

ESB Finance Designated Activity Company

Annual report and
audited financial statements

Year ended 31 December 2025

ESB Finance Designated Activity Company

Annual report and financial statements

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ESB Finance Designated Activity Company

Directors and other information

Directors

S. Allen
A. Kean
P. Stapleton
D. Cowler
G. Tallon

Company secretary

M. Sinnott (resigned 15 July 2025)
B. Corcoran (appointed 15 July 2025)

Registered Number

480184

Registered office

ESB Head Office
27 Fitzwilliam Street Lower
Dublin 2
D02 KT92
Ireland

Independent auditor

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
29 Earlsfort Terrace
Dublin 2
D02 AY28
Ireland

ESB Finance Designated Activity Company

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2025.

Principal activities

ESB Finance Designated Activity Company (“ESB Finance DAC” or “the Company”) is a wholly owned subsidiary of the Electricity Supply Board (“ESB” or “parent entity”). The principal activity of the Company is the issue of loan notes and the provision of funding to undertakings in the ESB Group.

Business review

The Company recorded a profit before tax of €857 thousand (2024 - €885 thousand) with net assets of €5,730 thousand at 31 December 2025 (2024 - €5,746 thousand).

The decrease in profit during the year is immaterial and broadly in line with prior year.

Results and dividends

The profit for the year, after taxation, amounted to €643 thousand (2024 : €664 thousand).

No dividend was declared or paid by the Directors during the financial year (2024: €nil).

Directors, secretary and their interests

The Directors who served during the year and up to the date of approval of the financial statements were:

S. Allen
A. Kean
P. Stapleton
D. Cowler
G. Tallon

On 15 July 2025, M. Sinnott resigned as company secretary and on the same date B. Corcoran was appointed as company secretary.

The Directors and secretary had no disclosable interests in the shares of the Company, or any other Group Company, as defined in section 329 of the Companies Act 2014, at 31 December 2025 or 31 December 2024.

Political donations

The Company made no political or charitable donations or expenditure during the year (2024: €Nil).

ESB Finance Designated Activity Company

Directors' report *(continued)*

Principal risks and uncertainties

The Company's risk profile reflects the principal activities of the business and is summarised below. Management have put in place a series of processes to mitigate major risk. The main risks facing the business are:

1. Financial Risk

The Company is ultimately dependent on its parent entity. Accordingly, the principal risks and uncertainties pertain to the parent entity's continued ability to generate sufficient cash and liquid resources to meet the Company's liquidity requirements for the foreseeable future and consequently to fund its contractual commitments in respect of the borrowings as they fall due.

Accounting records

The measures that the Directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at 27 Fitzwilliam Street Lower, Dublin 2, D02 KT92, Republic of Ireland.

Future Developments

The Directors have no plans to change the activities or operations of the Company in the foreseeable future.

Financial management risk

The Directors review and agree policies (either themselves or through reliance on other group functions) for managing the Company's financial risks. The main potential financial risks arising from the Company's operations are considered as follows:

1. *Liquidity/ Cash flow Risk*

The Company must ensure it has sufficient cash flows to be able to pay its liabilities as they fall due. This risk is managed by arrangements entered into with Group undertakings, which ensures the Company has a source of income and cash receipts to support the management of its cash flows.

2. *Price/ Commodity Risk*

The Company is subject to external interest on its borrowing as well as foreign exchange risk on GBP denominated borrowings. These funds are used to finance other ESB group companies. External interest is fixed and onward lending is also fixed with a margin. Borrowings are on-lent in the same currency to reduce the risk of foreign exchange fluctuations.

3. *Credit Risk*

The Company's credit risk is primarily attributable to its Intercompany debtors. In order to mitigate the credit risk, the Directors of the Company satisfy themselves of the debtors' ability to fulfil their financial obligations under the contract on a regular basis.

Key financial performance indicators

The Board has determined the following key performance indicators which address financial performance:

1. *Profit/Loss before tax*

The profit for the year, before taxation, amounted to €857 thousand (2024 - €885 thousand).

There are no non-financial key performance indicators that the Directors consider relevant to the Company.

Research and Development

The company did not engage in any research and development activities in the current or preceding year.

ESB Finance Designated Activity Company

Directors' report *(continued)*

Statement on relevant audit information

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Internal control and risk management systems relating to the financial reporting process

The Board of Directors are responsible for ensuring that appropriate internal control and risk management procedures relating to the financial reporting process are in place. Those systems are designed to manage, rather than eliminate, risks and can provide only reasonable, not absolute, assurance against material misstatement or loss. The company has procedures to ensure all relevant accounting records are properly maintained and are readily available, including production of annual financial statements. The annual financial statements of the company are required to be approved by the Board of Directors of the company and filed with the Irish Stock Exchange.

The company's parent entity, ESB, provides secretarial and accountancy services to the company. ESB complies with the Code of Practice for the Governance of State Bodies and conforms, in so far as is reasonably applicable and on a voluntary basis, to the UK Corporate Governance Code. ESB has developed and maintains policies and systems to identify, monitor and control risk arising in respect of its activities. The Board of Directors of the company also considers and evaluates the report by the independent auditors concerning their audit of the financial statements and their comments on accounting and financial controls and other matters relevant to the audit.

