Gas Networks Ireland

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

Committed to a **Net Zero** Carbon Network

Ireland's gas network
a national asset of size and scale

Delivering Ireland's Energy

30% of Ireland's total energy needs

41% of Ireland's electricity generation

54.3 TWh transported through the network for Republic of Ireland - **up 2%** v 2023

20% of gas used in Ireland sourced indigenously from Corrib gas field

Delivering on safety

5 ISO Management Systems recertified

28 minutes average call (on site) response time

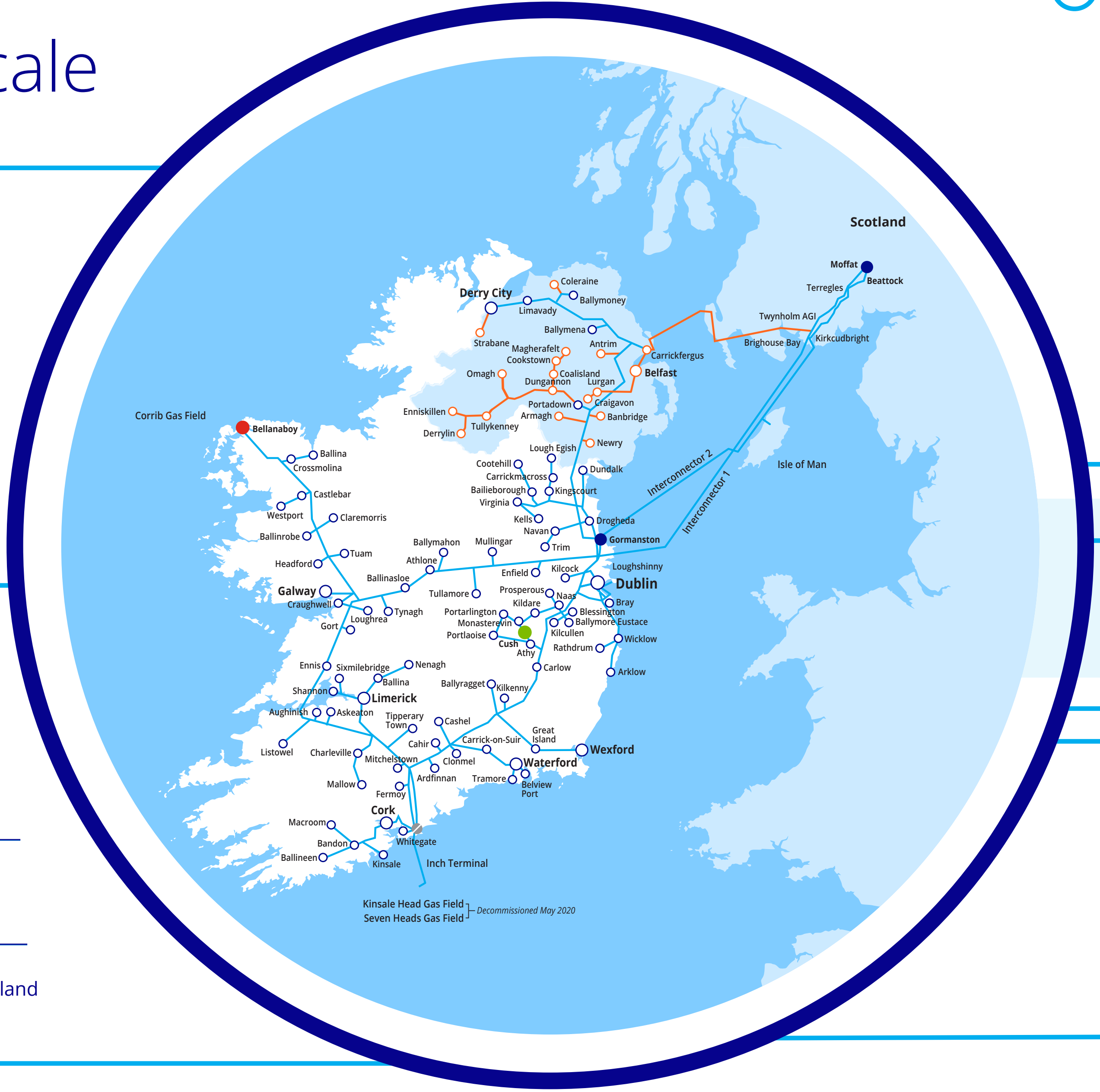
Delivering Ireland's Energy Security

4 new gas fired generation connections construction complete

4 further gas fired generation connections construction commenced

Construction complete to enable independent operation of the two compressor halls at **Brighouse Bay Compressor Station**

Proposal submitted to Government to create a **Strategic Gas Emergency Reserve** to protect Ireland in the event of a gas supply disruption



Existing Pipelines
Pipelines Owned by Others
Interconnection Points
Entry Point
Renewable Gas Entry Point
Decommissioned Entry Point

Delivering for Ireland

€3bn publicly-owned national asset

€188m capital expenditure

€158m Taxes paid

€44m dividend payment to the Exchequer

€269m worth of goods and services procured from Irish suppliers

800 staff directly employed by Gas Networks Ireland

Delivering for the future

Pathway to a Net Zero Carbon Network
In June, we published our Pathway to a Net Zero Carbon Network by 2045

Biomethane
- **61 GWh** injected into the gas network
- **2** new Biomethane connections
- **2** new partnerships with Biomethane producers

Hydrogen
- key progress made in relation to Network Technical Readiness and Hydrogen compatibility
- participation in Government's Hydrogen Interdepartmental Working Group
- engagement with DECC in relation to Ireland's designation of a 'Hydrogen Network Operator'
- supporting development of a European Network of Network Operators for Hydrogen (ENNOH)

8 public and **3** private compressed natural gas (CNG) stations operational by the end of 2024

720,000+ customers in **23** counties, with 28,349 industrial and commercial customers, including power stations

94% customer satisfaction score remains at an excellent score

31% drop in complaints compared to 2023, lowest level raised in 10 years

1.86m meter reads undertaken

Delivering on sustainability

Scope 1 (direct emissions)
16% reduction from 2010 baseline
Scope 2 (indirect emissions)
43% reduction from 2010 baseline

Gas Networks Ireland appointed
UNSDG Champion

SDG CHAMPION 2024-2025

€219,595 in financial support to local communities

90 community projects supported

5 sustainability awards in the year including Environmental, Social and Governance (ESG) award at the 50th Business and Finance Awards

Responsibly certified

Certified to the Business Working Responsibly Mark

Achieved the Investing in Volunteers quality standard

Achieved IBEC (Keepwell mark) for our Health and Wellbeing Programme

Engineer's Ireland (CPD Employer of the Year) for our Female Development Programme

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The plans we put in place now will ensure we continue to have an integral role at the heart of Ireland's energy system.

Section 1

Strategy and performance

Business overview

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Strategy, business model & risk

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Our history and sustainability journey

1970s

Pre 1970s, "town gas" was produced from coal at local gasworks sites and was used primarily for street lamps

1971
The Glomar North Sea exploration ship finds gas off the south coast of Ireland

1976
Bord Gais Éireann established as a statutory corporation under the Gas Act 1976. The new semi-state effectively replaces private sector small town-based gas companies

1978
Natural gas first brought ashore through a sub sea pipeline at Inch in Co. Cork

1980s

1983
Gas pipeline from Cork to Dublin completed. Dublin Gas Company receives its first natural gas supplies and begins converting 120,000 customers to natural gas from town gas. Cork and Dublin Gas Companies fully acquired by Bord Gáis Éireann

1990s

1990
Sale of natural gas appliances increases by 50% and gas sales to the industrial/commercial sector increase by 15%

1992
Work begins on the first sub sea interconnector and a major compressor station in south-west Scotland to increase supply of gas to Ireland by 50%

Natural gas within reach of 550,000 homes in Ireland

2000s

2000
Aurora Telecom enters dark fibre market

2001
Second sub sea interconnector approved by government

2002
Commission for Energy Regulation established, and projects are undertaken to bring gas to the west of Ireland for the first time

2009
Our charitable fund and commitment to youth education first established

2010s

2014
Following the sale of Bord Gáis Energy, Bord Gáis Éireann is renamed to Ervia – Ireland's first multi-utility company

2015
Gas Networks Ireland established as a separate subsidiary

2016
Business Working Responsibly (BWR) Mark first achieved

2018
Our first Sustainability Report is published

2019
Ireland begins its journey to a net zero carbon gas network, with the introduction of domestically produced renewable biomethane onto the national network

Sustainability strategy developed and sustainability team established

2020s

number of staff: **800**

2020
First Carbon Disclosure Project (CDP) Climate Change rating of B- achieved

2021
Two additional public CNG stations opened, bringing the number of publicly accessible, fast-fill CNG stations in the country to four

2022
Submitted a technical and safety feasibility study on injecting green hydrogen blends into Ireland's gas network. The study concluded that it is both safe and feasible to use the existing gas network to transport blended hydrogen

2023
In January 2023, the Ervia Group reached the final stages of its reorganisation, culminating in the legal separation of Uisce Éireann from the Group

2024
Ervia was dissolved on 1st June 2024. On this date, all functions, assets, and liabilities of Ervia were transferred to Gas Networks Ireland.

Pathway to 2045

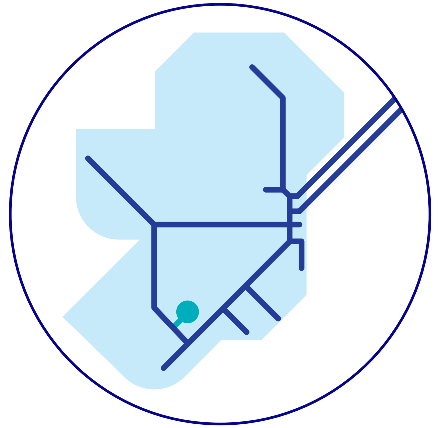
A pathway to **decarbonisation**

Gas Networks Ireland will support Ireland's transition to a carbon-neutral economy by working towards a repurposed, fully decarbonised gas network by 2045, ensuring a secure and reliable energy supply while supporting Ireland's climate and energy goals.

Foundation
Now - 2027

Network demand/gas source

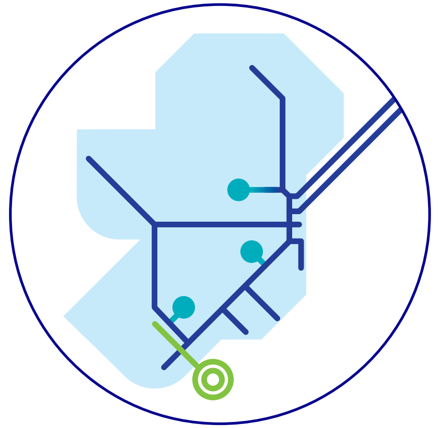
56.8 TWh



Development
2028-2032

Network demand/gas source

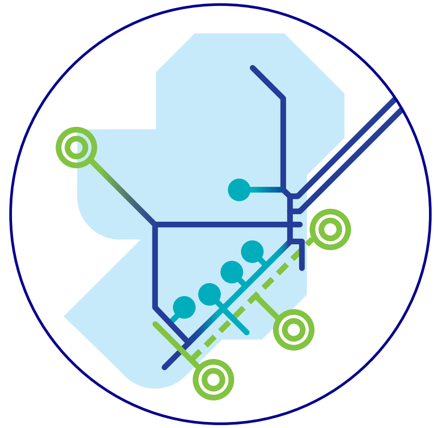
46 TWh



Repositioning
2033 - 2040

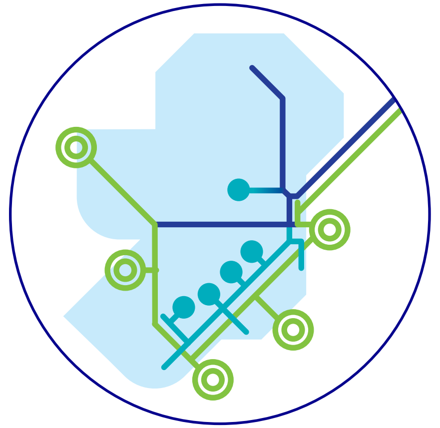
Phase 1
2033-2036
Network demand/gas source

40.4 TWh



Phase 2
2037-2040
Network demand/gas source

37.2 TWh



Conversion
2041-2045

44.1 TWh

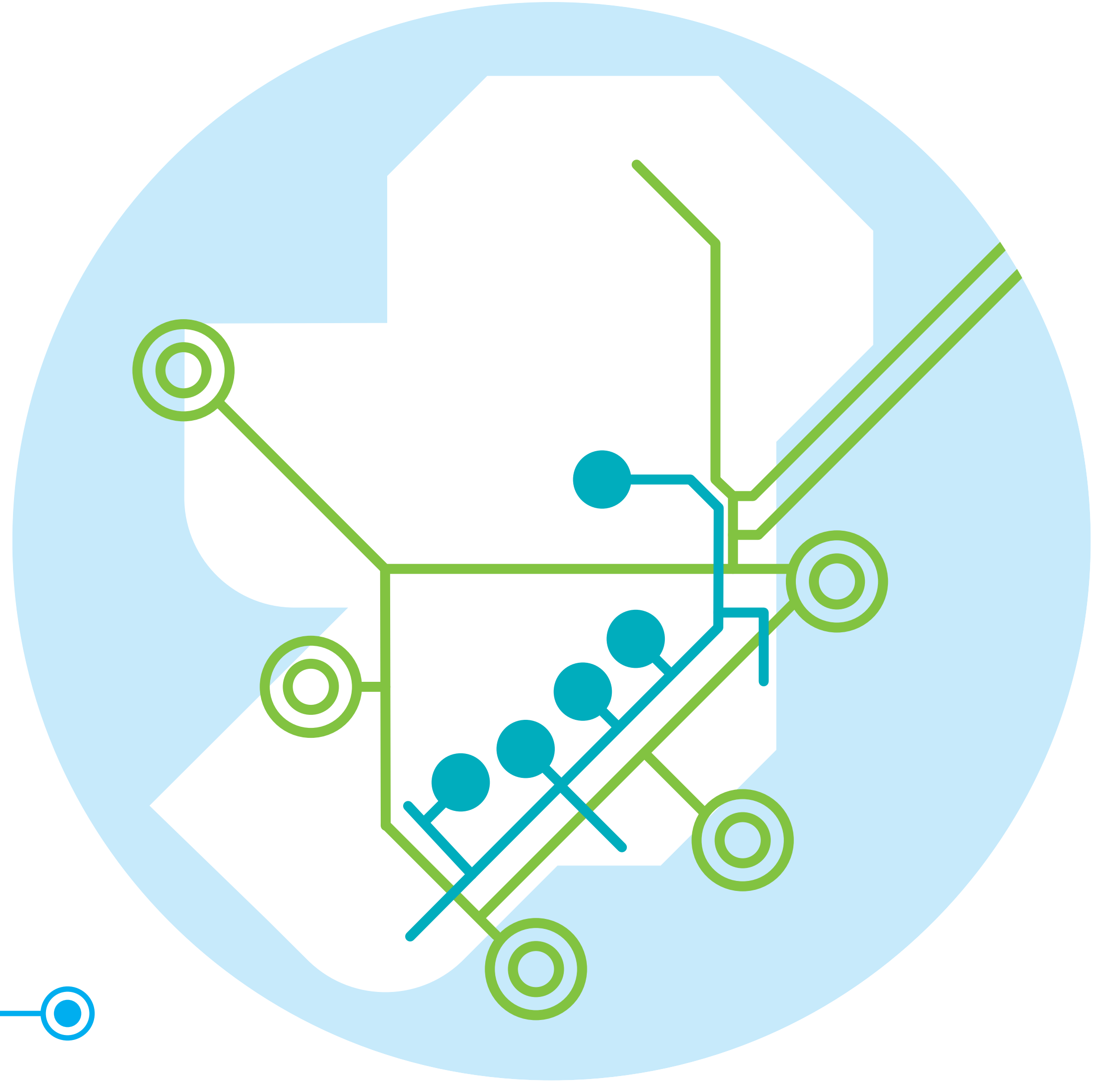
Parallel hydrogen and biomethane networks

Schematic Legend

- Natural gas pipeline
- Hydrogen pipeline
- Biomethane pipeline
- Hydrogen pipeline under construction
- Hydrogen cluster
- Biomethane central grid injection point

Direct biomethane and hydrogen connections not included

By end - 2045



By end - 2027 | **By end - 2032** | **By end - 2036** | **By end - 2040**

Chairperson's report

Kevin Toland
Chairperson

At the heart of Ireland's **energy future**

Introduction

As Chairperson I am delighted to present the 2024 Annual Report and Financial Statements for Gas Networks Ireland.

In 2024, many successes and milestones were achieved across our business. Throughout the year, the Board together with the organisation, has undertaken work to prioritise strategy development, progress and monitor its implementation while, maintaining a key focus on corporate governance. We've made significant progress on our strategic goals and worked towards our vision of being at the heart of Ireland's energy future. The Chief Executive Officer and Chief Financial Officer reviews on pages 13 and 60 outline the key operational and financial highlights.

Ireland's energy

We manage a modern infrastructure and provide vital gas services 365 days a year. The primary objective of Gas Networks Ireland is the operation of a safe and reliable gas network, supporting overall energy security in Ireland whilst also efficiently facilitating the transition of the gas network to a net zero carbon network.

In 2024, we maintained our track record of excellent safety performance and continued to uphold safety as a key priority in relation to ongoing operational activities and decision making. We also maintained our strong record of network reliability and availability during the period with zero downtime experienced.

The gas network continues to demonstrate its critical role in Ireland's energy system, with over 41% of Ireland's electricity being produced using natural gas in 2024, peaking at 83% on days when intermittent renewable generation was not available. This clearly reiterates the importance of having a flexible and reliable gas supply to provide security and resilience for Ireland's energy system.

We operate a safe and reliable gas network, supporting overall energy security and resilience in Ireland.

By replacing natural gas with renewable gases such as biomethane and green hydrogen, we are working to deliver a net zero carbon network by 2045 and reduce emissions across key sectors.

During 2024, Gas Networks Ireland invested over €188m to improve the safety, capacity, security and resilience of the network. This included significant investment to progress the delivery of new gas-fired generation connections and capacity enhancing works at our compressor stations in Scotland, both of which will improve security of supply for Ireland's growing energy demand. We also continued to advance our cyber and physical security programmes to protect our network from ever growing malevolent threats.

At the end of April, we submitted a proposal to the Government to create a Strategic Gas Emergency Reserve, a 'transitional measure' to protect Ireland in the event of a gas supply disruption. This measure aims to ensure a secure transition to renewable energy at scale in Ireland.

Performing while transforming

Our purpose and vision reflect who we are, where we have come from, our central role in Ireland's energy system and where we are going. Performing while transforming to deliver on Ireland's decarbonisation ambitions is a core element of our strategy. It is imperative that we continue to perform for our customers and stakeholders while also transforming our network for a decarbonised future. Our strategy sets out how we will continue to operate, maintain, and invest in our gas network to ensure safe, reliable, and secure supplies while preparing for a future in which networked gas enables an integrated energy system to achieve net zero carbon.

To achieve this, our network must be repurposed to transport renewable gases, biomethane and hydrogen, at scale. Our organisation and its extensive network is uniquely placed to deliver the necessary change, and we're already working hard towards these goals as we transition to a net zero carbon network. We have a proven legacy of evolution – transforming from town gas to natural gas, and our experience will enable us to do so again, from natural gas to renewable gases.

As we look to the future, we will use our experience, expertise and culture of collaboration and change to work towards a sustainable tomorrow. The plans we put in place now will ensure we remain at the heart of Ireland's energy system.

Pathway to a Net Zero Carbon Network

In 2024, we published our ambitious transformation Pathway to a Net Zero Carbon Network, highlighting how the national gas network will support Ireland's transition to a carbon-neutral economy by 2050.

Our network's sustainability journey works towards a repurposed, fully decarbonised gas network by 2045, ensuring a secure and reliable energy supply while supporting Ireland's climate and energy goals.

By replacing natural gas with renewable gases such as biomethane and green hydrogen, we are working to deliver a net zero carbon network and to reduce emissions across key sectors, including those traditionally difficult to decarbonise, such as the high heat industry, power generation, agriculture, and transport sectors.

Sustainability

We are ever mindful of our sustainability responsibilities. Our Pathway to a Net Zero Carbon Network outlines how we will play our part in protecting the environment. In tandem we also support the social and economic development of the communities in which we operate.

We are proud of the fact that in 2024 Gas Networks Ireland was appointed as a 2024/2025 UNSDG Champion by Minister for the Environment, Climate, Communications and Transport, Eamon Ryan. We are also one of only 40 companies in Ireland to hold the BWR mark for responsible and sustainable business practices.

In 2024, Gas Networks Ireland received five sustainability awards, demonstrating our commitment to addressing climate change, practicing responsible governance, and making a positive impact in the communities where we operate. We are delighted with our new dedicated helpline for older customers

Pathway to a Net Zero Carbon Network
published in 2024

Gas Networks Ireland appointed as a
2024/2025 UNSDG Champion

€300 million
Eurobond issued

Gas Networks Ireland Board recommends **€62 million dividend for 2025**

set up in 2024. This was approved by Age Friendly Ireland and provides specialised support and enhanced service accessibility for individuals aged 66 and older.

Financial results & shareholder dividends

Gas Networks Ireland performed strongly in 2024, delivering a profit after tax of €138m. Our financial results for the year are underpinned by a strong financial focus combined with higher transportation revenues.

Financial capability is a key enabler of our strategy, in particular, maintaining our investment grade credit rating. In 2024, we maintained credit ratings of A+ / A2 with S&P and Moody's rating agencies. We saw the bond market respond well to our strategic vision and pathway through the issuance of a new €300m bond and the partial early redemption of our 2026 Eurobond.

Gas Networks Ireland dividend policy as agreed with Government, provides for targeted dividends of 45% of previous year's adjusted profit after tax. In line with this policy, the Board recommends a €62m dividend payment in 2025, based on the 2024 financial performance.

Corporate governance

On the 1st June 2024, Ervia was dissolved by the Gas (Amendment) and Miscellaneous Provisions Act 2024 (the 'Act'). The Act effected the transfer of all remaining assets, rights and liabilities of Ervia to Gas Networks Ireland.

Across the year, the Board continued to prioritise corporate governance in line with best practice, emerging regulation, government policy and transparency. The Board and its sub-committees met regularly and both the nature and quality of material presented to the Board throughout the year was exceptional.

Gas Networks Ireland complies with the Code of Practice for the Governance of State Bodies in all material respects. Risks are formally reviewed and monitored to ensure appropriate mitigations and controls. As Chairperson, I am satisfied that the appropriate internal controls exist and are managed effectively to meet our governance requirements.

Acknowledgements

I would like to thank the Ministers and the officials in the Department of Housing, Local Government and Heritage and in the Department of the Environment, Climate and Communications for their support throughout the year. I extend my gratitude to the officials at NewERA with whom we regularly liaise on governance matters.

After almost 16 years of service Joe O'Flynn's tenure on the Board expired in June 2024. Sean Hogan's tenure expired in January 2025 after nearly 10 years of service. John Curran was appointed to the Board in September 2024 and Liz Joyce was appointed to the Board in January 2025. I would like to thank Joe and Sean for their work, commitment and valuable contribution to Gas Networks Ireland and welcome John and Liz to our Board.

Cathal Marley, Chief Executive Officer, is leaving Gas Networks Ireland to pursue a new career opportunity. Cathal has worked across the business for over eight years as Group CFO and Group CEO. Cathal ensured the strong delivery in our core mandate of keeping Ireland's gas and energy moving, made substantial progress in driving our transformation agenda as well as strengthening relationships with all our key stakeholders. On behalf of the Board, and all in Gas Networks Ireland, I thank Cathal for this very significant contribution and we all wish him every success in his future career.

I would like to thank all of the people who work with Gas Networks Ireland and our partners for their extraordinary commitment, performance and delivery. I would also like to express my appreciation and extend my thanks to my fellow Board members, to the Executive Team and all the staff of Gas Networks Ireland for their support throughout the year.

Kevin Toland
Chairperson

Chief Executive Officer's review

Cathal Marley
Chief Executive Officer

Moving **Ireland's** energy

We own, operate, build, and maintain the natural gas network in Ireland. This includes:

Over 14,758km of pipelines

2 sub sea interconnectors and pipelines in Scotland, Northern Ireland, and the Isle of Man

Our principal activity is the **transportation of natural gas safely** and reliably on behalf of **over 720,000 business** and residential gas customers regardless of which natural gas supply company they choose

We also provide **wholesale telecom fibre services** under the business name Aurora Telecom

The gas network is a vital national asset, transporting 30% of Ireland's primary energy needs. Gas continues to underpin Ireland's energy mix, being a major contributor to electricity supplies, producing on average 41% of Ireland's electricity.

