001 Act and as a result a percentage of the issued capital stock in ESB was vested in the Minister for Environment, Climate and Communications (now the Minister for Climate, Energy and the Environment), with the Minister for Public Expenditure and Reform (now the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation) and the ESOP retaining the balance.

The Ministers and Secretaries Amendment Act 2011, which came into force on 6 July 2011, established the office of the Minister for Public Expenditure and Reform (now the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation). The 2011 Act has the effect of transferring ownership of the stock previously held by the Minister for Finance in ESB to the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation as and from 6 July 2011.

In December 2025 ESB Parent received €1.5 billion in additional equity funding from the Government of Ireland in consideration of the issuance of 270,270,270 additional units of capital stock at a par value of €1.00 per unit of capital stock. 243,243,243 of the additional units of capital stock were allocated to the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation and the remaining 27,027,027 units were allocated to Minister for Climate, Energy and the Environment. The par value of the capital stock issued - amounting to €270,270,270 - has been included in the carrying value of capital stock within equity. A fair value of approximately €5.55 has been attributed to each additional unit of capital stock issued. Accordingly, Capital Stock Premium of €1,229,729,730 - representing the excess of funds received at fair value over the par value of the additional units of capital stock issued by the Parent, amounting to approximately €4.55 per unit of additional capital stock issued - has been recognised within equity.

As a result of this new capital stock issued, 10.2% of ESB's issued capital stock is now vested in the Minister for Climate, Energy and the Environment, while the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation retains 87.5%, and the Employee Share Ownership Plan ("ESOP") retains 2.3% as at 31 December 2025.

(ii) Capital redemption reserve

ESB has entered into an agreement with ESOP to support the acquisition of capital stock in internal markets. ESB has most recently received approval to commit up to €50 million to support the internal market through the repurchase and cancellation of units of capital stock placed for sale in future market auctions. To this end, ESB purchased and cancelled 3.8 million units of capital stock (2024: 3.0 million units) in the internal market held in 2025, at a cost of €10.1 million (2024: €8.1 million). This gave rise to capital redemption reserve movement of €3.8 million (2024: €3.0 million) during the year.

(iii) Cash flow hedging

The hedging reserve primarily represents the fair value of derivatives which are part of effective cash flow hedging relationships at year end. As the derivatives are held for hedging purposes as defined by IFRS 9 and designated as hedges, their fair value movements are retained in OCI instead of being charged to the income statement during the year and will be charged to income in the same period as the corresponding transaction.

(iv) Other reserves

Group other reserves include the following:

- Actuarial movements on the NIE Networks defined benefit scheme, net of the related deferred tax adjustments, totalling (€145.1) million (2024: (€130.4) million).
- ESOP repurchase provision of €nil (2024: (€2.0) million) which relates to the amount that ESB has committed to date to repurchase from the ESOP internal market.
- Other reserves of (€6.2) million (2024: (€6.2) million).

Parent other reserves include the following:

- ESOP repurchase provision of €nil (2024: (€2.0) million) which relates to the amount that ESB has committed to date to repurchase from the ESOP internal market.

(v) Non-controlling interest - Group

Non-controlling interests at 31 December 2025 relate to non-controlling shareholdings in So Energy, Crockahenny Wind Farm DAC, Mountain Lodge Power DAC and other companies associated with wind projects.

Notes to the Financial Statements (continued)

23. CHANGES IN EQUITY (continued)

Dividends

	2025 €m	2024 €m
Group		
Dividends on capital stock:		
Total dividend paid 9.75 (2024: 11.35) cent per capital stock unit	188.7	220.1
Dividend to non-controlling interest	1.3	-
Total	190.0	220.1
	2025 €m	2024 €m
Parent		
Dividends on capital stock:		
Total dividend paid 9.75 (2024: 11.35) cent per capital stock unit	188.7	220.1
Total	188.7	220.1

Total dividends paid during 2025 amounted to €188.7 million related to the final dividend (9.75 cents per unit of stock) in respect of 2024.

The Board is now recommending that a dividend for 2025 of 6.79 cent per unit of capital stock, or €149.3 million.

24. TAXATION

(a) Income tax expense

	2025 €m	2024 €m
Current tax expense		
Current tax	81.0	100.9
Prior year over provision	1.7	(6.0)
Value of tax losses surrendered to equity accounted investees	3.9	3.8
	86.6	98.7
Deferred tax expense		
Origination and reversal of temporary differences	21.1	43.0
Prior year under provision	6.1	21.5
	27.2	64.5
Total	113.8	163.2

24. TAXATION (continued)

Reconciliation of effective tax rate

	2025 €m	2024 €m
Profit before tax	749.7	869.4
Profit before tax		
Plus: after tax share of equity accounted investees results (or loss)	(7.3)	5.3
Profit before tax (excluding equity accounted investees loss)	742.4	874.7
Taxed at 12.5%	92.8	109.3
Expenses not deductible	22.2	23.3
Transfer pricing adjustments	(1.0)	9.1
Tax effect of losses not recognised	-	(2.6)
Income not taxable	(6.2)	(8.2)
Higher tax on chargeable gains	1.3	0.8
Higher tax rates on overseas profits	(3.3)	15.8
Prior year under provision	8.0	15.7
Income tax expense	113.8	163.2

Taxation is calculated at the rates prevailing in the respective jurisdictions in which ESB carries out its activities.

The Group has applied the temporary exemption issued by the IAS on May 2023 from the accounting requirements for deferred taxes relating to Pillar Two under IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred taxes assets and liabilities related to Pillar Two income taxes.

On 18 December 2023 the Government of Ireland, where the ultimate Parent entity of the Group resides, enacted the Pillar Two income taxes legislation into Finance (No.2) Act 2023. The legislation became effective for the ESB Group for the accounting year end 31 December 2024. Under the legislation, the Parent company, ESB, will be required to pay, in Ireland, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15% (the Minimum Tax Rate "MTR"). The main jurisdictions in which exposures to this tax may exist for the Group are Ireland and the UK. However, substance based carveouts apply for eligible fixed assets and payroll costs which reduce the profits in any one jurisdiction subject to the top-up tax. As ESB's business activities are largely in the Republic of Ireland and the UK, where substantial investment is made in public infrastructure and electricity generation assets, it is expected that the Group's profits subject to the MTR will be substantially reduced in Ireland and the UK for the foreseeable future. The Group's current tax expense related to Pillar Two is €nil for 31 December 2025 (31 December 2024: €nil) based on transitional safe harbour exemptions.

Notes to the Financial Statements (continued)

24. TAXATION (continued)

(b) Deferred tax assets and liabilities

Group	2025 €m	2024 €m
Deferred tax assets		
Lease liabilities	13.3	12.6
ESB pension scheme	8.7	9.4
Provisions	1.4	1.4
Tax losses forward	13.9	6.8
Derivative financial instruments	71.9	65.2
Total deferred tax assets	109.2	95.4
Less deferred tax asset recognised separately on the balance sheet	(1.3)	(1.3)
Net deferred tax asset being netted against deferred tax liability	107.9	94.1
Deferred tax liabilities		
Property, plant & equipment and intangible assets	725.3	687.4
Right-of-use assets	11.4	11.9
NIE Networks pension scheme	12.6	17.1
Provisions	5.4	7.4
Derivative financial instruments	2.7	1.2
Capital gains tax	2.5	1.2
Total deferred tax liabilities	759.9	726.2
Netted deferred tax liabilities	(652.0)	(632.1)
Net deferred tax liability	(650.7)	(630.8)

24. TAXATION (continued)

The movement in temporary differences for the Group were as follows:

	Balance at 1 January €m	IAS 12 amendment €m	Acquisition of Lettermuckoo €m	Recognised in income €m	Recognised in OCI €m	Translation adjustments €m	Balance at 31 December €m
2025							
Assets							
Lease liabilities	12.6	-	-	1.0	-	(0.3)	13.3
ESB pension scheme	9.4	-	-	(0.7)	-	-	8.7
Provisions	1.4	-	-	-	-	-	1.4
Tax losses forward	6.8	-	12.6	(4.9)	(0.1)	(0.5)	13.9
Derivative financial instruments	65.2	-	-	9.9	0.1	(3.3)	71.9
Total deferred tax assets	95.4	-	12.6	5.3	-	(4.1)	109.2
Liabilities							
Property, plant & equipment and intangible assets	687.4	-	18.1	29.6	-	(9.8)	725.3
Right-of-use assets	11.9	-	-	(0.2)	-	(0.3)	11.4
NIE Networks pension scheme	17.1	-	-	1.3	(5.1)	(0.7)	12.6
Provisions	7.4	-	-	(1.6)	-	(0.4)	5.4
Derivative financial instruments	1.2	-	-	2.1	(0.6)	-	2.7
Capital gains tax	1.2	-	-	1.3	-	-	2.5
Total deferred tax liabilities	726.2	-	18.1	32.5	(5.7)	(11.2)	759.9
Net deferred tax liability	(630.8)	-	(5.5)	(27.2)	5.7	7.1	(650.7)

	Balance at 1 January €m	IAS 12 amendment €m	Acquisition of Pallas €m	Recognised in income €m	Recognised in OCI €m	Translation adjustments €m	Balance at 31 December €m
2024							
Assets							
Lease liabilities	15.2	-	-	(2.8)	-	0.2	12.6
ESB pension scheme	17.7	-	-	(8.3)	-	-	9.4
Provisions	6.0	-	-	(4.8)	-	0.2	1.4
Tax losses forward	14.2	-	-	(7.9)	-	0.5	6.8
Derivative financial instruments	50.8	-	-	34.9	(22.1)	1.6	65.2
Total deferred tax assets	103.9	-	-	11.1	(22.1)	2.5	95.4
Liabilities							
Property, plant & equipment and intangible assets	595.5	-	6.0	78.2	1.3	6.4	687.4
Right-of-use assets	14.9	-	-	(3.2)	-	0.2	11.9
NIE Networks pension scheme	18.4	-	-	2.5	(4.6)	0.8	17.1
Provisions	8.8	-	-	(1.8)	-	0.4	7.4
Derivative financial instruments	24.0	-	-	(0.1)	(22.7)	-	1.2
Capital gains tax	1.2	-	-	-	-	-	1.2
Total deferred tax liabilities	662.8	-	6.0	75.6	(26.0)	7.8	726.2
Net deferred tax liability	(558.9)	-	(6.0)	(64.5)	3.9	(5.3)	(630.8)

There is no expiry date to when tax losses in the Group can be utilised.

Notes to the Financial Statements (continued)

24. TAXATION (continued)

Deferred tax asset on tax losses not recognised in the accounts:

Deferred tax assets not recognised amounted to €7.3 million in 2025 (2024: €10.1 million). This amount relates to deferred tax assets not recognised against tax losses arising in So Energy Trading Ltd.

Deferred tax in relation to unremitted reserves of overseas subsidiaries:

Deferred tax has not been provided for in relation to unremitted reserves of the Group's overseas subsidiaries for two reasons: either there is no commitment for these reserves to be distributed in the foreseeable future or it has been established that no tax would arise on the remittance. Deferred tax has not been provided for in relation to unremitted reserves of the Group's overseas joint ventures as the Group has the ability to control the repatriation of these reserves to the Republic of Ireland. Cumulative unremitted reserves of overseas subsidiaries and joint ventures totalled €1,270.6 million as at 31 December 2025 (31 December 2024: €1,128.4 million).

Parent	2025 €m	2024 €m
Deferred tax assets		
Lease liabilities	6.0	4.0
ESB pension scheme	8.8	9.4
Provisions	1.7	1.7
Total deferred tax assets	16.5	15.1
Deferred tax liabilities		
Property, plant & equipment	454.8	440.4
Right-of-use assets	5.6	3.7
Derivative financial instruments	-	0.5
Capital gains tax	1.2	1.2
Total deferred tax liabilities	461.6	445.8
Net deferred tax liability	(445.1)	(430.7)

The movement in temporary differences for the Parent were as follows:

	Balance at 1 January €m	IAS 12 amendment €m	Recognised in income €m	Recognised in OCI €m	Balance at 31 December €m
2025					
Assets					
Lease liabilities	4.0	-	2.0	-	6.0
ESB pension scheme	9.4	-	(0.6)	-	8.8
Provisions	1.7	-	-	-	1.7
Total deferred tax assets	15.1	-	1.4	-	16.5
Liabilities					
Property, plant & equipment	440.4	-	14.4	-	454.8
Right-of-use assets	3.7	-	1.9	-	5.6
Derivative financial instruments	0.5	-	-	(0.5)	-
Capital gains tax	1.2	-	-	-	1.2
Total deferred tax liabilities	445.8	-	16.3	(0.5)	461.6
Net deferred tax (liability) / asset	(430.7)	-	(14.9)	0.5	(445.1)

24. TAXATION (continued)

	Balance at 1 January €m	IAS 12 amendment €m	Recognised in income €m	Recognised in OCI €m	Balance at 31 December €m
2024					
Assets					
Lease liabilities	7.6	-	(3.6)	-	4.0
ESB pension scheme	17.7	-	(8.3)	-	9.4
Borrowings	1.7	-	-	-	1.7
Derivative financial instruments	21.1	-	-	(21.1)	-
Total deferred tax assets	48.1	-	(11.9)	(21.1)	15.1
Liabilities					
Property, plant & equipment	425.1	-	15.3	-	440.4
Right-of-use assets	7.5	-	(3.8)	-	3.7
Derivative financial instruments	20.3	-	-	(19.8)	0.5
Capital gains tax	1.2	-	-	-	1.2
Total deferred tax liabilities	454.1	-	11.5	(19.8)	445.8
Net deferred tax liability	(406.0)	-	(23.4)	(1.3)	(430.7)

25. BORROWINGS AND OTHER DEBT

Group	Recourse borrowings €m	Non-recourse borrowings €m	2025 Total €m	Recourse borrowings €m	Non-recourse borrowings €m	2024 Total €m
Current borrowings						
▪ Repayable by instalments	47.4	6.0	53.4	59.0	-	59.0
▪ Repayable other than by instalments	-	456.1	456.1	-	421.2	421.2
Total current borrowings	47.4	462.1	509.5	59.0	421.2	480.2
Non-current borrowings						
▪ Repayable by instalments						
- Between one and two years	28.9	6.6	35.5	50.2	-	50.2
- Between two and five years	70.2	19.8	90.0	78.8	-	78.8
- After five years	78.2	84.0	162.2	103.0	-	103.0
	177.3	110.4	287.7	232.0	-	232.0
▪ Repayable other than by instalments						
- Between one and two years	499.3	-	499.3	-	481.4	481.4
- Between two and five years	1,698.7	-	1,698.7	1,493.5	-	1,493.5
- After five years	3,596.6	797.3	4,393.9	4,317.0	420.9	4,737.9
▪ Fair value hedge adjustment	35.7	-	35.7	60.1	-	60.1
	5,830.3	797.3	6,627.6	5,870.6	902.3	6,772.9
Total non-current borrowings	6,007.6	907.7	6,915.3	6,102.6	902.3	7,004.9
Total borrowings outstanding	6,055.0	1,369.8	7,424.8	6,161.6	1,323.5	7,485.1

See section (b) for details of applicable interest rates.

Notes to the Financial Statements (continued)

25. BORROWINGS AND OTHER DEBT (continued)

Current borrowings by facility

	Ref	2025 €m	2024 €m
Non-recourse NIE Networks Sterling bonds	2	456.1	421.2
Bank borrowings	3	47.4	59.0
Non-recourse bank borrowing	4	6.0	-
		509.5	480.2

Non-current borrowings by facility

	Ref	2025 €m	2024 €m
ESB Eurobonds	1	5,642.4	5,657.8
Non-recourse NIE Networks Sterling bonds	2	797.3	902.3
Bank borrowings	3	329.5	384.7
Non-recourse bank borrowing	4	110.4	-
Fair value hedge adjustment	5	35.7	60.1
		6,915.3	7,004.9

None of the borrowings are secured against the Group assets, with the exception of the non-recourse bank borrowing which is secured against the assets of the Special Purpose Vehicle which holds the non-recourse project finance.

ESB was rated A from Standard & Poor's Global Ratings at 31 December 2025 (A- at 31 December 2024) and A3 (equivalent to A-) from Moody's at 31 December 2024 and 31 December 2025. Both Standard & Poor's Global Ratings and Moody's outlook on ESB remain Positive.

1. ESB Eurobonds

The table below provides details of ESB Eurobonds (all listed) included in borrowings at 31 December 2025:

Issuer	Value	Issue Date	Maturity Date	Tenor	Coupon
ESB Finance DAC	€500.0 million	June 2015	June 2027	12 years	2.125%
ESB Finance DAC	€600.0 million	June 2016	June 2031	15 years	1.875%
ESB Finance DAC	€500.0 million	January 2017	February 2029	12 years	1.750%
ESB Finance DAC	€500.0 million	November 2018	November 2033	15 years	2.125%
ESB Finance DAC	€100.0 million	April 2019	April 2044	25 years	2.000%
ESB Finance DAC	€700.0 million (Green bond)	June 2019 / July 2020	June 2030	11 years	1.125%
ESB Finance DAC	£325.0 million	January 2020	July 2035	15.5 years	1.875%
ESB Finance DAC	€500.0 million (Green bond)	January 2022	July 2034	12.5 years	1.000%
ESB Finance DAC	€550.0 million	November 2022	May 2032	9.5 years	4.000%
ESB Finance DAC	€350.0 million	January 2023	January 2043	20 years	3.750%
ESB Finance DAC	€500.0 million (Green bond)	October 2023	March 2036	12.4 years	4.250%
ESB Finance DAC	€500.0 million	October 2023	October 2028	5 years	4.000%

25. BORROWINGS AND OTHER DEBT (continued)

2. Non-recourse NIE Networks Sterling Bonds

The table below provides details of non-recourse NIE Networks sterling bonds included in borrowings at 31 December 2025:

Issuer	Value	Issue Date	Maturity Date	Tenor	Coupon
NIE Networks Limited	£400.0 million	June 2011	June 2026	15 years	6.375%
NIE Networks Limited	£350.0 million	November 2022	December 2032	10.1 years	5.875%
NIE Networks Limited	£350.0 million	May 2025	December 2035	10.6 years	5.750%

A new bond of £350.0 million was issued in May 2025. £350.0 million was repaid in October 2025. A new £600.0 million bond was issued in January 2026.

3. Bank borrowings

The table below provides details of bank borrowings included in borrowings (excluding adjustments for amortised fees) at 31 December 2025:

	Balance at 31 December 2025	Balance at 31 December 2024
€200.0 million European Investment Bank ("EIB") to support renewable connections to the electricity network in the southwest of Ireland	€108.3 million	€120.0million
Other bank borrowings of floating rate debt borrowed on a bilateral basis (apart from above €200.0 million)	€12.6 million	€33.9 million
€450.0 million European Investment Bank ("EIB") to support the roll out of Smart Meters in Ireland	€150.0 million	€150.0 million
€2.4 billion Sustainability Linked Revolving Credit (with a syndicate of 15 banks)	€nil	€nil
Other EIB fixed rate debt	€110.8 million	€140.1 million

A €200.0 million facility with the European Investment Bank (EIB) was agreed in 2013 and 2014 to support renewable connections to the electricity network in the southwest of Ireland. The balance due to be repaid is €108.3 million as at 31 December 2025 (2024: €120.0 million).

A €450.0 million facility with the European Investment Bank (EIB) to support the roll out of Smart Meters in Ireland has been agreed. €150.0 million of this facility is drawn down at 31 December 2025 (2024: €150.0 million). At the start of 2026 a further €150.0 million of this facility was drawn down.