Audit Committee

In accordance with the requirements of Section 167 of the Companies Act 2014, the Directors confirm that they have decided not to establish an audit committee. Having considered the requirements of Section 167 the Directors note that:

- (i) the terms of reference and the role and powers of the audit committee of the Board of the Company's parent (the ESB Audit and Risk Committee) include within their scope the powers and responsibilities that would otherwise be required of an audit committee established for the Company pursuant to Section 167 (including reporting arrangements with the Company's statutory auditors),
- (ii) the composition and membership of the ESB Audit and Risk Committee satisfy the independence and skills-related requirements of Section 167 as it would otherwise apply to the Company, and
- (iii) the ESB Audit and Risk Committee has exercised its role and its powers and has carried out those responsibilities in relation to the Company. Therefore the Board has resolved that, in view of the foregoing, the establishment of an audit committee for the Company would be superfluous and would unnecessarily duplicate the functions of the ESB Audit and Risk Committee in relation to the Company.

ESB Finance Designated Activity Company

Directors' report *(continued)*

Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations, being the obligations defined in Section 225(1) of the Companies Act 2014 ("relevant obligations"). The Directors confirm that:

- the Company has drawn up a compliance policy statement setting out the policies with regard to such compliance that, in their opinion, are appropriate to the Company;
- appropriate arrangements or structures have been put in place in the Company that are, in their opinion, designed to secure material compliance with the Company's relevant obligations; and
- a review has been carried out, during the financial year to which this statement relates, of the arrangements or structures referred to in point above.

Events since the end of the financial year

The conflicts in the Middle East have created significant uncertainty in global markets, in particular, increased volatility in energy and commodity markets, increases in price inflation and potential supply disruption which may have direct and indirect impacts on individuals and businesses. The directors will continue to monitor this evolving situation and consider any impacts on the Company.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements. Further details are set out in note 1.2 to the financial statements.

Auditors

The auditors, Deloitte Ireland LLP, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the Board and signed on its behalf.



S. Allen

Director



G. Tallon

Director

ESB Finance Designated Activity Company

Statement of directors' responsibilities For the Year Ended 31 December 2025

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the Directors to prepare the financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under Irish law the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly:

- explain and record the transactions of the Company;
- enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Directors



S. Allen

Director



G. Tallon

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion on the financial statements of Electricity Supply Board (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of the profit 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.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes Shareholder's Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 18, including material accounting policy information as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union ("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 company 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), as applied to listed entities, 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 | <p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> • Recoverability of loans to related parties <p>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 .</p> |
| Materiality | The materiality that we used in the current year was €84.6m which was determined on the basis of 1.5% of Loans and Borrowings. |
| Scoping | Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control, and assessing the risks of material misstatement. |
| Significant changes in our approach | In the current year, we revised the benchmark used to determine materiality from interest expense to loans and borrowings. This change reflects our assessment that loans and borrowings provide a more appropriate basis for determining materiality given the nature of the entity's activities as a |

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY

treasury company, where such balances are a key focus for users of the financial statements. This change did not have a significant impact on the overall audit strategy.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the financing facilities including nature of facilities, repayment terms and covenants
- Assessing the recoverability of amounts owed from related party undertakings;
- Assessing the willingness and ability of ESB (the company's parent undertaking) to continue to support ESB Finance DAC by obtaining a letter of support from ESB;
- Reviewing ESB's annual report for 2025 to assess whether it has sufficient financial resources and liquidity to support the company as well as consulting with the audit engagement team of ESB to assess whether it has sufficient resources to support the company if needed;
- Evaluation of the disclosures in the financial statements.

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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.

Recoverability of loans to related parties



Key audit matter description



As disclosed in Note 8a, the Company provides funding to other members of the ESB Group. Total loans to related party undertakings including accrued interest are stated in the balance sheet at €5,726,131k (2024: €5,741,895k)

We have determined this to be the key audit matter as loans to the related party undertakings comprise 99.9% of total assets. The recoverability thereof is crucial for the company to maintain a strong financial position and is therefore a key audit matter. Management determine the recoverability of these loans from group undertakings based on the financial position and future prospects of ESB and other group undertakings and the ability to repay the debts due. This takes into consideration a range of factors such as the trading performance of the group undertakings and the ability for ESB to repay the intercompany loans or to provide support to the respective subsidiaries in the event that they are unable to repay the intercompany loans.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY

How the scope of our audit responded to the key audit matter



We performed, amongst others, the following procedures:

- We obtained an understanding and assessed the design and implementation of the key controls that have been implemented over the impairment process.
- We assessed whether the policies adopted by the management are in line with IFRS 9, and further, agreed the carrying value of these balances to the appropriate underlying records.
- We performed confirmation procedures with the appropriate counterparty to obtain relevant and reliable audit evidence of the existence and value of these balances held by the Company.
- We reviewed the financial statements of ESB to determine that the group has sufficient resources backing the letter of support.
- We reviewed the calculation of the expected credit losses prepared by Management and assessed the credit quality of receivables, to determine that the low credit risk assumption applies and that the assumptions for PD and LGD are appropriate.
- We reviewed the letter of support provided to the Company by ESB.

Refer to Notes 1.5, 1.6, 1.10 and 8a for further details.

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.