30% of Ireland's primary energy needs transported by **Gas Networks Ireland**

41% of Ireland's electricity produced using natural gas transported by **Gas Networks Ireland**

The variability of fuel types in the electricity generation mix, particularly wind and solar, saw gas electricity generation peak at 83% of demand during 2024, reiterating the importance of having a flexible and reliable gas supply.

In June, we published our Pathway to a Net Zero Carbon Network by 2045. This details the transformative journey towards a fully decarbonised gas network by 2045, ensuring a reliable energy supply while supporting Ireland's climate goals. The pathway is consistent with current energy policy and targets and is reflective of wider energy system needs. The timing of the pathway may evolve as new policy becomes clearer and new energy sources and technologies progress.

How we deliver sustainable value creation and economic contribution over the longer term is also impacted by macro trends and developments in the wider economy. These are outlined on page 23. Details on our principal risks, uncertainties and key mitigations can be found on pages 32-39.

Performance in 2024

Safety

We continued our track record of excellent safety performance in 2024. We undertook a review of our Work Safe Home Safe programme and a number of safety communications and awareness campaigns for staff were run over the course of the year covering such issues as driving, stair and winter safety.

Our Combined Lost Time Incident Frequency Rate for staff and key service providers continues to be at leading levels and reflects our focus and culture of safety performance within our organisation. We retained certification to our safety ISO Management System in 2024 and we launched a new multi-media Dial Before You Dig advertising campaign to promote the importance of checking for gas pipelines before commencing excavation work.

Capital, maintenance and operational work programmes

In 2024, €188m of capital investment was delivered including many complex projects such as the Brighouse Bay station splitting project and the Hawkins Street DRI (Distribution Regulating Installation) relocation project along with ongoing work programmes to improve network resilience, security, capacity and transition to renewable energy solutions.

Operating and maintaining our network continuously in an efficient and economic manner is a key element of our strategy. In 2024, we dispatched over 47,156 planned maintenance work orders on the transmission and distribution networks. 97% of all planned maintenance was completed and there were no gas quality non-conformances. We took over 1.8 million meter reads on behalf of gas suppliers and responded to 14,561 publicly reported escapes of gas, 99.9% within the one-hour criteria.

Capital investment to note this year include:

- Completed construction of 4 new connections - 1 power station and 3 other industrial customers.
- Commenced construction of 4 further new transmission connections – 2 power stations, 2 industrial customers.
- Completed construction on a project to enable independent operation of the two compressor halls at Brighouse Bay Compressor Station.
- Completed construction on replacement of Kerotest valves in the Leopardstown area of Dublin.
- Advanced pipeline diversion works required for projects in Cork.
- Completed capacity upgrade at Ballyneasagh above ground installation.
- Completed Mitchelstown central grid injection enabling works.
- Constructed and commissioned Flogas Keelings and Lidon Junction 14 CNG station.
- Constructed Beauparc Cappagh CNG station.
- 3.6 km distribution reinforcement main laid.
- Three large distribution connections completed at Edgeconnex Grange Castle Dublin, Bulmers Grange Castle Dublin and Epark Cork.

Aurora Telecom, enhanced its metropolitan networks in Dublin, Shannon, and Ennis. The national backhaul network now spans over 1,500 km across 15 counties, offering ultra-high fibre connectivity to all cities and major urban centres. Feasibility studies were completed on new backhaul corridors, providing a robust foundation for their anticipated roll-out in 2025.

You can read the full 2024 operating review on pages 41-59.

Security of supply

Throughout 2024, cyber and physical security remained critical priorities. We maintain regular cyber awareness communications and training to all employees and contractors. Cyber and physical security upgrades continued at various locations in ROI and Scotland, including the commencement of works at Ballough AGI in the Republic of Ireland and the material completion of works at Brighouse Bay station in Scotland. In response to a security incident in the Irish Sea we completed an unplanned sub sea survey to ensure no interference to the Interconnector 1 pipeline.

Gas Networks Ireland is a partner in the VIGIMARE EU Horizon project that commenced in 2024. The project will provide an information sharing environment to critical infrastructure owners to build resilience against physical, cyber and hybrid threats to the EU submarine critical infrastructure.

Commenced construction of the new Biomethane central grid injection (CGI) facility in Mitchelstown, Co. Cork

Government committed to delivering 5.7TWh of indigenously produced **biomethane by 2030**

Demand for renewable gas in the transport sector **increased 67%** compared to 2023

Gas Networks Ireland also worked closely with EirGrid and the CRU to ensure a more secure electrical supply. We commissioned and made operational three new flexgen power stations, completed construction on the transmission gas connection for ESB Corduff power station and commenced construction on two further power station transmission gas connections, thereby supporting the increase in power generation capacity and providing resilience to the ongoing expansion of renewable electricity generation.

Biomethane

Biomethane is a carbon neutral renewable gas that can be made from farm and food waste through anaerobic digestion. It meets the same technical standards as natural gas and is fully compatible with the gas network. Over 2024, there was 61GWh (39GWh indigenous and 22GWh imported) of biomethane transported by the gas network, with two new biomethane connections contracted during the year.

In May 2024, Ireland's National Biomethane Strategy was published by the Department of Agriculture, Farming and Marine (DAFM) and the Department of the Environment, Climate and Communications (DECC). The Strategy is Ireland's first major policy statement on biomethane. The Strategy re-affirms the Government's commitment to delivering 5.7TWh of indigenously produced biomethane by 2030.

To enable the growth of the biomethane industry, Gas Networks Ireland has engaged with several biomethane producers to provide direct connections onto the network. We also signed a Memorandum of Understanding (MoU) with Nephin Renewable Gas and agreed on a partnership with Bia Energy.

Last October, An Taoiseach Micheál Martin broke ground to officially mark the commencement of construction for the new Central Grid Injection (CGI) facility in Mitchelstown. This facility is a transformative step in Ireland's transition towards renewable energy, enabling multiple producers to inject biomethane into the national gas network.

Hydrogen

The "National Hydrogen Strategy" published in 2023, recognises the long term need for a national hydrogen network and acknowledges how the national gas network can be leveraged to accommodate hydrogen produced from wind energy. Throughout 2024, Gas Networks Ireland actively participated in the Government's Hydrogen Interdepartmental Working Group to support the delivery of the "National Hydrogen Strategy".

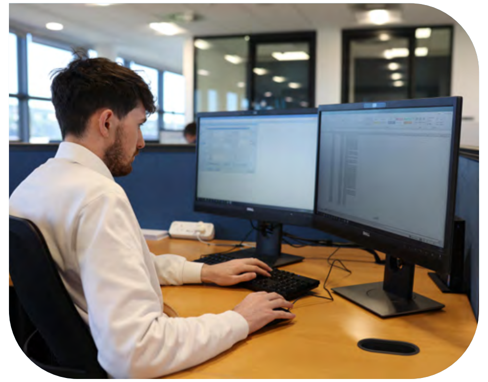
During 2024, Gas Networks Ireland worked with other European operators to develop the European Network of Network Operators for Hydrogen (ENNOH), which will develop the regulatory framework for hydrogen network operators during 2025 and 2026. Gas Networks Ireland was elected to the pre-ENNOH board in December 2024. We are actively engaging with DECC regarding Ireland's designation of a 'Hydrogen Network Operator'. We believe that as the Gas System Operator, we are ideally positioned to fulfil this role.

In anticipation of the emergence of both indigenous green hydrogen and hydrogen via our UK interconnectors, Gas Networks Ireland is engaged in an extensive programme of work to enable the phased introduction of hydrogen into the gas network at our Network Innovation Centre, in Citywest, Dublin. We are working with research institutes and academia to test hydrogen compatibility and functionality to understand the full potential of hydrogen and ensure that the gas network is capable of safely transporting and storing both blended and up to 100% hydrogen in the future.

Bio-CNG

In 2024, demand for renewable gas in the transport sector increased by 67% compared to 2023. Compressed Natural Gas (and its renewable equivalent, BioCNG) offers substantial emissions reductions for the heavy goods vehicle (HGV) sector. Fuelling with BioCNG can reduce a HGV's emissions by up to 90% therefore providing the Irish haulage industry with a clean alternative fuel option to diesel. In 2024, 89% of CNG dispensed was BioCNG.

In June, the official opening of the Republic of Ireland's first ever dedicated BioCNG refuelling station, located at Food Central in St. Margarets North Co. Dublin took place, and in September a new BioCNG refuelling station at Junction 14 on the M7 motorway in Kildare was opened.



People

Throughout 2024, we maintained excellent employee engagement survey scores and continued to invest in the development of our staff with many bespoke programmes including our technical training programmes and our further educational supports. We were delighted to see a new intake of apprentices and we also recruited for our 2025 Graduate programme.

An ongoing focus area is the wellbeing of our people. In 2024, we launched a series of progressive policies including our Menopause, Holiday Swap and Fertility Treatment Supports policies.

We received external recognition standards from IBEC (Keepwell mark) for our Health and Wellbeing programme and Engineers Ireland (CPD Employer of the Year) for our Female Development Programme.

Our ibelong Diversity, Equity and Inclusion programme grew further in 2024, including the establishment of a new Employee Resource Group (ERG), the NextGen Group which is now the sixth ERG across the business.

Finally, in 2024, we have once again seen positive progress in our Gender Pay Gap influenced by our ibelong, our female development and our early education STEM (Science, Technology, Engineering, and Maths) programmes along with our own early career programmes. The growth of these programmes and our diversity, equity and inclusion strategy is a key area of priority across the organisation.

Sustainability

As a leading utility company, sustainability is defined by our role in delivering an affordable and clean energy future for the people of Ireland through the decarbonisation of our network and the reduction of emissions across all sectors of Irish society.

During 2024, we continued to embed sustainability across our business, keeping it at the core of our business decisions and strategy. We commenced preparation for the new Corporate Sustainability Reporting Directive (CSRD), establishing a cross functional working group to support the delivery of the CSRD programme and requirements. This is a valuable opportunity to reflect on our current sustainability strategies and practices and further embed sustainability culture and awareness activities in our business.

A full update on our sustainability in practice is included on pages 67-78.

Customers

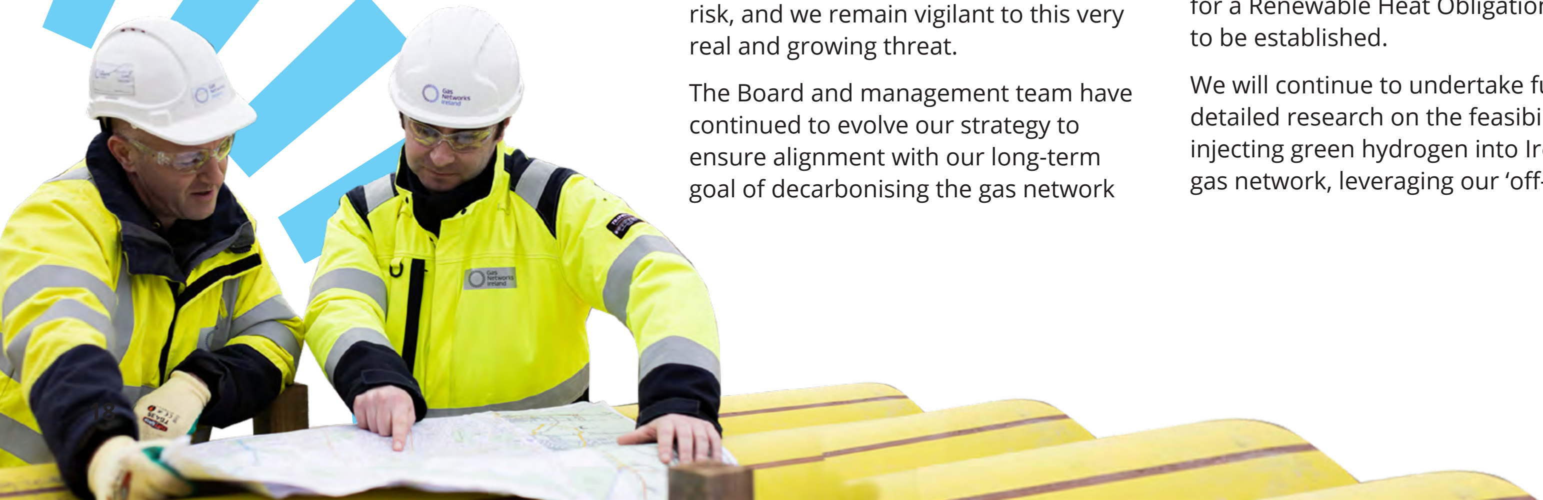
During 2024, our overall Customer Satisfaction Score remained at an excellent score of 94%. We continued to enhance our customer service with our complaint resolution targets being exceeded. Through strong collaboration and interactions with internal stakeholders and our business partners we have seen the lowest level of complaints raised in 10 years, and a drop of 31% compared to 2023.

To better understand how renewable gases such as biomethane (in the short term) and green hydrogen (in the medium to long-term) can help our customers to decarbonise as they progress towards net zero, a customer solutions team was also stood up in 2024, proactively engaging with over 300 of our largest customers that consume high volumes of gas in high heat industries and hard to abate sectors.

31% drop in complaints created this year, the lowest in **10 years**

94% our overall **Customer Satisfaction Score** remains at an excellent level

€188m
Capital expenditure in 2024



2025 strategic priorities

As guardians of Ireland's natural gas infrastructure we will continue to provide a flexible and reliable gas supply to underpin Ireland's energy mix. We will continue to provide safe and secure supplies of gas to our customers with our focus on safety remaining constant. We are committed to putting our employees at the core of our business, delivering excellent customer service and advancing our sustainability agenda.

Managing security of supply challenges and the risk of a physical/cyber attack on our network remain high priorities for our company. In 2025, we will invest in excess of €200m of capital investment to improve the safety, capacity, security and resilience of the network. We will progress the development of a strategic gas emergency reserve, key transmission connections required to facilitate the activation of gas-powered peaking facilities and a significant capacity upgrade project at the compressor stations in Scotland. The threat of a successful cyber attack remains a key risk, and we remain vigilant to this very real and growing threat.

The Board and management team have continued to evolve our strategy to ensure alignment with our long-term goal of decarbonising the gas network and to ensure that we are focused, resourced and organised to deliver this as quickly as possible. We will continue to create meaningful value for the people of Ireland by advancing the transition to a low carbon energy system, by supporting the expansion of renewable electricity and by increasing the security and diversity of Ireland's energy supply. Our focus will be on the role of renewable gases in supporting national decarbonisation targets and broader energy policy development.

We will deliver a fully decarbonised network by 2045, through the replacement of natural gas with renewable gases such as carbon neutral biomethane and green hydrogen.

We will construct our central grid injection facility at Mitchelstown, and progress delivery of the requisite regulatory and commercial arrangements. We firmly believe that the 2030 target of 5.7TWh of indigenous biomethane can be achieved with the requisite Government support and therefore we will continue to advocate for a Renewable Heat Obligation (RHO) to be established.

We will continue to undertake further detailed research on the feasibility of injecting green hydrogen into Ireland's gas network, leveraging our 'off-grid' gas network at the Network Innovation Centre. We will develop our hydrogen safety and technical roadmap and we will actively work to advance the transposition of the EU Hydrogen and Decarbonisation Gas Market Package Directive and the certification of Gas Networks Ireland as the National Hydrogen Network Operator.

We will ensure that Gas Networks Ireland utilises its unique capabilities, assets and knowledge as Ireland's expert in gas to best serve our climate policy.

Acknowledgements

I wish to acknowledge the services of the Board members. They provide vital oversight, governance and guidance and I am very grateful for their support. I also extend my appreciation to the members of the Executive team for their energy, professionalism, and leadership during the year.

Finally, and most importantly, I would like to express my sincere gratitude to all our staff and delivery partners for their hard work and commitment. I am proud of the way in which we responded to the challenges and the progress we made in 2024.

Cathal Marley
Chief Executive Officer

Strategy, business model & risk

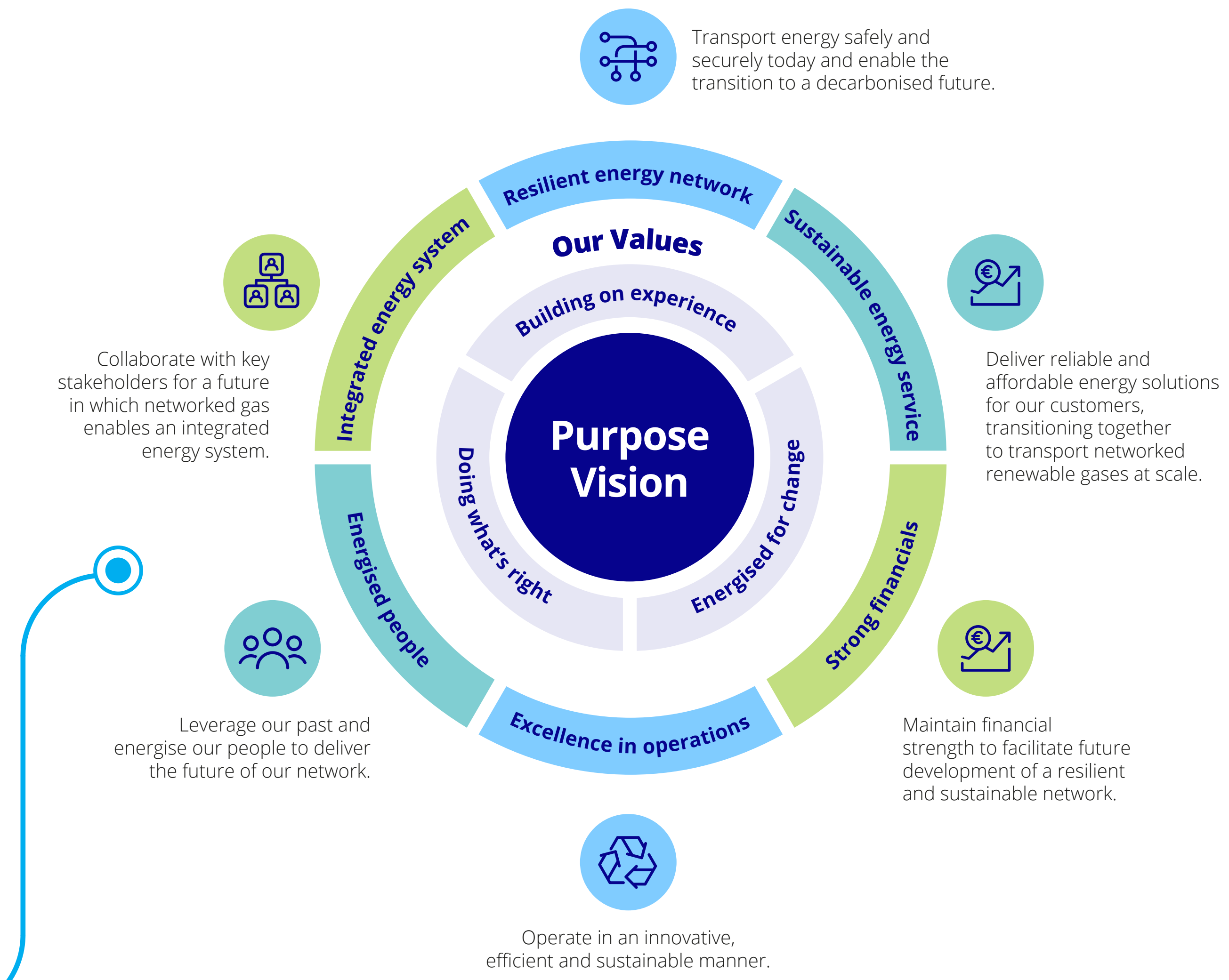
Framework

Our strategic **framework**

Our Purpose, Vision, Values and Strategic Ambitions form our Strategic Framework. This guides our decision making, provides direction and clarifies our contribution for stakeholders.

Strategic ambitions

Our strategy centres on performing while transforming to deliver on Ireland's decarbonisation ambitions. We aim to invest in our gas network for the future, reaching net zero carbon emissions through an integrated energy system. Gas Networks Ireland has identified six strategic ambitions that provide a clear roadmap to deliver on our vision.



Our **purpose**, **vision** and **story**

Our **purpose**

Keeping Ireland's energy moving

Our **vision**

To be at the heart of Ireland's energy future

Our purpose and vision underscore who we are as a company, where we have come from, our central role in Ireland's energy system and where we are going. We know we need to continue to perform today for our customers and stakeholders while also transforming our network for a decarbonised future. Our simple but powerful company narrative tells the story of our dedicated proud people, our proven legacy and our ambition for the future.

Our **role**

As we look to the future, it's appropriate to define our role; we will use our experience, expertise and culture of collaboration and change to work towards a sustainable tomorrow. The plans we put in place now will ensure we continue to have an integral role at the heart of Ireland's energy system.

Our **people**

We have a dedicated, loyal, talented and proud team. Our gas network is kept strong by individual acts of care and professionalism with a focus on serving our customers and playing our part in meeting Ireland's energy needs. We take pride in our ambition to help energise Ireland towards a sustainable future.

Our **legacy**

We have a proven legacy of knowing how to evolve, always towards a cleaner environment. Our consistency and reliability have spanned decades – we transformed from town gas to natural gas, and our experience and expertise will enable us to do so again, from natural gas to renewable gases. We manage a modern, world-class infrastructure and provide vital services 365 days a year, while also providing vital support to intermittent renewable electricity generation.

Our **ambition**

We understand that industry-wide leadership, partnership and change are required to address climate change. Our network must be repurposed to transport renewable gases, biomethane and hydrogen, at scale. This will require collaboration with other energy partners to collectively ensure net zero carbon. Our organisation and its extensive network are uniquely placed to deliver the necessary change, and we're already working hard towards these goals.

Our **values**

Our organisation is defined by three core values that guide our actions, decisions and communication.

Building on experience

We're proud of all we have achieved. Years of reliable expertise and constant evolution give us the confidence to move towards a more sustainable future.

Doing what's right

We are guided by care and compassion. We deliver our services safely, dependably and treat our people and customers with utmost respect.

Energised for change

Today's innovations lead to tomorrow's evolution. Our transition to a cleaner energy future will come from our willingness to learn, adapt and collaborate.

Gas Networks Ireland

Value creation

Gas Networks Ireland operates in an everchanging environment, which presents challenges and opportunities. Our ability to identify and respond is vital to our success and to ensure we continue to create value for our customers and stakeholders.

	Energy security	Climate action	Sustainable services	Economic competitiveness	Sustainable operations
Challenge	Strengthen Ireland's energy system by increasing the security of gas supply.	Contribute to 50% reduction of carbon emissions in Ireland by 2030 consistent with relevant Climate Action Plan targets and assigned actions.	Promote gas as a long-term, sustainable energy option.	Ensure Ireland has a sustainable networked gas offering to support National Economic and Development Plans.	Protect the environment, resources, employees and communities through ethical business practices.
Opportunity	Maintain and extend the reliability and flexibility of the gas network energy for Ireland's system.	Replace natural gas with networked renewable gases.	Develop offerings to meet customers' evolving needs and expectations.	Provide a reliable, affordable and sustainable gas network.	Ensure environmental, social and governance principles are at the core of our business decisions.
Value	Engage with the Government on progressing the energy security package for Ireland.	Support the development of the biomethane and hydrogen industries. Prepare the network for hydrogen. Progress our transition to net zero to support the Government's climate action targets.	Introduce new sustainable service offerings to maximise customer satisfaction and minimise customer effort.	Investing in infrastructure and innovation to support sustainable national, regional and local economic development.	Operate sustainably and ethically, minimizing emissions and waste, and enhancing biodiversity to support our people and communities.

Gas Networks Ireland

Business model

How we create value

Working together, our people and partners, build, maintain and operate our gas and fibre networks to provide essential services to our customers, communities and the economy.

Business activities

Custodians of Ireland's national gas network and the Aurora telecom network

Maintain and operate our networks

Safely and securely operate and maintain Ireland's gas network and the Aurora fibre network

Invest in assets

Build new capacity and ensure security of supply to meet current and future demand

Decarbonise

Decarbonise our own operations and progress the gas network's transition to net zero

Serve our customers well

Engage with our customers and provide them with fit for purpose and affordable energy solutions

Engage our Stakeholders

Consult with and actively seek the opinion of our stakeholders: our customers, regulators, government and investors

Develop and fund future plans

Carry out effective planning and investment prioritisation that are climate action focused. Manage our return on a mix of regulated and unregulated assets

Total assets

Gas Networks Ireland	Aurora Telecom
€3bn	€36m

Benefits for our Stakeholders

A robust and resilient infrastructure and efficient, cost-effective and customer-centric energy solutions and services.