In 2020, ESB entered into a €1.4 billion Sustainability linked Revolving Credit Facility up to February 2027 with a group of thirteen international banks. There was no draw down of this facility at 31 December 2024. In July 2025 ESB entered into a new €2.4 billion Sustainability-linked Revolving Credit Facility up to July 2030 with a group of fifteen international banks. This facility replaced the €1.4 billion Sustainability-linked Revolving Credit Facility. There was no draw down of this facility at 31 December 2025.

Certain facilities have conditions which require ESB to maintain certain financial covenants. In the opinion of the members of the Board, at 31 December 2025 ESB is fully in compliance with all the covenant requirements associated with these facilities.

4. Non-recourse bank borrowing

Non-recourse bank borrowings were acquired by the Group as part of the acquisition of Lettermuckoo Windfarm during the year (see note 18). The balance of these borrowings at 31 December 2025 is €116.4 million (2024: €nil).

There is a technical breach of a covenant associated with these borrowings at 31 December 2025 relating to the timely delivery of financial statements. Management is engaging with lenders to obtain a routine waiver or covenant amendment. If a waiver was not granted, the non-current portion of the associated non-recourse bank borrowings (€110.4 million) would be reclassified to current borrowings.

5. Fair value hedge adjustment

In September 2023, ESB entered into an interest rate swap maturing in March 2036. ESB designated the interest rate swap in a fair value hedge of the benchmark interest risk of a fixed rate debt. Adjustment to borrowings for Fair Value hedge accounting as at 31 December 2025 is €35.7 million (2024: €60.1 million).

Notes to the Financial Statements (continued)

25. BORROWINGS AND OTHER DEBT (continued)

Recourse Borrowings

Parent	2025 Total €m	2024 Total €m
Current borrowings		
▪ Repayable by instalments	47.4	59.0
Total current borrowings	47.4	59.0
Non-current borrowings		
▪ Repayable by instalments		
- Between one and two years	28.9	50.2
- Between two and five years	70.2	78.8
- After five years	78.2	103.0
	177.3	232.0
▪ Repayable other than by instalments		
- After five years	150.0	150.0
- Fair value hedge adjustment	35.7	60.1
	185.7	210.1
Total non-current borrowings	363.0	442.1
Total borrowings outstanding	410.4	501.1

(a) Funding and liquidity management

The principal liquidity risks faced by the Group relate to cash flow requirements arising from day-to-day operations, maturing debt obligations and the funding of capital investment programmes. The Group's treasury function manages this risk through a combination of liquid investments, cash and cash equivalents and undrawn committed bank facilities. The Group negotiates facilities with relationship banks and debt capital markets to pre-fund, or pre-hedge, any funding requirements arising from maturing debt, capital expenditure and general business requirements.

At 31 December 2025 the Group had €3.4 billion available in cash or cash equivalents (excluding restricted cash) and committed bank facilities, ensuring liquidity demands can be met as required. There is a further €1.1 billion of short-term deposits included within Trade and Other Receivables (note 21) as they have maturities of more than three months. The committed bank facilities include a syndicated loan facility with a large number of well-rated financial institutions, which is fully undrawn and available to draw down at 31 December 2025, and a €450.0 million facility from the European Investment Bank to support the roll out of Smart Meters in the Republic of Ireland, of which €150.0 million has been drawn down at 31 December 2025 (2024: €150.0 million) and a further €300.0 million is available to draw down at 31 December 2025.

The Group's debt management strategy targets a debt portfolio profile with a diverse mix of counterparties, funding sources and maturities. Structured non-recourse and limited recourse financing is used where appropriate, taking into account both funding costs and risk mitigation.

The maturity profile of the carrying amount of the Group's borrowings, and the expiry of material undrawn committed bank borrowing facilities are as follows:

	Drawn Debt - Group		Drawn Debt - Parent		Undrawn Facility - Group and Parent	
	2025 €m	2024 €m	2025 €m	2024 €m	2025 €m	2024 €m
Maturing						
In one year or less	509.5	480.2	47.4	59.0	-	862.6
Between one and two years	534.8	531.6	28.9	50.2	-	-
Between two and five years	1,788.7	1,572.3	70.2	78.8	2,400.0	1,400.0
In more than five years	4,591.8	4,901.0	263.9	313.1	300.0	300.0
	7,424.8	7,485.1	410.4	501.1	2,700.0	2,562.6

25. BORROWINGS AND OTHER DEBT (continued)

The following table sets out the contractual maturities of Group borrowings, including the associated interest payments. Borrowings with a carrying value of €7,014.4 million (31 December 2024: €6,984.0 million) relate to borrowings of subsidiaries in the Group.

	Contractual		Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
	Carrying amount €m	cash outflows / (inflows) - net €m				
31 December 2025						
Recourse borrowings	6,055.0	7,166.5	194.0	673.6	2,124.0	4,174.9
Non-recourse borrowings	1,369.8	1,817.6	542.2	55.0	164.4	1,056.0
Total borrowings	7,424.8	8,984.1	736.2	728.6	2,288.4	5,230.9

31 December 2024

Recourse borrowings	6,161.6	7,406.7	209.0	198.2	1,973.1	5,026.4
Non-recourse borrowings	1,323.5	1,598.9	488.7	538.6	74.5	497.1
Total borrowings	7,485.1	9,005.6	697.7	736.8	2,047.6	5,523.5

(b) Interest rate risk management

ESB has a preference for fixed interest rate debt and targets to have a significant majority of its debt at a fixed interest rate to maturity, with a minimum of 70% fixed maintained at all times. This is achieved either by borrowing directly at fixed interest rates or via interest rate swaps. At 31 December 2025, 85.8% of the Group's debt was fixed and 14.2% floating (31 December 2024: 92.0% and 8.0% respectively). The fair value of interest rate swaps is disclosed in note 26.

In respect of interest bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date taking into account the effect of interest rate swaps:

	Effective interest rate %	Total €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
2025						
Non-recourse borrowings (fixed and variable interest rate)	5.9%	1,369.8	462.1	6.6	19.8	881.3
Other long-term borrowings (fixed and variable interest rate)	2.7%	6,055.0	47.4	528.2	1,768.9	3,710.5
		7,424.8	509.5	534.8	1,788.7	4,591.8

	Effective interest rate %	Total €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
2024						
Non-recourse borrowings (fixed interest rate)	5.0%	1,323.5	421.2	481.4	-	420.9
Other long-term borrowings (fixed and variable interest rate)	2.6%	6,161.6	59.0	50.2	1,572.3	4,480.1
		7,485.1	480.2	531.6	1,572.3	4,901.0

Included within other borrowings in this analysis are floating rate liabilities of €1,052.2 million (31 December 2024: €593.9 million).

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, changes in interest rates will have an impact on consolidated earnings. It is estimated that a general increase of 50 basis points in interest rates (and corresponding real interest rates) for the year would have increased profit before taxation and reduced equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, including the assumption that there is no change in inflation rates.

Notes to the Financial Statements (continued)

25. BORROWINGS AND OTHER DEBT (continued)

	31 December 2025		31 December 2024	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	gain / (loss)	gain / (loss)	gain / (loss)	gain / (loss)
	€ m	€ m	€ m	€ m
Profit before taxation				
Interest payable	(5.3)	5.3	(3.0)	3.0
Fair value movements on financial instruments	(21.8)	23.0	(25.5)	27.0
Other comprehensive income				
Fair value (losses) / gains	-	-	-	-

The following assumptions were made in respect of the sensitivity analysis above:

- the balance sheet sensitivity to interest rates analysis relates only to derivative financial instruments;
- the sensitivity of accrued interest to movements in interest rates is calculated on net floating rate exposures on debt, deposits and derivative instruments;
- derivatives designated as cash flow hedges against movements in interest rates are assumed to be fully effective, recorded fully within equity with no impact on the income statement;
- changes in the carrying value of derivative financial instruments not in hedging relationships affect the income statement only; and
- the floating leg of any swap or any floating rate debt is treated as not having any interest rate already set, therefore a change in interest rates affects a full 12-month period for the accrued interest portion of the sensitivity calculations.

(c) Reconciliation of external borrowings

Group

	Balance at 1	Acquisition	Proceeds	Repayments	Effects of	Other	Balance at
	January	€m	€m	€m	foreign	€m	31 December
2025	€m				exchange		€m
Debt Facilities							
ESB Eurobonds	5,657.8	-	-	-	(20.0)	4.6	5,642.4
Non-recourse NIE Networks Eurobonds	1,323.5	-	413.4	(398.2)	(86.1)	0.8	1,253.4
Bank borrowings	503.8	-	-	(61.1)	(1.2)	(28.9)	412.6
Non-recourse bank borrowing	-	122.8	-	(6.4)	-	-	116.4
Total	7,485.1	122.8	413.4	(465.7)	(107.3)	(23.5)	7,424.8

	Balance at 1	Acquisition	Proceeds	Repayments	Effects of	Other	Balance at
	January	€m	€m	€m	foreign	€m	31 December
2024	€m				exchange		€m
Debt Facilities							
ESB Eurobonds	5,934.8	-	-	(300.0)	18.4	4.6	5,657.8
Non-recourse NIE Networks Eurobonds	1,259.3	-	-	-	62.8	1.4	1,323.5
Bank borrowings	545.0	-	-	(64.3)	2.1	21.0	503.8
Total	7,739.1	-	-	(364.3)	83.3	27.0	7,485.1

Parent

	Balance at 1	Acquisition	Proceeds	Repayments	Effects of	Other	Balance at
	January	€m	€m	€m	foreign	€m	31 December
2025	€m				exchange		€m
Debt Facilities							
Bank borrowings	501.1	-	-	(61.1)	(1.2)	(28.4)	410.4
Total	501.1	-	-	(61.1)	(1.2)	(28.4)	410.4

25. BORROWINGS AND OTHER DEBT (continued)

	Balance at 1	Acquisition	Proceeds	Repayments	Effects of	Other	Balance at
	January	€m	€m	€m	foreign	€m	31 December
2024	€m				exchange		€m
Debt Facilities							
Bank borrowings	542.0	-	-	(64.3)	2.1	21.3	501.1
Total	542.0	-	-	(64.3)	2.1	21.3	501.1

26. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Fair value by class of derivative financial instrument

Derivative financial instruments are carried at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The method used to calculate the fair value of the Group's financial instruments is discounted cash flow analysis, using a zero-coupon discount rate and reflecting counterparty credit risk. This method enables the Group to discount the cash flows at a rate equal to the prevailing market rate of interest taking into account maturity and credit margin.

The fair values of financial instruments, grouped by class of instrument, are as follows:

Group

	Non-current	Current assets	Non-current	Current	Total
	assets	assets	liabilities	liabilities	
2025	€m	€m	€m	€m	€m
Interest rate swaps	43.4	21.9	-	-	65.3
Inflation linked interest rate swaps	-	-	(254.7)	(26.8)	(281.5)
Currency swaps	-	-	(1.7)	-	(1.7)
Foreign exchange contracts	1.6	1.7	(1.3)	(6.3)	(4.3)
Forward fuel price contracts	54.9	100.4	(21.9)	(84.9)	48.5
Forward electricity price contracts	-	-	(64.8)	-	(64.8)
Total	99.9	124.0	(344.4)	(118.0)	(238.5)

	Non-current	Current assets	Non-current	Current	Total
	assets	assets	liabilities	liabilities	
2024	€m	€m	€m	€m	€m
Interest rate swaps	69.3	-	-	(8.0)	61.3
Inflation linked interest rate swaps	-	-	(320.2)	(1.5)	(321.7)
Currency swaps	-	-	(14.8)	-	(14.8)
Foreign exchange contracts	1.9	20.5	(1.9)	(5.9)	14.6
Forward fuel price contracts	44.7	232.7	(13.1)	(97.5)	166.8
Total	115.9	253.2	(350.0)	(112.9)	(93.8)

Parent

	Non-current	Current assets	Non-current	Current	Total
	assets	assets	liabilities	liabilities	
2025	€m	€m	€m	€m	€m
Interest rate swaps	43.3	2.6	-	-	45.9
Currency swaps	-	-	(1.7)	-	(1.7)
Foreign exchange contracts	1.6	1.7	(1.8)	(6.5)	(5.0)
Forward fuel price contracts	23.8	92.3	(13.5)	(73.0)	29.6
Total	68.7	96.6	(17.0)	(79.5)	68.8

Notes to the Financial Statements (continued)

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
2024	€m	€m	€m	€m	€m
Interest rate swaps	69.2	8.0	-	(8.0)	69.2
Currency swaps	-	-	(14.8)	-	(14.8)
Foreign exchange contracts	1.6	20.9	(1.9)	(5.9)	14.7
Forward fuel price contracts	15.8	111.6	(12.8)	(92.4)	22.2
Total	86.6	140.5	(29.5)	(106.3)	91.3

The Group decides at inception whether to designate financial instruments into hedge relationships for certain arrangements that meet the specific hedging accounting criteria of IFRS 9.

(i) Interest rate swaps ("IRS")

The Group has executed fixed-to-floating rate interest rate swaps of Stg £323.0 million (2024: Stg £488.0 million) in connection with a certain portion of its borrowings held by the Parent and ESB Finance DAC.

For interest rate swaps, the fair value takes into account the fixed, floating and market rates prevailing at the balance sheet date. As interest rate swaps are marked to market at 31 December 2025, their carrying value is equal to their fair value.

The fair value of the interest rate swaps has increased by €4.0 million (31 December 2024: increase of €11.3 million). ESB receives a fixed rate and pays variable under the instruments. The fair value movement reflects positive mark to market movements in the underlying swaps during the period, resulting from a rising forward interest rate environment. Ineffectiveness of €0.8 million, under the meaning of IFRS 9, arose on the interest swaps during the year (2024: €nil).

On 7 February 2025, the ESB Group acquired Lettermuckoo Windfarm (see note 18). Interest rate swaps with a fair value on acquisition of €22.4 million were acquired in February 2025 as part of the purchase of Lettermuckoo Windfarm. The interest rate swaps were designated as accounting hedges under IFRS 9. Negative fair value movements of €3.2 million were recognised through OCI during the period since the acquisition.

(ii) Inflation linked interest rate swaps

Inflation linked interest rate swaps with a fair value on acquisition of €272.5 million were acquired in December 2010 as part of the purchase of the NIE Networks business. The inflation linked interest rate swaps did not qualify for hedge accounting under IFRS 9 on acquisition of the NIE Networks business. The fair value of the inflation linked interest rate swaps is affected by relative movements in interest rates and in market expectations of future retail price index ("RPI") movements in the UK.

In January 2025, the Group entered into offsetting financial instruments to manage the risk of the existing inflation linked interest rate swaps, and reduce associated fair value volatility, going forward. The carrying value includes the original swap of fair value €276.9 million and an offset swap of fair value €4.6 million. The net fair value movements during the year on the original swap and the offset set amount to €32.3m, which has been recognised within Net Finance Costs (see note 10).

Arising from movements in forward interest rates, UK RPI forward prices, foreign currency exchange rates and payments during the year, the fair value of the liability has decreased by €40.2 million on these swaps in the year ended 31 December 2025 (2024: fair value of the liability decreased by €20.2 million). The movement reflects negative mark to market movements in the underlying swaps of €32.3 million (2024: positive movement €35.4 million), reflected in finance costs in the income statement (note 10) and total payments of €55.4 million (2024: €1.4 million) arising under the swaps during the year. In addition, positive translation movements of €17.1 million (2024: negative translation movements of €16.6 million) during the year on translation of the swaps from sterling to euro are reflected in the OCI.

(iii) Currency swaps

The fair value of the currency swaps is affected by movements in foreign exchange and interest rates. ESB's currency swaps are primarily classified as cash flow hedges and relate to funding performed in one currency with full or partial underlying requirements in another currency.

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

ESB has a portfolio of EUR GBP cross-currency swaps entered into in connection with euro monies raised in public capital markets. These cross-currency swaps were entered into in order to swap Euro and Sterling interest and principal repayments on the underlying debt to sterling, thereby hedging the risk on these payments over the years to maturity from 2018 to 2032.

The fair value of the cross-currency interest rate swaps has decreased by €13.1 million (2024: fair value decreased by €5.7 million), the movement reflects negative mark to market movements during the year.

No ineffectiveness under the meaning of IFRS 9 arose on the currency swaps during the year (2024: €nil). Separately included in the income statement for the year 31 December 2025 is a gain of €15.6 million (2024: loss of €23.4 million) arising on cross currency swaps which is substantially offset by movements in the translation of the underlying hedged foreign currency borrowings at the prevailing exchange rates.

(iv) Foreign exchange contracts

In addition to foreign exchange contracts entered into in relation to the Group's borrowings, the Group has entered into foreign exchange contracts in relation to Sterling, Euro and US dollar exposures primarily under forward fuel price contracts and Long Term Service Agreements ("LTSA's"). These foreign exchange contracts have maturities extending until 2033.

Total negative fair value movements of €18.9 million (2024: positive movements of €5.2 million) were recognised during the year in relation to such foreign exchange contracts, of which a positive fair value movement of €0.9 million (2024: €nil) was recognised through OCI and a negative fair value movement of €19.8 million (2024: positive movement of €5.2 million) was recognised in the income statement.

(v) Forward fuel price contracts

The Group enters into forward fuel price contracts for gas, coal and carbon. Commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value (see note 1 (xiii)).

Total negative fair value movements of €118.3 million (2024: positive movement of €169.5 million) were recognised during the year consisting of a negative fair value movement of €15.6 million (2024: positive movement of €55.4 million) recognised in the income statement, a negative fair value movement of €102.8 million (2024: positive movement of €114.1 million) recognised through OCI and settlements of €nil (2024: €nil).

The negative fair value movement in the period is due to changes in the forward electricity and gas prices assumed in the valuation of these contracts, including the correction of errors in the forward gas and electricity prices assumed as at 31 December 2024. These errors were not material, under the meaning of IAS 1, to the 2024 Financial Statements. The correction of these errors forms part of the fair value movement on forward fuel price contracts recognised within Other Comprehensive Income for the year ended 31 December 2025.

(vi) Forward electricity price contract

As part of the Lettermuckoo Windfarm acquisition, a forward electricity price contract with a negative fair value on acquisition of €81.0 million was recognised. Positive fair value movements of €16.2 million were recognised in the Income Statement during the period since the acquisition (note 7).

Fair value hierarchy

Further information on the methods of valuing financial instruments is included in note 32.

(b) Funding and liquidity management - maturity of derivative financial instruments

The following table sets out the contractual maturities of derivative financial instruments, including the associated undiscounted net cash flows attributable to them. These derivative financial instruments are expected to impact profit or loss over a time period similar to the cash outflows. Net derivative financial instrument liabilities of €307.3 million (2024: €185.1 million) are included in the Group balances below, but do not comprise part of the Parent's assets and liabilities as they are not held directly by the Parent. See note 32 (b) for further analysis of Group and Parent financial assets and liabilities.