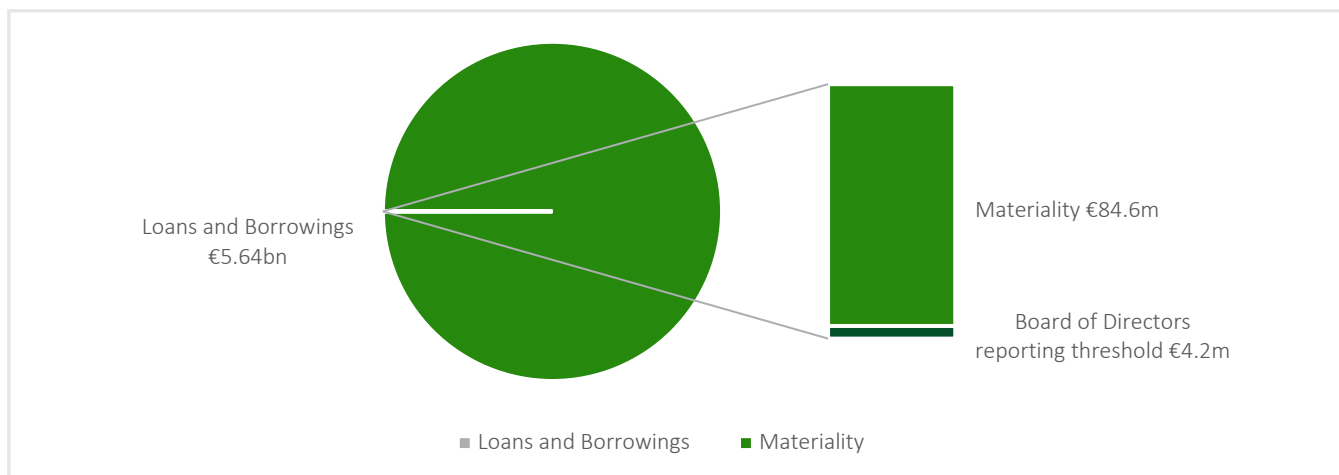
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|--|---|
| Materiality | €84.6m (2024 : €2.9m) |
| Basis for determining materiality | 1.5% of Loans and Borrowings |
| Rationale for the benchmark applied | <p>Considerations in the choice of the appropriate benchmark have included:</p> <ul style="list-style-type: none"> - The key balances within the Financial Statements; - Whether there are items on which the attention of the users of the Financial Statements tends to be focused; - The nature of the business and the industry and economic environment; - The ownership and finance structure; and - Regulatory requirements <p>There has been a change in benchmark from interest expense to loans and borrowings. This change reflects our assessment that loans and borrowings provide a more appropriate basis for determining materiality given the nature of the entity's activities as a treasury company, where such balances are a key focus for users of the financial statements.</p> |

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY



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.

Performance materiality was set at 80% of materiality for the 2025 audit (2024: 80%). In determining performance materiality, we considered the following factors:

- our understanding of the company;
- the reliability of the company's internal controls over financial reporting;
- the willingness to investigate and correct Misstatements identified during the current audit period;
- the nature and extent of misstatements identified in previous audits; and
- our expectations in relation to misstatements in the current period.

We agreed with the Board of Directors that we would report to them all audit differences in excess of €4.2m (2024 : €0.1m) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors 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, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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;
- results of our enquiries of management 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 company'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 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 in relation to the interest income.

In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY

We also obtained an understanding of the legal and regulatory framework that the company operates 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 Companies Act 2014 and the relevant 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 company's ability to operate or to avoid a material penalty. These included the Euronext listing rules.

Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

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 ESB group 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 the Board of Directors and the ESB group audit and risk committee and reviewing ESB group internal audit reports;
- in addressing the risk of fraud related to completeness and accuracy of revenue, we agreed interest terms to loan agreements and performed recalculations of interest income in the period;
- 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 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 company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESB FINANCE DESIGNATED ACTIVITY COMPANY

Use of our report

This report is made solely to the company's members, 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 company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John McCarroll
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

05 May 2026

ESB Finance Designated Activity Company

Statement of comprehensive income

for the year ended 31 December 2025

| | <i>Note</i> | 2025 €'000 | 2024 €'000 |
|---|-------------|-----------------------------|-----------------------------|
| Finance income | 3 | 144,926 | 145,457 |
| Finance expense | 3 | (144,040) | (144,579) |
| Net finance income | | 886 | 878 |
| Other (expenses)/income | 4 | (29) | 7 |
| Profit before taxation | | 857 | 885 |
| Taxation on profit on ordinary activities | 6 | (214) | (221) |
| Profit for the year | | 643 | 664 |
| Other comprehensive income | | - | - |
| Total comprehensive income attributable to equity shareholders | | 643 | 664 |

The notes on pages 18 to 31 form an integral part of the financial statements.

ESB Finance Designated Activity Company

Statement of financial position as at 31 December 2025

| | Note | 2025 €'000 | 2024 €'000 |
|---|------|------------------|------------------|
| Non-current assets | | | |
| Deferred tax asset | 7 | 1,067 | 1,281 |
| Loans to related party undertakings | 8a | 5,643,476 | 5,659,048 |
| Total non-current assets | | 5,644,543 | 5,660,329 |
| Current assets | | | |
| Cash at bank | 12 | 3,310 | 2,847 |
| Accrued interest owed from related party undertakings | 8a | 82,655 | 82,847 |
| Total current assets | | 85,965 | 85,694 |
| Total assets | | 5,730,508 | 5,746,023 |
| Equity | | | |
| Share capital | 13 | - | - |
| Retained losses | | (3,212) | (3,855) |
| Shareholder's deficit | | (3,212) | (3,855) |
| Non-current liabilities | | | |
| Loans and borrowings | 10 | 5,643,477 | 5,659,049 |
| Loans from related party undertakings | 8b | 7,878 | 8,281 |
| Total non-current liabilities | | 5,651,355 | 5,667,330 |
| Current liabilities | | | |
| Loans from related party undertakings | 8b | 326 | 326 |
| Trade and other payables | 9 | 82,039 | 82,222 |
| Total current liabilities | | 82,365 | 82,548 |
| Total liabilities | | 5,733,720 | 5,749,878 |
| Total equity and liabilities | | 5,730,508 | 5,746,023 |

The notes on pages 18 to 31 form an integral part of the financial statements.