Customers

- Over 720,000 gas customers connected
- Continuous, safe, high-quality gas supplies
- Efficient service

Regulators

- Financial and operational performance improvements versus a safe, high, quality, efficient service that meets or exceeds regulatory standards

Employees

- Learning and Development opportunities
- Health and Wellbeing
- Diversity, Equity and Inclusion

Shareholder

- Shareholder value focus
- Strong dividends

Communities

- Environment Protection
- Climate action and biodiversity support
- Local community support and engagement

Economy

- Enabling economic development
- Supporting employment
- Investing in infrastructure

Stakeholder **engagement**

At Gas Networks Ireland, we take the nature and quality of our stakeholder relationships very seriously. We work closely with our stakeholders to understand their views and emerging needs, determine priorities and deliver initiatives in partnership.

Representative bodies include	Priorities	Response	Surveys	Face to Face	Information events	Working groups	Website	Social media	Multi-stakeholder Meetings
General public communities Individuals, communities, environmental groups, consumer groups, business interest groups, farming bodies etc.	• Ensure safe, secure and reliable supplies of natural and renewable gas • Maintain competitiveness • Support social and economic growth • Support decarbonisation	• **Focus on engagement at local and community level for both existing natural gas supplies and emerging renewable gas supplies.** • **Maintain our excellent performance in responding promptly to reports of escaped gas.** • **Enhance public engagement on safety through safety messaging and advertising.** • **Engage in industry safety construction safety week and contractor safety events.** • **Responsible road opening operation with minimum public disruption.** • **Provide infrastructure to facilitate economic growth.** • **Enhance public engagement on pathways to network decarbonisation.**					●	●	●
Partners Partners, shippers, suppliers and third-party service providers.	• Work effectively together to deliver quality services • Encourage innovation • Decarbonise the network	• **Close collaboration with shippers and suppliers in addressing the evolving needs of gas users.** • **Work in partnership with key industry parties to increase the percentage of renewable gases on our network.** • **Hold frequent performance reviews and forward-looking planning discussions with our service partners to ensure alignment on delivery of integrated energy strategy.**	●	●	●	●	●	●	●

Representative bodies include	Priorities	Response	Surveys	Face to Face	Information events	Working groups	Website	Social media	Multi-stakeholder Meetings
Regulators Commission for Regulation of Utilities (Republic of Ireland), Utility Regulator (Northern Ireland), Office of Gas and Electricity Markets (UK).	• Deliver initiatives to implement energy and climate policies • Operate efficiently • Deliver on our regulatory commitments • Deliver Gas Network Stakeholder Evaluation Panel	• **Deliver on Gas Networks Ireland's Climate Action Plan commitments in cooperation with key industry participants.** • **Invest in biomethane, hydrogen and compressed natural gas projects.** • **Work with all relevant bodies on gas security of supply and emergency planning.** • **Operate effectively and efficiently to deliver on our regulatory commitments.**		●		●			
Stakeholders Department of Housing, Local Government and Heritage, Department of the Environment, Climate and Communications, Department of Public Expenditure, National Development Plan Delivery and Reform.	• Implement Government policy • Aid the achievement of Government decarbonisation targets by increasing the percentage of renewable gases on the network • Communicate accurately and transparently and demonstrate progress against plans	• **Operate, maintain, develop and decarbonise a safe, reliable and efficient network.** • **Develop and deliver business plans that are aligned with Government decarbonisation targets.** • **Work with our Shareholder and other key industry participants on security of energy supply to further enhance reliability of the gas network.** • **Issue regular performance reports and updates to monitoring and oversight bodies.**	●	●	●	●	●	●	●

Risk review

Risk management review

Risk management supports Gas Networks Ireland to navigate challenges and seize opportunities in order to develop and implement our strategy.

The risk management landscape for the organisation continues to evolve. Proactive risk management is integral to our activities, allowing us to create added value for our shareholders, customers and the wider community. It provides for the effective identification, management and mitigation of risks.

The nature of our business operations is long-term, resulting in a number of enduring risks.

The potential impact and likelihood of these risks can evolve in response to internal and external developments. At the same time, new risks continue to emerge, so a speak up culture is encouraged. Managing safety risk is a priority for Gas Networks Ireland, with proactive identification and mitigation occurring.

Day to day

Identify, manage, challenge and report risks.

Integrating with strategy & process

Risk assessment is integral to strategic planning, investment prioritisation and project appraisal.

Governance

Functional and Executive Risk Committees support the Audit and Risk Committee.

Gas Networks Ireland has a comprehensive risk management framework to identify, manage, monitor, report and challenge the principal risks and uncertainties that could impact our ability to deliver our strategic objectives. This framework supports a consistent approach across the organisation including assessing the impact on the business and likelihood of the risk occurring.

Risk governance

The Gas Networks Ireland Board has ultimate responsibility for risk management, supported by the Audit and Risk Committee. Through our risk management governance structure and risk reporting process, the Board is assured that the principal risks facing our business are monitored and well managed. Risk appetite is set by the Board to determine the nature and extent of risks we are willing to accept in pursuit of our strategic objectives. It includes risk appetite statements and supporting initiatives.

Three lines model

Gas Networks Ireland uses the Three Lines Model to manage risks (See figure 1.1). During the year, ongoing engagement with the business in the first line and collaboration among the second and third line functions ensured an aligned approach for risk management with the overall internal control framework. The second and third line functions completed fraud risk assessment workshops across the business to ensure that Gas Networks Ireland has a complete fraud risk universe with preventative and detective controls in place.

Figure 1.1 Three lines model

Risk review

Risk management framework

Gas Networks Ireland use a four-step Enterprise Risk Management (ERM) process to ensure the consistent identification, assessment, response and monitoring of risk across the organisation (See figure 1.2). Risk management activities take place at all levels across the organisation to ensure the proactive and effective day to day management of risks.

Gas Networks Ireland identifies and reports the main risks to our strategy and our business objectives, from a functional level right up to Board level.

Our principal risks are reported in three categories:

1. Key - existing high priority risks that are integral to achieving Gas Networks Ireland's strategic objectives.
2. Emerging & Trending - newly developing or changing risks that are difficult to quantify and could majorly impact on Gas Networks Ireland's strategy if not managed carefully.
3. High Impact Low Probability - risks that could have the highest impact on the business but there is a remote possibility that they could happen.

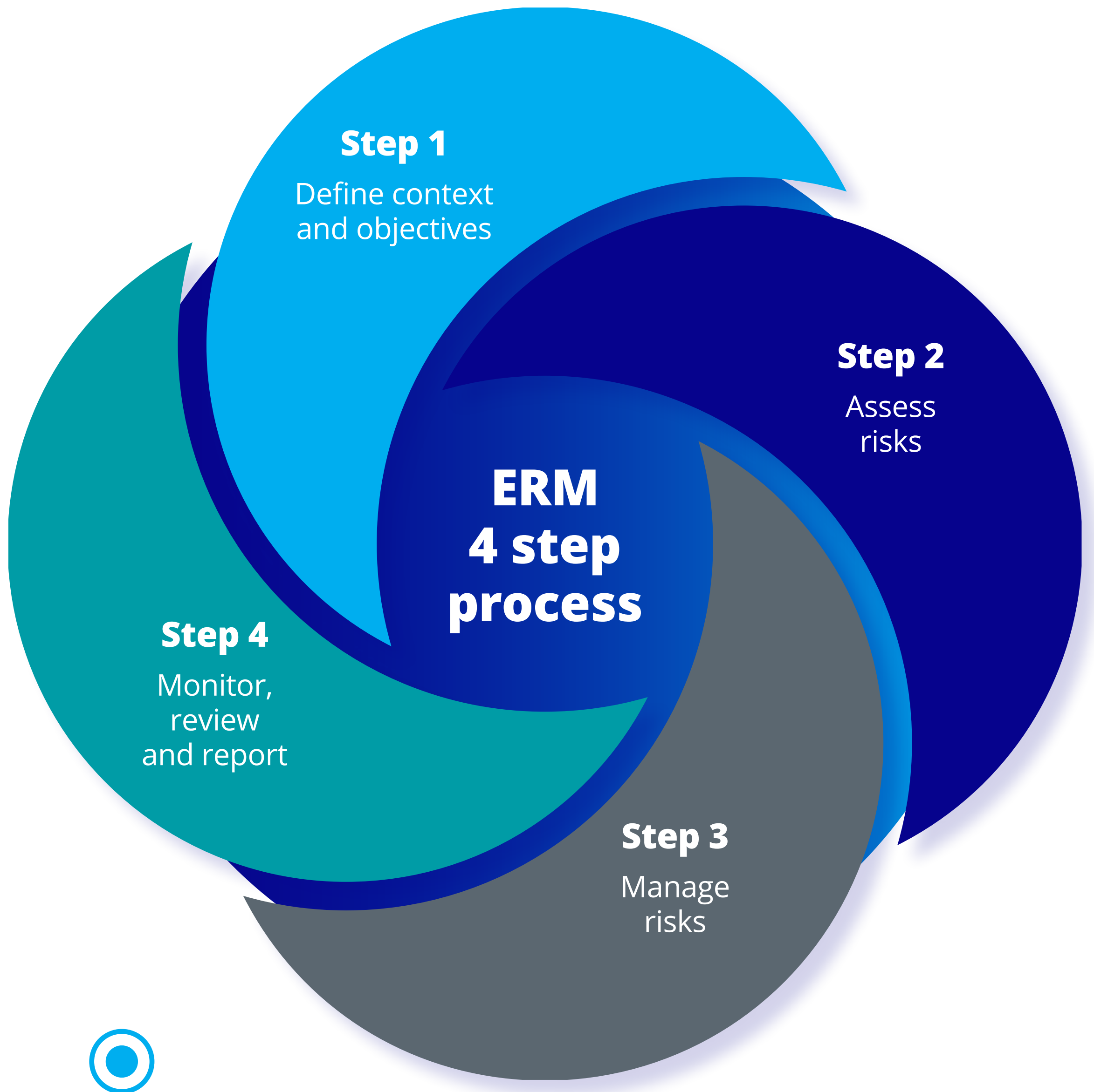


Figure 1.2 ERM 4 step process

Risks are assessed based on impact and likelihood, taking account of the inherent position, residual position and any future target requirements, with mitigating actions and timelines.

Gas Networks Ireland proactively manages risks in an everchanging environment, continuously updating and improving risk information to support decision making at all levels. A dedicated risk team and risk governance model reinforces an effective risk management environment. This provides a means to cascade/escalate risks, ensuring appropriate accountability and responsibility.

Emerging risks

Gas Networks Ireland monitors emerging risks to ensure we are aware of, and capture new potential threats that could impact the delivery of strategic objectives. Throughout the year, risk industry reports/publications including the World Economic Forum Global Risk Report 2024, National Risk Assessment 2024 and Gartner Emerging Risks Report were reviewed as part of the horizon scanning process to gain a better understanding of the external risk environment. Emerging risks are managed in conjunction with the organisation's principal risks and reported to the Board and Audit and Risk Committee.

Risk culture

Gas Networks Ireland believes that proactive risk management is dependent on an effective risk culture. This is endorsed through a 'tone from the top' set by the Board and Executive team. Our 'Doing the Right Thing' programme promotes a 'speak up' culture where people feel comfortable raising risks, and concerns are handled seriously, in accordance with legal obligations. Our proactive risk management, risk aware and speak up culture at all organisational levels is enhanced by risk training for new joiners and managers, along with regular engagement, and a focused communication plan across the business.

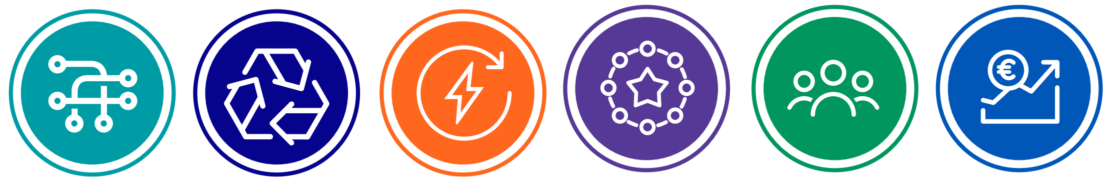
The principal risks and uncertainties and key mitigations

2024 overview

The 2024 risk landscape remained elevated due to ongoing geopolitical unrest, with ongoing crisis management exercises throughout the year to ensure we prepared for/responded to any possible disruptive factors, thereby ensuring security of supply and service delivery.

Through continued use of a defined risk management process, Gas Networks Ireland managed risks actively and effectively. The external environment was closely monitored for any adverse impact to Gas Networks Ireland such as an increased cyber and physical security threat, security of supply, climate and decarbonisation risks.

The risks are aligned to the six Gas Networks Ireland strategic ambitions.



Resilient energy network

Risk trend

Rising Trend | Falling Trend | Steady Trend

	Risk	Context	Mitigation
Health, safety, environment	A major health and safety or environmental incident resulting in significant impact and harm to an employee, contractor or the public.	All health, safety and environmental legislation and arrangements must be adhered to in order to protect staff, contractors, and the public from injury or fatality and avoid potential prosecutions, financial loss and reputational damage.	• The Board oversees Health and Safety performance. • Certified to ISO45001 Occupational Health and Safety Management System and ISO14001 Environmental Management System. • Internal and external assurance activity, audits, training, emergency exercises and reviews.
Security of supply	The security of Ireland's natural gas supply is dependent on its ability to access imports and the capacity and integrity of the supply infrastructure. A significant disruption to energy supply or to physical infrastructure including the gas interconnectors between Ireland and Scotland could have serious impacts on Gas Networks Ireland's business and on the economy.	Ireland's economy depends on continued secure supplies of natural gas, providing circa 30% of Ireland's primary energy needs. The geopolitical landscape has put emphasis on the resilience of Europe's gas infrastructure and supply of natural gas. The UK remains Ireland's principal supply source. Any disruption to the UK's energy supply, or failure/disruption to our strategic gas infrastructure could seriously impact Gas Networks Ireland's business/operations.	• Twinned onshore gas pipeline in Scotland reinforces Ireland's security of supply. • Corrib gas field provides indigenous supply of gas. • Engagement with DECC to prepare a detailed proposal for a Strategic Emergency Gas Reserve in Ireland (Energy Security package 2023). • Member of DECC Energy Security Emergency Group. • Gas Emergency Management plan regularly tested. • Government of Ireland, UK and Northern Ireland memorandum of understanding (2023) on cooperation for natural gas security of supply. • GNI (UK) Limited and National Gas voluntary protocol for a Gas Supply Emergency. Ireland and UK intergovernmental gas treaty (1993) provides for development of a framework to deal with disruptions to gas supplies. • Comprehensive asset inspection and maintenance programmes. • Demand modelling, Network Development Plan, Network Capacity Management Plan, Capital Investment Plan and projects. • The National Risk Assessment is required under Article 7 of Regulation (EU) 2017 / 1938 (Gas Security of Supply). Gas Networks Ireland worked with the CRU to complete this in 2022 – next revision in 2026.

	Risk	Context	Mitigation
Capital delivery	Failure to meet capital delivery requirements including capital works associated with connections for new power station and other large energy users.	EirGrid and CRU highlighted Ireland's shortfall in thermal power generation in the short/medium/long-term for electricity security of supply. The work required to support delivery of these critical projects is significant, coinciding with increased demand from other sectors which may require prioritisation, leading to potential financial and reputational damage.	• Gas Networks Ireland, EirGrid and CRU tri-party engagement and collaboration. • Engagement with contractor/other key stakeholders on delivery and consenting process. • Ongoing communication with the power station and other large energy developers. • Optimise resourcing and supply chain planning to expediate delivery of projects. • Develop alternate delivery partnerships within the supply chain.
Renewable gases - network readiness	Risk that Gas Networks Ireland is not network ready for the transport of renewable gases.	Developing hydrogen and biomethane are key priorities to achieve the EU Green Deal and clean energy transition. To support the Government's climate change agenda and ensure long-term viability, Gas Networks Ireland needs to ensure it has the network capability and competency to be a key enabler of energy transition.	• Innovation funding and allowances for testing hydrogen and developing biomethane capacity have regulatory approval. • Planning for demonstration project in section of the gas network. • Hydrogen research and testing at our Research and Innovation Centre in Dublin. • Enhance training and technical competency. • Build strategic partnerships with academia and other gas industry stakeholders. • Develop safety cases for hydrogen development. • Active involvement with European Hydrogen backbone study.
Climate change – impact on infrastructure	Physical risk that extreme or unusual weather events could impact on our infrastructure.	Increase in severity of extreme weather could cause malfunctions or unexpected interruptions to services. Prolonged interruptions could cause significant social/economic disruption where businesses and households cannot access power or heat.	• Development of robust emergency response plans and procedures. • Identification of vulnerable areas and relocation of assets. • Winter preparedness planning and storm hardening. • Tools for monitoring/controlling infrastructure. • Address identified risks to network infrastructure via regulatory submissions.

Sustainable energy services

Risk trend

	Risk	Context	Mitigation
Affordability	Risk that networked gas becomes uncompetitive/ unaffordable for customers.	The impact of high wholesale natural gas prices or excessive end user network costs, risks natural gas becoming uncompetitive, leading to customers/ policy makers looking to alternative energy solutions.	• Minimise network costs through innovation, supply chain optimisation and best practice cost management. • Advocate for enhancement of Ireland's security of supply, including increased deployment of renewable gases. • Vulnerable customer supports and other customer supports including availability of Pay as You Go meters, facilitating switching of energy suppliers. • Promoting energy efficiency measures across end users.
Future of gas	Failure to successfully deliver Gas Networks Ireland's long-term growth strategy for natural and renewable gas in an integrated energy system.	Gas Networks Ireland fails to provide solutions for networked gas to be a viable energy source in a decarbonised energy system. This could impact on the Governments climate change targets and decrease the future utilisation of the gas network, leading to potential tariff increases and stranded assets.	• Support the Government's Biomethane Strategy to deliver up to 5.7TWh of indigenously produced biomethane by 2030. • Use the 'Pathway to a Net Zero Carbon Network' to support the Government's Biomethane and Hydrogen strategies and transform the gas network to facilitate green hydrogen injection and future blended hydrogen. • Deliver the Central Grid Injection facility in Mitchelstown. • Work with customers/large users to provide solutions with a pathway to decarbonisation. • Continue the development and rollout of the BioCNG network.
Reputation	Serious damage to Gas Networks Ireland's reputation if it fails to meet expectations of stakeholders, leading to a loss in confidence in our licence to operate.	Damage to Gas Networks Ireland's reputation due to a major incident or failure to ensure safe practices in our operations, financial management and corporate governance.	• Key public affairs and stakeholder plans and initiatives. • Dedicated public affairs team. • Risk, compliance and control frameworks in place. • Crisis management plans in place.

Integrated energy system

Risk trend

	Risk	Context	Mitigation
Energy policy	Failure to secure a role for natural gas and renewable gases in Ireland's energy transition.	Gas Networks Ireland's future financial performance will be linked to Ireland's demand for natural and renewable gases. EU and Irish energy climate action policies target long-term reduction in fossil fuels, including natural gas. Inability to secure supportive policy for renewable gases risks a decrease in future utilisation of the network, leading to potential tariff increases and stranded assets.	• Supporting development of renewable gas and hydrogen in Ireland. • Gas Networks Ireland is one of the founding members of the European Network of Network Operators for Hydrogen (ENNOH). • 'Pathway to a Net Zero Carbon Network' launched to ensure a decarbonised gas network's role in Ireland's future energy system is recognised/understood by key stakeholders. • Dedicated policy team who engage with stakeholders on energy policy development. • Build collaborative relationships with stakeholders across the entire value chain. • Convey Gas Networks Ireland's decarbonisation message in energy transition public discussions.

Excellence in operations

Risk trend

	Risk	Context	Mitigation
Supply chain / critical suppliers	An inability to deliver Capital Investment Plans and/or operational standards, due to supply chain challenges e.g, cost increases, construction industry capacity, delays in material delivery or key supplier/contractor failure, resulting in failure to meet network capacity or sustain asset health.	Volatility in world economies/the geo political environment may lead to cost increases of services/materials, shortages, longer lead times and impact viability of key suppliers. A dispute with/failure of a key supplier/contractor to meet obligations could have adverse effects on business, operations, reputation, strategy or financial condition.	• Relationship management model in place. • Internal supply chain expertise and proactive interactions with key suppliers. • New construction and engineering procurements progressing to ensure diverse range of suppliers. • Co-ordination and collaboration across teams. • Suppliers of key contracts monitored and reviewed. • Maintaining buffer stocks of critical materials. • Contingency and business continuity plans mitigating risk of key supplier failure, providing for an effective response.
Sustainable operations	Failure of Gas Networks Ireland to become a leading sustainable Irish business.	To meet government, societal and stakeholder expectations, Gas Networks Ireland must minimise emissions and waste, enhance biodiversity and support its people and communities.	• Sustainability strategy and performance monitoring in place. • Transparent Environmental, Social and Governance (ESG) performance. • Committed to 50% reduction in greenhouse gas emissions by 2030. • Business Working Responsibly Mark standard certification. • Committed to methane emissions reduction plan including requirements under the EU Methane Emissions Reduction Regulation. • Continue Reduce-Your-Use Campaign.
Cyber security / information technology failure or breach	Risk of cyber attack, significant failure to our Information Technology, or control breach due to new emerging technology, resulting in significant loss of systems/services, impact to operations, data leakage, financial loss and reputational damage.	The volume, complexity and sophistication of cyber security threats are constantly evolving. An incident could result in potential business suspension, disruption, safety issues, reputational damage or regulatory fines. A cyber attack, significant failure to our Information Technology or a control breach could impact on gas and electricity customers and the Irish economy.	• Policies, strategy and operational model in place. • Enhanced cyber awareness and user training programmes. • Collaboration with the National Cyber Security Centre. • Ongoing monitoring against National Institute of Standards and Technology (NIST) standards. • Increased investment in prevention and pro active controls across critical systems. • Business continuity contingency arrangements developed. • Security Operations Centre in place (24*7 monitoring). • Ongoing risk assessments and IT Strategy in place. • Operational scenarios and stress tests on critical processes.

	Risk	Context	Mitigation
Premises and installations security	Significant loss of critical systems and services due to a physical security attack on our critical assets, premises and installations, impacting safety, operations and reputation.	Physical security threats are increasing due to changes in the geo political environment, which could result in business suspension, disruption, safety issues, reputational damage or regulatory fines, impacting on gas and electricity customers and the Irish economy.	• Corporate and physical security project. • Physical security capital programme underway. • Ongoing risk assessments.
Pandemics	Significant employee health risk or business disruption due to potential impact of a pandemic.	Large scale employee illness due to an epidemic or pandemic, potentially impacting employee health, operations, service delivery and supply chain.	• Pandemic response plan in place. • Business continuity contingency arrangements developed. • Engagement with key stakeholders and peer utility benchmarking.
Legal / compliance	Failure to comply with legal obligations imposed by law, regulation or licence.	Gas Networks Ireland's business activities are subject to laws and regulations that are increasing the complexity of doing business. External constraints, inadequate policies and processes may cause failure to comply with relevant laws and regulations which could result in penalties and sanctions, having an adverse effect on our operational results, strategy and financial condition.	• Code of Practice obligations for the Governance of State Bodies compliance review. • Policies and procedures in place to ensure compliance. • Ongoing monitoring of legislative developments. • Bi-annual review of Directors' Compliance Policy Statement. • Ongoing engagement with relevant external stakeholders.
Fraud	Catastrophic fraud event impacting organisation viability and reputation.	Fraud arising from a breakdown in the control environment could result in reputational damage, financial loss as well as tax implications for Gas Networks Ireland.	• Policy awareness and fraud training. • Strong control and speak up culture. • Fraud awareness programmes and Cyber Security awareness training. • Fraud Risk Assessment workshops. • Segregation of duties.

Energised people

Risk trend ▼

Risk	Context	Mitigation
People Failure to develop, retain or attract people with the right skills and capabilities to deliver our strategy.	Our ability to achieve our strategy depends on employee capabilities, values, behaviours and performance, and their agility and ability to adapt to the changing external environment and ongoing stakeholder expectations.	• Strategic headcount planning and organisational design. • Regular engagement and culture initiatives. • Health and wellbeing programme to support staff. • Human Resource Initiatives including ibelong diversity, equity and inclusion programme, hybrid working and development programmes. • Learning and Development and Performance Management. • Talent Management and Talent Development programmes. • Continued monitoring of key workforce metrics and stability indices.