Notes to the Financial Statements (continued)

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Carrying amount €m	Contractual cash inflows / (outflows) - net €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
31 December 2025						
Interest rate swaps	65.3	86.4	30.8	10.1	21.2	24.3
Foreign exchange contracts	3.3	2.8	1.6	0.5	0.3	0.4
Forward fuel price contracts	155.3	188.4	115.0	61.2	12.1	0.1
Total assets	223.9	277.6	147.4	71.8	33.6	24.8
Inflation linked interest rate swaps	(281.5)	(361.1)	(75.9)	(38.6)	(137.3)	(109.3)
Currency swaps	(1.7)	(0.1)	(4.0)	(2.4)	(4.6)	10.9
Foreign exchange contracts	(7.6)	(7.8)	(6.4)	(0.5)	(0.5)	(0.4)
Forward fuel price contracts	(106.8)	(142.8)	(103.4)	(33.2)	(6.2)	-
Forward electricity price contracts	(64.8)	(71.7)	(9.3)	(8.5)	(23.0)	(30.9)
Total liabilities	(462.4)	(583.5)	(199.0)	(83.2)	(171.6)	(129.7)
Net derivative liabilities	(238.5)	(305.9)	(51.6)	(11.4)	(138.0)	(104.9)
31 December 2024						
Interest rate swaps	69.3	142.8	21.9	33.4	31.9	55.6
Currency swaps	-	8.2	-	-	-	8.2
Foreign exchange contracts	22.4	22.4	20.6	1.3	0.5	-
Forward fuel price contracts	277.4	278.4	231.5	42.4	4.5	-
Total assets	369.1	451.8	274.0	77.1	36.9	63.8
Interest rate swaps	(8.0)	(11.3)	(10.7)	(0.6)	-	-
Inflation linked interest rate swaps	(321.7)	(331.3)	(134.2)	(51.5)	(89.0)	(56.6)
Currency swaps	(14.8)	(22.1)	(8.5)	(6.0)	(7.6)	-
Foreign exchange contracts	(7.9)	(7.7)	(5.5)	(1.6)	(0.6)	-
Forward fuel price contracts	(110.5)	(110.0)	(96.9)	(11.0)	(2.1)	-
Total liabilities	(462.9)	(482.4)	(255.8)	(70.7)	(99.3)	(56.6)
Net derivative (liabilities) / assets	(93.8)	(30.6)	18.2	6.4	(62.4)	7.2

(c) Hedging Reserves

The Group's hedging reserves movements relate to the following hedging instruments:
2025

	Cash flow hedging reserve¹					
	Cross-currency interest rate swaps €m	Interest rate swaps €m	Foreign exchange contracts €m	Forward fuel price contracts² €m		Total €m
Hedging reserve (gains) / losses						
Net fair value movements	(8.3)	3.2	(0.9)	102.8		96.8
Net fair value movements for equity accounted investees	-	29.1	-	-		29.1
Transfers to the income statement	15.6	-	-	-		15.6
Tax movements	(1.0)	(7.3)	0.2	(17.5)		(25.6)
Total losses / (gains)	6.3	25.0	(0.7)	85.3		115.9

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

2024

	Cash flow hedging reserve¹					
	Cross-currency interest rate swaps €m	Interest rate swaps €m	Foreign exchange contracts €m	Forward fuel price contracts² €m		Total €m
Hedging reserve (gains) / losses						
Net fair value movements	10.1	-	(5.0)	(114.1)		(109.0)
Net fair value movements for equity accounted investees	-	4.7	-	-		4.7
Transfers to the income statement	(22.6)	-	-	-		(22.6)
Tax movements	2.2	(0.4)	-	21.5		23.3
Total (gains) / losses	(10.3)	4.3	(5.0)	(92.6)		(103.6)

1 The cash flow hedge reserve includes a loss of €0.6 million (2024: €0.5 million gain) relating to hedging.
2 Contracts that link the forward electricity price more closely with forward fuel prices are presented net in forward fuel price contracts at 31 December 2025.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through twice annual prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

Foreign exchange contracts

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to determine ineffectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in credit risk.

Forward fuel and electricity contracts

For hedges of forward fuel and electricity contracts, the Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. Ineffectiveness may arise if the timing or quantity of the forecast transaction changes from what was originally estimated, or if there are changes in credit risk. Hedge ineffectiveness for forward fuel and electricity contracts is measured using the hypothetical derivative method.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 - Financial Instruments.

Cross-currency interest rate swaps

The Group enters into cross-currency interest rate swaps that have similar critical terms as the hedged item, such as reference rate, payment dates, maturities and notional amount. The hedged item is identified as a proportion of the outstanding amount up to the notional amount of the swaps. Hedge ineffectiveness for interest rate swaps is measured using the same principles as for hedges of foreign exchange contracts. It may occur primarily due to differences in critical terms between the cross-currency interest rate swaps and the loans.

Notes to the Financial Statements (continued)

26. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(d) Effects of hedge accounting on the financial position and performance

The effects of the hedging instruments for which hedge accounting has been used (before taxation) on the Group's financial position and performance are as follows:

2025

	GBP-Cross-currency interest rate swaps (Level 2) €m	EUR - Interest rate swap (Level 2) ¹ €m	Forward fuel price contracts - Gas (Level 3) ² €m	Forward fuel price contracts - Electricity (Level 3) ² €m
Carrying amount unit				
Carrying amount - (liability) / asset as at 31 December 2025	(1.7)	46.0	(35.1)	70.2
Notional unit	£m	€m	Gwh	Gwh
Notional amount	261.5	500.0	4.1	4.1
Maturity date - earliest	Nov-28	Mar-36	Jan-26	Jan-26
Maturity date - latest	May-32	Mar-36	Dec-29	Dec-29
Hedge ratio ³	1:1	1:1	1:1	1:1
Change in fair value unit	€m	€m	€m	€m
Change in fair value of outstanding hedging instruments since 1 January	(13.1)	(25.3)	(35.1)	70.2
Change in value of hedged item used to determine hedge effectiveness	13.1	25.3	(35.1)	70.2
Unit of rate / price	Interest rate % / FX rate	Interest rate %	€/Mwh	€/Mwh
Weighted average hedged rate / price	4.31%/0.8754	4.25%	93.52	93.52

2024

	GBP-Cross-currency interest rate swaps (Level 2) €m	EUR - Interest rate swap (Level 2) ¹ €m	Forward fuel price contracts - Gas (Level 3) ² €m	Forward fuel price contracts - Electricity (Level 3) ² €m
Carrying amount unit				
Carrying amount - (liability) / asset as at 31 December 2024	(14.8)	60.1	(204.0)	341.9
Notional unit	£m	€m	Gwh	Gwh
Notional amount	333.5	500.0	5.1	5.1
Maturity date - earliest	Nov-28	Mar-36	Jan-24	Jan-24
Maturity date - latest	May-32	Mar-36	Dec-26	Dec-26
Hedge ratio ³	1:1	1:1	1:1	1:1
Change in fair value unit	€m	€m	€m	€m
Change in fair value of outstanding hedging instruments since 1 January	(5.6)	19.8	445.1	(330.8)
Change in value of hedged item used to determine hedge effectiveness	5.6	(19.8)	445.1	(330.8)
Unit of rate / price	Interest rate % / FX rate	Interest rate %	€/Mwh	€/Mwh
Weighted average hedged rate / price	4.13%/0.8734	4.25%	178.9	178.9

1 ESB Group entered into a new swap in 2023.
2 Weighted average hedged rate / price is not applicable to the Level 3 contracts above. Level 3 hedge instruments link electricity more closely to fuel inputs.
3 The hedge ratio is the quantity of hedging instrument per quantity of hedged item. The appropriate hedge ratio is determined based on specific factors such as volumes of commodities required, contracted foreign exchange and interest rate exposures.

27. PENSION LIABILITIES

The Group operates a number of pension schemes for staff in both the Republic of Ireland, NI and GB. Pension arrangements in respect of staff in the Republic of Ireland including ESB employees seconded overseas are set out in section (a) below. Pension arrangements in respect of staff in the GB and NI are described in section (b) and (c).

(a) Parent and Group - Republic of Ireland
(i) ESB Defined Benefit Pension Scheme (The Scheme)

The ESB Defined Benefit Pension Scheme is a contributory pension Scheme with just over 11,000 members. The Scheme was closed to new members in 2011. The fund is vested in Trustees nominated by ESB and its members for the sole benefit of the Scheme's members and their dependants. The Scheme is a defined benefit Scheme and is registered as such with the Pensions Authority.

The regulations governing the Scheme stipulate the benefits that are to be provided and the contributions to be paid by both ESB and the contributing members. Notwithstanding the defined benefit nature of the benefits, ESB has no legal obligation to increase contributions to maintain those benefits in the event of a deficit. ESB's rate of contribution cannot be altered without the agreement of ESB and approval of the Minister for Climate, Energy and the Environment and the Minster for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Should a deficit arise in the future, ESB is obliged under the regulations to consult with the Trustees and the Scheme Actuary to consider the necessity of submitting an amending Scheme for Ministerial approval. This is different to the normal 'balance of cost' defined benefit approach, where the employer is liable to pay the balance of contributions required to fund benefits.

History
Historically the contributions of both ESB and members have been fixed by the Scheme regulations for long periods. On a number of occasions since the early 1980s, a deficit in the Scheme has been reported by the Scheme Actuary. On each occasion ESB has, in accordance with its obligations under the Scheme rules, consulted with the Committee¹, the Trustees and the Actuary. Following discussions with the unions, deficits were resolved by increasing contributions by both ESB and pension Scheme members.

Under an agreement with the ESB Group of Unions in 2010, ESB agreed to a once off cash injection into the Scheme, payable over a number of years, which had an agreed valuation for actuarial purposes as at 1 January 2010 of €591.0 million. In 2020, the remaining balance of this amount was paid to the Trustees of the Scheme by ESB. ESB does not intend that any further contributions, other than the normal ongoing contributions currently provided for under the Scheme regulations will be made.

1 The Superannuation Committee was dissolved in June 2024 in line with IORP regulations and Statutory Instrument 289/2024.

Ongoing Valuations
There are three different methods of assessing the financial status of the Scheme:

- Ongoing Actuarial Valuation.
- Minimum Funding Standard, under the Pensions Act.
- Accounting, as set out in International Accounting Standard 19, Employee Benefits.

Each of these methods assesses the Scheme from specific perspectives using assumptions and projections which may differ.

Ongoing Actuarial Valuation
This valuation method assumes that both the Scheme and ESB continue in existence for the foreseeable future - it is not a wind-up valuation. As part of the triennial valuation carried out as at the end of 2023 and the interim valuation at the end of September 2025, the Scheme Actuary confirmed that the Scheme remained broadly in balance on an ongoing actuarial basis, i.e. that based on the assumptions made, the Scheme is projected to be able to meet its obligations as they fall due.

Wind Up / Minimum Funding Standard Valuation
The Pensions Act requires the Trustees of the Scheme to also assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard ("MFS"). This assesses whether, if the Scheme were wound up on a specified theoretical valuation date, it could secure the benefits on that date. It should be noted that ESB does not envisage the winding up of the Scheme.

The MFS and MFS Risk Reserve are monitored by both the Scheme Actuary and Trustees and the Scheme Actuary confirmed that at the end of 2024 and at the end of September of 2025, the Scheme met both the MFS and MFS Risk Reserve requirements.

Accounting
IAS 19 (revised) Employee Benefits is the relevant accounting standard to determine the way post-employment benefits should be reflected in ESB's financial statements.

Notes to the Financial Statements (continued)

27. PENSION LIABILITIES (continued)

The financial statements reflect the following obligations to the Scheme:

- Ongoing contributions - these are recognised in the income statement as incurred. Any unpaid amounts at year end are recognised as liabilities on the balance sheet.
- Obligations of €69.0 million (2024: €74.2 million) to the Scheme are also included on the balance sheet, made up of:
 - Past service contributions – the on-going rate of contribution by ESB includes a contribution towards past service accrued in 2010. The present value of future contributions in respect of that past service are recognised on the balance sheet. Amounts yet to be paid are subject to an annual financing charge and this is expensed in the income statement.
 - Past Voluntary Severance ("VS") Programmes – in 2010 ESB recognised a future fixed commitment in respect of staff who had left ESB under previous VS programmes. ESB will make pension contributions in respect of those staff and the fair value of those future contributions are also recognised on the balance sheet. Amounts yet to be paid are subject to an annual financing charge and this is expensed in the income statement.

(ii) ESB Defined Contribution Pension Scheme

ESB also operates an approved defined contribution Scheme (called the ESB Defined Contribution Pension Scheme) for employees of ESB subsidiary companies in the Republic of Ireland and, from 1 November 2010, new staff of ESB (the parent company). Contributions are paid by the members and the employer at fixed rates. The benefits secured at retirement reflect each employee's accumulated fund and the cost of purchasing benefits at that time. Death benefits are insured on a Group basis and may be paid in the form of a lump sum and/or survivor's pension. The pension charge for the year represents the defined employer contribution and amounted to €30.1 million (2024: €26.4 million).

(b) FM United Kingdom Worksave Scheme

In addition, ESB operates a contract based defined contribution pension scheme in the UK for its employees in GB and NI, other than those in NIE Networks and So Energy. Contributions are paid by the members and the employer at fixed rates. The benefits secured at retirement reflect each employee's accumulated fund and the cost of purchasing benefits at that time. Death benefits are insured on a Group basis and may be paid in the form of a lump sum. The assets of this Scheme are held in individual accounts managed by Legal & General Assurance Society Limited. The pension charge for the year represents the defined employer contribution and amounted to €1.3 million (2024: €0.9 million).

(c) Northern Ireland Electricity Pension Scheme

The majority of the employees in NIE Networks are members of the Northern Ireland Electricity Pension Scheme (the NIE Networks Scheme). This has two sections: "Options", which is a money purchase arrangement whereby the employer generally matches the members' contributions up to a maximum of 8% of salary, and "Focus" which provides benefits based on pensionable salary at retirement or earlier exit from service. The assets of the NIE Networks Scheme are held under trust and invested by the Trustees on the advice of professional investment managers. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets and the day-to-day administration of the benefits of the scheme. Focus has been closed to new members since 1998 and therefore under the projected unit credit method the current service cost for members of this section as a percentage of salary will increase as they approach retirement age.

As the benefits paid to members of the Options section of the scheme are directly related to the value of assets for Options, there are no funding issues with this section of the scheme. The remainder of this note is therefore in respect of the Focus section of the scheme. Under the Focus section of the scheme, employees are entitled to annual pensions on retirement at age 63 (for members who joined after 1 April 1988) of one-sixtieth of final pensionable salary for each year of service. Benefits are also payable on death and following events such as withdrawing from active service.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Focus section of the scheme was carried out by a qualified actuary as at 31 March 2022 and showed a deficit of €33.2 (£29.0) million. The Company paid deficit contributions of €22.9 (£20.0) million per annum (increasing in line with inflation) from 1 April 2022. These deficit contribution payments ceased on 30 September 2023 in line with the recovery plan agreed with the Trustees. Since 1 April 2023, NIE Networks also pays contributions of 52.1% of pensionable salaries (2024: 52.1%) in respect of current accrual plus €114,523 (£100,000) monthly expenses (2024: €114,523 (£100,000)), with active members paying a further 6.6% of pensionable salaries. A funding valuation is currently being conducted by a qualified actuary and is expected to be finalised by March 2026.

27. PENSION LIABILITIES (continued)

Profile of the Scheme

The defined benefit pension scheme surplus includes benefits for current employees, former employees and current pensioners. Broadly, about 17% of the liabilities are attributable to current employees, 3% to former employees and 80% to current pensioners. The Scheme duration is an indication of the weighted average time until benefit payments are made. For the NIE Networks Scheme, the duration is around 11 years (2024: 11 years) based on the last funding valuation.

The Company has recognised an accounting surplus on the 'Focus' defined benefit pension scheme in line with the most recent IAS 19 valuation on the basis of the Company's assessment that it has the right to any remaining surplus on the eventual winding up of the pension scheme following gradual settlement of the scheme's liabilities. In making this judgement, the Company is of the view that no other party has the unilateral right to wind-up the scheme or amend the liabilities of the scheme.

Financial assumptions

The valuation of the Focus section of the NIE Networks Scheme by independent actuaries for the purpose of IAS 19 disclosures is based on the following assumptions:

	% at 31 December 2025	% at 31 December 2024
Rate of interest applied to discount liabilities ¹	5.50	5.50
Price inflation (CPI in the United Kingdom)	2.60	2.80
Rate of increase of pensionable salaries	2.90	3.20
Rate of increase of pensions in payment	2.60	2.80

1 The discount rate used in the calculation of the pension liability at 31 December 2025 was 5.5 % (2024: 5.5%). This was determined by reference to market yields as at that date on high quality corporate bonds. The currency and term of the corporate bonds were consistent with the currency and estimated term of the post-employment benefit obligations.

Mortality assumptions

The assumptions relating to life expectancy at retirement for members are set out below. These assumptions are based on standard actuarial mortality tables and include an allowance for future improvements in life expectancy.

	At 31 December 2025		At 31 December 2024	
	Males Years	Females Years	Males Years	Females Years
Current pensioners at aged 60	25.6	28.3	26.6	29.1
Future pensioners currently aged 40 (life expectancy at age 60)	27.6	29.7	28.5	30.2

Pension assets and liabilities

	At 31 December 2025	At 31 December 2024
	€m	€m
Equities - quoted	-	60.4
Bonds - quoted	223.6	260.0
Multi-asset credit investments	625.3	601.9
Diversified growth - quoted	62.9	71.6
Other	21.3	23.1
Fair value of plan assets	933.1	1,017.0
Present value of funded obligations	(882.5)	(948.5)
Net surplus	50.6	68.5

Notes to the Financial Statements (continued)

27. PENSION LIABILITIES (continued)

	At 31 December 2025 €m	At 31 December 2024 €m
Changes in the actuarial value of liabilities		
Benefit obligation at the beginning of the year	948.5	984.5
Current service cost	2.6	3.5
Interest cost	47.4	47.6
Plan members' contributions	0.2	0.3
Actuarial gain impact of financial assumption changes	(36.6)	(49.0)
Actuarial loss - experience loss	40.3	1.2
Benefits paid	(70.8)	(77.1)
Curtailment cost	-	0.1
Translation adjustment on benefit obligation in the year	(49.1)	37.4
Benefit obligation at the end of the year	882.5	948.5
Changes in the market value of assets		
Fair value of plan assets at the beginning of the year	1,017.0	1,058.0
Interest income on plan assets	51.1	51.5
Return on plan assets	(15.9)	(63.1)
Employer contributions	6.4	7.9
Plan members' contributions	0.2	0.3
Administration expenses	(2.4)	(1.7)
Benefits paid	(70.8)	(77.1)
Translation adjustment on assets in the year	(52.5)	41.2
Fair value of plan assets at the end of the year	933.1	1,017.0
Actual return on plan assets for the year	35.2	(11.6)

The Group expects to make contributions of approximately €3.1 million to Focus in 2026.