On behalf of the Board of Directors



S. Allen
Director



G. Tallon
Director

ESB Finance Designated Activity Company

Statement of changes in shareholder's equity *for the year end 31 December 2025*

| | Share Capital €'000 | Retained losses €'000 | Total €'000 |
|----------------------------|------------------------------------|--------------------------------------|------------------------|
| At 1 January 2024 | - | (4,519) | (4,519) |
| Profit for the year | - | 644 | 644 |
| At 31 December 2024 | - | (3,855) | (3,855) |
| At 1 January 2025 | - | (3,855) | (3,855) |
| Profit for the year | - | 643 | 643 |
| At 31 December 2025 | - | (3,212) | (3,212) |

The notes on pages 18 to 31 form an integral part of the financial statements.

ESB Finance Designated Activity Company

Statement of cash flows

for the year ended 31 December 2025

| | 2025 | 2024 |
|---|-------------|-------------|
| | €'000 | €'000 |
| Cash flows from operating activities | | |
| Profit after taxation | 643 | 664 |
| <i>Adjust for:</i> | | |
| Foreign currency losses/(gains) | 29 | (7) |
| Interest income | (144,926) | (145,457) |
| Interest expense | 144,040 | 144,579 |
| Income tax charge | 214 | 221 |
| | <hr/> | <hr/> |
| Operating cash outflow before changes in working capital | - | - |
| Increase in loans to related party undertakings | - | (990,105) |
| Decrease in loans to related party undertakings | - | 300,000 |
| Interest received | 140,740 | 130,162 |
| Interest paid | (140,182) | (129,689) |
| Net cash inflow/ (outflow) from operating activities | 558 | (689,632) |
| Cash flows from financing activities | | |
| Repayment of loans and borrowings | - | (300,000) |
| Net cash outflow from financing activities | - | (300,000) |
| | <hr/> | <hr/> |
| Net increase/(decrease) in cash and cash equivalents | 558 | (989,632) |
| Cash and cash equivalents at 1 January | 2,847 | 992,407 |
| Effect of exchange rate fluctuation on cash held | (95) | 72 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at 31 December | 3,310 | 2,847 |
| | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 18 to 31 form an integral part of the financial statements.

ESB Finance Designated Activity Company

Notes to the financial statements

1 General information

ESB Finance Designated Activity Company (“ESB Finance DAC” or “the Company”) is a limited Company incorporated in Ireland, under the registered number 480184. The Company is a wholly owned subsidiary of the Electricity Supply Board (“ESB” or “parent entity”). The principal activity of the Company is the issue of loan notes and the provision of funding to undertakings in the ESB Group. The address of its registered office is ESB Head Office, 27 Fitzwilliam Street Lower, Dublin 2. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company’s financial statements. The financial statements are presented in Euro, which is the functional currency of the Company, rounded to the nearest thousand.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU (EU IFRSs). The financial statements have been prepared in accordance with the EU IFRS standards and interpretations issued and effective for accounting periods ending on or before 31 December 2025.

The financial statements are presented in euro, rounded to the nearest thousand, which is the company's functional currency, and are prepared on an historical cost basis.

The preparation of the financial statements in conformity with EU IFRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. There have been no judgements made by management in the application of EU IFRSs that are expected to have a significant effect on the financial statements.

1.2 Going concern

The financial statements have been prepared on a going concern basis. During the year, the Company incurred a profit of €643 thousand (2024: €664 thousand) and at 31 December 2025 had net assets of €5,730 thousand (31 December 2024: net assets of €5,746 thousand). The Directors, having regard to the continued support of its shareholders, have a reasonable expectation that the Company will have adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider that it is appropriate to adopt the going concern basis in preparing the financial statements of the Company.

ESB Finance Designated Activity Company

1. Accounting policies (continued)

1.3 New standards, amendments and IFRIC interpretations

| Amendments to standards | Details | Effective Date | Materials effect on the results and financial position of the company |
|--------------------------------|---|-----------------------|--|
| IAS 21 (Amendments) | The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability | 01 January 2025 | No material effect |

Standards, interpretations and amendments to published standards that are not yet effective

| Standards or amendments | Details | Effective Date | Material effect on the results and financial position of the company |
|--------------------------------|---|-----------------------|---|
| IFRS 9 and IFRS 7 (Amendments) | Amendments to the Classification and Measurement of Financial Instruments | 01 January 2026 | Management are currently assessing impact |
| IFRS 9 and IFRS 7 (Amendments) | Contracts Referencing Nature-dependent Electricity | 01 January 2026 | Management are currently assessing impact |
| IFRS 19 (New Standard) | Subsidiaries without Public Accountability: Disclosures | 01 January 2027 | No material effect |
| IAS 21 (Amendments) | Translation to a Hyperinflationary Presentation Currency | 01 January 2027 | Management are currently assessing impact |
| IFRS 18 (New Standard) | Presentation and Disclosure in Financial Statements | 01 January 2027 | No material effect |

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2025 that have a material impact on the Company's financial statements.