Strong financials

Risk trend ▼

Risk	Context	Mitigation
Financial risk Failure to deliver adequate financial performance due to macroeconomic and financial risks – inflation, commodity price movement, credit, liquidity, currency and interest rate risks.	Our ability to successfully implement our strategy is dependent on our management of financial and macroeconomic risks e.g., rising cost of doing business, risk of divergence between costs incurred and costs allowed under the regulatory model.	• Regulatory model with a record of stable and transparent cost recovery. • Strict framework of controls and procedures. • Defined risk limits and exposure monitoring. • Minimum level of debt at fixed rates, foreign currency exposure management, maintaining minimum liquidity. • Close monitoring and impact assessment for macroeconomic events. • Engagement with key suppliers to help mitigate key cost pressures. • Continuous engagement with regulator to ensure efficiently incurred costs are recovered in a timely manner.
Financial strength Failure to preserve financial strength to facilitate future development of a resilient and sustainable network.	The successful implementation of Gas Networks Ireland's strategy is dependent upon its ability to source/maintain appropriate funding. Gas Networks Ireland must maintain a strong balance sheet to manage the potential ramp up in decarbonisation investments and security of supply deliverables over a short time period.	• Strong investment grade rating. • Ongoing dialogue and strong relationships with key stakeholders including Government, funding providers and potential investors. • Linking of financing and sustainability strategy.
Regulatory settlements Failure to achieve an adequate and timely regulatory decision and settlement.	The CRU regulates relevant revenues of Gas Networks Ireland under a revenue cap framework. Failure to agree an adequate allowance for expenditure and return on capital invested, including support for biomethane and hydrogen, could impact our ability to deliver on strategic objectives and impact operations, prospects, and financial condition.	• Active engagement and collaboration with regulatory authorities and other stakeholders to ensure business requirements are recognised and understood. • Price Control 5 (PC5) determination issued with funding allowances in place to 2027. • Price Control 6 (PC6) planning taking place

Business review

Operating review

The **gas network** serving Ireland's energy needs

€3billion
national asset

720,000
connected customers

28,000+
businesses across the country

Introduction

Gas Networks Ireland owns, operates and maintains the natural gas network in Ireland. We also provide wholesale telecom fibre services under the business name Aurora Telecom.

Ireland's gas network is among the most modern in Europe and provides a safe, secure, and reliable energy supply. Every year this c. €3 billion national asset transports almost a third (30%) of national primary energy requirement through 14,758 km of pipelines. In total, there are over 720,000 gas customers connected to our network across the country, including over 28,000 businesses. The network currently comprises a unitary 'transmission' (national, high-pressure) ring main and spur lines supporting distinct 'distribution' (local, low-pressure) networks.

The gas network is a vital national asset and plays a critical role in Ireland's economy. Our gas interconnectors with the UK are Ireland's most vital energy assets, importing c. 80% of the State's annual gas demand and providing a safeguard for the intermittent nature of renewable generation forms in the electricity market, such as wind and solar. Today, networked gas is the primary dispatchable fuel source in Ireland's electricity generation mix, fuelling 41% of all electricity generated each year, and 83% of electricity in peak periods. The network also serves the needs of industry, particularly those with high heat and energy reliability requirements, while also meeting the heating and cooking needs of businesses and homes.

The gas network is capable of being fully repurposed and fully decarbonised in the future by displacing natural gas with renewable gases (biomethane and hydrogen), and it can help realise a net zero integrated energy system through the targeted deployment of renewable gases at scale. By replacing natural gas with renewable gases we will deliver a net zero carbon gas network and reduce emissions across key sectors, including those traditionally difficult to decarbonise, such as the high heat industry, power generation, agriculture, and transport.

Our focus is on operating a safe and reliable gas network that supports overall energy security and resilience, while ensuring our central sustainability ambition to ready the gas network for a future in which networked gas enables an integrated energy system to achieve net zero, is delivered.

Operating review

Operating environment

Gas demand
2% higher
in 2024 vs 2023

Total gas
54.3 TWh
transported in ROI

Power Generation representing **57.9%**
Industrial and Commercial **29.4%**
Residential **11.4%**
Fuel gas **1.27%**
Transport **0.08%**

Demand and supply

During the year, 20% of all gas requirements in the Republic of Ireland were supplied by the Corrib gas field, while imports from the United Kingdom (UK) met 80% of demand. 39GWh of demand was met from renewable gas delivered through the biomethane injection point in Co. Kildare.

During 2024 gas prices returned to a more stable regime, compared to the volatility experienced in 2022 and 2023. Ireland's gas supplies were secure, and benefited from a reliable connection to the UK via a twinned interconnector system. The UK market was in turn well supplied from indigenous gas production, Norwegian gas production, gas storage facilities and liquefied natural gas (LNG) imports. Over the course of 2024, the European Union (EU), continued to reduce its dependence on piped Russian gas supplies, replacing these volumes with LNG imports from the global market, Norwegian gas and indigenous gas storage. The EU set targets in respect of gas storage levels, which were required to be 90% full by 1 November 2024, which has significantly helped the market to navigate the winter period.

Regulation

The Commission for Regulation of Utilities (CRU) regulates all assets on the Irish Transmission and Distribution gas networks including the sub sea interconnectors and the onshore assets in Scotland. The Utility Regulator regulates the GNI (UK) Limited pipelines on the Northern Ireland transmission system. Gas Networks Ireland and GNI (UK) Limited also hold UK interconnector licences from Ofgem in respect of the sub sea interconnectors to Scotland.

Gas Networks Ireland operates the transmission and distribution assets in Ireland and Scotland under a price control regime determined by the CRU. GNI (UK) Limited operates the transmission pipelines in Northern Ireland under a price control regime determined by the Utility Regulator. A new price control regime is set every five years by each regulator and this process sets out the allowed revenues for Gas Networks Ireland and GNI (UK) Limited. The GT22 price control review process for 2022-2027 concluded with the publication of the GT22 decision by the Utility Regulator in September 2022 and the PC5 price control review process for 2022-2027 concluded with the publication of the PC5 decision by CRU in December 2023.

The PC5 decision contemplated new performance incentives and reporting requirements and the formation of a new stakeholder panel, all subject to a PC5 implementation consultation in 2024. Throughout 2024, Gas Networks Ireland engaged with the CRU regarding the implementation of the new PC5 requirements. This included extensive engagements, and submitting Gas Networks Ireland's responses to the CRU's PC5 implementation consultations. On 16th December, CRU published the PC5 Regulatory Framework Decision paper and the PC5 Regulatory Framework User Guide. Gas Networks Ireland is implementing a new governance structure to coordinate and unify PC5 framework reporting requirements over 2025.

The Transmission tariffs for gas year 2024/25 reflect a circa 2.4% (nominal) increase on the previous gas year. The Distribution tariffs for gas year 2024/25 reflect a circa 29.15% (nominal) increase on the previous gas year. These increases were primarily driven by the adjustment of previous cost mitigation measures implemented in conjunction with CRU during the tariff-setting process over the previous two gas years.

The EU hydrogen and decarbonised gas market package

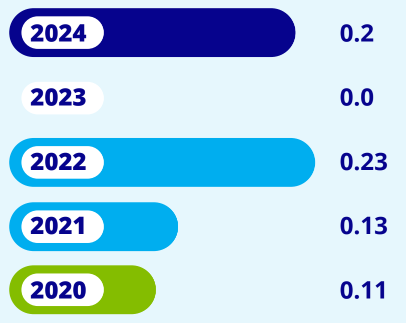
The EU hydrogen and decarbonised gas market package entered into force in August 2024. The Package contains the revision of the EU's Regulation and Directives on natural gas and hydrogen transmission and distribution networks. In line with the objectives of the REPowerEU Plan, the revised rules are designed to give renewable and low-carbon gases (e.g. hydrogen and biomethane) better access to markets and infrastructure, facilitating the increasing replacement of natural gas.

Throughout 2024, Gas Networks Ireland continued to actively participate in various EU gas association and working groups in Europe, including the European Network of Transmission System Operators for Gas (ENTSOG), Eurogas, Gas Infrastructure Europe (GIE) and Gas Distributors for Sustainability (GD4S). These groups are focused on supporting the development and implementation of EU energy and climate policy. In particular, the focus during 2024 for these associations was the finalisation of the EU hydrogen and decarbonised gas market package.

In 2024, Gas Networks Ireland became a founding member of the European Network of Network Operators for Hydrogen (ENNOH), which will develop the rules and regulatory framework for hydrogen network operators during 2025 and 2026. Gas Networks Ireland actively participated in the establishment of ENNOH and Edwina Nyhan (Gas Networks Ireland Director of Strategy & Regulation), was elected to the Pre-ENNOH board in December 2024.

61 GWh
of demand was met from **renewable gas in 2024**
(39GWh indigenous and 22GWh imported)

Total LTIFR – employees (>1 day)#/100k hours



- We use the Lost Time Incident Frequency Rate (LTIFR) to track the number of lost time employee incidents per 100,000 hours worked that result in a staff member needing to take >1 day off work.
- Safety is a core value at Gas Networks Ireland. The Work Safe Home Safe safety culture programme has been in place since 2015 and we continue to work to improve our safety performance.

Safety

Health and safety standards

Gas Networks Ireland is committed to the highest possible safety standards and during 2024, we continued to manage all aspects of operations in a safe and environmentally responsible manner.

Our comprehensive Safety, Environmental, Quality, Energy and Asset Management Systems, independently certified to ISO 45001, ISO 14001, ISO 9001, ISO 50001 and ISO 55001, ensure our activities are managed in accordance with international best practice. In 2024, Gas Networks Ireland underwent a successful surveillance audit of all five ISO systems by the National Standards Authority of Ireland (NSAI). The NSAI acknowledged Gas Networks Ireland's strong performance, and there were no findings across any of the five management systems. Additionally, Aurora Telecom, an operating division of Gas Networks Ireland, successfully underwent an accreditation audit by the NSAI to be included in the scope of the Gas Networks Ireland ISO 45001, ISO 14001 and ISO 9001 safety, environmental and quality management systems.

In 2024, Gas Networks Ireland continued our track record of excellent safety performance. Our combined Lost Time Incident Frequency Rate for staff and key service providers of 0.24 is a proud reflection of our dedication and vigilance to our safety-first culture.

During 2024, staff reported over 900 hazard reports – nearly twice the amount reported in 2023. By reporting and fixing hazards, we help to remove the sources of accidents before they have a chance to cause harm. We recorded over 375 Safety Leadership Conversations and undertook 31 internal management system audits along with nearly 900 safety and technical inspections – comparable figures to 2023.

During 2024, Gas Networks Ireland reviewed and refreshed its Work Safe Home Safe safety culture strategy, incorporating feedback from over 70 staff through a series of focus groups. Board approval for the revised strategy was secured in November 2024. A number of safety communications and awareness campaigns for staff were run over the course of the year covering issues such as driving, stair and winter safety. Driving for work training was rolled out to staff in 2024 with a multifaceted training programme comprising eLearning, more advanced classroom-based training and in-vehicle training depending on the nature of driving duties undertaken by the driver. Over 175 staff completed the advanced classroom-based or in-vehicle training.

In 2024, Gas Networks Ireland obtained CRU acceptance of Material Changes to the Safety Case for three new CNG stations. In addition, a further expansion of the Barberstown CNG Station required a Material Change Notice for the addition of a second dispenser unit, which was also obtained in 2024.

A number of other material changes to the Safety Cases were also accepted by the CRU. These include the dissolvement of Ervia, the 5 Year independent review and proposed gas quality changes are as a result of changes in the United Kingdom to Gas Safety (Management) Regulations which will be applied from the 1st April 2025.

The three year review of, and associated changes to, the South West of Scotland On-Shore Safety Case was accepted by the Health and Safety Executive in Great Britain. A similar three year review of the Northern Ireland Safety Case was submitted in 2024 and is currently under review by the Health and Safety Executive Northern Ireland.

Throughout the year, Gas Networks Ireland has continued to promote public safety awareness via a range of campaigns, including the Gas Emergency Service, Dial-Before-You-Dig, Meter Tampering, Always Use a Registered Gas Installer and Carbon Monoxide campaigns. During 2024, a new multi-media Dial Before You Dig advertising campaign was launched to promote the importance of checking for gas pipelines before commencing excavation work. The ad campaign, featuring a rather nervous badger called Keith, won gold and silver in categories at the internationally renowned Kinsale Shark Advertising Awards.

Gas Networks Ireland has run a range of health and wellbeing events and supports in 2024, including a number under the "Time to Talk" mental health awareness banner. These included staff coffee mornings, information sessions with guest speakers, breakfast sessions for field staff and regular sessions for in-house Mental Health First Aiders. Supports available to staff, including the Employee Assistance Programme and Mental Health First Aiders are widely and regularly promoted to all staff. During 2024, Gas Networks Ireland successfully underwent an accreditation audit by Ibec for their "Keep Well Mark" workplace wellbeing award. A follow up audit will take place in 2025. Additionally in 2024, Gas Networks Ireland developed and launched a number of new health and wellbeing initiatives, including a health and wellbeing strategy, supports for staff suffering from domestic violence, a policy on intoxicants in the workplace and free health screening of which over 500 staff availed.

Crisis management and business continuity

As the operator of Ireland's gas network, we have robust and tested procedures in place to maintain security of gas supply to our customers and to ensure that staff and customer welfare is protected.

As the National Gas Emergency Manager, Gas Networks Ireland continuously undertakes planning for the purposes of the National Gas Emergency Plan in consultation with the gas industry, electricity industry, the CRU and Government. Along with the robust procedures we have in place to maintain security of gas supply, a number of teams within Gas Networks Ireland, including the Executive, Operations and Communications teams regularly participate in simulation exercises to test a range of potential crisis scenarios. These exercises are critical to planning a coordinated response to major incidents in the rare event that they occur. They also allow us to test the effectiveness of the current crisis management arrangements, provide an opportunity for our Crisis Management Team and tactical crisis response teams to rehearse the response and assist with the review and update of existing crisis management and crisis communications plans. Representatives from across the Irish energy utility sector and Government, including EirGrid, ESB Networks, the CRU also participate where relevant.

2024 crisis simulations and exercises included:

An annual exercise to test the effectiveness of the National Gas Emergency Manager (NGEM) plan.

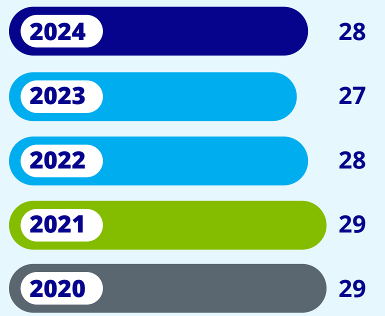
A crisis management exercise to test the arrangements to respond to public protests.

Participation in the annual UK National Gas Transmission exercise where they test their role as Network Emergency Coordinator (NEC) to test communication methods between the National Gas Network Emergency Management Team (NEMT) and all relevant gas industry participants in the UK.

A number of comprehensive energy system emergency exercises, including exercise Brigid and Cathal, involving government departments and selected agencies, regulators and the electricity Transmission System Operators / Distribution System Operators.

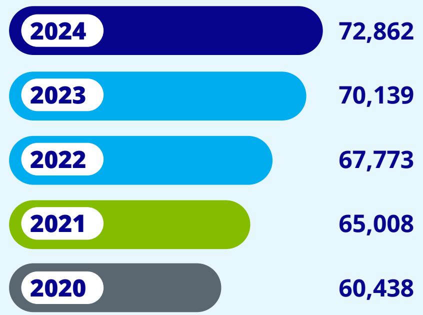
An exercise with Manx Utilities to test co-operation in response to a cyber emergency affecting gas supplies to the Isle of Man.

Average number of minutes to respond to public reports of gas escapes



- This measure tracks how quickly we respond, on average, to gas escapes reported by the public.
- Our agreed metric with the CRU is 97% response within 1 hour. In 2024 a 99.9% compliance rate was achieved.
- This is a core safety metric. Maintaining these high performance standards consistently over time shows how important this is to us.

New connections meter orders cumulative 2014 – 2024



- We measure the increase in network utilisation as a result of new connections.
- While we continue to see growth in new connections, the volume is primarily driven by industrial customers and businesses.

Resilient energy network

Operations and maintenance

Operating and maintaining our network 24/7 continuously across the year in an efficient and economic manner is a key element of our strategy. In 2024, we dispatched over 47,156 planned maintenance work orders on the transmission and distribution networks. 97% of all planned maintenance was completed.

Over the year we transported 74.23TWh, for Ireland, Northern Ireland and the Isle of Man. There were no gas quality non-conformances. Congestion and capacity at the Twynholm entry point led to the Gormanstown entry point being used to supply gas to Northern Ireland on five different occasions during high demand.

We took over 1.8 million meter reads on behalf of gas suppliers. 14,561 publicly reported escapes of gas were responded to in 2024, 99.9% within the one-hour criteria. Remedial works were carried out on 50 multi-occupancy buildings and leakage surveys were completed on 1,761km of mains and services. Field trials were conducted for the leak detection and repair programmes of work mandated by the Methane Emissions Regulations.

Gas Networks Ireland, along with the Irish Navy, responded to a sub sea security incident when a foreign Vessel was detected operating on top of the sub sea pipeline Interconnector 1 in the Irish sea. As a result an unplanned sub sea survey, to ensure no interference to the pipeline was completed.

In 2024, Gas Networks Ireland became one of the founding partners for the EU Horizon project VIGIMARE which received €4.75m in grant funding to further develop our sub sea critical asset protection from the European Union's Horizon Europe research and innovation programme. This innovation project uses artificial intelligence algorithms on multiple data sources to identify and alarm if a vessel is acting suspiciously in the vicinity of sub sea infrastructure. Gas Networks Ireland also attended the Digital Ocean Symposium at NATO headquarters, further developing connections across the sub sea infrastructure protection sphere.

We undertook a review and update of engineering requirements documentation and Engineering Design Manual. This saw the implementation of a structured framework for identifying, evaluating, and tracking emerging energy technologies, incorporating data from industry reports, academic research, market analysis and ensuring a comprehensive approach to technology assessment.

Gas Networks Ireland commenced a joint research initiative with Northern Gas networks, to review the feasibility of repurposing distribution assets for detailed evaluation of fifth generation and hybrid district heating technologies, focusing on their potential for energy efficiency, decarbonisation, and integration into existing infrastructure.

Infrastructure investment

We undertook a capital expenditure programme of €188m which included ongoing programmes to improve the safety and reliability of the network.

Key capital projects

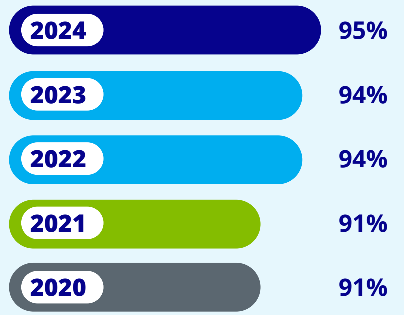
- Completed construction of 4 new connections – 1 power station and 3 other industrial customers.
- Commenced construction of 4 further new connections – 2 power stations and 2 industrial customers.
- Completed construction on project to enable independent operation of the two compressor halls at Brighouse Bay Compressor Station.
- Advanced pipeline diversion works for projects in Cork.
- Completed capacity upgrade at Ballyneasagh AGI.
- Mitchelstown CGI enabling works completed.
- Completed construction on replacement of Kerotest valves in the Leopardstown area of Dublin.
- Constructed and Commissioned Flogas Keelings and Lidon Junction 14 CNG station.
- Constructed Beauparc Cappagh CNG station.
- 3.6 km distribution renforcement main laid.
- Three large distribution connections completed at Edgeconnex Grange Castle Dublin, Bulmers Grange Castle Dublin and Epark Cork.

97% of all planned maintenance completed

14,561 pubically reported escapes of gas were resonded to in 2024

Operating review

First contact resolution



- We review a sample of our customer contacts each month across a range of different call types. A selection of calls are surveyed independently to validate the scores.

- This measure tells us how often we are able to resolve a customer's request on that first contact, without the need to get further information, escalate to the back office, create a complaint or follow up.

Customers

Customer service and solutions

We delivered high quality services to over 720,000 domestic and commercial customers during 2024. There were: 68,799 customer appointments made with 99.5% compliance rate, over 1.8 million meter reads, and 521,472 customer contacts handled by our Contact Centre, across inbound and outbound channels.

We constantly strive to enhance our customer service. In 2024 we continued to see strong performance in both our customer experience (CX) and customer operational metrics. We met our customer satisfaction score targets across all activities surveyed.

Gas Networks Ireland and CRU complaint resolution targets have been exceeded with 96.6% compliance across all complaints. Through strong collaboration and interactions with internal stakeholders and our business partners we saw an unprecedented drop of 31% in complaints with 944 created this year, compared to 1,375 in 2023, the lowest in 10 years. As part of our customer support provided by our contact centre, we met all our call answering metrics both contractual and those set by the CRU. We also focused on reducing the number of calls from customers seeking updates on work to be carried out. We experienced a 15% reduction in esalations thereby reducing the number of calls from customers and enhancing the customer experience they receive. As part of enhancing the way our customers can contact us, we introduced web messenger which allows our customers to engage with us via webchat. We developed a relationship with Age Friendly Ireland, who provided training to customer service representatives handling our new Age Friendly line. The Older Council of Ireland carried out a mystery shopper on the service, which resulted in Age Friendly Ireland's endorsement of our new service for customers over the age of 66.

We hosted two CX days, hearing directly from customers to better understand their challenges on their path to Net Zero and how we can best support them. We continued to conduct quarterly CX forums and commenced a new Insights into Action Forum and process where we work with key stakeholders/process owners to action insights captured through our CX programme.

We continued to expand our CX Monitoring and Insights programme, which captures feedback from customers who interacted with Gas Networks Ireland. This programme was expanded in 2024 to include insights from fleet operators using/considering bioCNG to fuel their trucks, with the insights used to support development of a new CNG strategy. We also sought insights from energy retrofit companies to enhance relationships and drive efficiencies in the work we are doing to support their retrofit programmes.

Our programme of customer journey mapping continued in 2024 with understanding our mature domestic connection and disconnection processes from a customer's perspective, along with continued work on our alterations process. The led to many improvement initiatives being captured and delivered.

In 2024, 96 customer improvement initiatives were captured, with 74 successfully completed. For example, the Above & Beyond recognition program was expanded to include all business partners and internal staff who contribute to the delivery of consistent or exceptional customer service, resulting in 259 nominations across the company. Gas Networks Ireland continued to collaborate with our charity partners, Age Action, raising nearly €14,000 through our CX Monitoring programme. These funds will support their Care and Repair programme. Additionally, we raised almost €4,000 for the Irish Red Cross through our efforts in capturing insights from shippers, suppliers, field staff, and fleet operators surveys.

We continued our vulnerable customer mystery shopping, where an older person, a person with additional needs and a person where English is not their first language, contact our contact centre with a tailored scenario and expected response and rate their experience which is used for additional training and insight.

A service was promoted to vulnerable customers, who may feel anxious about allowing our staff into their homes for work or have difficulty reading our ID cards. As an additional measure, we now offer the option of agreeing on a security password in advance of a visit from our field staff. Additionally, over 70 staff volunteered this year to do some light gardening work for older clients of Age Action, transforming gardens, making paths assessable and a nicer environment for these older customers in time for winter.

A Customer Solutions Team was established in 2024, proactively engaging with over 300 of our largest customers who consume high volumes of gas in high-heat industries and hard-to-abate sectors, such as the dairy industry, manufacturing, and pharmaceuticals. Capturing key insights from this cohort of customers enables us to better understand how renewable gases, such as biomethane (in the short-term) and hydrogen (in the medium to long-term), can help our customers decarbonise as they progress towards net zero. Additionally, supporting customers to be more energy efficient, continuously communicating with them, and ensuring their "in-life" experience is of gold standard helps to build enduring relationships as we work with customers on achieving their sustainability goals.

Shipper/supplier surveys

Gas Networks Ireland conducts annual surveys to assess the performance as perceived by gas Shippers and Suppliers. Gas Networks Ireland's overall performance in 2024 was highly rated, with a significant rise in the Net Promoter Score to +58 from +43 in 2023. Shippers and Suppliers gave an average satisfaction score of 8.6 up from 8.1 in 2023. There was a notable shift in attitude towards Gas Networks Ireland's strategy, particularly with the publication of Gas Networks Ireland's Pathway to a Net Zero Carbon Network report and the development of renewable gases. Stakeholders also showed much greater support for biomethane compared to recent years. Gas Networks Ireland's perceived understanding and flexibility in dealing with Shippers and Suppliers saw these key stakeholders scoring the organisation highly. This understanding was seen as the foundation for good working relationships and decision making that benefits both parties.

Switching gas supplier

Customers can achieve significant cost savings by changing their gas supplier. CRU describes switching as the best way to save money on gas and electricity bills. To facilitate customer switching, Gas Networks Ireland, specifically the Gas Point Registration Officer team, operates the industry switching process. In 2024, Gas Networks Ireland processed approximately 128,000 switches, an increase of 30% compared to 2023.