Analysis of the amounts recognised in the employee costs as part of the employee benefit charge were as follows:

	2025 €m	2024 €m
Current service cost	(2.6)	(3.5)
Curtailment cost	-	(0.1)
Administration expenses	(2.4)	(1.7)
Total defined benefit charge in year	(5.0)	(5.3)

Analysis of the amounts recognised in the finance costs, as net pension scheme interest:

	2025 €m	2024 €m
Interest on pension scheme assets	51.1	51.5
Interest on pension scheme liabilities	(47.4)	(47.6)
Net pension scheme charge interest income	3.7	3.9

Analysis of the amounts recognised in the statement of comprehensive income (excluding translation):

27. PENSION LIABILITIES (continued)

	2025 €m	2024 €m
Actuarial loss on assets less interest	(15.9)	(63.1)
Actuarial (loss) / gain on liabilities	(3.7)	47.8
Net actuarial loss	(19.6)	(15.3)

Sensitivity analysis

The table below shows the possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Impact on defined benefit obligation

	2025 €m	2024 €m
Discount rate (0.25% increase)	20.8	23.6
Inflation rate (0.25% increase)	(18.8)	(21.3)
Future mortality (1 year increase)	(26.0)	(25.2)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

28. LIABILITY- ESB PENSION SCHEME AND EMPLOYEE RELATED LIABILITIES

Group	Liability - ESB pension scheme €m	Employee related liabilities		
		Restructuring liabilities €m	Other €m	Total €m
Balance at 1 January 2024	83.1	29.8	86.1	115.9
Movements during the year:				
(Credited) / Charged to the income statement	(3.5)	5.3	123.4	128.7
Utilised during the year	(8.8)	(7.7)	(116.2)	(123.9)
Financing charge	3.4	-	-	-
Balance at 31 December 2024	74.2	27.4	93.3	120.7
Balance at 1 January 2025	74.2	27.4	93.3	120.7
Movements during the year:				
(Credited) / Charged to the income statement	-	0.6	67.7	68.3
Utilised during the year	(8.7)	(15.6)	(66.7)	(82.3)
Financing charge	3.5	-	-	-
Balance at 31 December 2025	69.0	12.4	94.3	106.7
Analysed as follows:				
Non-current liabilities	60.6	7.9	-	7.9
Current liabilities	8.4	4.5	94.3	98.8
Total at 31 December 2025	69.0	12.4	94.3	106.7
Non-current liabilities	65.1	12.2	-	12.2
Current liabilities	9.1	15.2	93.3	108.5
Total at 31 December 2024	74.2	27.4	93.3	120.7

Notes to the Financial Statements (continued)

28. LIABILITY- ESB PENSION SCHEME AND EMPLOYEE RELATED LIABILITIES (continued)

	Liability - ESB pension scheme €m	Employee related liabilities		
		Restructuring liabilities €m	Other €m	Total €m
Parent				
Balance at 1 January 2024	83.1	29.8	77.1	106.9
Movements during the year:				
(Credited) / Charged to the income statement	(3.5)	5.3	118.9	124.2
Utilised during the year	(8.8)	(7.7)	(111.7)	(119.4)
Financing charge	3.4	-	-	-
Balance at 31 December 2024	74.2	27.4	84.3	111.7
Balance at 1 January 2025	74.2	27.4	84.3	111.7
Movements during the year:				
(Credited) / Charged to the income statement	-	-	64.5	64.5
Utilised during the year	(8.8)	(15.2)	(62.0)	(77.2)
Financing charge	3.5	-	-	-
Balance at 31 December 2025	68.9	12.2	86.8	99.0
Analysed as follows:				
Non-current liabilities	60.5	7.9	-	7.9
Current liabilities	8.4	4.3	86.8	91.1
Total at 31 December 2025	68.9	12.2	86.8	99.0
Non-current liabilities	65.1	12.2	-	12.2
Current liabilities	9.1	15.2	84.3	99.5
Total at 31 December 2024	74.2	27.4	84.3	111.7

Liability - ESB pension scheme
See note 27 (a) part (i).

Restructuring liabilities
This provision represents the estimated cost of providing post-employment payments to former employees, before the pension scheme payment commences at age 65. It includes liabilities for continuing payments to employees who left under past voluntary severance initiatives, which are expected to be materially discharged by 2035. Expected future cash flows are discounted to the present value using long-term interest rates based on zero discount curve at the reporting date plus an appropriate credit spread.

Other
In accordance with the requirements of IAS 19 Employee Benefits, provision has been made for employee remuneration liabilities, including accrued holiday leave and performance related payments.

29. TRADE AND OTHER PAYABLES

	Group		Parent	
	2025 €m	2024 €m	2025 €m	2024 €m
Current payables:				
Progress payments	168.5	184.6	121.5	141.0
Trade payables	424.9	581.3	272.3	327.4
Capital creditors	78.0	121.2	55.4	96.6
Other payables	203.5	449.6	80.0	187.6
Payroll taxes	24.8	24.2	20.2	20.3
Value added tax	26.7	18.6	-	-
Accruals	254.6	166.9	-	-
Amounts owed to subsidiary undertakings	-	-	7,646.2	8,743.4
Accrued interest on borrowings	106.6	108.7	80.8	81.3
Total current payables	1,287.6	1,655.1	8,276.4	9,597.6
Non-current payables:				
Other payables	11.6	13.8	-	-
Total non-current payables	11.6	13.8	-	-
Total payables	1,299.2	1,668.9	8,276.4	9,597.6

Included within other payables are collateral amounts pledged by the Group to bilateral parties of €nil (2024: €3.1 million) and €nil (2024: €206.6million (€72.7 million Parent related)) of restricted cash relating to the Irish Government's Electricity Costs Emergency Benefit Scheme and the UK Government's Energy Bills Support Scheme. Refer to note 22 for further details.

Other payables include amounts received in advance from customers primarily as a result of fixed payment plans.

Notes to the Financial Statements (continued)

30. DEFERRED INCOME

Group

	Supply contributions €m	Other deferred Income €m	Total €m
Balance at 1 January 2024	1,570.0	44.2	1,614.2
Transfer from progress payments on work in progress	179.9	-	179.9
Deferred income received	-	27.6	27.6
Released to the income statement	(94.3)	(23.6)	(117.9)
Translation adjustments	20.6	-	20.6
Balance at 31 December 2024	1,676.2	48.2	1,724.4
Balance at 1 January 2025	1,676.2	48.2	1,724.4
Transfer from progress payments on work in progress	235.0	-	235.0
Deferred income received	-	37.6	37.6
Released to the income statement	(86.9)	(23.4)	(110.3)
Deferred income reclass from PPE (note 13)	11.1	-	11.1
Translation adjustments	(27.1)	-	(27.1)
Balance at 31 December 2025	1,808.3	62.4	1,870.7
Analysed as follows:			
Non-current liabilities	1,701.7	38.3	1,740.0
Current liabilities	106.6	24.1	130.7
Total at 31 December 2025	1,808.3	62.4	1,870.7
Non-current liabilities	1,577.4	38.3	1,615.7
Current liabilities	98.8	9.9	108.7
Total at 31 December 2024	1,676.2	48.2	1,724.4

Parent

	Supply contributions €m	Other deferred Income €m	Total €m
Balance at 1 January 2024	1,094.1	-	1,094.1
Transfer from progress payments on work in progress	133.1	-	133.1
Released to the income statement	(68.3)	-	(68.3)
Balance at 31 December 2024	1,158.9	-	1,158.9
Balance at 1 January 2025	1,158.9	-	1,158.9
Transfer from progress payments on work in progress	189.1	-	189.1
Deferred income received	-	15.1	15.1
Released to the income statement	(77.8)	-	(77.8)
Deferred income reclass from PPE (note 13)	11.1	-	11.1
Balance at 31 December 2025	1,281.3	15.1	1,296.4
Analysed as follows:			
Non-current liabilities	1,186.4	15.1	1,201.5
Current liabilities	94.9	-	94.9
Total at 31 December 2025	1,281.3	15.1	1,296.4
Non-current liabilities	1,084.1	-	1,084.1
Current liabilities	74.8	-	74.8
Total at 31 December 2024	1,158.9	-	1,158.9

31. PROVISIONS

	Asset retirement provision €m	Emissions provision €m	Other €m	Total €m
Group				
Balance at 1 January 2024	535.2	398.2	142.9	1,076.3
Charged to the income statement				
▪ Emission allowances	-	351.3	-	351.3
▪ Legal and other	-	-	11.3	11.3
▪ Asset retirement	24.4	-	-	24.4
Reduction in asset retirement provision capitalised	(4.8)	-	-	(4.8)
Provision capitalised in the year (net)	-	-	(4.4)	(4.4)
Utilised in the year	(11.0)	(404.6)	(19.9)	(435.5)
Financing charge	17.1	-	-	17.1
Translation adjustments	2.9	5.8	1.0	9.7
Balance at 31 December 2024	563.8	350.7	130.9	1,045.4
Balance at 1 January 2025	563.8	350.7	130.9	1,045.4
Charged to the income statement				
▪ Emission allowances	-	298.6	-	298.6
▪ Legal and other	-	-	4.0	4.0
▪ Asset retirement	(8.1)	-	-	(8.1)
Reduction in asset retirement provision capitalised	(3.8)	-	-	(3.8)
Provision capitalised in the year (net)	3.1	-	3.3	6.4
Utilised in the year	(13.9)	(350.4)	(52.5)	(416.8)
Financing charge	17.0	-	0.1	17.1
Translation adjustments	(2.7)	(2.3)	(0.5)	(5.5)
Balance at 31 December 2025	555.4	296.6	85.3	937.3
Analysed as follows:				
Non-current liabilities	499.2	-	41.9	541.1
Current liabilities	56.2	296.6	43.4	396.2
Total at 31 December 2025	555.4	296.6	85.3	937.3
Non-current liabilities	537.1	-	51.3	588.4
Current liabilities	26.7	350.7	79.6	457.0
Total at 31 December 2024	563.8	350.7	130.9	1,045.4

Notes to the Financial Statements (continued)

31. PROVISIONS (continued)

Parent	Asset retirement provision €m	Emissions provision €m	Other €m	Total €m
Balance at 1 January 2024	433.4	189.8	103.0	726.2
Charged to the income statement				
▪ Emission allowances	-	151.0	-	151.0
▪ Asset retirement	23.8	-	-	23.8
Increase in asset retirement provision capitalised	4.4	-	-	4.4
Provision capitalised in the year (net)	-	-	1.9	1.9
Utilised in the year	(10.1)	(192.9)	(14.5)	(217.5)
Financing charge	13.2	-	-	13.2
Balance at 31 December 2024	464.7	147.9	90.4	703.0
Balance at 1 January 2025	464.7	147.9	90.4	703.0
Charged to the income statement				
▪ Emission allowances	-	141.3	-	141.3
▪ Legal and other	-	-	3.7	3.7
▪ Asset retirement	(1.4)	-	-	(1.4)
Reduction in asset retirement provision capitalised	(15.2)	-	-	(15.2)
Utilised in the year	(12.8)	(149.2)	(29.9)	(191.9)
Financing charge	13.4	-	-	13.4
Balance at 31 December 2025	448.7	140.0	64.2	652.9
Analysed as follows:				
Non-current liabilities	399.9	-	34.3	434.2
Current liabilities	48.8	140.0	29.9	218.7
Total at 31 December 2025	448.7	140.0	64.2	652.9
Non-current liabilities	439.6	-	41.3	480.9
Current liabilities	25.1	147.9	49.1	222.1
Total at 31 December 2024	464.7	147.9	90.4	703.0

Asset retirement provision

The Group provision at 31 December 2025 of €555.4 million (2024: €563.8 million) for asset retirement represents the present value of the current estimate of the costs arising from certain obligations in relation to the retirement and decommission of generation assets, windfarms, ESB Networks and NIE Networks creosote treated wood poles at the end of their useful economic lives.

The impact of climate transition and moving away from the use of thermal plants over time has an impact on the timing of plant closure. The expected closure dates of generation assets and windfarms are up to 2045. Due to changes in estimates during the year ended 31 December 2025 the asset retirement provision in relation to the retirement and decommission of generating assets and windfarms increased by €15.5 million (2024: increased by €23.6 million). The estimated value of future retirement costs at the balance sheet date includes physical dismantling, site remediation and associated costs offset by scrap value of materials. There is significant estimation and judgement required in the calculation of the provision for generation assets, including the impact of regulation, the accuracy of the site surveys, unexpected contaminants, the impact of alternative technologies and use of appropriate changes in the discount rates.

31. PROVISIONS (continued)

Creosote treated wood poles on the network for ESB Networks and NIE Networks are expected to be disposed over a period of up to 60 years. After updates for changes in discount rates, the asset retirement provision in respect to these poles decreased by €23.9 million (2024: increased by €5.0 million). There is significant judgement in estimating the level of provision as operational plans and the cost of disposal may change significantly in the future as a result of environmental legislation or pole condition given the length of time over which they are held. Such changes could materially impact the level of provision required.

The Group has made its best estimate of the financial effect of these uncertainties in determining the level of provisions required, but future material changes in any of the assumptions could materially impact on the calculation of the provisions.

As the costs are provided on a discounted basis, a financing charge is included in the income statement and credited to the provision each year. The asset retirement provision is re-examined annually and the liability re-calculated in accordance with the most recent expected estimate. Expected future cash flows are discounted to present values using an appropriate pre-tax discount rate.

A sensitivity analysis reflecting possible fluctuations to the main assumptions used in the recognition of the asset retirement provision is set out below.

	2025 €m	2024 €m
Decrease of asset retirement provision due to a 1% increase in the discount rate	(86.6)	(89.9)
Increase of asset retirement provision due to a 1% increase in the inflation rate	110.8	107.9

Emissions provision

In accordance with the provisions of the European CO₂ emissions trading scheme and the UK emissions trading scheme, a provision is recognised to cover the liability for actual emissions during the year. Allowances purchased during the year are returned to the relevant Authority in charge of the scheme within four and three months respectively from the end of that calendar year, in line with the actual emissions of CO₂ during the year. The provision represents the obligation to return emission allowances equal to the actual emissions. This obligation is measured at the cost of the CO₂ emission allowances purchased and held as intangible assets together with the market value of any additional allowances required to settle the year end liability.

Other provisions

Legal case - Cork flooding

Following on from flooding in Cork in November 2009, Aviva as University College Cork's ("UCC") insurer pursued a legal action against ESB in the High Court seeking recovery of €19 million for property damage. The Supreme Court decided that ESB is liable to UCC for negligence. The Court concluded that ESB had a duty of care to consider the effects of a natural flood on downstream landowners in operating its dams and that ESB had a duty to carry out a risk assessment of the effect of a flood downstream. The case was remitted to the High Court for a partial retrial to establish the extent of ESB's liability for the damage caused to UCC's buildings because of ESB's failure to discharge these duties.

On the issue of contributory negligence the Supreme Court found that UCC had been negligent in not carrying out its own risk assessments and taking steps to mitigate the risk posed to its buildings by the River Lee. The level of UCC's negligence was also remitted to the High Court. At a mediation held in December 2021, agreement was reached with UCC's insurers, Aviva, regarding settlement of the UCC claim and other claims made by plaintiffs insured by Aviva arising from the flooding in Cork in November 2009. On 18 January 2022 the High Court struck out the proceedings at the request of both parties and their insurers.

In addition to the UCC claim and associated Aviva claims, ESB has been served with 360 sets of proceedings relating to the flooding in Cork in November 2009. These claims are now being managed directly by ESB's insurers. On 31 December 2025, 150 claims remained outstanding, of which 66 were subsequently settled post year-end. The financial statements for 2025 include a provision of €19.1 million in respect of estimated damages and related costs in respect of all currently outstanding claims. A corresponding amount of €17.8 million is included in the financial statements in respect of the expected reimbursement under the related insurance contracts. ESB does not anticipate that the total amount of damages awarded and related costs for all of the actions will exceed its insurance cover.

Notes to the Financial Statements (continued)

31. PROVISIONS (continued)

Onerous Contracts

Onerous contract provisions include €8.2 million (2024: €5.8 million) in relation to obligations relating to maintenance and other contracts which are expected to exceed the benefits to be received.

Other provisions

Other provisions also include:

- ESOP repurchase provision of €nil (2024: €2.0 million). See note 35 for further details.
- Deferred consideration in respect of acquisition of a 50% stake in Inch Cape Offshore Holdings Limited ("ICOHL") of €nil (2024: €18.1 million).
- Deferred consideration in respect of Superhomes Ireland DAC of €1.0 million (2024: €2.1 million).

Other legal

Other provisions also include estimates of liabilities to third parties, in respect of claims notified or provided for at year end. The year end provision includes an estimate for liabilities incurred but not yet reported.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

(a) Overview of financial risk management

Risk environment

The main financial risks faced by the Group relate to foreign exchange (particularly movements in the value of the euro relative to sterling and the US dollar) and commodity (electricity and fuel) price movements. Liquidity risk, and exposure to interest rate volatility, are key long-term financial risks also, but have been substantially addressed in the short run. Policies to protect the Group from these risks and other risk areas, such as credit risk, are regularly reviewed, revised and approved by the Board as appropriate. Group Treasury is responsible for the day-to-day treasury activities of the Group. The Finance and Investment Committee is regularly updated on key treasury matters, risk and associated mitigants.

Commodity price risk is managed by the front and middle office functions of the relevant business units: ESB Trading (within Generation Trading) and Customer Solutions. This is done in the context of an overall Group risk management framework. These activities are reviewed regularly by Group Internal Audit. It is the responsibility of the Trading Risk Management Committees within these two business units to ensure that internal audit findings and recommendations are adequately addressed. This is overseen by the Executive Director level Group Trading Committee ("GTC"). The Group Trading Risk Management function ensures that the Group's market, credit and operational risks are managed in a way designed to protect the Group from loss, while respecting the ring-fencing obligations in place between the business units.

Contracts entered into in order to hedge exposures arising from the production and sale of electricity may be divided into forward fuel price contracts, forward electricity price contracts and foreign exchange contracts. Financial instruments are derecognised on settlement or sale.

Risk reporting structure

Through the Chief Executive, the Board has delegated to the GTC, the broader responsibility of managing ESB's trading risk in a manner consistent with the Group's risk tolerances and business strategies. The GTC has established risk limits to manage and limit trading risk exposure at Group and business unit level. These limits are documented for each of the ESB businesses engaged in wholesale trading activities. Furthermore, the Group Trading Risk Management Policy is applicable to each of these businesses.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

In both Generation Trading and Customer Solutions, separate Trading Risk Management Committees meet on a monthly basis (or more frequently as required) and serve as the primary overseer of trading risk at individual ring-fenced business unit level. These committees include the head of the Front Office function, the Trading Risk (Middle Office) Manager, a representative from Group Trading Risk Management, and the business unit Financial Controller. The Trading Risk Management Committees are responsible for formulating trading risk strategy in accordance with the Group Trading Risk Management Policy and ensuring compliance with same, trading risk limit management, and for ensuring that an effective control framework is in place.

The Middle Office function in each business unit maintains a separate reporting line to the Group Trading Risk Management function, which is responsible for ensuring that the Group's net exposure to movements in commodity or other price movements is adequately managed in accordance with Group Trading Risk Management Policy.

Hedge accounting

ESB funds its operations using borrowings and uses deposit instruments to invest surplus funds. ESB also uses interest rate and foreign currency instruments to manage interest rate and currency risks that arise in the normal course of operations from sterling denominated borrowings, from its foreign currency subsidiaries and from the use of foreign currency suppliers. Hedge accounting pursuant to IFRS 9 is used both for hedges of foreign currency liabilities and interest rate risks from current and non-current liabilities.

In addition, the Group enters into certain commodity hedging transactions to fix fuel costs and to link electricity revenues more closely to fuel inputs, where possible. The Group decides at inception whether to designate financial instruments into hedge relationships. Certain arrangements meet the specific hedge accounting criteria of IFRS 9.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 'Financial Instruments'.

Where contracts do not meet the criteria for own use, they are accounted for as trading derivatives and are recognised in the balance sheet at fair value under IFRS 9, with movements in fair value recognised in the income statement as they cannot be designated as accounting hedges under IFRS 9, although Management consider them to be effective economic hedges. Fair value movements on these trades do not reflect the underlying performance of the business because they are economically related to the Group's generation assets or customer demand, and to associated physically settled electricity price hedging trades, which are not fair valued. Therefore, fair value movements on these forward fuel commodity price trades and related foreign exchange contracts (together, "certain re-measurements") are disclosed separately and are subsequently reflected in underlying operating profit when the underlying transaction or asset impacts profit or loss. The effects of these certain re-measurements are presented within either Revenue or Energy Costs when recognised in underlying operating profit, depending on the nature of the contract.