1.4 Amounts payable to and receivable from Group Companies

Intercompany debtors and creditors, including loans, are non-derivative financial assets and liabilities which are not quoted in an active market. All such balances are included within debtors and creditors as appropriate and the maturities of these balances within one year and more than one year are disclosed in the associated notes. The balances are initially recorded at fair value and thereafter at amortised cost.

1.5 Amounts due from related party undertakings

Amounts due from related party undertakings include loans and interest on these loans. Under IFRS 9, impairment is assessed using the expected credit loss model. In determining the impairment loss, amounts due from related party undertakings are classified as amounts repayable on demand, low credit risk receivables and amounts for which there has been a substantial increase in credit risk since initial recognition. In determining an expected credit loss, regard is given to historic performance of the relevant loan as well as forward looking information for the relevant related party undertakings including detailed discounted cash flow forecasts, where appropriate.

ESB Finance Designated Activity Company

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.6 Loans and balances with related party undertakings

Loans and balances with related party undertakings are non-derivative financial assets or liabilities which are not quoted in an active market. They are included in current assets or current liabilities on the balance sheet, except for those with maturities greater than twelve months after the balance sheet date, which are included in non-current assets or non-current liabilities. Loans and balances are initially recorded at fair value and thereafter at amortised cost. If a financial asset measured at amortised cost is modified without this resulting in derecognition, a gain or loss is recognised in profit or loss. 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.

1.7 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the Company's past history, existing market conditions and forward looking estimates at the end of each reporting period. The loans to the related party are considered to have a low credit risk as these are ultimately supported by the performance of the ESB Group which have a strong capacity to meet its contractual cash flows as and when they fall due. This is a critical judgement, that the management have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in financial statements.

1.8 Cash and cash equivalents

Cash and cash equivalents includes deposits repayable on demand and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.9 Trade and other payables

Creditors, other than derivatives, 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.

1.10 Loans and borrowings

Interest-bearing loans and 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 profit or loss. 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.

ESB Finance Designated Activity Company

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

1.11 Loans and other receivables from group companies and loans from group companies

Loans to and receivables from group companies and loans from group companies are non-derivative financial assets or liabilities with fixed or determined payments that are not quoted in an active market. They are included in current assets or liabilities in the statement of financial position, except for those with maturities greater than twelve months after the reporting date, which are included in non-current assets or liabilities. At initial recognition, they are measured at fair value and thereafter at amortised cost using the effective interest method, less (in the case of assets) any impairment losses. Interest calculated using the effective interest method is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability. Loans and receivables are assessed at each reporting date to determine whether there is objective evidence that they are impaired.

1.12 Interest receivable and similar income

Finance income comprises interest income on loans to Group Companies, which attracts interest at agreed fixed interest rates. Interest income is recognised in profit and loss using the effective interest method.

1.13 Interest payable and similar charges

Interest payable and similar charges comprises bank charges and interest expense on borrowings. Interest and other finance costs are recognised in the profit and loss in the period which they are incurred over the term of the debt using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Current and deferred taxation

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.

Current tax

Current tax is provided at current rates and is calculated on the basis of results for the year.

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 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.

ESB Finance Designated Activity Company

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

1.15 Foreign currency transactions

The Company's functional and presentational currency is EUR.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.16 Share capital

Financial instruments that have been issued are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the Company. Ordinary shares are classified as equity.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU, and the accounting policies adopted which are set out in the statement of accounting policies. In applying these policies, the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. The actual outcome could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. There were no critical accounting estimates or judgements made in the application of the Company's accounting policies other than as disclosed in Note 1.7 Impairment of financial assets.

3. Net finance income/(expense)

| | 2025 | 2024 |
|--|-----------|-----------|
| | €'000 | €'000 |
| Finance income | | |
| Interest on loans to parent undertaking | 137,000 | 137,667 |
| Interest on loans to group undertaking | 7,926 | 7,790 |
| | <hr/> | <hr/> |
| | 144,926 | 145,457 |
| Finance expense | | |
| Interest payable on Loans owed to Parent | (241) | (360) |
| Interest payable on Loans and borrowings | (143,799) | (144,219) |
| | <hr/> | <hr/> |
| | (144,040) | (144,579) |
| | <hr/> | <hr/> |
| Net finance income | 886 | 878 |

ESB Finance Designated Activity Company

Notes to the financial statements (continued)

4 Other (expense)/income

| | 2025 | 2024 |
|---------------------------------|-------------|----------|
| | €'000 | €'000 |
| Foreign currency (losses)/gains | (29) | 7 |
| Other (expenses)/income | (29) | 7 |

5 Statutory and other information

Profit before taxation is stated after charging:

| | 2025 | 2024 |
|--|-------|-------|
| | €'000 | €'000 |
| Auditor's remuneration, including expenses | 9 | 9 |

The audit fee is paid by a fellow group company.

The company had no directly hired employees during the year and hence incurred no direct labour costs (2024: €nil). The directors received no remuneration for their services to the company.

6 Taxation on profit on ordinary activities

| | 2025 | 2024 |
|--|--------------|--------------|
| | €'000 | €'000 |
| Current tax expense | - | - |
| Deferred tax (charge) – current year | (214) | (221) |
| Total income tax (charge) | (214) | (221) |
| Reconciliation of effective tax rate: | | |
| Profit before taxation | 857 | 885 |
| Tax (charge) at 25% | (214) | (221) |
| Total tax (charge) | (214) | (221) |

ESB Finance DAC has established itself for tax purposes under Section 110 Taxes Consolidation Act 2007. The applicable tax rate for companies taxed under Section 110 is 25%.