Shippers and Suppliers average satisfaction score of **8.6 up from 8.1 in 2023**

Gas Networks Ireland processed **128,000** gas supplier **switches in 2024**

The Government's **Climate Action Plan 2024** set a biomethane production target of **10% (5.7TWh)** of the country's gas needs by 2030

2045
Our plan is to deliver a repurposed, resized, and fully decarbonised network

Climate action

Pathway to a Net Zero Carbon Network

In June, Gas Networks Ireland launched its ambitious Pathway to a Net Zero Carbon Network, outlining how the national gas network can transport 100% renewable gas by 2045, thereby playing an essential role in transitioning Ireland to a carbon-neutral economy. The pathway envisaged by Gas Networks Ireland aims for biomethane to account for one third of the gas on the network and the remaining volume coming from green hydrogen. By the end of the period, the existing national gas network will split into two distinct renewable gas networks. In September, we presented this plan to deliver a repurposed, resized, and fully decarbonised network by 2045 to over 100 senior industry stakeholders at a Pathway to Net Zero Carbon Network event held in Dublin. This event was a crucial step, as it provided a forum for regulators, policymakers, customers, and industry partners to engage, collaborate and build on the relationships that will deliver Ireland's cleaner integrated energy system.

The gas network plays a vital role in Ireland's energy landscape and is essential for meeting Ireland's climate action goals. Decarbonising the gas network will support the expansion of renewable electricity, cut emissions across all economic sectors, including those that are traditionally hard to decarbonise such as industry, agriculture, and heavy transport and increase the security and diversity of Ireland's energy supply.

Biomethane

Ireland's national biomethane strategy

Biomethane is a carbon neutral renewable gas that can be made from farm and food waste through a process known as anaerobic digestion. It meets the same technical standards as natural gas and is fully compatible with the gas network, making it an ideal solution to decarbonise heating, industry, transport, and power generation.

The Government's National Biomethane Strategy was published in May and detailed several actions designed to incentivise more investment in the biomethane industry. New measures included capital grants for businesses to help pay for investments in anaerobic digestion facilities, while the government will also create a market for biomethane by introducing regulatory obligations on energy providers to buy the renewable gas. Ireland's biomethane industry is still in its initial stages in Ireland compared to other EU countries. There are over 1,500 biomethane plants across Europe while almost 40% of Danish gas consumption is biomethane. The EU Green Deal highlighted biomethane as a vital tool for decarbonising European agriculture and energy systems, and the European Commission has identified Ireland as having the highest potential for biomethane production per capita in Europe due in part to Ireland's large agricultural sector.

The Government's Climate Action Plan 2024 has set a biomethane production target of 10 per cent (5.7 TWh) of the country's gas needs by 2030 and the National Biomethane Strategy reinforces its importance by stating that, "Without biomethane, Ireland is unlikely to meet its legally binding climate targets."

Building Ireland's renewable gas future

Gas Networks Ireland took a significant step for Ireland's biomethane industry last October when An Taoiseach Micheál Martin broke ground to officially mark the commencement of construction for the new Central Grid Injection (CGI) facility in Mitchelstown. This facility represents a €32m investment and is a transformative step in Ireland's transition towards renewable energy, enabling multiple producers inject biomethane into the national gas network. When fully operational, the facility has the design capacity to inject up to 700 GWh of renewable gas into the gas network per annum, reducing emissions by circa 130,000 tonnes of CO_2 per annum when using 100% biomethane. This would help deliver 12% of Ireland's Climate Action Plan biomethane production target of 5.7 TWh by 2030. This facility presents an exciting opportunity for our agricultural industry. By enabling farmers to diversify into biomethane production, we are opening new income streams that will benefit rural communities and contribute to Ireland's broader sustainability goals. The Mitchelstown CGI facility will help leverage Ireland's agricultural potential to produce renewable energy, therefore improving our energy security, and drive the transition towards a greener, more resilient economy. The commencement of the project followed a successful market engagement exercise, where a request for Expressions of Interest (EOI) to supply biomethane to the new CGI facility in Mitchelstown drew interest from 22 prospective biomethane producers. The combined potential production capacity from these plants was 1,862 GWh per year, highlighting the significant potential of the Irish biomethane sector to support the country's energy transition. The CGI facility in Mitchelstown is anticipated to be the first in a rollout of several facilities as previously outlined in our recently published Pathway to a Net Zero Carbon Network.

Supporting Ireland's biomethane producers

Over the course of 2024, there was circa 61 GWh of biomethane injected into the gas network (39 GWh indigenous, 22 GWh imported). To facilitate and enable the growth of the biomethane industry, Gas Networks Ireland has engaged with several biomethane producers to provide direct connections onto the network for biomethane producers.

Gas Networks Ireland and Bia Energy agreed a significant partnership to enable renewable biomethane gas from the Bia Energy facility at Bia Energy Facility in Dublin to be injected directly into the gas network. This will result in the existing gas network being extended to create Dublin's first direct Renewable Gas Entry Point at Bia Energy's new reconfigured anaerobic digestion facility. When operating at full capacity the facility is set to contribute up to 120 GWh of biomethane annually to the national gas network, reducing nearly 25,000 tonnes of carbon dioxide emissions each year. Gas Networks Ireland also completed the signing of a Memorandum of Understanding (MoU) with Nephin Renewable Gas. This aims to accelerate the development and integration of biomethane production into Ireland's gas network, contributing to the decarbonisation of the gas network and advancing the country's climate action targets. Gas Networks Ireland also welcomed the announcement from Cycle0 that they intend to invest up to €100m into four new plants in Ireland, with sites initially identified in Kildare, Cavan, Galway, and Limerick. The new biomethane plants are expected to generate approximately 40 GWh of biomethane per annum and will boost economic opportunities for the local farming communities.

BioCNG

Demand for renewable gas in transport continues to grow

Demand for renewable gas in the transport sector increased by an impressive 67% since 2023. The growing demand for renewable gas in the transport sector is an encouraging development. Although commercial transport represents only 3% of vehicles on Irish roads, it accounts for nearly 20% of the sector's carbon emissions, posing a significant decarbonisation challenge. While electric power is a viable alternative for cars, it is not always suitable for heavy goods vehicles (HGVs). However, Compressed Natural Gas (and its renewable equivalent, BioCNG) offers substantial emissions reductions for the HGV sector.

Fuelling with BioCNG can reduce a heavy goods vehicle's emissions by up to 90%, therefore providing the Irish haulage industry with a clean alternative fuel option to diesel. In 2024, 89% of CNG dispensed was bioCNG.

up to 90%
of a heavy goods vehicle's emissions can be reduced by fuelling with BioCNG

€32m
investment for the Central Grid Injection (CGI) facility in Mitchelstown is a transformative step in Ireland's transition towards renewable energy

Operating review

ROI's first ever dedicated **BioCNG refuelling station** opened

In September, Gas Networks Ireland and the Lidon Group opened **new BioCNG refuelling station** at Junction 14 on the M7 motorway in Kildare.

Ireland's first ever dedicated BioCNG refuelling station opens

In June, Gas Networks Ireland and Flogas, part of DCC plc, announced the official opening of the Republic of Ireland's first ever dedicated BioCNG refuelling station. This was a significant development for businesses looking to make the transition to more sustainable, cleaner fuel for their HGVs. Operated by Certa, a sister company to Flogas, the station will offer convenient access to BioCNG 24 hours a day, seven days a week. Located at Food Central in St. Margaret's, North Co. Dublin, the 2,900 square metre site can refuel up to 50 HGVs per day from one dual sided high-speed dispenser. When the station is at full utilisation, it will cut over 9,000 tonnes of CO_2 emissions compared to diesel fuelled HGVs.

In September, Gas Networks Ireland and the Lidon Group announced the opening of a new BioCNG refuelling station at Junction 14 on the M7 motorway in Kildare. Officially opened by James Lawless TD, then Minister of State at the Department of Transport and Department of the Environment, Climate and Communications, this new BioCNG station will supply biomethane produced locally in Kildare, using local food and farm waste, supporting Ireland's circular economy by converting waste into renewable energy. It is the eight public CNG station to be completed and the eleventh operational station in total. This station is set to transform one of Ireland's busiest transport corridors into a cleaner and more sustainable route for HGV operators and their commercial customers.

Tánaiste Micheál Martin and Gas Networks Ireland CEO Cathal Marley turn the sod to launch Gas Networks Ireland's construction of the Mitchelstown Biomethane Central Grid Injection facility

Delivered by Gas Networks Ireland and partners under the Causeway Project, the stations have been strategically located to support prominent haulier routes. The state of the art public stations have the capacity to fill 50 HGVs, with each fill taking no more than five minutes. The new stations allow hauliers and fleet operators in the region to begin the journey to sustainable transport by switching their fuel from diesel to CNG today and ultimately transition to networked renewable gases, including biomethane and hydrogen, in the future.

Hydrogen

Delivering a net zero energy system with green hydrogen

Ireland's Climate Action Plan 2024 reaffirms Ireland's offshore wind targets of 7 GW to be operational by 2030, including 2 GW dedicated for Ireland's preferred hydrogen production option of electrolysis. This is where electricity splits water into hydrogen and oxygen. When renewable energy sources, like wind or solar, power this process, it produces green hydrogen. In anticipation of the emergence of both indigenous green hydrogen and hydrogen via our UK interconnectors, Gas Networks Ireland is engaged in an extensive programme of work to enable the phased introduction of hydrogen into the gas network and its blending with natural gas via both interconnection and direct connection. The National Hydrogen Strategy acknowledges the crucial role that Ireland's gas network will play in Ireland's future renewable hydrogen evolution and specific areas of Ireland's energy system including the hard to abate sectors such as transport, industrial heating, and power generation. It states that, "Where feasible, repurposing existing natural gas pipeline infrastructure to hydrogen is favourable," and that "As production expands, hydrogen pipelines (are) envisioned to become the dominant transportation option."

Hydrogen research

To ensure that the Irish gas network is ready to transport hydrogen, Gas Networks Ireland is working with research institutes and academia, and testing hydrogen compatibility and functionality at our Network Innovation Centre located in Citywest, Dublin. The innovation hub was established to understand the full potential of hydrogen and ensure that the gas network is capable of safely transporting and storing both blended and up to 100% hydrogen into the future.

Gas Networks Ireland and AMBER, the Science Foundation Ireland's centre for Advanced Materials and Bioengineering Research, have partnered to undertake important research to determine how compatible the materials that make up Ireland's gas pipeline are with green hydrogen, an important first step in the decarbonisation journey of Ireland's gas network. The research project "Material Testing and Development under Variable Hydrogen Ratios" is being carried out by scientists from AMBER hosted at Trinity College Dublin, in conjunction with engineers from Gas Networks Ireland. With initial funding of €220,000 in the first year, the project has the potential to run for up to five years.

Gas Networks Ireland has also been collaborating on research with University College Dublin Energy Institute (UCDEI). Phase one of this research focused primarily on domestic appliances, which were tested with a variety of hydrogen blends. The research found that domestic appliances such as gas cookers could take up to 20% of hydrogen blended with natural gas without the need for retrofitting, modifications, or additional costs.

Phase two of the research involved over 300 of the largest users of networked gas in the country. This found that 90% of the end users' equipment is compatible with blends of 20% hydrogen, while the remaining 10% of Irish industry would need further assessment to determine the modifications required. Phase three of this research, HyGreenNet is ongoing and focuses on the distribution network, specifically examining medium and low-pressure systems. This phase aims to ensure safe and effective integration by conducting safety and leakage tests, material compatibility studies, and performance analysis of commercial boilers. The initial results from testing on a commercial boiler are promising, showing that a 20% hydrogen blend can reduce CO_2 emissions by up to 16%. The levels of carbon monoxide (CO) and nitrogen oxides (NOx) could also be reduced by up to 53% and 69%, respectively, by using a blend that contains 20% hydrogen.

Gas Networks Ireland is also working closely with the Hydrogen Safety Engineering and Research Centre (HySAFER) at Ulster University on a research project on the safety of hydrogen blends in the gas network, in collaboration with gas network operators in Northern Ireland. The project has received funding from CASE (Centre for Advanced Sustainable Energy). Additionally, Gas Networks Ireland is one of several industry stakeholders funding a €16m strategic partnership with Irish third-level institutions that will examine how to holistically decarbonise the overall Irish energy sector. Hosted by UCDEI, NexSys (Next Generation Energy System) is also supported by Science Foundation Ireland (SFI).

Our Network **Innovation Centre**, in Citywest Dublin was established to understand the full potential of hydrogen

20% hydrogen blend can reduce CO_2 emissions by **up to 16%**

Operating review

Innovation

Gas Networks Ireland established a new Gas Innovation Steering Group in 2023, which includes representation from all the business pillars within the organisation.

The Group is also represented by two independent steering members. The steering group acts as the governance board for the allocation of Gas Innovation Funds provided by the CRU under the current Price Control. The CRU has made a provision of €5.3m for the PC5 period and this innovation funding encompasses a Network Based Innovation Fund (NBIF) and a Strategic Innovation Fund (SIF). Steering has convened on six occasions over 2023/24, providing governance, oversight and approval on key Innovation Initiatives.

The network innovation centre (NIC)

In 2024 the Network Innovation Centre, located in Citywest, Dublin, continued to play a key role in supporting our research and innovation activities. Hydrogen research and development initiatives are focused on enabling the introduction of green hydrogen onto the gas network and testing network and end user capability to utilise hydrogen. In 2023, an off-grid underground gas network facility was constructed to facilitate planned research and testing of hydrogen blends, and throughout 2024, efforts have continued to enhance its functionality for hydrogen blend activities.

Several measures and pieces of equipment have been added in 2024, including a blending facility, gas analyser equipment, and the completion of civil and drainage works, to support innovation and hydrogen activities. The off-grid network is currently operated with 100% natural gas or 20% hydrogen blends, with further engineering assessment underway for 100% hydrogen. A commercial sized boiler was also commissioned on-site, to support site load network requirements and support further testing of end user appliances. Gas Networks Ireland continues to utilise and engage its own operational staff in all operation and maintenance activities on site, building competency development for Future Role of Gas initiatives.

The construction of new roads and pathways using recycled aggregates at the Network Innovation Centre demonstrates our commitment to both sustainability and innovation principles. Following approval of an Innovation Project, and collaborative effort with our period contractor GMC, we are not only reducing our environmental impact but also paving the way in our innovation efforts by leveraging reclaimed materials. These recycled aggregates are sourced from materials reclaimed from construction and demolition waste, including concrete, bricks, and asphalt.

Innovation related to the existing gas network is also a fundamental activity at the Network Innovation Centre. This supports initiatives that will improve how we operate and manage the gas infrastructure both now and into the future.

Innovation funding highlights

Gas Innovation Fund – NBIF:
Over €1.1m of the Network Based Innovation Fund (€3.4m) has been allocated to 27 innovation projects by the Innovation Steering Group to date. 7 Projects are completed, of which 4 will be progressing to business as usual adoption. The other 20 Projects are at various stages of progress. Projects approved in 2024 include Satellite-based Monitoring and Carawler Inspection Tool, which both support integrity activities for our network pipelines.

Gas Innovation Fund – SIF:
The research 'challenges' for the Strategic Innovation fund in collaboration with Research Ireland were approved by the Gas Networks Ireland Executive.

Gas Innovation Fund - Reporting:
Agreement was reached with the CRU in relation to PC5 annual reporting timeframes and the proposed structure for Innovation reporting, which is due to commence in Q1, 2025.

Sustainability

As guardians of Ireland's natural gas infrastructure, Gas Networks Ireland aims to deliver its services in a sustainable manner that contributes to the protection of the environment while supporting the social and economic development of the communities where we operate, as well as the wider economy.

For more detail on our commitment to sustainability please see pages 68-78.

In September 2024, Gas Networks Ireland published and launched an ambitious transformation Pathway to a Net Zero Carbon Network. This pathway highlights the essential role the national gas network will play in transitioning Ireland to a carbon-neutral economy by 2050. By replacing natural gas with renewable gases such as biomethane and green hydrogen, the transformation pathway details the journey towards a repurposed, resized, and fully decarbonised gas network by 2045, ensuring a secure and reliable energy supply while supporting Ireland's climate and energy goals.

Additionally, it's worth noting that Gas Networks Ireland is certified to five ISO Management Systems: ISO14001 (Environmental), ISO50001 (Energy), ISO9001 (Quality), ISO55001 (Asset Management), and ISO45001 (Safety). These ISO management systems provide a robust framework that support the business in driving continuous improvement. Moreover, Gas Networks Ireland is also certified to the Business Working Responsibly Mark, which is aligned with the social sustainability standard ISO26000. In 2024, Gas Networks Ireland achieved the Investing in Volunteers Quality Standard for the first time.

Operating review

Accredited
IBEC **KeepWell mark**

Awarded
Engineers Ireland CPD Employer of the year in recognition of our Female Development Programme

People

Leverage our past and energise our people to deliver the future of our network

Across 2024 our people programmes and strategy progressed further through continued delivery of our strategic initiatives, including the continued integration of our cultural programmes, strong internal communications and engagement, focused leadership, enhanced health and wellbeing programmes, and continued focus on future skills and capabilities.

Our programmes continue to evolve and grow with the expansion of our internal communication channels through our digital workplace transformation. This includes the delivery of our digital screens to ensure our teams have access to important company information in an easy and speedy manner, regular all staff briefings, round table sessions, monthly employee forums and expert led sessions on areas of interest across the business. Our employee engagement approach is embedded across the organisation and in 2024 we saw progress at both an organisational and local team level. This included strong year-end results with over 75% of the organisation attending each of our Quarterly Business Reviews, 86% of our colleagues participated in the year end engagement survey and we had a 90% sustainable engagement score at year end. Our employee engagement is critical to the success of the organisation as it provides an opportunity to share information on company progress and allows for feedback from all our teams to ensure we continue to evolve, improve and grow our people agenda and deliver on our people strategy.

In 2023, we delivered our revised organisational values including, Building on Experience, Doing What's Right and Energised for Change. In 2024, we embedded these organisational values across key programmes including our ibelong Diversity, Equity & Inclusion (DE&I) programme. Our ibelong DE&I programme grew further in 2024, including the establishment of a new Employee Resource Group (ERG), the NextGen Group, which is now the sixth ERG across the business. This group will support and provide a key network to our younger colleagues to thrive and develop across the business. The DE&I council and ERGs continued to celebrate significant events including Pride, Holi, Eid, International Women's Day and Global Diversity Awareness month to mention a few. In addition, the council and ERGs were central to the launching of some progressive organisational policies including our Menopause, Holiday Swap and Fertility Treatment Support policies. The council also oversaw the delivery, approval and launch of our ibelong DE&I strategy to provide the framework of activity over the coming years. This is significant as it provides the programme of activity to ensure we embed real change in this space in the coming years.

In 2024, we continued our recruitment and early career programmes to ensure the business has a pipeline of skills and capabilities now and into the future. We filled over 159 roles across the year through a combination of internal recruitment, external experienced hires, graduate and college intakes and apprenticeships. As part of this, our apprenticeship intake commenced in September 2024, which saw our new apprentices join the organisation across the plumbing, electrical and mechanical disciplines. In addition, we completed recruitment of our upcoming Graduate programme which will commence in October 2025.

One of our ongoing areas of focus is the wellbeing of our people. Across 2024, we continued to deliver many health and wellbeing initiatives including nutrition awareness, cancer awareness sessions, fitness programmes and mindfulness sessions to name a few. Our health and wellbeing approach was recognised and throughout the year we achieved the IBEC Keepwell mark which was a positive endorsement of the work we continue to do in this space. Our Time to Talk mental health programme delivered across the year with many awareness sessions and supports, including an inspiring World Mental Health Day session, to ensure our focus remains on both physical and mental wellbeing.

We continue to invest in the development of our staff with many development programmes delivered throughout 2024 including our technical training programmes, various bespoke development programmes including leadership and management development, a self-leadership programme and our further education supports. Our Female Development programme continued across 2024 with another cohort of our female colleagues participating. In addition, our Female Development programme was recognised by Engineers Ireland, and we were awarded the Engineers Ireland CPD Employer of the Year in recognition of the programme. This programme is significant to the business as we continue to nurture our talent whilst also making improvements in our female representation at all levels of the organisation.

Finally, in 2024, we have seen progress in our Gender Pay Gap which has been influenced by our ibelong, Female Development, Early Education STEM and our own Early Career programmes, which will continue across the coming years. The growth of these programmes and the ongoing DE&I strategy is a key area of priority across the organisation.

Technical training

During 2024, multiple technical training and technical competency development programmes were successfully delivered across the Gas Networks Ireland organisation. Training was delivered via a mix of face-to-face training, online virtual training, e-learning modules, practical workshops and on-site assessments.

Five-year planning (2023 - 2027) and leading process safety KPIs were also reported to track competency development across gas technical roles within Gas Networks Ireland.

The technical training programme supports Gas Networks Ireland's technical staff, engineering service providers and our contractor partners. The Gas Networks Ireland Technical Training Centre is accredited with Technological University Dublin (TU Dublin), where accredited training courses are delivered by our experienced trainers. Practical training delivered in the Technical Training Centre included leak management procedures, gas network specialist training, pressure control training and electrical, instrumentation and communications training. Each of these training programmes have a positive safety, efficiency and environmental impact.

The Gas Networks 'LearnWorks' Learning Management System (LMS) was significantly leveraged in 2024 placing it with industry best practice, providing greater employee and manager interactivity and access to internally customised eLearning packages. The IT systems training programmes were also rolled out supporting systems users of Gas Networks Ireland's desktop applications for work management and on-site hand-held technologies, improving the efficiency of our business processes. Our competency assurance programme is closely managed and consists of competency assessments of both Gas Networks Ireland and contractor technicians working on the gas network.

Gas Networks Ireland is progressing 26 apprentices through their mentoring, training and assessments in 2024. This comprised of two groups of 13, who commenced their apprenticeships in 2022 and 2024. The craft qualifications being processed in Plumbing (15), Mechanical Automation and Maintenance Fitter (5) and Electrical Instrumentation (6). The programmes for all 26 apprenticeships progressed very well in 2024.

Recruitment
for 2025 Graduate Programme **completed**

26
apprentices are progressing through Gas Networks Ireland's mentoring, training and assessments

Aurora TELECOM

2024
has seen the enhancement of networks in Dublin, Shannon, and Ennis, and the national backhaul network now spans over 1,500km across 15 counties

Aurora

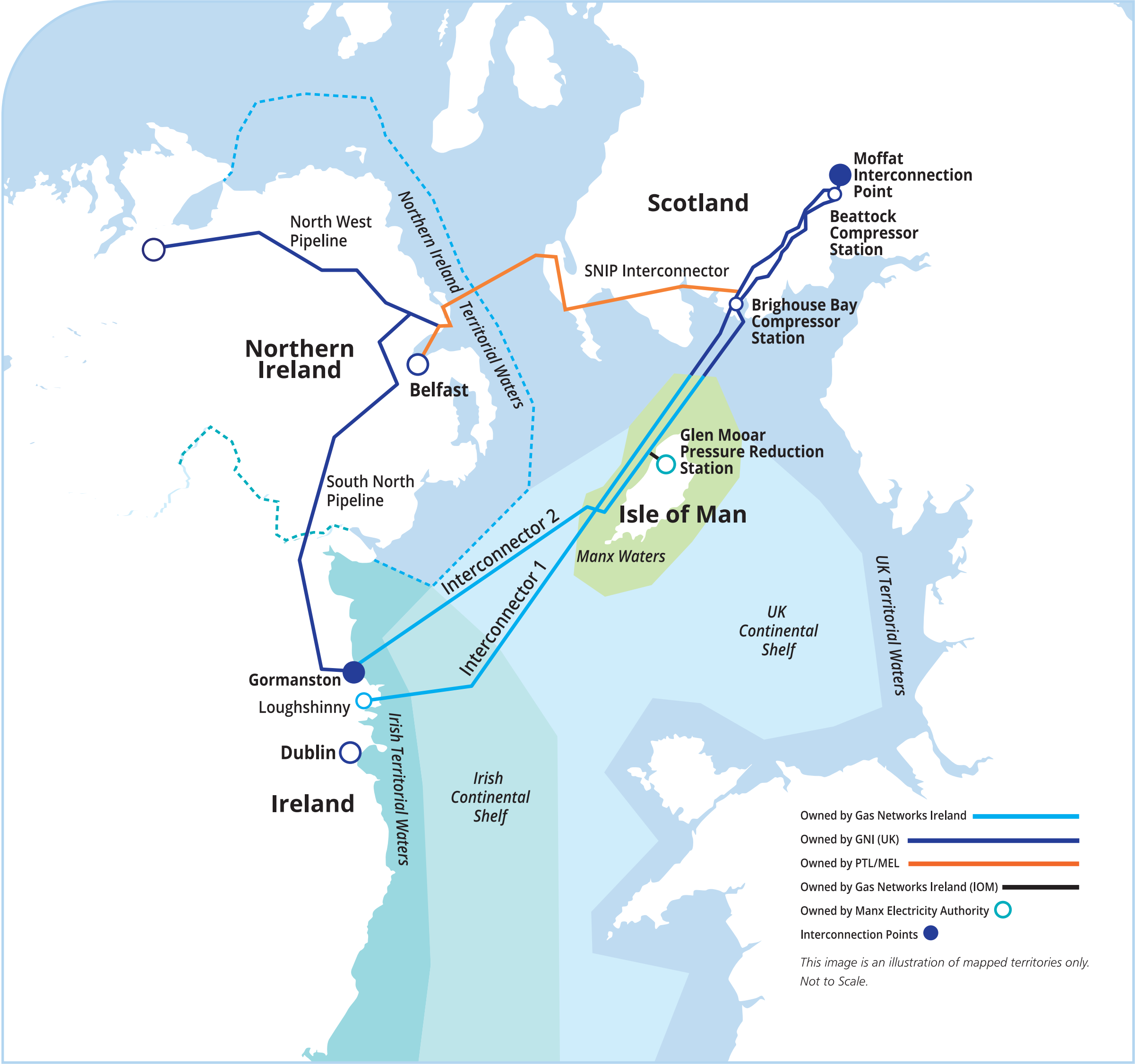
Aurora Telecom, a leader in Dark Fibre services, expanded its national network in 2024, surpassing all operational targets. This is the fourth consecutive year that Aurora Telecom has achieved double digit revenue growth. Aurora Telecom's advanced and reliable network supports telecommunications carriers, corporate organisations, and government entities. Its commitment to innovation through strategic investments ensures superior service delivery and operational efficiency. In 2024, we have enhanced metropolitan networks in Dublin, Shannon, and Ennis. The national backhaul network now spans over, 1500km across 15 counties, offering ultra-high fibre count connectivity to all cities and major urban centres. Strategic planning efforts have included completing feasibility studies on multiple new backhaul corridors, providing a robust foundation for their anticipated roll-out in 2025. Following another strong fiscal year, Aurora Telecom is set to enhance urban and rural fibre connectivity by expanding its network infrastructure, advancing its capabilities, and introducing new services and products. Its dark fibre network bridges Ireland's digital divide, delivering high-capacity services to underserved regions and boosting job opportunities, online entrepreneurship, and economic development. Aurora Telecom's team is driven to support delivery of next generation digital services across Ireland, including traffic management, environmental monitoring, and public safety systems. As Ireland's digital demands increase with artificial intelligence (AI) and machine learning, dark fibre's highspeed, low-latency capabilities will be essential for seamless data transmission.
It will enable applications such as autonomous vehicles, remote surgery, and real-time patient monitoring in healthcare settings. Investing in dark fibre infrastructure in Ireland is vital for meeting the growing demands of our digital society and improving our overall quality of life. Aurora Telecom leads the telecommunications industry through unwavering dedication to customer satisfaction, innovation, and excellence, delivering seamless connectivity and optimal performance for its customers.