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

(b) Overview of financial assets and liabilities

Financial assets and liabilities, excluding employee related liabilities, at 31 December 2025 and at 31 December 2024 can be analysed as follows:

Group	Financial assets at fair value through profit or loss		Assets / liabilities held at amortised cost		Derivative financial instruments with hedging relationships		Derivative financial instruments with no hedging relationships		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Assets										
Non-current assets										
Amounts due from insurers	-	-	8.9	22.5	-	-	-	-	8.9	22.5
Trade and other receivables	-	-	4.4	-	-	-	-	-	4.4	-
Amounts due from equity accounted investees	-	-	718.9	584.7	-	-	-	-	718.9	584.7
Financial asset investments	0.8	0.8	-	-	-	-	-	-	0.8	0.8
Finance lease receivable	-	-	35.1	-	-	-	-	-	35.1	-
Derivative financial instruments	-	-	-	-	65.8	86.0	34.1	29.9	99.9	115.9
Total non-current financial assets	0.8	0.8	767.3	607.2	65.8	86.0	34.1	29.9	868.0	723.9
Current assets										
Amounts due from insurer	-	-	8.9	22.2	-	-	-	-	8.9	22.2
Amounts due from equity accounted investees	-	-	13.4	428.1	-	-	-	-	13.4	428.1
Trade and other receivables*	-	-	2,528.7	1,506.8	-	-	-	-	2,528.7	1,506.8
Cash and cash equivalents	-	-	707.0	1,064.9	-	-	-	-	707.0	1,064.9
Finance lease receivable	-	-	38.2	-	-	-	-	-	38.2	-
Derivative financial instruments	-	-	-	-	23.4	112.0	100.6	141.2	124.0	253.2
Total current financial assets	-	-	3,296.2	3,022.0	23.4	112.0	100.6	141.2	3,420.2	3,275.2
Total financial assets	0.8	0.8	4,063.5	3,629.2	89.2	198.0	134.7	171.1	4,288.2	3,999.1
Liabilities										
Non-current liabilities										
Borrowings and other debt	-	-	6,915.3	7,004.9	-	-	-	-	6,915.3	7,004.9
Lease liabilities	-	-	132.2	99.0	-	-	-	-	132.2	99.0
Trade and other payables	-	-	11.6	13.8	-	-	-	-	11.6	13.8
Derivative financial instruments	-	-	-	-	1.7	14.5	342.7	335.5	344.4	350.0
Total non-current financial liabilities	-	-	7,059.1	7,117.7	1.7	14.5	342.7	335.5	7,403.5	7,467.7
Current liabilities										
Borrowings and other debt	-	-	509.5	480.2	-	-	-	-	509.5	480.2
Lease liabilities	-	-	15.1	18.0	-	-	-	-	15.1	18.0
Trade and other payables**	-	-	1,236.1	1,612.3	-	-	-	-	1,236.1	1,612.3
Derivative financial instruments	-	-	-	-	-	-	118.0	112.9	118.0	112.9
Total current financial liabilities	-	-	1,760.7	2,110.5	-	-	118.0	112.9	1,878.7	2,223.4
Total financial liabilities	-	-	8,819.8	9,228.2	1.7	14.5	460.7	448.4	9,282.2	9,691.1

* Prepayments have been excluded as they are not classified as a financial asset.
** VAT and employment taxes have been excluded as these are statutory liabilities.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The Group's provisions and employee related liabilities are not analysed in the table above, or in the further analysis on the following page. This includes the liability for pension obligation of €69.0 million at 31 December 2025 (2024: €74.2 million). See notes 27 and 28 in relation to this and employee related liabilities.

Parent	Financial assets at fair value through profit or loss		Assets / liabilities held at amortised cost		Derivative financial instruments with hedging relationships		Derivative financial instruments with no hedging relationships		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Assets										
Non-current assets										
Amounts due from insurer	-	-	8.9	22.3	-	-	-	-	8.9	22.3
Amounts due from equity accounted investees	-	-	136.9	116.8	-	-	-	-	136.9	116.8
Amounts due from subsidiary undertakings	-	-	693.0	1,447.8	-	-	-	-	693.0	1,447.8
Investments in subsidiary undertakings	-	-	69.8	69.8	-	-	-	-	69.8	69.8
Finance lease receivable	-	-	35.1	-	-	-	-	-	35.1	-
Derivative financial instruments	-	-	-	-	34.9	60.1	33.8	26.5	68.7	86.6
Total non-current financial assets	-	-	943.7	1,656.7	34.9	60.1	33.8	26.5	1,012.4	1,743.3
Current assets										
Amounts due from insurer	-	-	8.9	22.4	-	-	-	-	8.9	22.4
Amounts due from equity accounted investees	-	-	0.5	2.1	-	-	-	-	0.5	2.1
Trade and other receivables*	-	-	4,916.5	4,230.1	-	-	-	-	4,916.4	4,230.1
Cash and cash equivalents	-	-	627.8	745.4	-	-	-	-	627.8	745.4
Finance lease receivable	-	-	38.2	-	-	-	-	-	38.2	-
Derivative financial instruments	-	-	-	-	-	-	96.6	140.5	96.6	140.5
Total current financial assets	-	-	5,591.9	5,000.0	-	-	96.6	140.5	5,688.5	5,140.5
Total financial assets	-	-	6,535.6	6,656.7	34.9	60.1	130.4	167.0	6,700.9	6,883.8
Liabilities										
Non-current liabilities										
Borrowings and other debt	-	-	363.0	442.1	-	-	-	-	363.0	442.1
Lease liabilities	-	-	42.4	24.1	-	-	-	-	42.4	24.1
Derivative financial instruments	-	-	-	-	1.7	-	15.3	29.5	17.0	29.5
Total non-current financial liabilities	-	-	405.4	466.2	1.7	-	15.3	29.5	422.4	495.7
Current liabilities										
Borrowings and other debt	-	-	47.4	59.0	-	-	-	-	47.4	59.0
Lease liabilities	-	-	5.4	8.2	-	-	-	-	5.4	8.2
Trade and other payables**	-	-	8,256.2	9,577.3	-	-	-	-	8,256.2	9,577.3
Derivative financial instruments	-	-	-	-	-	-	79.5	106.3	79.5	106.3
Total current financial liabilities	-	-	8,309.0	9,644.5	-	-	79.5	106.3	8,388.5	9,750.8
Total financial liabilities	-	-	8,714.4	10,110.7	1.7	-	94.8	135.8	8,810.9	10,246.5

* Prepayments have been excluded as they are not classified as a financial asset.
** VAT and employment taxes have been excluded as these are statutory liabilities.

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The Parent's employee related liabilities are not analysed in the table above, or in the further analysis on the following page. This includes the liability for pension obligation of €68.9 million at 31 December 2025 (2024: €74.1 million). See notes 27 and 28 in relation to this and employee related liabilities.

(c) Funding and liquidity management

The following table sets out the contractual maturities of financial liabilities (and assets of a similar nature), including the interest payments associated with borrowings and the undiscounted net cash flows attributable to derivative financial instruments. Borrowings with a carrying value of €7,014.4 million (2024: €6,984.0 million) and net derivative financial instrument liabilities of €307.3 million (2024: €185.1 million) are included in the Group balances below, but do not comprise part of the Parent's assets and liabilities as they are not held directly by the Parent. See notes 15, 25, 26 and 29 for further analysis of Group and Parent financial assets and liabilities associated with the note below.

Group	Contractual Carrying amount / inflows - net €m	cash outflows €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
31 December 2025						
Borrowings	7,424.8	8,984.1	736.2	728.6	2,288.4	5,230.9
Lease liabilities	147.3	152.6	10.6	13.8	36.4	91.8
Trade and other payables (excluding tax balances and accrued interest on borrowings)	1,141.1	1,141.1	1,141.1	-	-	-
Derivative financial instruments	462.4	583.5	199.0	83.2	171.6	129.7
Total liabilities	9,175.6	10,861.3	2,086.9	825.6	2,496.4	5,452.4
Derivative financial instruments	223.9	277.6	147.4	71.8	33.6	24.8
Total assets	223.9	277.6	147.4	71.8	33.6	24.8
Net liabilities	8,951.7	10,583.7	1,939.5	753.8	2,462.8	5,427.6
31 December 2024						
Borrowings	7,485.1	9,005.6	697.7	736.8	2,047.6	5,523.5
Lease liabilities	117.0	130.7	21.4	16.9	17.5	74.9
Trade and other payables (excluding tax balances and accrued interest on borrowings)	1,517.4	1,517.4	1,517.4	-	-	-
Derivative financial instruments	462.9	482.4	255.8	70.7	99.3	56.6
Total liabilities	9,582.4	11,136.1	2,492.3	824.4	2,164.4	5,655.0
Derivative financial instruments	369.1	451.8	274.0	77.1	36.9	63.8
Total assets	369.1	451.8	274.0	77.1	36.9	63.8
Net liabilities	9,213.3	10,684.3	2,218.3	747.3	2,127.5	5,591.2

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Parent	Contractual Carrying amount / inflows - net €m	cash outflows €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
31 December 2025						
Borrowings	410.4	409.3	54.4	34.2	86.2	234.5
Lease liabilities	47.8	44.0	2.9	2.9	13.1	25.1
Trade and other payables (excluding tax balances and accrued interest on borrowings)	8,175.4	8,175.4	8,175.4	-	-	-
Derivative financial instruments	96.5	94.4	83.4	13.5	7.9	(10.4)
Total liabilities	8,730.1	8,723.1	8,316.1	50.6	107.2	249.2
Derivative financial instruments	165.3	169.3	104.9	28.1	17.8	18.5
Total assets	165.3	169.3	104.9	28.1	17.8	18.5
Net liabilities	8,564.8	8,553.8	8,211.2	22.5	89.4	230.7
31 December 2024						
Borrowings	501.1	485.7	69.3	58.2	94.8	263.4
Lease liabilities	32.3	35.6	8.8	5.7	8.7	12.4
Trade and other payables (excluding tax balances and accrued interest on borrowings)	9,496.0	9,496.0	9,496.0	-	-	-
Derivative financial instruments	135.8	138.2	108.9	19.0	10.3	-
Total liabilities	10,165.2	10,155.5	9,683.0	82.9	113.8	275.8
Derivative financial instruments	227.1	252.8	143.6	27.0	25.3	56.9
Total assets	227.1	252.8	143.6	27.0	25.3	56.9
Net liabilities	9,938.1	9,902.7	9,539.4	55.9	88.5	218.9

(d) Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. The ISDA agreements do not meet the criteria for offsetting in the consolidated balance sheet. This is because the Group does not have any current legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

Group	Gross amount of financial instruments in the statement of financial position €m	Amounts that are offset on the balance sheet €m	Net amount €m
31 December 2025			
Financial assets			
Interest rate swaps	65.3	(2.4)	62.9
Foreign exchange contracts	3.3	(3.5)	(0.2)
Forward fuel price contracts	155.3	(20.3)	135.0
	223.9	(26.2)	197.7
Financial liabilities			
Interest rate swaps	-	-	-
Inflation linked interest rate swaps	(281.5)	-	(281.5)
Currency swaps	(1.7)	0.4	(1.3)
Foreign exchange contracts	(7.6)	5.4	(2.2)
Forward fuel price contracts	(106.8)	20.4	(86.4)
Forward electricity price contracts	(64.8)	-	(64.8)
	(462.4)	26.2	(436.2)
31 December 2024			
Financial assets			
Interest rate swaps	69.3	(13.6)	55.7
Foreign exchange contracts	22.4	(7.5)	14.9
Forward fuel price contracts	277.4	(100.5)	176.9
	369.1	(121.6)	247.5
Financial liabilities			
Interest rate swaps	(8.0)	5.4	(2.6)
Inflation linked interest rate swaps	(321.7)	-	(321.7)
Currency swaps	(14.8)	11.2	(3.6)
Foreign exchange contracts	(7.9)	4.4	(3.5)
Forward fuel price contracts	(110.5)	100.6	(9.9)
	(462.9)	121.6	(341.3)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Parent	Gross amount of financial instruments in the statement of financial position €m	Amounts that are offset on the balance sheet €m	Net amount €m
31 December 2025			
Financial assets			
Interest rate swaps	45.9	(2.5)	43.4
Foreign exchange contracts	3.3	(3.5)	(0.2)
Forward fuel price contracts	116.1	(86.0)	30.1
	165.3	(92.0)	73.3
Financial liabilities			
Currency swaps	(1.7)	0.5	(1.2)
Foreign exchange contracts	(8.3)	5.4	(2.9)
Forward fuel price contracts	(86.5)	86.1	(0.4)
	(96.5)	92.0	(4.5)
31 December 2024			
Financial assets			
Interest rate swaps	77.2	(16.2)	61.0
Foreign exchange contracts	22.5	(7.5)	15.0
Forward fuel price contracts	127.4	(100.0)	27.4
	227.1	(123.7)	103.4
Financial liabilities			
Interest rate swaps	(8.0)	8.0	-
Currency swaps	(14.8)	11.2	(3.6)
Foreign exchange contracts	(7.8)	4.5	(3.3)
Forward fuel price contracts	(105.2)	100.0	(5.2)
	(135.8)	123.7	(12.1)

(e) Credit risk
Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including amounts due from equity accounted investees, outstanding receivables and committed transactions. In Parent credit risk also arises in respect of amounts due from subsidiary undertakings.

	2025		2024	
	Group €m	Parent €m	Group €m	Parent €m
Amounts due from insurer	17.8	17.8	44.7	44.7
Trade and other receivables ¹	3,265.4	5,746.9	2,519.6	5,796.8
Finance lease receivables	73.3	73.3	-	-
Cash and cash equivalents ²	707.0	627.8	1,064.9	745.4
Derivative financial instruments	223.9	165.3	369.1	227.1
	4,287.4	6,631.1	3,998.3	6,814.0

1 Prepayments have been excluded as they are not classified as a financial asset.
2 Including cash equivalents and restricted cash balances.

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Trade and other receivables

The Group is exposed to credit risk from the counterparties with whom it transacts with in its day-to-day operations. See note 21 for details of the expected credit loss recognised.

Treasury related credit risk (relating to cash and derivative instruments)

The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets. The Group's policy is to limit its exposure to each financial institution based on accepted credit ratings of not less than BBB- or equivalent.

Trading in derivatives is performed to mitigate financial risks and is executed in compliance with the Specification and Requirements of the Minister for Finance issued under the aegis of the Financial Transactions of Certain Companies and Other Bodies Act 1992, most recently in December 2017. The Specification and Requirements outline the type of derivatives which ESB can transact and the associated requirements which ESB must satisfy regarding each derivative counterparty. Dealing activities are controlled by putting in place robust dealing mandates with counterparties. The Group does not hold or trade derivative instruments for speculative purposes. Exposures, related limits and compliance with the Minister's Specification and Requirements are subject to ongoing review and monitoring. The Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

Commodity credit risk (relating to derivatives)

The Group also has credit risk associated with commodity positions. These arise from derivative financial instruments that are entered into to hedge energy and fuel price risks and are managed in accordance with the Minister's Specification and Requirements (Financial Transactions of Certain Companies and Other Bodies Act 1992). The Group establishes counterparty credit risk limits to restrict uncollateralised exposure. Net exposures, collateral requirements and compliance are monitored on an ongoing basis. So Energy was acquired during the year ending 31 December 2021 and was fully incorporated in the governance structure in February 2022.

Collateral, in the form of bonds and guarantees, is required by ESB business units from various parties, specifically in the form of Letters of Credit from certain power Contract for Differences ("CfD") counterparties. Total such collateral received by ESB in respect of power CfD positions at 31 December 2025 was €51.6 million (2024: €69.0 million collateral received by ESB). In addition an increasing proportion of fuel commodity purchases are executed on regulated exchanges. The Group's positions on trades executed on such exchanges are collateralised through the posting of initial margin and collateral in respect of the mark to market position on open forward trades. Total net exchange traded collateral at 31 December 2025 posted and receivable by ESB was €118.2 million (2024: €91.3 million collateral posted and receivable by ESB). The Group is cognisant of any changes in the creditworthiness of counterparties, and all appropriate steps are taken to further secure the Group's position, both by negotiating adequate protections in advance in the underpinning contractual master agreements and active management of any exposures, particularly where indications exist of a deterioration in the financial standing of counterparties.

Financial Guarantees

The Group enters into various commitments. These consist of financial guarantees, letters of credit and other commitments.

Even though these commitments may not be recognised on the Group balance sheet, credit risk exists in relation to these instruments as they commit the Group to make payments on behalf of subsidiary companies and equity accounted investees in the event of a specific act and therefore, they form part of the overall risk of the Group.

The nominal values of such commitments are listed below:

	2025 €m	2024 €m
Financial guarantees	1,604.6	780.2
Letters of credit	490.0	489.0
Total	2,094.6	1,269.2

The fair value of financial guarantees entered into by the Group on behalf of entities which are not included in the consolidated results of the Group (such as associates and joint ventures) have not been recognised in the Group financial statements as they are immaterial.

(f) Foreign currency risk management

Foreign currency exposures arise mainly through the purchase of fuel and power, station overhaul costs, other purchases denominated in foreign currencies, borrowings in foreign currencies and investments outside the Eurozone.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Foreign currency forward purchase contracts and cross currency swaps are used to reduce volatility arising from foreign currency exposures. The foreign currency forward purchase contracts in place at 31 December 2025 relate to forecast cash flows expected to occur up to 2033, with cross currency swaps relating to debt obligations extending to 2032.

At year end, ESB's total debt portfolio amounted to €7.4 billion (2024: €7.5 billion), of which the Parent held €0.4 billion (2024: €0.5 billion). The underlying debt, before and after swaps, was denominated in the following currencies:

Group	Before swaps		After swaps	
	2025 (%)	2024 (%)	2025 (%)	2024 (%)
Currency				
Euro	78	76	74	72
Sterling	22	24	26	28
Total	100	100	100	100

Parent	Before swaps		After swaps	
	2025 (%)	2024 (%)	2025 (%)	2024 (%)
Currency				
Euro	97	92	97	92
Sterling	3	8	3	8
Total	100	100	100	100

As shown above, the majority of the debt portfolio is either denominated in or swapped into euro for both principal and interest, thereby reducing the foreign currency risk exposure in the Group. In managing its foreign operations, the Group is cognisant of borrowing in currencies that match the functional currency of the foreign operation. Therefore, a proportion of debt is sterling-denominated primarily as a result of the NIE Networks acquisition and the operations of Carrington Power Limited.

Movements in the Euro / Sterling exchange rate impact on the carrying value of Sterling Debt, in Euro terms. Overall sensitivity to exchange rate volatility is driven by the level of Sterling denominated debt. This sensitivity exists whether or not the debt is held in a Group company whose functional currency is Sterling. Whether the movement is recognised in the OCI or the income statement however depends on the functional currency of the company. Translation movements arising on Sterling denominated debt and intra Group balances in Group companies whose functional currency is Euro are recognised in the income statement. Translation movements on Sterling denominated debt in Group companies whose functional currency is Sterling are recognised in the translation reserve on consolidation.

A change of 10% in foreign currency exchange rates at 31 December 2025 would increase equity and profit before taxation by the amount set out below. This analysis assumes that all other variables remain constant.

Group	31 December 2025		31 December 2024	
	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)
	€m	€m	€m	€m
10% strengthening				
US Dollar	-	1.3	-	(0.1)
Sterling	223.9	(22.4)	247.0	(125.7)
10% weakening				
US Dollar	-	(1.0)	-	0.2
Sterling	(273.7)	48.8	(301.9)	186.5

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The following assumptions were made in respect of the sensitivity analysis above:

- changes in the carrying value of derivative financial instruments not in hedging relationships affect the income statement only;
- changes in the carrying value of derivative financial instruments that are cash flow hedges impact other comprehensive income only.

(g) Commodity price risk management

The volatility of the fuel prices required for the Group's electricity generation activities has been significant in recent years and the resulting exposures to fuel price movements are managed by the Group on a selective hedging basis. The Group has entered into forward commodity price contracts in relation to the purchase of gas required for electricity generation activities, refer to note 26 for further details. Forward fuel price contracts are valued based on physical volumes contracted and outstanding, and on the forward prices of products of a similar nature, at the balance sheet date, discounted where necessary based on an appropriate forward interest curve.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts.