OECD Pillar Two model rules

The Company has applied the temporary exemption issued by the IASB on May 2024 from the accounting requirements for deferred taxes relating to Pillar Two under IAS12. Accordingly, the Company neither recognises nor discloses information about deferred taxes assets and liabilities related to Pillar Two income taxes.

ESB Finance Designated Activity Company

Notes to the financial statements (*continued*)

On 18 December 2023, the Government of Ireland enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the company's ultimate parent Electricity Supply Board (ESB) will be required to pay, in Ireland, top-up tax on profits of its Irish subsidiaries and share of profits in joint ventures and associates that are taxed at an effective tax rate of less than 15%. Substance based carveouts apply for eligible fixed assets and payroll costs which reduce the profits subject to the top-up tax. The current tax expense related to Pillar Two incomes is nil for 31 December 2025 based on the transitional safe harbour rules

7 Deferred tax assets

| | 2025 | 2024 |
|--------------|--------------|--------------|
| | €'000 | €'000 |
| Deferred tax | 1,067 | 1,281 |
| | <u>1,067</u> | <u>1,281</u> |

The movements in temporary differences for the company were as follows:

| | Balance at 31 December 2024 €'000 | Tax credit on loss in the year €'000 | Balance at 31 December 2025 €'000 |
|----------------------------------|--|--|--|
| Tax losses carried forward | 1,281 | (214) | 1,067 |
| Total deferred tax assets | 1,281 | (214) | 1,067 |

The deferred tax asset of €1 million at 31 December 2025 relates to losses carried forward of €4.2 million available for offset against taxable profits in the future. The tax losses do not expire under current tax legislation. The directors believe that it is probable that these losses carried forward will be utilised in the future by way of offset against future taxable profits of the company.

8a Loans to related party undertakings

| | 2025 | 2024 |
|---|------------------|------------------|
| | €'000 | €'000 |
| Accrued interest owed from parent undertaking | 79,372 | 79,407 |
| Amounts interest owed from fellow group undertaking | 3,283 | 3,440 |
| Loans to parent undertaking | - | - |
| Total current amounts receivable | 82,655 | 82,847 |
| Loans to parent undertaking | 5,274,822 | 5,270,767 |
| Loans to fellow group undertaking | 368,654 | 388,281 |
| Total non-current amounts receivable | 5,643,476 | 5,659,048 |
| Total loans to related party undertakings | 5,726,131 | 5,741,895 |

ESB Finance Designated Activity Company

Notes to the financial statements (*continued*)

8b Loans from related party undertakings

| | 2025 €'000 | 2024 €'000 |
|--|---------------|---------------|
| Loans from parent undertaking (current) | 326 | 326 |
| Loans from fellow group undertaking (non current) | 7,878 | 8,281 |
| Total Loans from related party undertakings | 8,204 | 8,607 |

At 31 December 2025, there was €79.4 million (2024: €79.4 million) interest accrued on amounts owed from parent undertaking and €3.3 million (2024: €3.4 million) interest accrued on amounts owed from the fellow group undertaking. These amounts are reflected in the balances above.

All of the loans are performing in accordance with their terms and conditions and are expected to be recovered. Related parties' details are set out in Note 15.

9 Trade and other payables

| | 2025 €'000 | 2024 €'000 |
|------------------|---------------|---------------|
| Accrued interest | 82,039 | 82,222 |
| | 82,039 | 82,222 |

All trade and other payables fall due within one year; their carrying value equates to fair value due to their short term nature.

ESB Finance Designated Activity Company

Notes to the financial statements (*continued*)

10 Loans and borrowings

| | 2025 | 2024 |
|---|------------------|------------------|
| | €'000 | €'000 |
| Non-current loans and borrowings repayable between one and two years | 499,303 | - |
| Non-current loans and borrowings repayable between two and five years | 1,698,107 | 1,492,673 |
| Non-current loans and borrowings repayable after five years | 3,446,067 | 4,166,376 |
| Total Non-current loans and borrowings | <u>5,643,477</u> | <u>5,659,049</u> |
| Total Loans and borrowings | <u>5,643,477</u> | <u>5,659,049</u> |

The total outstanding principal of borrowings was €5,672.2 million at 31 December 2025 (2024: €5,692.4 million) and has been recorded net of unamortised financing costs of €28.7 million (2024: €33.4 million).

No additional bonds were raised for expected capital investment in ESB during the year.