GNI (UK) Ltd.

GNI (UK) Ltd.

The core and prime function of GNI (UK) Ltd. is to ensure the supply of gas to the island of Ireland.

A wholly owned subsidiary of Gas Networks Ireland, GNI (UK) Ltd. operates and part owns the high-pressure pipelines running from Moffat, in Scotland, to Ireland and the Isle of Man via sub sea pipelines which supply the Republic of Ireland, Northern Ireland and Isle of Man (all Northern Ireland's gas supply is also facilitated via GNI (UK) infrastructure, in addition to infrastructure belonging to others). GNI (UK) also owns and operates two pipelines in Northern Ireland, the South North Pipeline, running from Gormanston, Co. Meath to Co. Antrim and the North-West Pipeline, running from Carrickfergus to the Coolkeeragh power station. GNI (UK) Ltd. is regulated by the CRU in relation to the network in the Republic of Ireland, the Utility Regulator in Northern Ireland and Ofgem in Great Britain. During 2024, GNI (UK) worked with key Northern Ireland stakeholders on the policy and regulatory framework to support climate and energy.



Financial review

Ronan Galwey
Chief Financial Officer

A **solid** financial performance

Gas Networks Ireland generated a profit after tax of €138m, made an annual dividend payment of €44m to the Exchequer and delivered €188m in critical investments in gas infrastructure during the year.

The solid performance for the year follows lower profitability outcomes in 2021 and 2022 driven principally by higher wholesale gas prices and customer cost mitigation measures implemented in conjunction with the CRU. The results for 2024 were favourably impacted by one off finance gains of circa €9m associated with the partial redemption on our 2026 Eurobond and deposit interest.

In September 2024, we successfully completed a €300m Corporate Bond issuance at a 3.25% coupon rate. This represented a strong endorsement from the investment community and reflects their continued confidence in Gas Networks Ireland. In December 2024, we redeemed €164m of the €500m 2026 Eurobond.

Gas Networks Ireland maintained its credit rating investment grade of A2 with Moody's and A+ with S&P in 2024. These strong credit ratings enable Gas Networks Ireland to access a diverse range of competitively priced funding sources.

The financial outcome for the year and our strong financial metrics will enable Gas Networks Ireland to continue to invest in critical infrastructure on our gas network to strengthen energy security and will facilitate the delivery of a decarbonized gas network in support of our climate ambitions.

Key highlights 2024

Revenue	Profit after tax	Capex	Dividends Paid	Net Debt
€600m	€138m	€188m	€44m	€699m

Summary income statement

Category	2024 €m	2023 €m
Revenue	600	527
Operating costs	(276)	(254)
EBITDA	323	273
Depreciation and amortisation	(154)	(147)
Net finance costs	(4)	(11)
Profit before income tax	165	115
Tax charge	(27)	(19)
Profit after tax	138	96
Dividend paid to Exchequer[1]	44	32

Rounding differences may apply when compared to a visual calculation of totals in the tables contained herein.

1 The 2023 dividend to the Exchequer of €32m was paid by Ervia and was part funded by a dividend paid from Gas Networks Ireland to Ervia of €24m.

Revenue

Total revenue of €600m increased by €73m compared to 2023. Regulated revenue of €554m, accounted for 92% of total revenue and increased by €69m compared to 2023, driven principally by higher transportation tariffs and marginally higher capacity demand. Unregulated revenue of €46m increased by €4m year on year, primarily reflecting the profile of unregulated transportation and ancillary contracts.

Operating costs

Operating costs (net) of €276m increased by €22m compared to 2023. This was primarily due to incremental cyber and energy security related costs, incremental customer related pipeline diversion costs (matched by incremental revenues), increase in commercial rates and general inflationary cost pressures. These cost increases were partly offset by the continued delivery of operating cost efficiencies and lower own-use gas costs of €11m, with average gas prices being 18% lower in 2024 compared to 2023.

Depreciation

Depreciation and amortisation of €154m was €7m higher compared to 2023, primarily due to our continued capital investment.

Profit before tax

Profit before tax of €165m was €50m higher compared to 2023, reflecting:

- Higher revenues of €73m,
- Lower net finance costs of €7m primarily due to increasing market interest rates on cash deposits and a redemption gain on the early partial debt repayment of the 2026 Eurobond,
- Offset by higher operating costs of €22m and higher depreciation and amortisation costs of €7m.

Dividends

An annual dividend of €44m was paid by Gas Networks Ireland in 2024. The annual dividend is based on 45% of the previous year's profit before certain exceptional items as reported by Ervia, previously the parent company of Gas Networks Ireland.

Infrastructure assets and capital expenditure

Gas Networks Ireland delivered a significant capital investment programme of €188m in 2024, a 27% investment increase compared to 2023.

We recognise the critical role that the gas network plays in underpinning the security of Ireland's energy system. We remain focused on ensuring our network continues to provide a safe and reliable supply of gas – this will be achieved through a continuation of rolling refurbishment and upgrade programmes, progressing the portfolio of large new Power Generation connections and advancing several key strategic projects that underpin the resilience of the Irish energy system. In parallel, we continue to focus on transforming our network to transport renewable gases such as biomethane and hydrogen at scale.

Net pension surplus

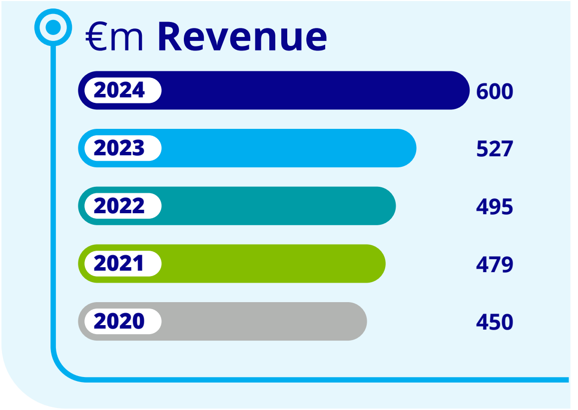
Pursuant to the Gas (Amendment) and Miscellaneous Provisions Act 2024, on 1 June 2024, all remaining assets and liabilities of the Ervia statutory corporation were transferred to Gas Networks Ireland, as set out in note 26 of the financial statements, principally comprising of an IAS 19 pension asset of €28m. As of 31 December 2024, this scheme had an accounting pension surplus of €23m, compared to €14m on 31 December 2023. The movement in the net pension surplus was principally due to higher market discount rates and lower market implied inflation rates.

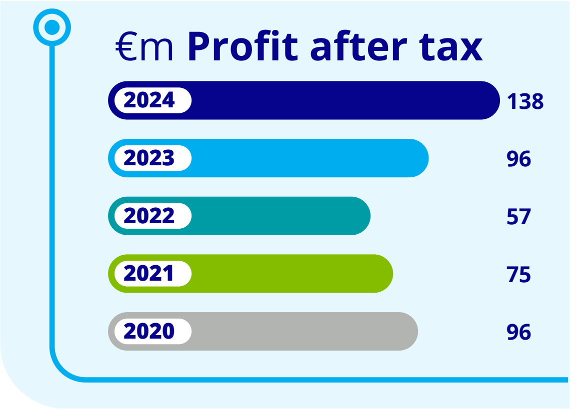
Summary balance sheet

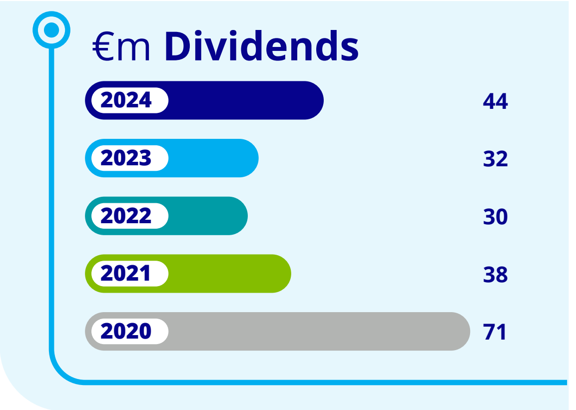
Category	2024 €m	2023 €m
Infrastructure assets	2,548	2,515
Pension asset (IAS 19)	23	-
Other assets	278	347
Total assets	2,849	2,862
Borrowings and other debt	(860)	(1,024)
Trade and other payables	(141)	(149)
Deferred revenue and grants	(253)	(220)
Deferred tax liabilities	(210)	(206)
Other liabilities	(8)	(7)
Total liabilities	(1,472)	(1,606)
Net assets	1,377	1,256
Net debt	(699)	(836)

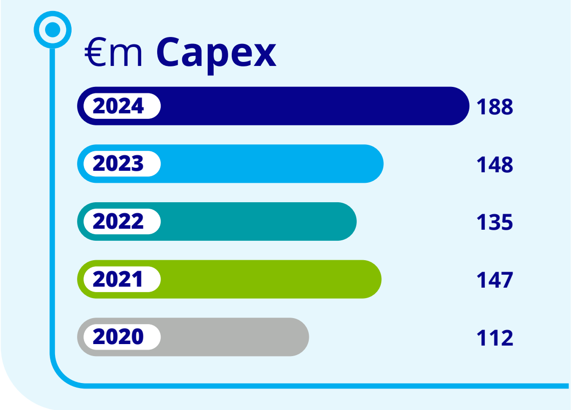
Rounding differences may apply when compared to a visual calculation of totals in the tables contained herein.

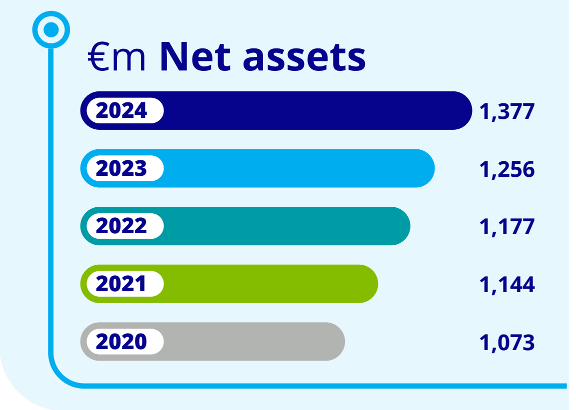
Key trends

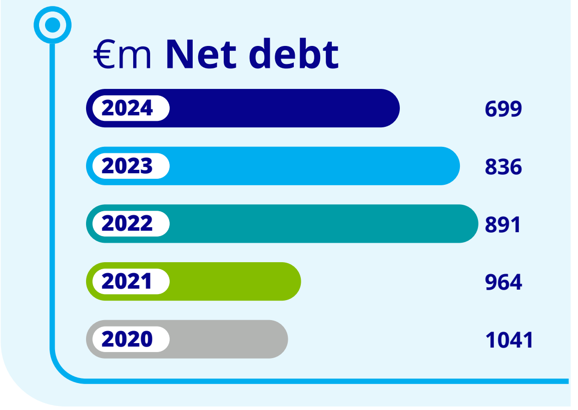












€300
million Corporate Bond issuance at a 3.25% coupon rate was completed in September 2024

88%
of Gas Networks Ireland's debt was at fixed rates on 31 December 2024

Net debt and cash flows

Net debt was €699m on 31 December 2024, compared to €836m in the prior year. Net operating cash flows, after interest and tax cashflows, of €354m, combined with a reduction of retained cash of €42m, were primarily used as follows:

- €194m was utilised to fund capital investment requirements,
- €44m was utilised to fund the dividend payments to the Exchequer,
- €161m (net) was utilised to pay down borrowings.

Capital resources and treasury governance

Capital resources

Gas Networks Ireland had total borrowings and other debt of €860m on 31 December 2024 (2023 €1,024m). There were undrawn committed facilities of €300m and €160m of available cash and cash equivalents on 31 December 2024.

In September 2024, we completed a successful €300m Corporate Bond issuance at a 3.25% coupon rate. The majority of the proceeds along with existing cash balances were used to repay the €300m bond issued in December 2019, which matured in December 2024. A portion was also used on a liability management exercise to buy back €164m of the €500m bond issued in December 2016, due for redemption in December 2026. The new financing is a significant endorsement from the investment community and reflects their confidence in Gas Networks Ireland. The liability management exercise helps de-risks the 2026 refinancing and extends the average tenor of debt resulting in a more optimal debt profile.

88% of Gas Networks Ireland's debt (excluding lease liabilities) was at fixed rates on 31 December 2024 (2023: 90%). The weighted average interest rate on the portfolio of outstanding borrowings was 1.80% (2023: 1.40%) and the average maturity of its debt was 5.27 years (2023: 4.05 years). In 2024, Gas Networks Ireland maintained its long-term credit rating with Moody's Investors Services at A2 and S&P at A+.

In January 2024, we extended the €300m RCF with a syndicate of international and domestic banks, by one year, with the five-year facility now having a maturity date of January 2029 and will be used for general corporate purposes.

Treasury governance

Gas Networks Ireland operates a centralised treasury function. The responsibility for treasury activity and its performance rested with the Gas Networks Ireland Board, which exercised its responsibility through regular review.

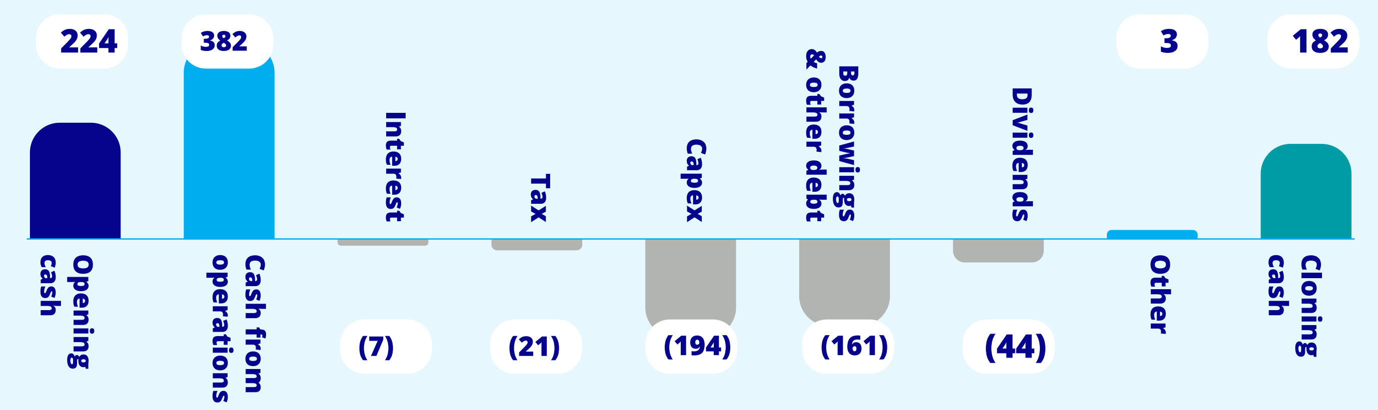
The Audit and Risk Committee provided oversight of the risk and control environment. Gas Networks Ireland complied with the requirements and conditions of the Minister for Finance under the Financial Transactions of Certain Companies and Other Bodies Act, 1992.

Gas Networks Ireland's treasury function is not operated as a profit centre and treasury positions are managed in a risk averse manner. All treasury transactions have a valid underlying business reason and speculative positions are strictly prohibited. Further details of our treasury governance financial risk management policies are set out in the Financial Statements note 23.

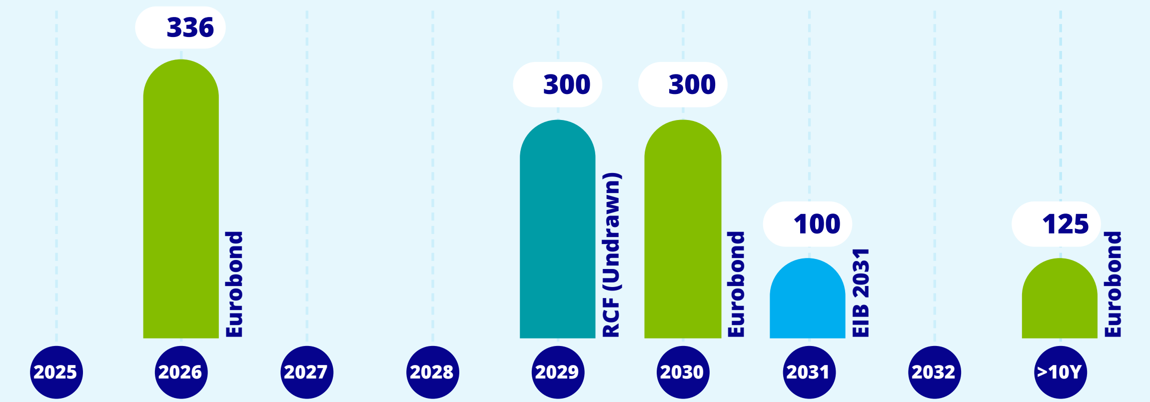
Financial outlook

Gas Networks Ireland will continue to play a leading role in the transition to a low-carbon energy system. By ensuring an efficient and resilient gas network and a safe and reliable gas supply, we directly support economic growth, value creation and promote a sustainable energy future.

€m How cash was used in 2024



€m Debt maturity profile
as at 31 December 2024



Credit Ratings:
Moody's Investors Services A2 & S&P A+

We directly support economic growth, value creation and promote a sustainable energy future

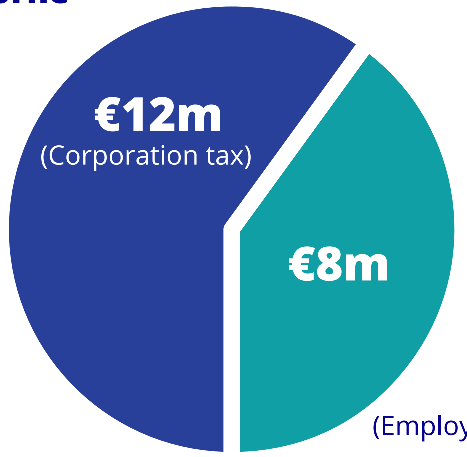
Using our **resources** in a sustainable way

Supporting economic growth and promoting a sustainable energy future by ensuring a safe and reliable gas supply to homes and businesses.

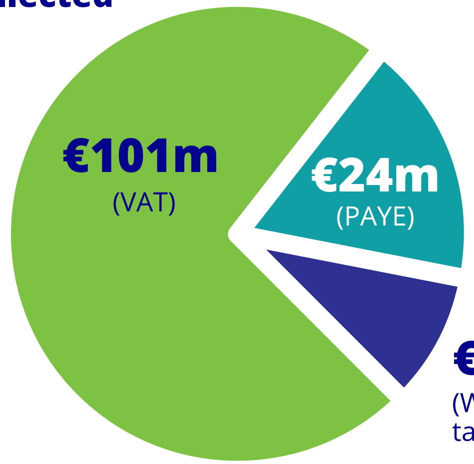
ROI taxes paid	Taxes borne	Taxes collected
€158m	**€20m**	**€138m**

Our contribution in respect of Irish taxes borne and collected during the year ended 31 December 2024 was €158m in total as shown:

Taxes borne



Taxes Collected



Return to the shareholder:

€44m dividend paid to the Irish Government in 2024. In the last five years, we have distributed over €200m in dividends to our shareholder, the Irish Government.

€62m dividend proposed to be paid to the Irish Government in 2025 from 2024 profits.

Supporting communities:

Strive to enhance and uplift the lives of individuals and communities through our corporate and social responsibility programme.

Employee Numbers	Employee Volunteer Hours	Social Impact Hours	Community projects supported
800	**over 799**	**49,128**	**90**

Business Rates:

€31m in rates paid this fiscal year, making a substantial contribution to local economies.

Supply Chain:

€269m (72%) of Goods and Services procured from Irish Suppliers during 2024.

Sustainability review

Edwina Nyhan
Director of Strategy and Regulation

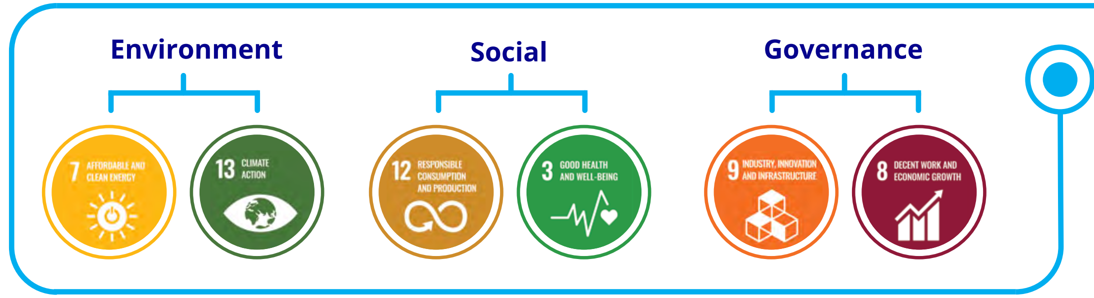
Sustainability is at the heart of our business

We are transforming the gas network to transport renewable gases.

As a leading utility company, sustainability is defined by our role in delivering an affordable and clean energy future for the people of Ireland through the decarbonisation of our network and the reduction of emissions across all sectors of Irish society. We are proud of the fact that we are one of only 40 companies in Ireland to hold the Business Working Responsibly (BWR) mark. We are committed to ensuring that sustainability is at the forefront of everything we do and helping Ireland to reduce its carbon emissions.
In June 2024, Gas Networks Ireland launched its ambitious Pathway to a Net Zero Carbon Network, outlining how the national gas network can transport 100% renewable gas by 2045, thereby playing an essential role in helping Ireland to meet its climate targets. This pathway details the transformative journey towards a repurposed, resized, and fully decarbonised gas network by 2045, ensuring a secure and reliable energy supply, while supporting Ireland's climate and energy goals.

In June 2024, Gas Networks Ireland was delighted to be appointed as a 2024/2025 Sustainable Development Goal (SDG) Champion by Minister for the Environment, Climate, Communications and Transport. This recognition highlights our initiatives in supporting and promoting the United Nations SDGs. Gas Networks Ireland is the first energy provider to be chosen as an SDG champion. We actively promote sustainability awareness among our employees and our stakeholders through community engagement, business practices, workshops, external communications, conferences and webinars.
Our focus for 2024/2025 is to enhance and build on our sustainability culture to enable our employees to deliver on our net zero ambition.