A general increase of 10% in the price of gas at 31 December 2025 would impact equity and profit before taxation by the amount set out below. This analysis refers exclusively to the impact on related derivatives at year end only and assumes that all other variables, in particular foreign exchange rates remain constant and includes the impact of the value of commodity contracts in place. A 10% reduction would have an equal and opposite effect, on the basis that all other variables remain constant.

Group	31 December 2025		31 December 2024	
	Other comprehensive	Profit before	Other comprehensive	Profit before
	income	taxation	income	taxation
	gain	gain	gain	gain
	€m	€m	€m	€m
Gain due to 10% increase in gas prices	20.3	8.4	47.3	5.4

Parent	31 December 2025		31 December 2024	
	Other comprehensive	Profit before	Other comprehensive	Profit before
	income	taxation	income	taxation
	gain	gain	loss	loss
	€m	€m	€m	€m
Gain / (loss) due to 10% increase in gas prices	-	1.8	-	(1.3)

A general increase of 10% in the wholesale electricity price of the I-SEM at 31 December 2025 would impact other comprehensive income and profit before taxation by the amounts set out below. This analysis assumes that all other variables, in particular foreign exchange rates remain constant. A 10% reduction would have an equal and opposite effect, on the basis that all other variables remained constant.

Group	31 December 2025		31 December 2024	
	Other comprehensive	Profit before	Other comprehensive	Profit before
	income	taxation	income	taxation
	loss	loss	loss	loss
	€m	€m	€m	€m
Loss due to 10% increase in the wholesale electricity price	(44.7)	-	(63.1)	-

Parent	31 December 2025		31 December 2024	
	Other comprehensive	Profit before	Other comprehensive	Profit before
	income	taxation	income	taxation
	gain / (loss)	gain / (loss)	gain / (loss)	gain / (loss)
	€m	€m	€m	€m
Gain / (loss) due to 10% increase in the wholesale electricity price	-	-	-	-

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The sensitivity analysis provided above for the Group and Parent has been calculated as at 31 December 2025 using the following base commodity prices and foreign currency rates:

	2025	2024
Gas (Stg. p/therm)	63.40	97.50
Wholesale Electricity Price (€/MWh)	92.50	114.90
Coal (US\$/tonne)	-	114.50
Foreign currency rate (US\$ = €1)	1.17	1.04
Foreign currency rate (Stg£ = €1)	0.87	0.83

(h) Fair value

The fair values of financial assets and liabilities carried at amortised cost together with the carrying amounts shown in the balance sheet are as follows:

31 December 2025	Group		Parent	
	Carrying value	Fair value	Carrying value	Fair value
	€m	€m	€m	€m
Long-term debt	6,915.3	6,483.0	363.0	312.7
Short-term borrowings	509.5	506.9	47.4	44.8
Lease liabilities	147.3	147.3	47.8	47.8
Total borrowings	7,572.1	7,137.2	458.2	405.3
Non-current trade and other payables	11.6	11.6	-	-
Current trade and other payables	1,236.1	1,236.1	8,256.2	8,256.2
Amounts due from insurers	(17.8)	(17.8)	(17.8)	(17.8)
Non-current trade and other receivables	(723.3)	(723.3)	(829.9)	(829.9)
Current trade and other receivables	(2,542.1)	(2,542.1)	(4,917.0)	(4,917.0)
Cash and cash equivalents	(707.0)	(707.0)	(627.8)	(627.8)
Net liabilities	4,829.6	4,394.7	2,321.9	2,269.0

31 December 2024	Group		Parent	
	Carrying value	Fair value	Carrying value	Fair value
	€m	€m	€m	€m
Long-term debt	7,004.9	6,651.7	442.1	367.3
Short-term borrowings	480.2	470.4	59.0	56.6
Lease liabilities	117.0	117.0	32.3	32.3
Total borrowings	7,602.1	7,239.1	533.4	456.2
Non-current trade and other payables	13.8	13.8	-	-
Current trade and other payables	1,612.3	1,612.3	9,577.4	9,577.4
Amounts due from insurers	(44.7)	(44.7)	(44.7)	(44.7)
Non-current trade and other receivables	(584.7)	(584.7)	(1,564.6)	(1,564.6)
Current trade and other receivables	(1,934.9)	(1,934.9)	(4,232.2)	(4,232.2)
Cash and cash equivalents	(1,064.9)	(1,064.9)	(745.4)	(745.4)
Net liabilities	5,599.0	5,236.0	3,523.9	3,446.7

Current trade and other receivables are due within one year and are presented net of loss allowances measured using the expected credit loss model. Current trade and other payables are due within one year. The carrying value of this is considered to be materially in line with their fair value.

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The ESB Eurobonds and NIE Networks Sterling bonds fair value are measured using Level 1 inputs. The fair value of these bonds are derived from observation of the most recent traded values for these bonds in liquid markets at the balance sheet date. Other borrowings and debt are Level 2 fair values. The primary valuation technique used for borrowings and other debt classified as Level 2 fair values is discounting of the future associated cash flows using the zero coupon discount curve of the relevant currency.

Fair value - discount rates

The interest rates used to discount future estimated cash flows, where applicable, are based on the applicable EURIBOR, or SONIA yield curve at the reporting date plus an appropriate constant credit spread.

(i) Fair value hierarchy

The table below analyses financial assets and liabilities carried at fair value, by valuation method. The different levels relevant to financial assets and liabilities held by the Group have been defined as follows:

- Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: Inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group

	Level 1	Level 2	Level 3	Total
31 December 2025	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	65.3	-	65.3
▪ Foreign exchange contracts	-	3.3	-	3.3
▪ Forward fuel price contracts ¹	-	120.2	35.1	155.3
Financial assets at fair value through profit or loss	-	-	0.8	0.8
	-	188.8	35.9	224.7
Liabilities				
Derivative financial instruments				
▪ Currency swaps	-	(1.7)	-	(1.7)
▪ Foreign exchange contracts	-	(7.6)	-	(7.6)
▪ Forward fuel price contracts ¹	-	(106.8)	-	(106.8)
▪ Forward electricity price contracts	-	-	(64.8)	(64.8)
▪ Inflation-linked interest rate swaps	-	(281.5)	-	(281.5)
	-	(397.6)	(64.8)	(462.4)
Net (liability) / asset	-	(208.8)	(28.9)	(237.7)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

	Level 1	Level 2	Level 3	Total
31 December 2024	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	69.3	-	69.3
▪ Foreign exchange contracts	-	22.4	-	22.4
▪ Forward fuel price contracts ¹	-	139.5	137.9	277.4
Financial assets at fair value through profit or loss	-	-	0.8	0.8
	-	231.2	138.7	369.9
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(8.0)	-	(8.0)
▪ Currency swaps	-	(14.8)	-	(14.8)
▪ Foreign exchange contracts	-	(7.8)	-	(7.8)
▪ Forward fuel price contracts ¹	-	(110.6)	-	(110.6)
▪ Inflation-linked interest rate swaps	-	(321.7)	-	(321.7)
	-	(462.9)	-	(462.9)
Net (liability) / asset	-	(231.7)	138.7	(93.0)

1 Contracts that link the forward electricity price more closely with forward fuel prices are presented net in forward fuel at 31 December.

There have been no transfers between fair value levels during the year ended 31 December 2025 and 31 December 2024.

Parent

	Level 1	Level 2	Level 3	Total
31 December 2025	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	45.9	-	45.9
▪ Foreign exchange contracts	-	3.3	-	3.3
▪ Forward fuel price contracts	-	116.1	-	116.1
	-	165.3	-	165.3
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	-	-	-
▪ Currency swaps	-	(1.7)	-	(1.7)
▪ Foreign exchange contracts	-	(8.3)	-	(8.3)
▪ Forward fuel price contracts	-	(86.5)	-	(86.5)
	-	(96.5)	-	(96.5)
Net assets	-	68.8	-	68.8

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

31 December 2024	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	77.2	-	77.2
▪ Foreign exchange contracts	-	22.5	-	22.5
▪ Forward fuel price contracts	-	127.4	-	127.4
	-	227.1	-	227.1
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(8.0)	-	(8.0)
▪ Currency swaps	-	(14.8)	-	(14.8)
▪ Foreign exchange contracts	-	(7.8)	-	(7.8)
▪ Forward fuel price contracts	-	(105.2)	-	(105.2)
	-	(135.8)	-	(135.8)
Net assets				
	-	91.3	-	91.3

There have been no transfers between fair value levels during the year ended 31 December 2025 and 31 December 2024.

Measurement of fair values - valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Type	Valuation techniques	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Currency swaps, foreign exchange contracts and interest rate swaps	Level 2 – Present valuation of future cashflows are estimated based on forward FX and interest rates (from observable yield curves at the end of the reporting year) and contract rates, discounted at a rate that reflects own or counterparty credit risk.		
Forward fuel and electricity price contracts	Level 2 – The fair value of forward fuel contracts is determined by reference to gas, coal and carbon prices with the resulting value discounted to present values. Level 3 – The fair value of some specific forward fuel and electricity contracts are determined by reference to forward electricity prices which are unobservable.	Forward electricity prices	The estimated fair value would increase / (decrease) if Wholesale Electricity Price was higher / (lower). Generally a change in gas prices is accompanied by a directionally similar change in Wholesale Electricity Price.
Inflation linked interest rate swaps	Level 2 – Independent valuations are used and validated using the present valuation of expected cash flows using the interest rate yield curve of the relevant currency. The zero-coupon curve is based on using the interest rate yield curve of the relevant currency.		
Financial assets at fair value through profit or loss	Level 3 - Where applicable, unquoted investments are valued by deriving an enterprise value using one of the following methodologies: ▪ the price of a recent investment; ▪ revenue multiple.	Forecast annual revenue growth rate; Forecast gross margin	The value of investments are assessed based on expectations of the proceeds which could be realised in a disposal. See notes 8 and 17. This value will usually be driven by a number of inputs including the ability of the investee to grow its revenue and associated margins leading to higher EBITDA thus higher values.

The following table shows a reconciliation from opening balances at 1 January 2024 to the year ended 31 December 2025 for fair value measurements in Level 3 of the fair value hierarchy:

Group	Financial assets at fair value through profit or loss €m	Forward fuel price contracts €m	Forward electricity price contracts €m	Total €m
Balance at 1 January 2024	5.0	23.8	-	28.8
Disposals	(4.2)	-	-	(4.2)
Total gains / (losses):				
- in the OCI	-	114.1	-	114.1
Balance at 31 December 2024 - net	0.8	137.9	-	138.7
Balance at 1 January 2025	0.8	137.9	-	138.7
Additions	-	-	(81.0)	(81.0)
Total gains / (losses):				
- in profit or loss	-	-	16.2	16.2
- in the OCI	-	(125.7)	-	(125.7)
Settlements	-	22.9	-	22.9
Balance at 31 December 2025 - net	0.8	35.1	(64.8)	(28.9)

Notes to the Financial Statements (continued)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Financial assets at fair value through profit or loss are carried at fair value.

Where applicable, unquoted investments are valued by deriving an enterprise value using one of the following methodologies:

- the price of a recent investment;
- revenue multiple;
- cost, less any required provision.

Forward fuel price contracts and forward electricity price contracts included at Level 3 in the fair value hierarchy relate to long-term contracts whose valuations are based on a number of forward price assumptions, with some unobservable inputs, including assumed forward electricity, carbon and gas inputs for longer term periods.

Sensitivity analysis - Level 3 fair values

For the fair values of forward fuel and electricity price contracts reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Group	31 December 2025		31 December 2024	
	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)
	€m	€m	€m	€m
Gain due to 10% increase in gas prices	17.7	-	47.3	-
Loss due to 10% increase in Wholesale Electricity Prices	(39.1)	-	(63.1)	-

33. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

	2025 €m	2024 €m
Tangible assets contracted for	1,607.8	1,128.0
Intangible assets contracted for	15.6	10.8
Total contracted for	1,623.4	1,138.8

Share of equity accounted investees commitments	2025 €m	2024 €m
Offshore Renewables	1,171.8	427.7
Onshore Renewables	19.9	28.5
Other	14.2	17.0
Total contracted for	1,205.9	473.2

(b) Fuel contract commitments

There are a number of long-term gas supply arrangements in place for different periods up to 2028. These arrangements provide for pricing changes in line with changes in inbuilt energy market indicators. Where appropriate, embedded derivatives included in these arrangements have been separated and valued in accordance with IFRS 9.

(c) Other disclosures

In 2022, following the imposition of EU sanctions, ESB terminated a number of contracts with a supplier. The supplier subsequently wrote to ESB challenging ESB's termination of the contracts in question and initiated a claim seeking damages for wrongful termination of those contracts. The claim is currently the subject of an arbitration process, expected to conclude later in 2026. On the basis of the legal advice received, no provision has been made in respect of this matter in the financial statements on the basis that ESB believes that the claim can be successfully defended.

Other than as disclosed above, a number of other lawsuits, claims and disputes with third parties have arisen in the normal course of business. While any litigation or dispute has an element of uncertainty, the Board members believe that there were no contingent liabilities which would have a materially adverse effect on the Group's financial position.

34. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The Group is a state-owned company. 87.5% of the issued share capital is held by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, a further 10.2% of the issued share capital is held by the Minister for Climate, Energy and the Environment and the ESOP retaining 2.3% of the stock (see note 23 for further details).

Related Party Disclosures

In accordance with Paragraph 25 of IAS 24, ESB Group is exempt from disclosing related party transactions with another entity that is a related party solely because the Irish Government has control, joint control or significant influence over both the Group and that entity.

Semi-State bodies

In the ordinary course of business, the Group purchased/sold goods and services from entities controlled by the Irish Government such as EirGrid, Gas Networks Ireland, Uisce Eireann and Coillte Teoranta.

An infrastructure agreement is in place between the Group and EirGrid plc under the auspices of the Commission for Regulation of Utilities ("CRU"), in relation to the role of owner of the transmission system.

ESB has entered into agreements with EirGrid to enhance security of electricity supply to the national grid. This includes projects at ESB generation sites Northwall in Dublin, Shannonbridge Co. Offaly, and Moneypoint Co. Clare. See note 2 (viii) and (ix) for more detail.

The Group has entered into a number of joint venture arrangements with Bord na Móna and Coillte Teoranta to develop and operate wind farms. See note 17 for further details.

Board members' interests

Other than agreed allocations under ESOP, Board members had no beneficial interest in ESB or its subsidiaries at any time during the year. Other than dividends arising as a result of those allocations, there were no other transactions related to those interests.

ESOP

During the year ended 31 December 2025, ESB paid fees of €0.1 million (2024: €0.1 million) on behalf of ESOP. Please refer to note 35 for details of ESB's acquisition of ESOP capital stock.

Pensions

The Group operates a number of pension schemes for staff in the Republic of Ireland, Northern Ireland and Great Britain. See note 11 and note 27 for further details.

Subsidiary undertakings

Sales to and purchases from subsidiaries are conducted in the ordinary course of business.

During the year ended 31 December 2025, ESB Parent purchased gas, engineering, consulting and other services, including rental services of €237.6 million (2024: €741.1 million) from its subsidiaries.

During the year, ESB Parent had sales of €758.9 million (2024: €1,222.0 million) to subsidiaries. These sales mainly relate to management services and electricity charges including Use of System Charges and sales of electricity and gas.

During the year, ESB Parent earned interest of €108.2 million (2024: €137.5 million) from subsidiaries and incurred interest of €149.3 million (2024: €147.9 million) on inter-company loans.

At 31 December 2025, ESB Parent had gross amounts payable of €7,646.3 million (2024: €8,743.4 million) to its subsidiaries. These payables mainly relate to amounts held on deposit for subsidiaries and other amounts due to subsidiaries, borrowings raised by ESB Finance DAC and loaned to ESB Parent and amounts due in respect of engineering and consulting services.

At 31 December 2025, ESB Parent had balances receivable of €3,858.0 million (2024: €5,006.1 million) from its subsidiaries (net of allowances). These receivables mainly relate to management services and loans to subsidiaries as well as electricity charges including Use of System Charges. The total impairment allowance in respect of amounts owed by subsidiary undertakings at 31 December 2025 was €156.2 million (2024: €166.3 million).

Notes to the Financial Statements (continued)

34. RELATED PARTY TRANSACTIONS (continued)

Equity accounted investees

Group	2025 €m	2024 €m
Sale of goods / services ¹	31.2	33.4
Purchase of goods / services ²	67.6	83.2
Amounts owed from as at 31 December ³	732.3	1,012.8
Equity advanced during the year	6.7	16.5

- 1 ESB provided electricity sales, management and other professional services during the year to equity accounted investees as set out in the above table.
- 2 ESB purchases power from certain equity accounted investees under Power Purchase Agreements.
- 3 Amounts owed from equity accounted investees include shareholders loans (shown net of any impairments), interest on these loans and trade receivable balances. Following an assessment of all ESB's shareholder loans advanced to equity accounted investees, an expected credit loss of €134.6 million was recognised in the Group Income Statement as an exceptional finance cost (note 10) in 2024. No further expected credit loss has been recognised arising from the assessment as at 31 December 2025.

Terms and conditions

Sales to and purchases from equity accounted investees and associates are conducted in the ordinary course of business. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with equity accounted investees and associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to amounts due to or from related parties.

Key management compensation	2025 €m	2024 €m
Salaries and other short-term employee benefits	4.2	3.6
Post-employment benefits	0.4	0.4
	4.6	4.0

The key management compensation amounts disclosed above represent compensation to those people having the authority and responsibility for planning, directing and controlling the activities of the Group. These include the remuneration of senior executives and board members.

35. ESB ESOP TRUSTEE LIMITED

ESB ESOP Trustee Limited ("ESOP") is the Trustee to the ESB Employee Ownership Trust ("ESOT"). Under the terms of the creation of ESOP, ESB has no ability or rights to exert control over the assets or management of ESOP. ESOP is chaired by an independent professional Trustee, with four directors representing ESB employees and two directors representing ESB. In accordance with IFRS 10 'Consolidated Financial Statements', the financial statements for ESOP are not consolidated with the results of the ESB Group, as ESB does not control ESOP.

ESB has entered into an agreement with ESOP to support the acquisition of capital stock in internal markets. ESB has most recently received approval to commit up to €50 million to support the internal market through the repurchase and cancellation of units of capital stock placed for sale in future market auctions. To this end, ESB purchased and cancelled 3.8 million units of capital stock (2024: 3.0 million units) in the internal market held in 2025, at a cost of €10.1 million (2024: €8.1 million). This gave rise to capital redemption reserve movement of €3.8 million (2024: €3.0 million) during the year.

36. POST BALANCE SHEET EVENTS

On 27 January 2026, NIE Finance plc issued a new £600 million 5.875% fixed rate bond maturing in September 2041.

37. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 27th February 2026.