For information and disclosure on the company's exposure to interest rate and liquidity risks see note 10. The following table summarises the terms of the outstanding borrowings as at 31 December:

| Facility | Repayable | Interest | 2025 | 2024 |
|---|-----------|----------|------------------|------------------|
| | | | €'000 | €'000 |
| €500 million 12 year Eurobond | Jun 2027 | 2.125% | 500,000 | 500,000 |
| €600 million 15 year Eurobond | Jun 2031 | 1.875% | 600,000 | 600,000 |
| €500 million 12 year Eurobond | Feb 2029 | 1.750% | 500,000 | 500,000 |
| €500 million 15 year Eurobond | Nov 2033 | 2.125% | 500,000 | 500,000 |
| €700 million 11 year Green Bond | Jun 2030 | 1.125% | 700,000 | 700,000 |
| €100 million 25 year Eurobond | Apr 2044 | 2.000% | 100,000 | 100,000 |
| €500 million 12 year Green Bond | July 2034 | 1.000% | 500,000 | 500,000 |
| €550 million 10 year Eurobond | May 2032 | 4.000% | 550,000 | 550,000 |
| €350 million 20 year Eurobond | Jan 2043 | 3.750% | 350,000 | 350,000 |
| €500 million 12.4 year Green bond | Mar 2036 | 4.250% | 500,000 | 500,000 |
| €500 million 5 year Eurobond | Oct 2028 | 4.000% | 500,000 | 500,000 |
| £325 million 15 year Eurobond | July 2035 | 1.875% | <u>372,199</u> | <u>392,409</u> |
| | | | 5,672,199 | 5,692,409 |
| Deferred financing costs and unamortised debt issuance discount | | | <u>(28,722)</u> | <u>(33,360)</u> |
| | | | <u>5,643,477</u> | <u>5,659,049</u> |

ESB was rated A+ by Standard & Poor's in December 2025 and A3 (equivalent to A-) by Moody's in December 2025. The outlook of both of the agencies was 'Positive'.

ESB Finance Designated Activity Company

Notes to the financial statements *(continued)*

10 Loans and borrowings *(continued)*

Reconciliation of external loans borrowings

| | Balance at 1 January € '000 | Cash flows € '000 | Effects of foreign exchange € '000 | Other € '000 | Balance at 31 December € '000 |
|----------------------|-----------------------------------|-------------------------|---|-----------------|--|
| 2025 | | | | | |
| Debt Facility | | | | | |
| ESB Eurobonds | 5,659,049 | - | (20,210) | 4,638 | 5,643,477 |
| Total | 5,659,049 | - | (20,210) | 4,638 | 5,643,477 |
| | | | | | |
| | | | | | |
| 2024 | | | | | |
| Debt Facility | | | | | |
| ESB Eurobonds | 5,936,287 | (300,000) | 18,617 | 4,145 | 5,659,049 |
| Total | 5,936,287 | (300,000) | 18,617 | 4,145 | 5,659,049 |

11 Financial instruments and risk management

(a) Interest rate risk

In managing interest rate risk, ESB Finance DAC aims to reduce the impact of short-term fluctuations on the company's earnings. As the principal activity of the company is the provision of funding to entities in the ESB Group, interest rate risks is principally managed by matching the interest rates and terms of borrowings, secured externally, with the interest rates and terms on amounts advanced to such undertakings. Details of Loans and Borrowing are set out in Note 10.

(b) Foreign currency risk

Foreign currency exposures arise mainly on the translation of foreign currency denominated liabilities and receivable balances into euro, **which is the company's functional currency**. As the principal activity of the company is the provision of funding to entities in the ESB Group, such exposures are principally managed by matching the currency of borrowings, secured externally, with the currency of amounts advanced to such undertakings.

ESB Finance Designated Activity Company

Notes to the financial statements *(continued)*

11 Financial instruments and risk management *(continued)*

(b) Foreign currency risk *(continued)*

At 31 December 2025, ESB Finance DAC's debt portfolio (including accrued interest) amounted to €6.0bn (2024: €6.0bn). The net currency exposure at 31 December was as follows:

| | Denominated in Euro 2025 €'000 | Denominated in Sterling 2025 €'000 | Total 2025 €'000 |
|--|---|---|---------------------------------|
| Included in accrued interest and other payables | 78,922 | 3,117 | 82,039 |
| Included in amounts owed to parent undertaking | 6,803 | 1,401 | 8,204 |
| Included in borrowings | 5,274,824 | 368,653 | 5,643,477 |
| | | | |
| Total liabilities | 5,360,549 | 373,171 | 5,733,720 |
| Amounts included in current and non-current assets | (5,355,510) | (373,931) | (5,729,441) |
| | | | |
| Net liability exposure | 5,039 | (760) | 4,279 |
| | | | |
| | Denominated in Euro 2024 €'000 | Denominated in Sterling 2024 €'000 | Total 2024 €'000 |
| Included in accrued interest and other payables | 78,956 | 3,266 | 82,222 |
| Included in amounts owed to parent undertaking | 7,129 | 1,478 | 8,607 |
| Included in borrowings | 5,270,768 | 388,281 | 5,659,049 |
| | | | |
| Total liabilities | 5,356,853 | 393,025 | 5,749,878 |
| Amounts included in current and non-current assets | (5,351,310) | (393,432) | (5,744,742) |
| | | | |
| Net liability exposure | 5,543 | (407) | 5,136 |
| | | | |

A 10% strengthening of the euro against sterling would have increased profit before taxation as outlined below. A 10% weakening of the euro would have decreased profit before taxation in the opposite manner as outlined below.

| | Equity /Profit before taxation Gain / (loss) 2025 €'000 | Equity/Profit before taxation Gain / (loss) 2024 €'000 |
|-------------------|--|---|
| 10% strengthening | (69) | (37) |
| 10% weakening | 84 | 45 |
| | | |

ESB Finance Designated Activity Company

Notes to the financial statements *(continued)*

11 Financial instruments and risk management *(continued)*

(c) Credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. At year end, the carrying amount of financial assets is as follows:

| | 2025 | 2024 |
|-----------------------------------|------------------|-----------|
| | €'000 | €'000 |
| Loans to parent undertaking | 5,354,194 | 5,350,174 |
| Loans to fellow group undertaking | 371,937 | 391,721 |
| Cash and cash equivalents | 3,310 | 2,847 |
| | 5,729,441 | 5,744,742 |

Credit risk arises from cash and cash equivalents and loans to parent and fellow group undertakings. Other than cash and cash equivalents, all of the exposures are to related entities.