Our sustainability strategy is structured using the three pillars, Environment, Social and Governance, and is aligned with six of the United Nations SDGs.



Our sustainability achievements

Resilient energy network

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Delivered €188m of capital investment, connecting customers including 2 CNG stations and enhancing resilience of our network

Award winning public safety campaign

Progressed our **Security of Supply** initiatives

27 projects allocated innovation funding to date of **€1.1m**

Sustainable energy services

7 AFFORDABLE AND CLEAN ENERGY

Commenced construction of the new central grid injection facility in Mitchelstown

3 new direct connection contracts signed by **biomethane developers**

Opening of Ireland's first ever dedicated BioCNG refuelling station

Progressed **128,000** gas supplier switches to enable customers to achieve cost savings

Integrated energy system

13 CLIMATE ACTION

Released our Pathway to a Net Zero Carbon Network

Gas Networks Ireland appointed to the **pre-ENNOH board**

Supporting Government's National Biomethane Strategy

Continue to deliver on **our climate action plan**

Excellence in operations

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

UN SDG champion to advocate for action across all SDGs

Network Services Centre upgrade completed

90 community projects supported

Energy Like I'm 5 educational videos produced

Energised people

3 GOOD HEALTH AND WELL-BEING

Awarded Engineers Ireland CPD Employer of the year

Improvement in **Gender Pay Gap** from 5.5% to **4.5%**

Accredited to the KeepWell Mark

Strong financials

8 DECENT WORK AND ECONOMIC GROWTH

66.9 Reptrak Sustainability Score

€300m corporate bond issuance

CDP Disclosure Score for Climate Change: **B**

Environmental

Climate change is the single most pressing challenge facing Ireland and global societies today. To address climate change, the Irish Government has ambitious climate and energy targets to successfully transition to a carbon-neutral economy by 2050.

The gas network, while serving Ireland's energy needs today, is also focused on transforming into a fully decarbonised network that transports renewable gases. These ambitions are very much aligned to supporting Ireland's progress towards United Nations Sustainable Development Goal 7 (UNSDG 7): Affordable and Clean Energy and UNSDG 13: Climate Action. In 2024, Gas Networks Ireland published an ambitious transformation Pathway to a Net Zero Carbon Network, highlighting the essential role the national gas network will play in transitioning Ireland to a carbon-neutral economy by 2050.

The transformation pathway details the journey towards a repurposed, resized, and fully decarbonised gas network by 2045, ensuring a secure and reliable energy supply while supporting Ireland's climate and energy goals.

At Gas Networks Ireland we continuously revise our approach to reducing the environmental impact of business activities, and our investment in leading asset management systems and processes contributes to enhanced network asset performance and energy efficiency.

We have developed objectives in several areas including climate action, greenhouse gas (GHG) emissions reduction, energy use, water use, and waste generation all of which are verifiable within our certified Environmental Management System ISO14001 and Energy Management System ISO50001.

Our GHG Inventory was independently verified according to ISO14064-3:2019 specifications with guidance for the validation and verification of GHG statements. We also had an external audit completed in 2024 which validated our process of GHG emissions reporting. The sustainability team promotes an integrated and strategic approach to environmental and energy management across the business and our asset base. Bespoke in-house design toolkits and environmental guidance assist our designers, planners and operations colleagues to apply a standardised approach to environmental management.

The company continued to publish the annual Sustainability Report in alignment with the UNSDGs in 2024, outlining progress in implementing the principles of sustainable development across all aspects of our operations.

In 2024, we continued to focus on areas including climate change, GHG emissions/carbon management, energy efficiency, waste management and biodiversity.

Climate action

The gas network is crucial to Ireland's energy mix and imperative to achieving climate action targets. Our vision is for a net zero carbon gas network by 2045, by replacing natural gas with renewable gases, including biomethane and green hydrogen. Decarbonising the gas network will complement the development of renewable electricity, reduce emissions across all sectors of the economy, including those that are traditionally difficult to decarbonise such as industry, agriculture and heavy transport, and further enhance the security and diversity of Ireland's energy supply.

On page 52 of the operating review we outline in detail our plans in relation to climate action.

Renewable gases

Biomethane

Biomethane is largely identical to natural gas; it can seamlessly replace gas in heating systems, transport, power generation, and appliances. A renewable gas industry in Ireland would support the decarbonisation of the agricultural sector, provide significant opportunities to rural communities, facilitate sustainable circular economies, and significantly enhance security of supply.

Hydrogen

Hydrogen is a carbon free gas that can be produced from renewable electricity and stored indefinitely, making it an attractive option to decarbonise energy systems and a strong example of how greater integration between our gas and electricity systems can drive a cleaner energy future for Ireland.

Climate change and Carbon Disclosure Project (CDP)

Gas Networks Ireland disclosed carbon data to the Carbon Disclosure Project (CDP) platform. CDP's annual disclosure and scoring process is respected as the world's leading framework of corporate environmental transparency, ranking companies on a scale of A to D-, based on their comprehensiveness of disclosure, level of transparency, awareness and management of both environmental risks and opportunities, their demonstration of best practices, and their setting of ambitious and meaningful targets. This disclosure reflects our commitment to transparency and accountability in our efforts to manage and reduce GHG emissions. By participating in the CDP, Gas Networks Ireland aims to provide stakeholders with comprehensive and reliable information on our environmental impact and our progress towards sustainability goals.

In 2024, Gas Networks Ireland achived a B climate change score from CDP.

Greenhouse gas emissions and carbon performance

Sustainability and decarbonisation principles are at the core of our business and strategic decisions. We are signatories of the Low Carbon Pledge, a Business in the Community Ireland (BITCI) initiative for Irish businesses to invest time and resources into creating a more sustainable operation, by being more energy efficient and reducing GHG emissions.

In 2024, Gas Networks Ireland's GHG inventory was independently verified according to the ISO 14064-3:2019 Specifications with Guidance for the Validation and Verification of Greenhouse Gas Statements.

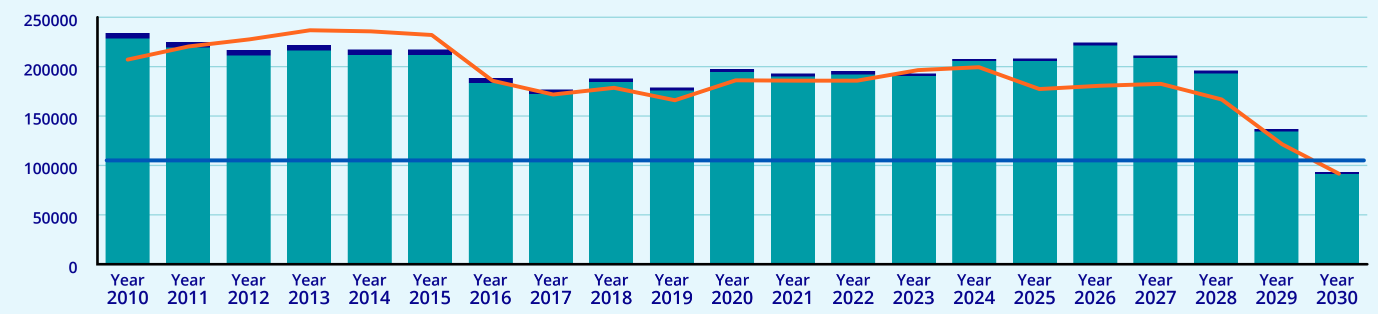
We have ongoing working groups, such as the Climate Action Steering

89%
of the CNG dispensed was bio-CNG in 2024

130,000
tonnes per year of CO_2 emissions to be potentially avoided because of the new CGI facility

A thorough examination was conducted on all our major strategies aimed at reducing our greenhouse gas (GHG) emissions. It was determined that these strategies were adequate to achieve our low carbon pledge target (50% reduction in emission intensity by 2030 compared to 2010). We have developed a GHG reduction glidepath out to 2030. See infographic of glidepath.

2030 GHG Emissions Reduction Glidepath



Committee, Sustainability Steering Committee and the Reduce Your Use Working Group, to help achieve our GHG reduction ambitions. A thorough examination was conducted on all our major strategies aimed at reducing our GHG emissions. It was determined that these strategies were adequate to achieve our low carbon pledge target (50% reduction in emission intensity by 2030 compared to 2010). A glidepath was developed and underwent Board review in 2023.

Waste reduction

Gas Networks Ireland is committed to reducing waste in support of the circular economy. Monthly KPIs are recorded and reported, and the company's medium-term target is zero operational waste to landfill by 2025. We audit our waste management practices assessing operational practice and to ensure adherence to Gas Networks Ireland's standards. Our service providers, including our two main contractors who also report monthly on their waste KPIs, are also striving to meet Gas Networks Ireland's target of zero operational waste to landfill by 2025.

Energy

Natural gas transported via the Moffat Entry Point in Scotland, requires the use of compression facilities at Beattock and Brighouse Bay Compressor Stations in order to raise the pressure of the gas supplied from Moffat for onward transportation to Northern Ireland, Isle of Man and Republic of Ireland and to maintain pressures throughout the system. Gas is transported via the two sub sea interconnectors, into the Gas Networks Ireland onshore network at Loughshinny and Gormanston. The pressure on the interconnectors is approx. 110 bar, with pressure reduction prior to entry into the 65barg onshore network. Fuel gas and electricity used to operate the compressor stations and pressure reduction stations account for 98% of the energy consumed by Gas Networks Ireland.

We are an active participant in the Sustainable Energy Authority Ireland (SEAI) Public Sector Monitoring and Reporting initiative (PSMR). The scope of the PMSR applies to our office and fleet energy. We have a number of public sector targets to meet by 2030 including a reduction of 50% in GHG emissions (compared to a base year of 2016 - 2018).

For example, our compressor stations in Scotland are a major contributor to our GHG emissions and we have assesed how best to accelerate the reduction of GHG emissions at our compressor stations.

Social

Gas Networks Ireland continues to focus on the wellbeing of our people, our communities, and our customers. Our employees are central to the success of our business. They are the driving force, the creative intelligence, and the passionate energy behind our achievements.

Investing in our people allows us to attract and retain the best. Our social programmes focus on improving Diversity, Equity and Inclusion (DE&I) through Employee Resource Groups (ERGs) and engagement, education initiatives, environmental stewardship, and social inclusion. We remain committed to building a workplace that embraces diversity, where everyone is treated fairly, and where everyone has a real sense of belonging. We strive for a positive impact on biodiversity and DE&I through our day to day operations – protecting biodiversity and allowing it to thrive is fundamental to the wellbeing of our employees and the communities where we operate. Gas Networks Ireland is certified to the Business Working Responsibly Mark which is aligned to the social sustainability standard IS026000. The certification is awarded by Business in the Community (BITCI). The Mark is the only independently audited standard for Corporate Responsibility and Sustainability practices in Ireland. As holders of the Mark, we are a member of the Leaders Group on Sustainability and the Social Inclusion group, and signatories of the Elevate Pledge and Low Carbon Pledge. Our responsible operation of the gas network and our focus on supports for our people and our communities supports Ireland's progress towards UNSDG 12: Responsible Consumption and Production and UNSDG 3: Good Health and Wellbeing. Employee volunteering is part of our corporate responsibility strategy.

In 2024, we were proud to be the first non-VIO (Volunteer Involving Organisation) in the Republic of Ireland to achieve the Investing in Volunteers certification - the national quality standard for best practice in volunteer management. Achieving the standard is a

799
hours of volunteering committed by employees

testament to our employees' dedication to volunteering, and demonstrates our commitment to valuing our volunteers, supporting inclusion, and ensuring that giving back to communities is integral to our business model.

Gas Networks Ireland achieved two prestigious awards specific to our Social programmes in 2024. We were honoured to achieve Best in Community at the Chambers Ireland InBusiness Recognition Awards in April, with the judging panel noting the extensive range of our activities, spanning "communities across the country, mirroring the reach of an organisation with a presence so deeply ingrained in daily Irish life." In September, we secured a further win in the Volunteering and Pro Bono Services category at the Chambers Ireland Sustainable Business Impact Awards, further acknowledging our employees' dedication to our internal volunteer programme. We were also proud to be recognised with the Public Sector Award at the Environmental Forum 2024 Award Ceremony in Cork, recognising our commitment to preserving biodiversity and promoting sustainable practices in our operations at above ground installation in Grange, Co. Cork.

Workplace

Elevate pledge

The BITCI Elevate Pledge is an initiative to support businesses to build more inclusive workplaces. As an Elevate Pledge signatory, we are one of 66 organisations who have pledged to drive inclusivity in our workplace and support the broader values of inclusion, equality and opportunity in society. The annual Elevate Report measures the diversity profile of Irish workplaces and shares some of the initiatives that can lead to real change.

Employee resource groups

Our ERGs remain a key component of our DE&I approach. During 2024 we established our NextGen network specifically aimed at providing for intergenerational activities and networking. Our ERGs include the Women's network, the Rainbow network, the Family network, Neurodiversity and Ability network, and the Cultural and Ethnicity network. The development of these groups and the ongoing DE&I strategy is a key area of priority across the organisation.

Employee engagement

The sustainability team communicates with employees regularly via our internal newsletter and company intranet. In 2024, our communication focus was on driving awareness of the many aspects of sustainability and encouraging our employees to adopt sustainable practices and make small changes in their ways of working and personal lives.

These communications are also a platform to make employees aware of volunteer opportunities. All our employees can volunteer with any of our school programmes and Corporate Social Responsibility (CSR) activities. Employees committed 799 hours this year to volunteer activities, and our programmes delivered 49,128 social impact hours.

Philanthropy

In 2024, we continued to facilitate our employee charitable fund – all employees can request a donation once a year to go to a worthy cause of their choice. Through this fund, Gas Networks Ireland supported 34 community causes, and donated €12,250 on behalf of our employees.

Our employees undertook fundraising initiatives to support Aware, The Sanctuary Runners, My Canine Companion, This Is Me Neurodiversity, Focus Ireland, Giving for Living Radiothon, LGBT Ireland, Outhouse, The Switchboard, Rainbow Club Cork, Little Seeds Art Club, Movember, Cork Penny Dinners, Simon Community, St. Vincent de Paul, and MS Ireland. In total, €18,803 was raised.

Community

Education

Gas Networks Ireland delivers several STEM (Science, Technology, Engineering, and Maths) education programmes throughout the academic year, along with a specific focus on promotion of women in STEM and engineering roles. We also endeavour to promote environmental education through our partnership with Leave No Trace Ireland and events during Biodiversity week.

Energize

In 2024, we continued sponsorship of Junior Achievement's STEM education programme, Energize, in primary schools across the country.

Energize is designed to kindle students' curiosity in technical subjects, to encourage them to continue with science in second level education and beyond, and to introduce them to the career opportunities available to them in the future. The Energize programme includes a sustainability module, introducing the concepts of climate action and sustainable development. 2024 marked the fifteenth year of our partnership with Junior Achievement Ireland and the highest reach to date for the programme, with 4,026 students participating in Energize during academic year 2023/2024.

Energize includes an art competition element encouraging students design a safety poster and with a winning student chosen each term. Using art and creativity as an activation method, students learn the important message of carbon monoxide awareness, and in turn convey that in their own homes supporting Gas Networks Ireland's carbon monoxide safety messaging.

Gas Networks Ireland collaborated with Junior Achievement to deliver STEM workshops in primary schools through the year. During STEPS Engineers Week in March, students from St. Josephs Bonnybrook tested their engineering skills and learned about renewable energy by making wind turbines.

Time to Count

Time to Count is a BITCI programme, allowing Gas Networks Ireland staff to provide numeracy support to third class children from local DEIS (Delivering Equality of Opportunity in Schools) primary schools. This programme runs with our long-term partner schools, Mother of Divine Grace in Finglas and Scoil Aiséirí Christ in Cork. Volunteers visit our partner schools weekly over an 8-12 week programme and assist the students with math skills through fun, interactive games and activities. The students are treated to a tour of our office local to their school at the end of the programme, which includes a biodiversity scavenger hunt.

World of work

Gas Networks Ireland sponsors nationwide delivery of BITCI's World of Work programme, which offers secondary school students an

1 in 6
employees volunteered at least once

€18,803
was raised for different charities during 2024 by our employees fundraising initiatives

We recognise our role and responsibility to respond and act to protect and restore Ireland's biodiversity. We also recognise the potential to create a network of pollinator friendly habitats across the country and to share our knowledge with other businesses.

opportunity to meet employees from a local company to learn about the workplace and consider future careers, and includes a sustainability module. We work directly with two partner schools on the programme, celebrating our eighteenth year with Nagle Community College in Cork and our fifteenth year with Beneavin College in Finglas. Both partner schools visit our offices for a tour during the programme.

The new sustainability module was rolled out in 2023, and includes a competition element, YES campaign (Youth Engagement in Sustainability). Participating schools are invited to submit projects implemented in their school or community that focus on practical ways to make the world more sustainable. Beneavin College's winning entry featured a herb garden created from repurposed gas pipes, and decorated with spare paint from the art room. The project will provide fresh herbs for the school canteen encouraging healthy eating, and during school holidays local nursing home residents will care for the garden and use the herbs.

I Wish

I Wish is an award-winning initiative to inspire, encourage and motivate secondary school female students to consider careers in STEM. I Wish is a unique volunteer-led coalition of local government, higher education and industry with a common goal to improve female participation in STEM through direct high impact, fun and inspirational engagement. Gas Networks Ireland participated in a panel event focused on sustainability and an information stand in the RDS was facilitated by our female graduate students.

Biodiversity week

To mark Biodiversity week in May, Gas Networks Ireland sponsored a series of guided biodiversity walks for primary students, facilitated by Midlands Science. A total of 45 students from Kiladooley National School, Co. Laois and St. Paul's National School, Mountmellick were taken on guided educational walks to explore local peatland. The students learned how to identify native flora and fauna with the aim of encouraging them to care for our local biodiversity and ecosystems.

Community relationships

In June, the sustainability, land and consents, and project delivery teams collaborated to deliver a CSR blitz in Westmeath to complement local pipeline construction activities. The day included purposeful activities including Energize workshops and wildflower quizzes in Summerhilll National School, Drum, followed by a community clean up and Wheelmap accessibility exercise in Rochfortbridge. A significant impact was made through engaging with 110 students, clearing 21kg of waste, and adding 15 places to the local Wheelmap.

Leave No Trace

We continued our relationship with Leave No Trace in 2024. During Ireland's SDG Week in September, they accompanied us on an initiative to support Glounthaune Community Association and Birdwatch Ireland's management of the bird sanctuary at Harper's Island Wetlands in Cork. Employee volunteers undertook an oak tree survey at the Wetlands to provide a dataset indicating the valuable biodiversity of the area, and cleared paths of overgrowth to get them winter-ready.

Biodiversity

Biodiversity in Ireland ranges from the tiny organisms that improve our soils and pollinate our crops, to larger animals and plants that control our pests, provide carbon sinks and food protection. All provide valuable ecosystem services and are an essential component of sustainability and are under threat from the impact of human activities.

With a significant national underground infrastructure network, plus 222 above ground installations (AGIs) and office locations, we recognise our role and responsibility to respond and act to protect and restore Ireland's biodiversity. We also recognise the potential to create a network of pollinator friendly habitats across the country and to share our knowledge with other businesses.

Our 'Seeds for Nature' Pledge, signed in 2019, includes several important commitments; to manage all of our infrastructure, asset base and office locations (on the island of Ireland and in Scotland) to support, scale up and fast-track the implementation of the National Biodiversity Action Plan.

We are a supporting partner of the All-Ireland Pollinator Plan and the global Business for Nature Call to Action that calls for ambitious and collective action on nature. During 2024, Gas Networks Ireland continued pollinator friendly management across our site network where appropriate, and enactment of our Biodiversity Action Plan. We continued to take the actions we need to achieve our goals, namely:

- Continue to develop and embed biodiversity measures into our business;
- Support our staff to deliver the Biodiversity Action Plan;
- Continue to engage our colleagues and work with our communities on biodiversity initiatives;
- Collaborate with our stakeholders for broader biodiversity success;
- Honour our biodiversity pledges by implementing biodiversity best practice, and
- Strive to have a net positive impact on biodiversity in all our operations and infrastructure projects by 2025.

In order to measure the company's performance in achieving biodiversity best practice at our sites, we also developed a science-based biodiversity measurement method that evaluates and scores their habitats and biodiversity potential. This method provides valuable information to help us benchmark and grow our biodiversity asset base in 2024 and beyond.

In 2024, we continued to refine our Biodiversity Action Plan which outlines action to be taken by the business to help achieve its Biodiversity Commitments. Examples of actions taken in 2024 include undertaking 17 baseline biodiversity surveys, planting 5,437 native Irish trees, and developing a biodiversity impact calculator designed to be used in our construction projects which will quantitatively assess the change in biodiversity from baseline to post-construction, providing scientifically-backed insights into our efforts to enhance biodiversity. In 2024, we completed biodiversity enhancement projects at four of our above ground installations. The actions undertaken included removing non-native and invasive species and replacing with mixed native species, creating ponds, hibernacula, log piles and other habitats for species found at our sites.

We hosted two "Bat Walk" events at sites in Dublin and Cork for our staff, families and friends to learn about the fascinating bats who visit our AGIs at night and the importance of preserving these habitats to protect Irish bat populations. Other initiatives included a biodiversity walk for Cork school children, and funding of nesting sites for swift conservation projects.

5,437
trees planted across our assets

15
Age Action clients' gardens made accessible and winter-ready

Promoting biodiversity awareness

We actively sought to promote biodiversity awareness in the community through education initiatives and publication sponsorship.

In June, the second of a series of biodiversity themed murals was unveiled at our partner school, Nagle Community College in Cork. The multimedia mural was designed, painted, and sculpted by art students from 1st to 6th year in the school, and is a tribute to biodiversity and sustainability, featuring the flora, fauna and diverse ecosystems of Ireland. Highly visible from the public pathway adjacent to the school, the mural enhances environmental awareness not only among the students, but also in the local community.

We hosted two "Bat Walk" events at sites in Dublin and Cork for our staff, families and friends to learn about the fascinating bats who visit our AGIs at night and the importance of preserving these habitats to protect Irish bat populations.

Following a successful initiative in Cork in 2023, we continued our support of Swift Conservation Ireland who work to ensure adequate nesting sites are in place for swifts migrating to Ireland during the summer months. Our 2024 funding, along with support from Murphy Group who provided necessary machinery, allowed nesting boxes to be installed at three Dublin schools. This simple biodiversity enhancement supports local wildlife, promotes biodiversity awareness, and supports the schools' Green Schools initiatives.

In 2024, we continued our annual sponsorship of the National Biodiversity Data Centre's sustainability supplement in the Irish Examiner. This year's subject, "Biodiversity in Action", focused on driving awareness of Ireland's biodiversity and habitats, and the importance of conservation and species recording.

Marketplace

Accessibility

Gas Networks Ireland works closely with Age Action to demonstrate our dedication to protecting society's most vulnerable and to supporting accessibility and inclusion.

In 2024, we continued our annual gardening blitz. The gardening blitz supports Age Action Ireland's "Care and Repair" programme, which enables their clients to continue to live independently in their homes. Employees from both Cork and Dublin offices spent a day working at the homes of elderly clients of Age Action, undertaking some light gardening and outdoor tidy-up to get clients' gardens winter-ready.

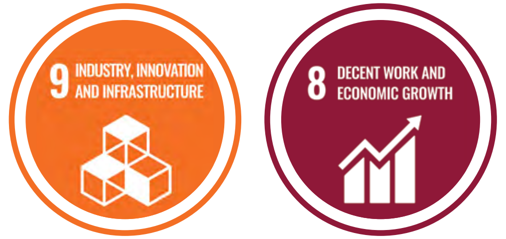
We also continue to donate proceeds to Age Action for customer surveys completed by both private and commercial customers.

Stakeholder engagement

Gas Networks Ireland understands and values the critical role stakeholders play in its business. The company has a comprehensive stakeholder engagement plan that takes a holistic, pragmatic approach to stakeholder engagement based on the internationally recognised Stakeholder Engagement Standard (AA1000SES).

The importance of holding stakeholder sessions and supporting the community in towns where the gas network is developed is paramount. Gas Networks Ireland works with communities to ensure that construction projects in the locality cause minimum disruption providing regular updates in local newspapers and on local radio.

Governance



Within Gas Networks Ireland excellent corporate governance is at the core of our business decisions and key to the achievement of our business strategy. We believe that good corporate governance is the foundation of ethical organisational practices, encompassing principles and structures that guide decision-making, transparency, and accountability within our organisation.