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEES AND ASSOCIATE UNDERTAKINGS

Company name	Registered office	Group share %	Nature of business
Subsidiary undertakings			
Direct subsidiary			
ESB Energy International Ltd.	2	100	Holding company
ESB Finance DAC.	2	100	Finance
ESB Financial Enterprises Ltd.	2	100	Holding company
ESB International Investments Ltd.	2	100	Holding company
ESB International Ltd.	2	100	Holding company
ESB Networks DAC.	24	100	Power distribution
ESBNI Ltd.	4	100	Holding company
Indirect subsidiary			
Airstream Wind Energy Ltd.	2	100	Development and construction of a wind farm
Airvolution Energy Ltd. (UK) (In Liquidation)	25	100	Power generation
Allt An Tuir Renewable Energy Park Ltd. ¹	27	10	Power generation
Ardderroo Windfarm Limited	2	100	Power generation
Blarghour Wind Farm Ltd. ¹	6	27.3	Power generation
Brightfuture Energy One Dac	2	100	Business development
Brightfuture Energy Two Dac	2	100	Business development
Bullstown Solar Ltd.	2	100	Business development
Cambrian Renewable Energy Ltd.	3	100	Power generation
Capital Pensions Management Ltd.	5	100	Pension scheme administration
Cappawhite Wind Ltd.	2	100	Power generation
Carrington Power Ltd.	35	100	Power generation
Castlepook Power DAC.	2	100	Power generation
Celtic 2 OSW Power Holdings DAC.	2	100	Holding company
Celtic OSW Power Holdings DAC.	2	100	Holding company
Chirmorie Wind Farm Ltd. ¹	6	32.89	Power generation
Chleansaid Wind Farm Ltd.	3	100	Windfarm development
Coolkeeragh ESB Ltd.	4	100	Power generation
Corvoderry Wind Farm Ltd.	2	100	Windfarm development
Craigneil Wind Farm Ltd.	3	100	Windfarm development
Crockagarran Windfarm Ltd.	4	100	Power generation
Crockahenny Wind Farm DAC.	2	75	Power generation
Curryfree Wind Farm Ltd.	4	100	Power generation
Darlees Wind Farm Ltd. ¹	6	8.2	Power generation
Dell Wind Farm Ltd. ¹	6	18.7	Power generation
Devon Wind Power Ltd.	3	100	Power generation
Durris Wind Farm Ltd. ¹	6	8.2	Power generation
ESB Asset Development (UK) Ltd.	13	100	Business development
ESB Commercial Properties Ltd.	2	100	Property management and development
ESB Energy Ltd.	3	90	Supply company
ESB Group (UK) Ltd.	3	100	Engineering and consultancy
ESB Independent Energy (NI) Ltd.	2	100	Electricity and gas sales
ESB Independent Energy Ltd.	2	100	Electricity and gas sales
ESB Independent Generation Trading Ltd.	2	100	Electricity and gas trading

Notes to the Financial Statements (continued)

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
ESB Innovation ROI Ltd.	2	100	Provision of energy and electromobility services
ESB Innovation UK Ltd.	3	100	Provision of energy and electromobility services
ESB Novusmodus GP Ltd.	2	100	Clean technology investment
ESB Power Generation Holding Company Ltd.	2	100	Holding company
ESB Retail GB Ltd.	21	90	Holding company
ESB Solar (Ireland) Ltd.	2	100	Business and management consultancy activities
ESB Solar (NI) Ltd.	4	100	Business and management consultancy activities
ESB Telecoms Ltd.	2	100	Telecommunications
ESB Trading Ltd.	2	100	Management and operation services
ESB Wind Development Ltd.	2	100	Business development
ESBI Carbon Solutions Ltd.	2	100	Dormant
ESBI Contracting Ltd. (in liquidation)	43	100	Dormant
ESBI Engineering and Facility Management Ltd.	1	100	Engineering
ESBI Luxembourg S.A.	14	100	Electricity generating assets investment
ESBII UK Ltd.	3	100	Holding company
Facility Management UK Ltd.	3	100	Facility management
Fitzwilliam Street Lower Management CLG.	2	50	Property Management
Foel Fach Wind Farm Ltd. ¹	6	8.2	Power generation
Carriglong Solar Farm Ltd.	2	100	Business development
Garvagh Glebe Power Ltd.	2	100	Power generation
Garvary Wind Farm Ltd. ¹	6	25.76	Windfarm development
Glasa Wind Farm Ltd. ¹	6	8.2	Power generation
Glendye Wind Farm Ltd. ¹	6	25.36	Power generation
Gort Windfarms Ltd.	2	100	Power generation
Greystone Knowe Wind Farm Ltd. ¹	6	13.86	Power generation
Gwynt Glas (ESB) Holding Company Ltd.	3	100	Holding company
Gwynt Glas Offshore Wind Farm Ltd. ¹	37	50	Windfarm development
Harmony Solar Clare Ltd. ¹	19	60	Business development
Harmony Solar Cork Ltd. ¹	19	60	Business development
Harmony Solar Dennistown Ltd.	2	100	Business development
Harmony Solar Galway Ltd. ¹	19	30	Business development
Harmony Solar East Limerick Ltd	19	30	Business development
Harmony Solar Kerry Ltd. ¹	19	60	Business development
Harmony Solar Kildallan Ltd. ¹	19	60	Business development
Harmony Solar Kildare Ltd.	19	70	Business development
Harmony Solar Kilkenny Ltd.	2	100	Business development
Harmony Solar Kilmorna Ltd. ¹	19	60	Business development
Harmony Solar Knockanoura Ltd.	19	60	Business development
Harmony Solar Limerick Ltd.	2	100	Business development
Harmony Solar Longford Ltd.	2	100	Business development
Harmony Solar Louth Ltd.	2	100	Business development
Harmony Solar Mayglass Ltd.	2	100	Business development
Harmony Solar Meath Ltd.	2	100	Business development
Harmony Solar Mullingar Ltd.	2	100	Business development

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Harmony Solar Milltown Ltd.	19	60	Business development
Harmony Solar Offaly Ltd.	2	100	Business development
Harmony Solar Ralphtown Ltd.	2	100	Business development
Harmony Solar Rathkeale Ltd. ¹	19	60	Business development
Harmony Solar Smithstown Ltd.	19	60	Business development
Helvick Head Offshore Wind Holdings DAC.	2	100	Holding company
Hibernian Wind Power Ltd.	2	100	Power generation
Hunter's Hill Wind Farm Ltd.	4	100	Power generation
Inveroykel Wind Farm Ltd. ¹	6	8.2	Power generation
Kerry Wind Power Ltd.	2	100	Power generation
Kintyre Renewable Energy Park Ltd. ¹	27	10	Power generation
Kirkan Wind Farm Ltd. ¹	6	16.44	Power generation
Knottingley Power Ltd.	3	100	Dormant
Lettermuckoo Windfarm Holdings Limited	2	100	Holding company
Lettermuckoo Energy Supply Limited	2	100	Power generation
Loch Garman Offshore Wind Holdings DAC.	2	100	Holding company
Malin Sea Wind Ltd.	3	100	Dormant
Merrion Park Owners Management Company CLG.	2	52	Property Management
Millmore Rig Wind Farm Ltd.	3	100	Windfarm development
Moneypoint Offshore Wind Holdings DAC.	2	100	Holding company
Moneypoint 2 Offshore Wind Holdings DAC.	2	100	Holding company
Mount Eagle WindFarm Ltd.	2	100	Power generation
Mountainlodge Power DAC.	2	85.9	Power generation
NIE Finance PLC.	5	100	Finance
NIE Ltd.	5	100	Dormant
NIE Networks Services Ltd.	5	100	Non-trading
Northern Ireland Electricity Ltd.	5	100	Dormant
Northern Ireland Electricity Networks Ltd.	5	100	Power transmission and distribution
Onshore Wind Development Holdco (UK) Ltd.	3	100	Holding company
Orliven Ltd.	2	100	Power generation
Pallas Windfarm Ltd.	2	100	Power generation
Pallas Energy Supply Ltd.	2	100	Power generation
Planet 9 Energy Ltd.	3	100	Trade of electricity
Pollie Hill Wind Farm Ltd. ¹	6	8	Power generation
REG Greenburn Ltd. ¹	26	10	Power generation
REG Knockodhar Ltd. ¹	27	10	Power generation
Rockgrid Limited	2	100	Power generation
Seastacks Offshore Wind Holdings DAC.	2	100	Holding company
Shanoagh PV Ltd.	19	60	Business development
Shantallow Solar Farm Ltd.	2	100	Business development
Shetland Offshore Wind Ltd.	3	100	Dormant
So Energy Limited	21	90	Supply company
So Energy Trading Ltd.	21	90	Supply company
Synergen Power Ltd.	7	100	Power generation
Tullamore Solar Farm Ltd.	2	100	Business development

Notes to the Financial Statements (continued)

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Tullynahaw Power Ltd.	2	100	Power generation
Trifolium South Operations Designated Activity Company	2	100	Business development
Trifolium Energy Holdings South Designated Activity Company	2	100	Business development
Vale of Leven Windfarm Ltd. ¹	6	8.2	Power generation
Waterfern Ltd.	2	100	Power generation
West Durham Wind Farm Ltd.	3	100	Power generation
West Torrisdale Wind Farm Ltd.	3	100	Windfarm development
Woodhouse WindFarm Ltd.	2	100	Power generation
Y Bryn Wind Farm Ltd. ¹	6	18.86	Power generation

Company name	Registered office	Group share %	Nature of business
Equity accounted investees			
Aldeburgh Offshore Wind Holdings Ltd.	15	50	Holding company
Aldeburgh Offshore Wind Investments Ltd.	15	50	Holding company
Ballinagree Wind DAC.	23	50	Power generation
Cahermurphy Renewables DAC.	23	27.5	Power generation
Celtic 1 OSW Power DAC.	2	50	Windfarm development
Celtic 2 OSW Power DAC.	2	50	Windfarm development
Clogherhead Offshore Wind DAC.	2	75	Windfarm development
Clogherhead Offshore Wind Holdings DAC.	2	75	Holding Company
Cummeennabuddoge Wind DAC.	23	50	Power generation
Five Estuaries Offshore Wind Farm Ltd.	16	20.83	Windfarm development
FuturEnergy Knockshanvo DAC.	23	50	Windfarm development
FuturEnergy Carker DAC.	23	50	Windfarm development
FuturEnergy Ballynahone DAC.	23	50	Windfarm development
FuturEnergy Barracree DAC.	23	50	Windfarm development
FuturEnergy Carrownagowan DAC.	23	50	Windfarm development
FEI Drum Holdings DAC	23	50	Windfarm development
FuturEnergy Corbally DAC.	23	50	Windfarm development
FuturEnergy Corravaddy DAC.	23	50	Windfarm development
FuturEnergy Croagh DAC.	23	50	Windfarm development
FuturEnergy Croaghaun DAC.	23	50	Windfarm development
FuturEnergy Crowagh DAC.	23	50	Windfarm development
FuturEnergy Cullenagh DAC.	23	50	Windfarm development
FuturEnergy Glenard DAC.	23	50	Windfarm development
FuturEnergy Gortnahurra DAC.	23	50	Windfarm development
FuturEnergy Ireland Development DAC.	23	50	Windfarm development
FuturEnergy Ireland Development Holdings DAC.	23	50	Holding company
FuturEnergy Kealafreaghane DAC.	23	50	Windfarm development
FuturEnergy Lissinagroagh DAC.	23	50	Windfarm development
FuturEnergy Mongorry DAC.	23	50	Windfarm development
FuturEnergy North Mayo DAC.	23	50	Windfarm development

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
FuturEnergy Scart Mountain DAC.	23	50	Windfarm development
FuturEnergy Brackley DAC.	23	50	Windfarm development
FuturEnergy Slieveragh DAC.	23	50	Windfarm development
FuturEnergy Tullintowell DAC.	23	50	Windfarm development
Galloper Wind Farm Holding Company Ltd.	16	12.5	Holding company
Galloper Wind Farm Ltd.	16	12.5	Power generation
Gortyrahilly Wind DAC.	23	50	Power generation
Havbredey Ltd.	31	24.5	Windfarm development
Helvick Head Offshore Wind DAC.	2	50	Windfarm development
Highland Wind Farm Ltd.	34	50	Power generation
Inch Cape Offshore Holdings Ltd.	42	50	Holding company
Inch Cape Offshore Holdings 2 Ltd.	35	50	Holding company
Inch Cape Offshore Ltd.	20	50	Business Development
Inchamore Wind DAC.	23	50	Power generation
Kestrel Energy Storage DAC.	10	33.3	Trade of gas through mains
Lenalea Wind Farm DAC.	36	25	Power generation
Lewis Wind Power Holdings Ltd.	33	50	Holding company
Loch Garman Offshore Wind DAC.	2	50	Windfarm development
Moneypoint 1 Offshore Wind DAC.	2	50	Windfarm development
Moneypoint 2 Offshore Wind DAC.	2	50	Windfarm development
Nearr Na Gaoithe Offshore Wind Ltd.	18	50	Windfarm development
NNG Windfarm Holdings Ltd.	18	50	Holding company
Oweninny Power 2 DAC.	2	50	Power generation
Oweninny Power 2 Holdings DAC.	2	50	Holding company
Oweninny Power DAC.	2	50	Power generation
Oweninny Power Holdings DAC.	2	50	Holding company
Raheenleagh Power DAC.	2	50	Power generation
Retrofit Superhomes Ltd.	22	50	Retrofit of homes
Saoirse Wave Energy Ltd.	2	100	Development of wave energy projects
Seastacks Offshore Wind DAC.	2	50	Windfarm development
SIRO DAC.	28	50	Fibre to the building
SIRO JV Holdco Ltd.	28	50	Holding Company
Spiorad na Mara Ltd.	31	24.5	Windfarm development
Springfield Renewables Ltd.	23	32.5	Power generation
Stornoway Wind Farm Ltd.	33	50	Holding company
Sundew Solar DAC.	2	50	Solar farm development
Superhomes Ireland DAC.	22	50	Retrofit of homes
Western Isles Offshore Wind N2 Ltd.	30	24.5	Holding company
Western Isles Offshore Wind N4 Ltd.	30	24.5	Holding company

Notes to the Financial Statements (continued)

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Investments			
Aviation Investment Fund Company Ltd	38	0	Scientific and technical activities
Dublin Offshore Technology Ltd.	29	24.4	Engineering activities and related technical consultancy
Heliex Power Ltd.	11	0.6	Clean technology investment
Oriel WindFarm Ltd.	17	5	Power generation
Pesaka Technologies. ¹	9	30	Power generation
Power to Hydrogen, LLC	32	1	Clean technology investment
VantagePoint Cleantech Partners II, L.P.	12	4.5	Clean technology investment
Kerry Airport Plc	39	< 2.0	Airport
Waterford Regional Airport Plc	40	< 3.0	Airport
Aevin Plc	41	< 3.0	Leisure facility
Other - wholly owned, non-controlled			
ESB ESOP Trustee Ltd.	8	100	Staff shareholding scheme

1 The Group has determined that entities with less than 50% group share are subsidiaries and less than 20% group share are equity accounted joint ventures, on the basis that the Group has the ability to control or direct the relevant activities (or jointly control and jointly direct in the case of joint venture) of the entities due to specific contractual, funding and board arrangements in place with those entities. Similarly, there are entities where the group holds more than 20% where contractual arrangements mean the Group has no significant influence and accordingly these investments are not equity accounted.

Electricity Supply Board is an Irish tax resident statutory body having its principal place of business at 27 Fitzwilliam Street Lower, Dublin 2, D02 KT92. Its subsidiaries, equity accounted investees and associated undertakings are all tax resident in the tax jurisdiction where their respective registered office is located. Below is the location of the registered offices.

38. SUBSIDIARY, EQUITY ACCOUNTED INVESTEES AND ASSOCIATE UNDERTAKINGS (continued)

Notes:

1	ESB International, One, Dublin Airport Central, Dublin Airport, Cloghran, Co. Dublin, K67 XF72, Republic of Ireland
2	27 Fitzwilliam Street Lower, Dublin 2, D02 KT92, Republic of Ireland
3	Eastcastle House, 27/28 Eastcastle Street, London, England, W1W 8DH
4	2 Electra Road, Maydown, Derry, BT47 6 UL, Northern Ireland
5	120 Malone Road Belfast, BT9 5HT, Northern Ireland
6	22-24 King Street, Maidenhead, SL6IEF, United Kingdom
7	ESB Dublin Bay, Pigeon House Road, Ringsend, Dublin 4, D04 Y5N2, Republic of Ireland
8	56 Mount Street Upper, Dublin 2, D02 P406, Republic of Ireland
9	Level U1, Menara Yayasan Tun Razak, 200, Jalan Bukit Bintang, 55100 Kuala Lumpur, W. P. Kuala Lumpur.
10	1 Stokes Place, St Stephen's Green, Dublin, D02 DE03
11	Kelvin Building Bramah Avenue, East Kilbride, Glasgow, G75 0RD, Scotland, United Kingdom
12	C/O Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O Box 2681, Grand Cayman, KY1-1111, Cayman Islands
13	Fora, 16-19 Eastcastle, London W1W 8DY, UK
14	28, boulevard F.W. Raiffeisen, L- 2411, Luxembourg, Grand Duchy of Luxembourg
15	C/O Alter Domus (Uk) Limited 10th Floor 30 st Mary Axe London EC3A 8BF, England
16	Windmill Hill Business Park, Whitehall Way, Swindon SN5 6PB, United Kingdom
17	302 - 303 Balheary Demesne, Balheary Road, Swords, Dublin, Co. Dublin, Republic of Ireland
18	Atria One, 144 Morrison Street, Edinburgh, Scotland, United Kingdom EH3 8EX
19	Ballyseskin House, Ballyseskin, Kilmore, Co. Wexford, Republic of Ireland
20	Ground Floor, New Clarendon 114-116 George Street Edinburgh EH2 4LH
21	Studio 2 Power Road Studios, 114 Power Road, Chiswick, London, England, W4 5PY
22	Thurles Chamber Enterprise Centre, TUS Thurles Campus, Nenagh Road, Thurles, Tipperary, Republic of Ireland
23	C/O FuturEnergy Ireland, 27/28 Herbert Place, Dublin 2, Ireland
24	Three Gateway, East Wall Road, Dublin 3, D03R583, Republic of Ireland
25	C/O Interpath Limited, 10 Fleet Place, London, EC4M 7RB
26	C/O Gillespie Macandrew LLP, 5 Atholl Crescent, Edinburgh, Scotland, EH3 8EJ
27	C/O Womble Bond Dickinson (Uk) Llp, 2 Semple Street, Edinburgh, Scotland, EH3 8BL
28	The Herbert Building, The Park, Carrickmines, Co Dublin, D18 K8Y4, Republic of Ireland
29	57 Fitzwilliam Square North, Dublin 2, D02CP02, Republic of Ireland
30	21 Holborn Viaduct, London, United Kingdom, EC1A 2DY
31	Regus Building 1st Floor, 93 George Street Edinburgh EH2 3ES
32	6625 Singletree Dr, Columbus, Ohio, 43229, United States
33	C/O Edf Renewables, Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
34	14b, Tower 42, 25 Old Broad Street, London, England, EC2N 1HN
35	132 Manchester Road, Carrington, Manchester, England, M31 4AY
36	Red Oak South, South County Business Park, Leopardstown, Dublin 18
37	Alexander House 1 Mandarin Road, Rainton Bridge Business Park, Houghton Le Spring, Sunderland, England, DH4 5RA
38	The Conduit, 6 Langley Street, London, England, WC2H 9JA
39	Kerry Airport, Farranfore, Co. Kerry
40	Ballycar House, Newtown, Waterford, Co. Waterford
41	The Aquadome, Tralee, Co. Kerry
42	Ground Floor, New Clarendon 114-116 George Street Edinburgh EH2 4LH
43	Azets Ireland, 3rd Floor, 40 Mepsil Road, Dublin

Supplementary Information

Prompt Payments Act	247
Alternative Performance Measures	248
Glossary	253

Report of Board Members on Compliance with the Prompt Payment of Accounts Act, 1997 and European Communities (Late Payments in Commercial Transactions) Regulations, 2012 (S.I. No. 580 of 2012) as amended by European Communities (Late Payment in Commercial Transactions) (Amendment) Regulations, 2016 (S.I. No. 281 of 2016)

Introduction

Payment terms during 2025 were governed by:

- The Prompt Payment of Accounts Act, 1997
- European Communities (Late Payments in Commercial Transactions) Regulations, 2012 (S.I. No. 580 of 2012) as amended by European Communities (Late Payment in Commercial Transactions) (Amendment) Regulations, 2016 (S.I. No. 281 of 2016) to combat late payments in commercial transactions. These regulations apply to contracts for goods and services supplied to ESB
- Construction Contracts Act, 2013. This Act applies to construction contracts over €10,000

Statement of Payment Practices

ESB is committed to paying all undisputed supplier invoices within their agreed terms of payment.