As at 31 December 2025 and 2024, no amounts were overdue or impaired.

(d) Liquidity risk

The principal liquidity risks faced by the company relate to (i) the inability of ESB Group companies to repay loans and borrowings to ESB Finance DAC when the matching external borrowings fall due, and (ii) the inability to refinance external borrowing facilities to meet the cash flow requirements of the parent and fellow group undertakings which ESB Finance DAC has been established to finance. In order to manage this risk, the company monitors financial markets in order to identify the optimum time to pre-fund any requirements arising from maturing debt and capital expenditure of these ESB Group companies.

The following table sets out the contractual maturities of financial liabilities of a similar nature, including the interest payments associated with borrowings.

| | Carrying Amount €'000 | Contractual cash outflows €'000 | Within 1 year €'000 | 1 – 2 years €'000 | 2 – 5 years €'000 | After 5 years €'000 |
|-------------------------|--------------------------------------|--|------------------------------------|----------------------------------|----------------------------------|------------------------------------|
| 31 December 2025 | | | | | | |
| Loans and borrowings | 5,651,681 | 6,767,735 | 58,209 | 640,068 | 2,039,663 | 3,947,756 |
| Interest payable | 82,039 | 82,039 | 82,039 | - | - | - |
| 31 December 2024 | | | | | | |
| Loans and borrowings | 5,667,656 | 6,932,087 | 58,129 | 140,627 | 1,880,227 | 4,770,881 |
| Interest payable | 82,222 | 82,222 | 82,222 | - | - | - |

ESB Finance Designated Activity Company

Notes to the financial statements *(continued)*

11 Financial instruments and risk management *(continued)*

(e) Fair values

Fair value 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 fair values of financial assets and liabilities carried at amortised cost, together with their carrying amounts shown in the statement of financial position are set out in the table below. The fair value of loans and borrowings (receivable and payable) has been calculated by reference to publicly available market values for ESB's debt.

| | 2025 | | 2024 | |
|-------------------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | Carrying value € '000 | Fair value € '000 | Carrying value € '000 | Fair value € '000 |
| Short term debt | - | - | - | - |
| Long term borrowings | 5,643,477 | 5,335,665 | 5,659,049 | 5,354,323 |
| Amounts owed to parent undertaking | 8,204 | 8,204 | 8,607 | 8,607 |
| Trade and other payables | 82,039 | 82,039 | 82,222 | 82,222 |
| Loans to related party undertakings | | | | |
| - Current | (82,655) | (82,655) | (82,847) | (82,847) |
| - non current | (5,643,476) | (5,335,665) | (5,659,048) | (5,354,323) |

ESB Finance DAC Eurobonds (Long term borrowings) are regarded Level 1 fair values. The fair value of Eurobonds is derived from observation of the most recent traded values for these bonds in liquid markets at the statement of financial position date.

12 Cash and Cash Equivalents

| | 2025 €'000 | 2024 €'000 |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | 3,310 | 2,847 |
| | 3,310 | 2,847 |

The Cash and Cash Equivalents balance forms part of a cash pool.

13 Capital and reserves

During 2010, the company issued one ordinary share for consideration of €1. This share was allotted to ESB. The company considers its capital to comprise issued share capital and retained earnings. Movements in share capital and retained earnings during the year are disclosed in the statement of changes in shareholder's equity in these financial statements. The company relies on the support of its parent entity to continue as a going concern as noted in the statement of accounting policies.

ESB Finance Designated Activity Company

Notes to the financial statements (*continued*)

14 Guarantees, commitments and contingencies

At 31 December 2025 a €2.4 billion Sustainability linked Revolving Credit Facility with a group of fifteen international banks to draw down bank finance as required up to July 2030 was available to the ESB Group. ESB Finance DAC was a co-guarantor under this facility. There has been no drawdown of this facility as at 31 December 2025 (2024: €Nil).

15 Related parties

ESB Finance DAC is a wholly owned subsidiary of ESB, a statutory corporation established under the Electricity (Supply) Act 1927 and domiciled in Ireland. The largest and smallest group into which the results of the company are consolidated is that headed by ESB and the consolidated financial statements of ESB are available to the public and may be obtained from ESB Head Office, 27 Fitzwilliam Street Lower, Dublin 2, Ireland, D02 KT92.

Transactions with parent undertaking

Details are set out in notes 2, 8 and 9.

Transactions with fellow group subsidiary undertaking

Details are set out in notes 2 and 8.

16 Segment information

The company is managed as a single business unit engaged in the issuance of loan notes and the investment of the net proceeds of the issue of these notes. Accordingly, the company operates in one reportable segment, and the directors assess the performance of the business from this perspective, based on the overall profit after tax of the company for the year.

17 Events since the end of the financial year

The conflicts in the Middle East have created significant uncertainty in global markets, in particular, increased volatility in energy and commodity markets, increases in price inflation and potential supply disruption which may have direct and indirect impacts on individuals and businesses. The directors will continue to monitor this evolving situation and consider any impacts on the Company.

18 Approval of financial statements

The Board of Directors approved the financial statements on 1 May 2026.