Procedures and Controls in place

Appropriate internal controls have been implemented including clearly defined roles and responsibilities. These procedures provide assurance against material non-compliance with the legislation.

Prompt Payment Code of Conduct

In 2015, the Government launched the Prompt Payment Code of Conduct, which can be found at www.irishstatutebook.ie/eli/1997/act/31. ESB is a signatory to this Code and undertakes to pay suppliers on time; give clear guidance to suppliers on payment procedures; and encourage the adoption of the Code by suppliers within their own supply chains.

Construction Contracts Act, 2013

This Act came into effect on 25 July 2016. ESB has reviewed its responsibilities under this Act and has communicated these responsibilities to relevant staff.

Details of Late Payment Interest in respect of 2025

When ESB validates a late payment request from a supplier, it is ESB's policy to pay interest due on such late payments and €3,368 was paid in respect of late payments during the year 2025 (2024: €4,986).



Terence O'Rourke
Chair



Paddy Hayes
Chief Executive

27 February 2026

Alternative Performance Measures

The Group reports certain alternative performance measures (APMs) that are used by management and investors alongside International Financial Reporting Standards (IFRS) measures to assess the performance and financial position of the Group. The key APMs used by the Group are as follows:

APM	Category of measure	Closest equivalent IFRS measure	Definition
(a) Earnings before interest, tax, depreciation and amortisation (EBITDA)	Profit measure	Operating profit	Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation and revenue from supply contributions.
(a) EBITDA before exceptional items and certain re-measurements	Profit measure	Operating profit	Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation, revenue from supply contributions and exceptional items and certain re-measurements separately disclosed in the Income Statement.
(a) Operating profit before exceptional items and certain re-measurements	Profit measure	Operating profit	Operating profit before exceptional items and certain re-measurements separately disclosed in the Income Statement.
(b) Net debt	Cash and debt measure	Borrowings and other debt and lease liabilities less cash and cash equivalents and short-term deposits ¹	Total of borrowings and other debt plus lease liabilities less cash and cash equivalents (excluding any restricted cash) and short-term deposits (cash deposits with maturities of more than 90 days but not greater than one year) ¹ .
(c) Capital expenditure	Capital spend measure ²	Capital additions to property, plant and equipment, intangible assets, financial assets and equity accounted investees	Additions to property, plant and equipment, intangible assets (gross of customer contributions for network connections and excluding emissions allowances), financial assets plus capital additions to equity accounted investees.
(c) Capital investment ²	Capital spend measure ²	Capital additions to property, plant and equipment, intangible assets, financial assets and equity accounted investees (including shareholder loans)	Additions to property, plant and equipment, intangible assets (gross of customer contributions for network connections and excluding emissions allowances), financial assets plus capital additions and shareholder loans advanced to equity accounted investees.
(d) Return on Capital Employed (ROCE) percentage	Capital efficiency measure	N/A	Adjusted operating profit after tax divided by average capital employed during the year. Note, for 2025 only, capital employed excludes an additional €1.5 billion of equity received from the Government of Ireland in December 2025 which was not available for deployment until commencement of the PR6 programme from 1 January 2026.
(e) Liquidity	Cash and debt measure	N/A	Total of cash and cash equivalents (excluding any restricted cash), short-term deposits ¹ and amounts undrawn under available revolving credit facilities or other facilities.
(f) Consolidated net debt percentage	Cash and debt measure	N/A	Net debt divided by the sum of net assets and gross debt.
(g) Total assets excluding cash and short-term deposits ³	Asset base measure	Total assets less cash and cash equivalents and short-term deposits ¹	Total of non-current assets and current assets excluding cash and cash equivalents and short-term deposits ¹ .

The measures and their purpose can be classified as follows:

Measure	Purpose
Profit measure	Allows management and readers understand underlying profitability for the year. Exceptional items and certain re-measurements are excluded in two of the three alternative profit measures as by their nature these are unusual and do not reflect underlying performance. Impairments are also excluded from the EBITDA measure as they do not necessarily reflect operating performance in the year.
Cash and debt measure	Allows management and readers to understand the indebtedness, funding and liquidity position of the Group.
Capital spend measure ²	Allows management and readers to track progress on the significant capital investment programme which is a key element of the Group's strategic ambition.
Capital efficiency measure	Allows management and readers to determine how well the Group has performed in generating profits from the capital it has employed.
Asset base measure	The asset base is a measure of the size of the Group. ESB is a large group of diverse and different businesses. The segmental analysis of the Group's asset bases allows management and readers to understand how the asset base of the Group is made up and what proportion relates to regulated network activities.

Reconciliation/Calculation of Alternative Performance Measures

(a) EBITDA, EBITDA before exceptional items and certain re-measurements and Operating profit before exceptional items and certain re-measurements – December 2025

	Reference in Financial Statements	Customer Solutions €m	ESB Networks €m	Generation Trading €m	NIE Networks €m	Other Segments €m	Total €m
Operating profit/(loss) before exceptional items and certain re-measurements	Note 3(a)(iii)	127.9	375.7	338.5	99.3	(27.2)	914.2
Exceptional items and certain re-measurements	Note 7	-	-	(19.4)	-	-	(19.4)
Operating profit/(loss)	Note 3(a)(iii)	127.9	375.7	319.1	99.3	(27.2)	894.8
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Note 9	1.0	-	4.1	-	22.2	27.3
Depreciation and amortisation	Note 3(a)(ii)	38.8	608.1	198.8	187.9	35.7	1,069.3
Revenue from supply contributions	Note 4	-	(77.9)	-	(9.2)	-	(87.1)
EBITDA		167.7	905.9	522.0	278.0	30.7	1,904.3
Exceptional items (non-impairment) and certain re-measurements	Note 7	-	-	19.4	-	-	19.4
EBITDA before exceptional items and certain re-measurements		167.7	905.9	541.4	278.0	30.7	1,923.7

1 Updated to include short-term deposits (i.e. cash deposits with maturities of more than 90 days but not greater than one year) in the APM calculation to align with methodology adopted by credit rating agencies.

2 Capital investment was added as an APM in the 2025 Interim Financial Report to assist management and readers in their analysis of the Group's capital investment programme. The category of measure was renamed/expanded to capture this additional APM.

3 The naming of the APM has been updated to clarify that short-term deposits (i.e. cash deposits with maturities of more than 90 days but not greater than one year) are included in the APM calculation.

Alternative Performance Measures (continued)

EBITDA, EBITDA before exceptional items and certain re-measurements and Operating profit before exceptional items and certain re-measurements – December 2024

	Reference in Financial Statements	Customer Solutions €m	ESB Networks €m	Generation Trading €m	NIE Networks €m	Other Segments €m	Total €m
Operating profit/(loss) before exceptional items and certain re-measurements	Note 3(a)(iii)	113.3	366.7	310.6	188.5	(4.1)	975.0
Exceptional items and certain re-measurements	Notes 6 & 7	-	-	115.5	-	-	115.5
Operating profit/(loss)	Note 3(a)(iii)	113.3	366.7	426.1	188.5	(4.1)	1,090.5
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Notes 3(a)(ii) & 9	0.3	-	6.0	-	0.7	7.0
Depreciation and amortisation	Note 3(a)(ii)	27.2	575.5	166.6	202.4	32.9	1,004.6
Revenue from supply contributions	Note 4	-	(68.4)	-	(26.2)	-	(94.6)
EBITDA		140.8	873.8	598.7	364.7	29.5	2,007.5
Exceptional items (non-impairment) and certain re-measurements	Notes 6 & 7	-	-	(115.5)	-	-	(115.5)
EBITDA before exceptional items and certain re-measurements		140.8	873.8	483.2	364.7	29.5	1,892.0

(b) Net debt

	Reference in Financial Statements	December 2025 €m	December 2024 €m
Borrowings and other debt	Note 25	7,424.8	7,485.1
Lease liabilities	Note 15(a)	147.3	117.0
Gross debt		7,572.1	7,602.1
Cash and cash equivalents (excluding restricted cash)	Note 22	(707.0)	(858.3)
Short-term deposits ¹	Note 21	(1,100.0)	-
Net debt		5,765.1	6,743.8

(c) Capital expenditure and capital investment

	Reference in Financial Statements	December 2025 €m	December 2024 €m
Investments in property, plant and equipment	Note 13	2,319.2	1,639.9
Investments in intangible assets (excluding emissions allowances)	Note 14	204.5	187.2
Investments in equity accounted investees	Note 17(a)	6.7	16.5
Capital expenditure		2,530.4	1,843.6
Amounts advanced to equity accounted investees as shareholder loans	Cash Flow Statement	148.9	355.6
Capital investment^{2*}		2,679.3	2,199.2

* Refer to Note 3(b) for segmental breakdown of additions to non-current assets.

(d) Return on Capital Employed (ROCE) percentage

	Reference in Financial Statements	December 2025 €m	December 2024 €m
Operating profit before exceptional items and certain re-measurements	Income Statement	914.2	975.0
Exceptional items and certain re-measurements	Notes 6 & 7	(19.4)	115.5
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Notes 3(a)(ii) & 9	27.3	7.0
Foreign exchange retranslation loss/(gain)	Note 9	16.9	(27.5)
Share of equity accounted investees profit/(loss)	Note 17(a)	7.3	(5.3)
Profit on disposal of property, plant and equipment and intangible assets, investments and subsidiary	Note 8	(28.1)	(65.0)
Impairment loss recognised in respect of trade receivables	Note 21	58.6	72.2
Pension costs (curtailment cost and administration expenses)	Note 27	2.4	1.8
Adjusted operating profit		979.2	1,073.7
Taxation	Note 24(a)	(113.8)	(163.2)
Taxation on exceptional items and certain re-measurements/ adjustments*		(30.3)	(26.6)
Adjusted operating profit after tax (A)		835.1	883.9
Equity	Balance Sheet	7,689.8	5,923.2
Adjust for equity received December 2025**	Notes 21 & 22	(1,500.0)	-
Borrowings and other debt	Note 25	7,424.8	7,485.1
Lease liabilities	Note 15(a)	147.3	117.0
Net deferred tax liability	Note 24(b)	650.7	630.8
Allowance for expected credit loss in respect of trade receivables	Note 21	237.8	200.8
Current tax asset	Balance Sheet	44.6	51.6
Capital employed		14,695.0	14,408.5
Average capital employed (B)***		14,551.8	14,156.2
ROCE percentage (A/B)		5.7%	6.2%

* Using an effective tax rate of 15.3% (2024: 18.7%).
** ROCE for 2025 has been adjusted for the timing of the receipt of €1.5 billion in equity from the Government of Ireland, as this was received in late December 2025, and was not available for deployment during 2025.
*** Average capital employed of the current and preceding year.

Alternative Performance Measures (continued)

(e) Liquidity

	Reference in Financial Statements	December 2025 €m	December 2024 €m
Cash and cash equivalents (excluding restricted cash)	Note 22	707.0	858.3
Short-term deposits ¹	Note 21	1,100.0	-
Undrawn revolving credit facilities and other committed facilities*	Note 25(3)	2,700.0	1,618.0
Liquidity		4,507.0	2,476.3

* Includes RCF and 2023 EIB Facility (available to draw down at 31 December).

(f) Consolidated net debt percentage

	Reference in Financial Statements	December 2025 €m	December 2024 €m
Net debt	APM Rec. (b)	5,765.1	6,743.8
Net assets	Balance Sheet	7,689.8	5,923.2
Gross debt	APM Rec. (b)	7,572.1	7,602.1
Net assets and gross debt		15,261.9	13,525.3
Consolidated net debt percentage		37.8%	49.9%

(g) Total assets excluding cash and short-term deposits³

	Reference in Financial Statements	December 2025 €m	December 2024 €m
Total assets	Balance Sheet	20,659.2	19,253.9
Cash and cash equivalents	Balance Sheet	(707.0)	(1,064.9)
Short-term deposits ¹	Note 21	(1,100.0)	-
Total assets excluding cash and short-term deposits		18,852.2	18,189.0
By Segment		€m	€m
Customer Solutions		839.5	1,019.2
ESB Networks		10,205.7	9,349.8
Generation Trading		4,377.3	4,318.3
NIE Networks		3,107.5	3,069.6
Other Segments*		322.2	432.1
Total assets excluding cash and short-term deposits		18,852.2	18,189.0

* All intersegment related amounts are eliminated upon consolidation and these eliminations are included in the Other Segments line above.

Glossary

Definitions are as applied internally by ESB and may differ from other definitions in the public domain.

1. Affected Communities

People or groups living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its value chain. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples.

2. AI (Artificial Intelligence)

AI is a branch of computer science that develops systems capable of simulating human intelligence to perform tasks such as learning, reasoning, problem-solving and decision-making by applying machine learning techniques to large collections of data.

3. Balancing Market/Balancing Mechanism (BM)

Allows the Transmission System Operator to balance electricity supply and demand close to real time.

4. CDP

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies and others to manage their environmental impacts.

5. CRU (Commission for Regulation of Utilities)

The independent regulator of water and energy in the Republic of Ireland.

6. CSRD (Corporate Sustainability Reporting Directive)

A directive of the European Union which sets out the rules concerning the social and environmental information that companies report on.

7. DAM (Day-Ahead Market)

The DAM allows market participants to buy or sell wholesale electricity one day before the operating day. It is the largest market in SEM for trading power and the biggest component of the wholesale electricity price.

8. DSO (Distribution System Operator)

ESB Networks DAC, a ringfenced subsidiary within ESB Group, is the licensed DSO for Ireland and is the operator of network lines that bring electricity to individual homes and businesses (distribution).

9. EirGrid

The electricity Transmission System Operator (TSO) for Ireland.

10. ESG (Environmental, Social and Governance)

Refers to the impact that a company has on its employees, customers and communities in which it operates. ESG reporting refers to the information or data provided relating to an organisation's environmental, social and governance performance.

11. EU Taxonomy

A classification system, establishing a list of environmentally sustainable economic activities. The EU Taxonomy provides appropriate definitions for which economic activities can be considered environmentally sustainable.

12. EV

Electric Vehicle.

13. FFO

Funds from Operations.

14. Gender Pay Gap (GPG)

The gender pay gap is the difference in the average hourly wage of men and women across the full workforce. The mean is the average hourly pay point of all men and women. The median is the midpoint hourly pay point of all men and women.

15. GHG (Greenhouse Gas Emissions)

Any gas that has the property of absorbing infrared radiation (net heat energy) emitted from the earth's surface and reradiating it back to the earth's surface, thus contributing to the greenhouse effect.

16. I-SEM (Integrated Single Electricity Market)

The wholesale electricity market for Ireland and Northern Ireland designed to integrate the all-island electricity market with European electricity markets.

Glossary (continued)

17. Lost Time Injuries (LTIs)

A work-related injury causing an absence for one or more working days, counting from the day after the injury, before the person returns to normal or restricted work.

18. Net Zero

Defined in line with the SBTi Net-Zero Standard which defines corporate net-zero as:

- Reducing scope 1, 2, and 3 emissions to zero or a residual level consistent with reaching global net-zero emissions or at a sector level in eligible 1.5°C-aligned pathways; and
- Permanently neutralising any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter.

19. NIS 2 Directive

As per the NIS 2 Directive website, the NIS 2 Directive is a legislative framework designed to enhance cybersecurity across the European Union by establishing a high common level of security for network and information systems.

20. ORESS Auction(s)

ORESS (Offshore Renewable Electricity Support Scheme) auctions are competitive auctions run in Ireland to allocate support to offshore energy projects.

21. P1 Incidents

Incidents which have a high probability of causing high consequence injuries such as fatality, amputation, loss of eye, multiple injuries, major fracture, 2nd/3rd degree burns, being unconscious (major/serious), road traffic collision reportable injuries, fatalities, and excessive material damage.

22. PR5 (Price Review 5)

Regulatory periods are of five years' duration and the Price Review 5 (PR5) covers the period 2021 to 2025 and sets out the total regulated allowed revenues over that period as determined by the CRU.

23. PR6 (Price Review 6)

Regulatory periods are of five years' duration and the Price Review 6 (PR6) covers the period 2026 to 2030 and sets out the total regulated allowed revenues over that period as determined by the CRU.

24. Regulated Asset Base (RAB)

The valuation of the transmission and distribution networks related assets for regulatory purposes which are held by ESB Networks and NIE Networks respectively. In the case of the relevant assets held by ESB Networks, the RAB value is determined in accordance with the CRU's required methodology and, in the case of the relevant assets held by NIE Networks, the RAB value is determined in accordance with the UR's required methodology.

25. RESS Auction(s)

RESS (Renewable Electricity Support Scheme) auctions are competitive auctions run in Ireland to allocate support to renewable electricity projects.

26. RP6 (Regulatory Period 6)

A regulatory period price control, covering the period 1 October 2017 to 31 March 2025, determined by the UR in Northern Ireland.

27. RP7 (Regulatory Period 7)

A regulatory period price control, covering the period 1 April 2025 to 31 March 2031, determined by the UR in Northern Ireland.

28. Safe and Sound

An ESB culture programme that will serve to build a world-class safety culture and environment that is sustainable over time.

29. Safer Together

NIE Networks' culture programme focusing on employee, contractor, and public safety in maintaining Northern Ireland's electricity infrastructure.

30. Salient Human Rights Issues

Defined in line with the UN Guiding Principles as those human rights that are at risk of the most severe negative impacts through a company's activities or business relationships.

31. Scope 1, 2 and 3 Emissions

Scope 1 emissions are direct emissions from sources owned or controlled by ESB. Scope 2 emissions are indirect emissions from the consumption of purchased energy or from transmission and distribution losses from the (owned) electricity network infrastructure. Scope 3 emissions are indirect emissions that occur across ESB's value chain, both upstream and downstream.

32. SEAI (Sustainable Energy Authority of Ireland)

Ireland's national energy authority established under the Sustainable Energy Act, 2002.

33. SEM (Single Electricity Market)

The wholesale pool-based electricity market operating north and south of the Irish border.

34. Smart Metering Programme

This programme is delivering the next generation of energy meter and replacing traditional electricity and gas meters. The smart meters will remove the need for a home visit to read the meter and therefore eliminate the need to use estimates whenever a meter cannot be read.

35. SONI (System Operator for Northern Ireland)

The electricity Transmission System Operator for Northern Ireland.

36. TCM (Targeted Contracting Mechanism)

A 2023 agreement between ESB and EirGrid whereby Moneypoint serves as an out-of-market, generator-of-last-resort mechanism for security of supply, shifting from coal to Heavy Fuel Oil to reduce carbon intensity.

37. TEG (Temporary Emergency Generation)

Additional, non-market electricity capacity deployed under the Development (Emergency Electricity Generation) Act, 2022 to safeguard the national grid against power shortages during periods of high demand.

38. TSO (Transmission System Operator)

EirGrid is the TSO for the Republic of Ireland and plans, manages and develops the Republic of Ireland's electricity grid for a sustainable future.

39. UR (Utility Regulator)

The independent non-ministerial government department set-up to ensure the effective regulation of the electricity, gas and water and sewerage industries in Northern Ireland.

40. Vertically Integrated Utility (VIU)

Refers to presence within and ownership of assets across all the elements of the electricity value chain including the generation, trading, transmission, distribution and supply of power to customers.



ESB Head Office
27 Fitzwilliam Street Lower
Dublin 2
D02 KT92
Ireland

T: +353 1 676 5831
E: info@esb.ie
www.esb.ie

X: @ESBGroup
LinkedIn: esb
Instagram: @theesbgroup
YouTube: ESBVideo
TikTok: @theesbgroup