At Gas Networks Ireland, upholding ethics involves not only complying with legal standards but also fostering a culture of integrity, fairness, and social responsibility. We believe trust is essential for sustainable business relationships, and is cultivated through consistent adherence to ethical principles, transparent communication, and responsible actions. Additionally, prioritising human rights and combating modern slavery throughout our supply chain are integral components of our ethical business conduct, demonstrating a commitment to respecting the dignity and well-being of individuals both within and beyond the company's operations. Championing these values strengthens our reputation and contributes to a more just and sustainable society. We welcome the introduction of the Corporate Sustainability Reporting Directive (CSRD) as it presents a valuable opportunity for us to reexamine our sustainability practices. This directive not only encourages us to reflect on our current strategies but also to introduce enhanced governance standards and to further embed sustainability culture in our business. We are committed to fostering transparency, accountability, and continuous improvement in our sustainability efforts. Our Board is responsible for overseeing our business strategy, and in 2024 the Gas Networks Ireland Board Safety, Sustainability & People committee continued to oversee our sustainability practices since its establishment in 2023.

The Chief Legal Officer is responsible within Gas Networks Ireland for overseeing all anti-bribery actions. The Head of Internal Audit is appointed as the organisation's anti-fraud champion and they are supported by the Chief Legal Officer and the Executive who lead anti-fraud initiatives within their pillar. The Gas Networks Ireland Director of People is responsible for communicating our anti-bribery policy to all new staff during induction. Anti-fraud, bribery and corruption mandatory training is required to be undertaken by all staff on an annual basis.

Ethics and integrity

Our reputation and the trust and confidence that our customers, stakeholders and the general public place in us is fundamental to our success. Integrity is key to building that trust. We have created a programme called "Doing the Right Thing" to help all employees understand and recognise the importance of integrity.

Employees are trained to ensure that any business decision made is:

1. Legal
2. In line with company values
3. In line with company policy
4. The right thing to do

As part of the initiative, guidance booklets are issued to employees on key ethics related policies with annual training updates and quarterly team integrity conversations.

Transparency

As a commercial state body, we are an open organisation which strives to be accountable and transparent to the public. We are committed to improving the public's understanding of how the organisation operates and our role in delivering important national infrastructure and services to support the social and economic development of Ireland.

Evaluation of our approach

Controls are in place to ensure all our obligations are met, including detailed financial procedures, budgets, finance system automated workflows, external audit process, internal audit process and Audit and Risk Committee oversight of the financial statements.

Data protection and customer privacy

We continue to be committed to meeting and exceeding our data protection obligations. All customer data is stored on encrypted systems that have appropriate segregation of duties. We have transfer layer security in place with customer facing vendors which encrypts all emails. We also have strong internal security controls around firewalls, patching, anti-virus protection etc, and align ourselves to ISO27001. All staff and contractors have undertaken online General Data Protection Regulation (GDPR) training. The Gas Networks Ireland Data Protection Officer has not raised any areas of significant concern regarding non-compliance with regards to legislative requirements under GDPR during 2024.

Anti-corruption and bribery

We actively promote a culture where acts of fraud, bribery and corruption are never acceptable. This culture is promoted and led by the Gas Networks Ireland boards, executive and extended senior leadership team. Nobody within Gas Networks Ireland or acting on behalf of the company, may give or accept, directly or indirectly, a bribe or inducement in any form or solicit a bribe, directly or indirectly. An example of behaviours prohibited in this context is the giving or receiving of excessive gifts or hospitality or receiving gifts or hospitality in exchange for information. Doing what's right is one of Gas Networks Ireland's core values. This value defines the character of the organisation, guides our actions and decisions and provides a framework for how we interact with colleagues, customers and stakeholders. Each person working for or on behalf of Gas Networks Ireland must maintain the highest ethical standards and must report any suspicions of wrongdoing. Ethical standards must underpin how we conduct our business on a daily basis. The consequences of committing an act of fraud, bribery or corruption reinforce the need to have robust procedures in place. Gas Network's Ireland's Anti-Fraud, Bribery and Corruption policy is one of a number of policies that has been put in place to set out the ethical behaviour which is expected from all Gas Networks Ireland staff, contractors and agents who do business on behalf of Gas Networks Ireland. The policy provides guidance on recognising fraud, bribery and corruption in their various guises and sets out what is expected from those to whom the policy applies in relation to preventing and reporting acts of fraud, bribery or corruption.

The Chief Legal Officer is responsible within Gas Networks Ireland for overseeing all anti-bribery actions. The Head of Internal Audit is appointed as the organisation's anti-fraud champion and they are supported by the Chief Legal Officer and the Executive who lead anti-fraud initiatives within their pillar. The Director of People is responsible for communicating our anti-bribery policy to all new staff during induction. Anti-fraud, bribery and corruption mandatory training is required to be undertaken by all staff on an annual basis.

Gas Networks Ireland's Protected Disclosures Policy encourages staff to report any concerns relating to activities which may constitute an act of wrongdoing to their line manager, the Chief Legal Officer or the Head of Internal Audit without delay. They can also report suspected wrongdoing to a confidential email address or phone line. Managers are required to undertake mandatory training on protected disclosures at least every two years and staff are regularly encouraged to raise concerns without fear of victimisation, knowing that the strictest confidence will be maintained.

Protected disclosures and raising concerns

The mechanism whereby Gas Networks Ireland employees and management may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014 (as amended), is outlined in the Gas Networks Ireland Protected Disclosures Policy. Guidance on raising concerns for management and employees is outlined in the Code of Business Conduct, the Anti-fraud, Bribery and Corruption Policy. Section 22 of the Protected Disclosures Act 2014 (as amended) requires Gas Networks Ireland to publish an Annual Report providing details of protected disclosures made under the Act during the preceding calendar year. Per this requirement, Gas Networks Ireland confirmed that, in the year ending 31 December 2024, two protected disclosures were made to Gas Networks Ireland under the Act. As a result, investigations were carried out in 2024 and are now complete with necessary actions either complete or in progress.

Regulation of lobbying

Gas Networks Ireland is registered on the lobbying register maintained by the Standards in Public Office Commission and has made the required submissions for the return periods in 2024 in accordance with the requirements of the Regulation of Lobbying Act 2015.

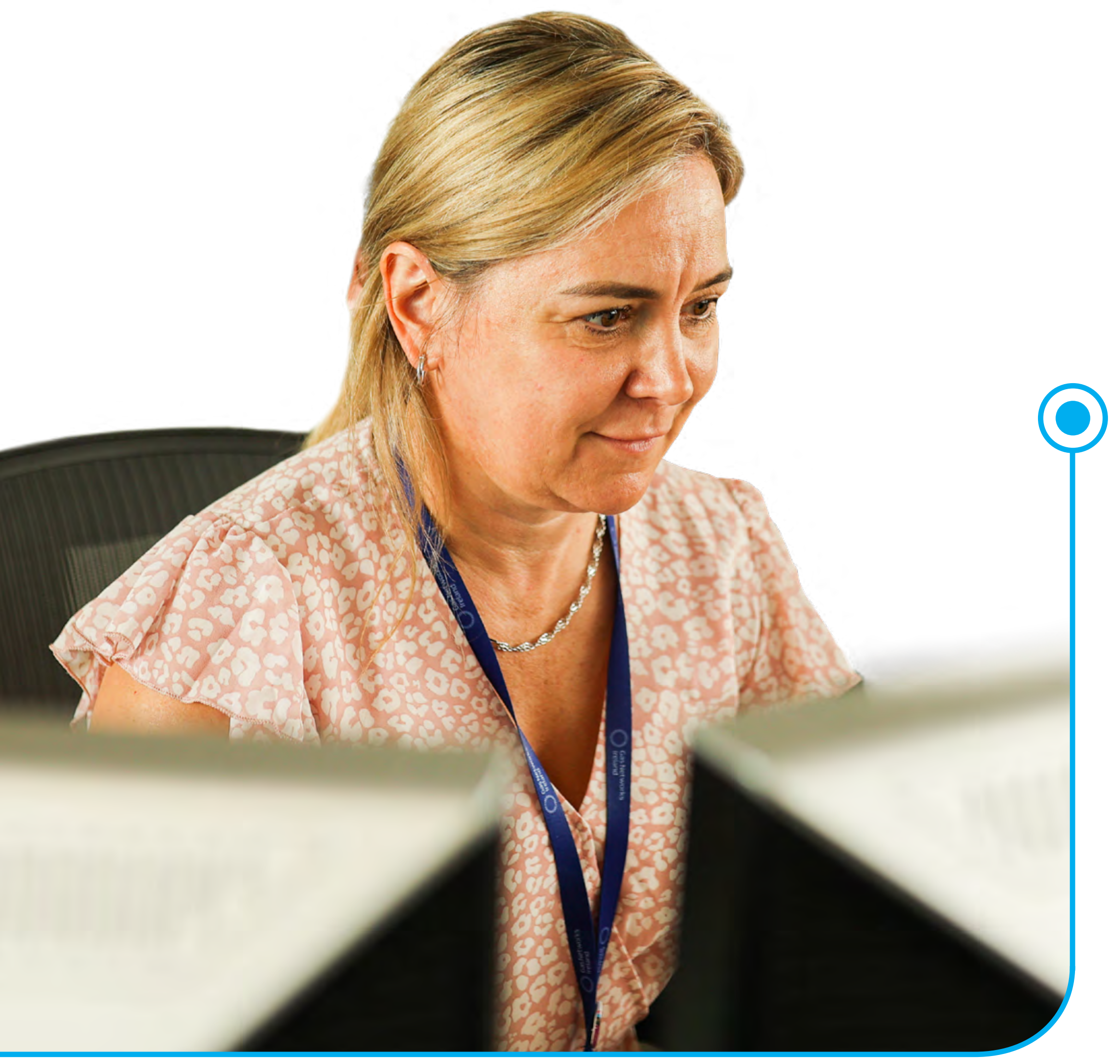
Human rights and modern slavery

We have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We are committed to ensuring that there is transparency in our business and in our approach to tackling modern slavery throughout our supply chain and we expect the same high standards from all our contractors, suppliers and other business partners.

Steps taken to prevent acts of slavery and human trafficking from occurring within our business and supply chains include:

- We always seek to comply with employment law applicable to the jurisdictions in which we operate and put in place contractual arrangements with providers of agency staff requiring that they achieve the same level of compliance.
- The principles of the UK Modern Slavery Act 2015 have been enshrined in the Code of Business Conduct (available at www.gasnetworks.ie) which is reviewed on an annual basis. This is also highlighted and supported

Doing the Right Thing programme ensures that everyone working on behalf of Gas Networks Ireland does so with integrity and in an ethical manner.



by a group-wide programme called Doing the Right Thing which aims to ensure that everyone carrying out business on behalf of Gas Networks Ireland does so with integrity and in an ethical manner.

- We have developed anti-slavery and human trafficking requirements for incorporation into our procurement processes and contractual arrangements with contractors, suppliers and other third parties.
- We have completed a modern slavery assessment of third-party contractors and suppliers to assess any high risk of acts of slavery / human trafficking. The assessment included workshops with high priority suppliers and review of their modern slavery policies and procedures.
- We provide training to relevant employees, particularly those involved in procurement processes, on the risks of slavery and human trafficking occurring.
- We provide a mechanism for employees, and others, to report suspected incidents of unlawful behaviour, including slavery and human trafficking.
- We have continued the review of the top 40 critical suppliers, including preparation of risk reports on each supplier, which include reporting on human trafficking and modern slavery.

Sustainable procurement

Gas Networks Ireland ensures environmental and sustainability requirements are embedded in the procurement processes right through to delivery stage of all our contracts. We procure significant volumes of services and materials to support the construction, maintenance, and delivery of the gas transportation network. We are adopting best practice and process improvements in line with ISO 20400, the Sustainable Procurement Guidance Standard, which is the leading international standard in this area.

Use of "green" suppliers or materials

We ensure environmental and sustainability requirements are embedded in the procurement processes right through to delivery stage of the contract.

Our main third-party contracts have been designed to deliver sustainability and environmental best practice throughout the project lifecycle.

The procurement team has established a sustainability procurement policy. As part of this ongoing initiative, the supply chain team has conducted a comprehensive benchmarking exercise, comparing our procedures with those of leading energy companies. Additionally, a sustainable procurement survey has been carried out with our main suppliers. Our objective remains to be recognised as a leader in the sustainable procurement arena.

Section 2

Corporate governance

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The Board

Appointed to Gas Networks Ireland Board:

Profile, skills & experience:

Kevin Toland

Chairperson

April 2023
Previously appointed to the Ervia Board in January 2023.

Kevin has over 30 years of experience with significant CEO and management knowledge in the food, nutrition, beverage, aviation and retail sectors globally. Kevin has a proven track record in building and leading strong teams that successfully drive business growth and value. He has acted as chair and CEO for many successful companies:

Current
- Non-Executive Director and Chair of the Audit Committee for Dole plc
- Chair of Vasorum

Previous
- CEO of Aryzta AG (2017 – 2020)
- Chair Identigen
- CEO DAA plc, the airport services group
- Glanbia 1999 – 2012: CEO, President of Global Nutrition and US Cheese businesses, Executive Director on the plc Board

Kevin is a Fellow of the Chartered Institute of Management Accountants and has a Diploma in Applied Finance from the Irish Management Institute (IMI).

John Curran

Board member

September 2024

John is a member of the Safety, Sustainability and People Committee.

John has more than 20 years' experience as a senior leader and non-executive director in the Sustainability and ESG field, leading the development and implementation of large-scale strategic projects across diverse business sectors.

Current
- Managing Director of Blue Planet Consulting Limited
- Works closely with boards and senior business leaders and provides expert insights, advice, and technical guidance to support their sustainability and ESG transformation.

Previous
- Served as Head of Sustainability at Musgrave and was a member of the boards of directors of Repak Limited and Deposit Return Scheme Ireland CLG.
- Held a number of senior roles during his 25 years in the oil and gas sector.

John is a Master Mariner and also holds an MSc in Environmental Science, Technology & Engineering. He is a member of the Institute of Directors and of Engineers Ireland.

Fiona Egan

Board member

April 2023
Previously appointed to the Ervia Board in July 2022.

Fiona is a member of the Remuneration Committee, the Audit and Risk Committee and the Finance and Investment Committee.

She is an experienced Managing Director with over 20 years' experience working as a CEO, Corporate and Investment Banker and Non-Executive Director in a number of leadership, execution and governance roles.

She has also worked in the following positions;

Current
- Managing Director Rabobank Ireland

Previous
- Goodbody Corporate Finance
- Board member of North-West News Group 2011 – 2018

Commerce and accounting. *(Bachelor of Commerce degree from University College Dublin, Diploma in Professional Accounting from Smurfit Business School, Qualified Chartered Accountant with KPMG)*

Saoirse Fahey

Board member

April 2023
Previously appointed to the Ervia Board in January 2023.

Saoirse is a member of the Audit and Risk Committee and the Safety, Sustainability and People Committee. Saoirse is currently CEO for Sales, Marketing and Regions for Stripe.

She has over 20 years' experience in international leadership roles in technology and financial services companies with extensive experience leading teams in sustained high growth environments.

Previous
- Head of Finance (for Stripe EU Regulated Entity)
- Phorest Salon Software (CFO/COO) - Dublin
- Microsoft (Finance, Marketing, Sales and Operations leadership roles)- Dublin, International, Madrid
- PricewaterhouseCoopers (Audit, Tax) - Dublin, San Francisco

Graduate of University College Cork (B Elec Eng) and postgraduate in Dublin City University (PDA). Saoirse is also a qualified Chartered Accountant (trained in PwC).

Keith Harris

Board member

April 2023
Previously appointed to the Ervia Board in July 2016 and re-appointed in July 2019 and July 2023.

Keith is Chairperson of the Audit and Risk Committee and a member of the Finance and Investment Committee. He has over 20 years' of experience working in senior leadership positions, including;

Current
- Board member 2016 – present
- Board Director South Staffordshire plc
- Industry Partner AIP Asset Management
- Associate OXERA LLP
- Owner, Lorraine House (private infrastructure advisory business specialising in energy generation and distribution investments)

Previous
- Global Head of Regulation, ENRON/ AZURIX
- CFO and Deputy CEO Wessex Water Plc

Leadership, consulting, energy generation and distribution investments.

Liz Joyce

Board member

January 2025

Liz Joyce is a member of the Remuneration Committee.

Liz (BA, MBS, CDir, FCIPD) is an organisation development consultant/advisor, leadership/executive coach and facilitator with a strong track record in people and culture leadership, strategy development and execution, change management and governance.

Current
- An Independent Director with the board of Sport Ireland
- Chartered Director with the Institute of Directors
- Fellow of the Chartered Institute of Personnel and Development (FCIPD)

Previous
- Held a range of non-executive roles including with Ervia, Uisce Éireann, Aware and Concern International.
- Held senior executive leadership roles in a variety of organisations across the private, public and voluntary sectors including the Central Bank of Ireland, Diageo, Pioneer Investments, Greenstar, and Concern International.

Extensive experience in leading change and engaging stakeholders in international and complex environments.

Graduate of University College Galway (BA Hons in Psychology) and a postgraduate of Dublin City University (MBS in HR Strategies) and holds diplomas in Coaching (Smurfit Business School UCD) and Business Finance (IMI).

The **Board**

Geraldine Kelly

Board member

Cathal Marley

Board member

Keara Robins

Board member

Appointed to Gas Networks Ireland Board:

Geraldine Kelly: **April 2023**
Previously appointed to the Ervia Board in October 2021 and re-appointed to the Gas Networks Ireland Board in October 2024.

Cathal Marley: **April 2023**
Previously appointed to the Ervia Board in August 2020.

Keara Robins: **April 2023**
Previously appointed to the Ervia Board in January 2023.

Profile, skills & experience:

Geraldine Kelly

Geraldine is Chairperson of the Finance and Investment Committee and a member of the Audit and Risk Committee.

Geraldine has over 25 years' of experience contributing to successful international businesses in Technology, Energy and Clean Technology sectors with the ability to optimise technology and digital strategies to develop sustainable business solutions.

Her work includes:

Current

- Non-executive Chair Kinore Limited

Previous

- Chairperson Plan Ireland
- Chairperson Microfinance Ireland
- Non-executive Director Bank of Ireland Mortgage Bank
- Non-executive Director Cenergise Energy Trading Limited
- Non-executive Director Gaelectric Limited
- Non-executive Director Tyndall National Institute

Maths, economics, sustainable business solutions. Geraldine is a graduate of University College Galway (Maths & Economics) and holds a postgraduate degree from University College Dublin (MA Economics). She is a Chartered Director with the Institute of Directors and a Certified Bank Director with the Institute of Banking.

Cathal Marley

Cathal is a member of the Finance and Investment Committee.

Cathal has worked in utilities and infrastructure for over 20 years, fulfilling senior roles across the electricity, water and gas sectors.

His experience includes:

Current

- CEO Ervia/GNI 2016 - 2025
- Member DCU Governing Authority
- Board member IMI
- Chair of Swim Ireland

Previous

- Chief Financial Officer Ervia 2016 - 2020
- EY Dublin & Eastern Europe

Accounting, utilities and infrastructure.

Cathal holds an MBA from Michael Smurfit Business School, UCD, and is a Fellow of the Institute of Chartered Accountants.

Keara Robins

Keara is Chairperson of the Safety, Sustainability and People Committee and a member of the Finance and Investment Committee.

She has significant non-executive experience on boards in the state sector, regulated energy investment funds and the voluntary sector. She has supported Governments, independent oil companies, Foundations, and the UN through consulting on a range of energy challenges.

She has also worked in the following positions;

Current

- Independent Director 4D Global Energy Funds

Previous

- Board member National Oil Reserves Agency (NORA)
- Petroleum engineer, contracts engineer, and senior project engineer with Shell International

Engineering, green transition and energy decarbonisation.

Keara is an engineering graduate (BA BAI) of Trinity College, Dublin.

Report of the Board

We continuously **review and update** our policies and procedures to comply with **best practice.**

The Chief Executive Officer acts as a **direct liaison** between the Gas Networks Ireland Board and management.

Governance **statement**

Governance

The Gas Networks Ireland Board ("the Board") is accountable to the Minister for Housing, Local Government and Heritage ("the Minister") for the overall performance of the Group and for ensuring good governance.

This report outlines how Gas Networks Ireland has applied the principles and complied with the applicable provisions of the Code of Practice for the Governance of State Bodies ("the Code"). Gas Networks Ireland recognises that good corporate governance is pivotal to its success and to this end we continuously review and update our policies and procedures to comply with best practice. The Board is satisfied that Gas Networks Ireland has complied with the applicable requirements of the Code in all material respects throughout the year under review.

Roles and responsibilities of the Board

The Board is responsible for leading and directing activities that are implemented within a framework of prudent and effective controls that enable risk to be assessed and managed. The Board takes all significant strategic decisions, retaining full and effective control of the Group's organisation's activities, while delegating regular day-to-day management to the Chief Executive Officer and his Executive Team.

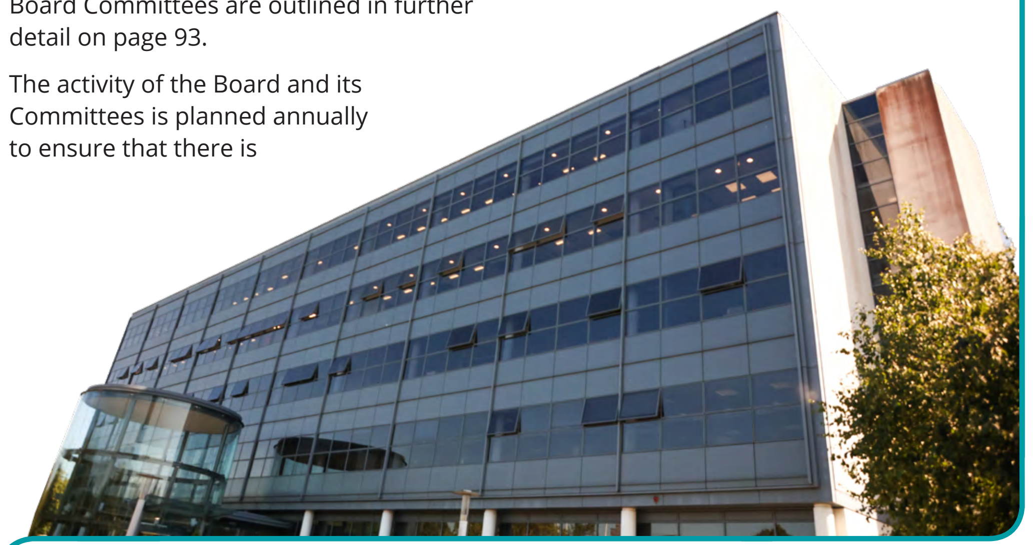
The Chief Executive Officer and Executive Team are required to implement the strategic direction set by the Board and to ensure the Board has a clear understanding of the key activities, decisions and performance results and of any significant risks likely to arise. The Chief Executive Officer acts as a direct liaison between the Board and management.

The Board has put in place a corporate governance structure which delegates authority to its Committees to carry out certain tasks on its behalf so that it can give the right level of attention and consideration to those and other matters. Board Committees are outlined in further detail on page 93.

The activity of the Board and its Committees is planned annually to ensure that there is effective supervision and control of the Group's business. The work and responsibilities of the Board are set out in the Governance Framework. The framework also contains the matters specifically reserved for Board decision, as summarised below.

Standing items considered by the Board at each meeting include:

- Declaration of any conflicts of interests.
- Reports from Committees.
- Financial report.
- Chief Executive's report.
- Safety report.



Report of the Board

The Board is responsible for the preparation of the Annual Report and the accompanying Financial Statements, which in the opinion of the Board, give a true and fair view of the state of affairs and profit of Gas Networks Ireland for the year.

Formal schedule of matters reserved for the Gas Networks Ireland Board

The Formal Schedule of Matters reserved for the Board, as set out in the Governance Framework, includes, in respect of all group entities approval of the following:

- Safety policy.
- Annual budgets.
- Multi-annual business plans.
- All contracts and expenditure with a value in excess of €10m.
- Annual Reports and Annual Financial Statements.
- Appointment/removal of auditors.
- Treasury matters.
- Significant amendments to pension schemes.
- Terms of employment of senior management.
- Code of Business Conduct.
- Enterprise Risk Management Policy, Protected Disclosures Policy and Anti-Fraud, Bribery and Corruption Policy.
- Approval of the release for consultation of key policy documents of strategic importance.

Matters considered by the Board in 2024

Strategy

- Strategic direction of Gas Networks Ireland.
- Integration of Ervia into Gas Networks Ireland.
- Security of supply.
- Strategic Gas Emergency Reserve.
- Pathway to a Net Zero Carbon Network.
- 2024 Balanced Scorecards.
- Ongoing dialogue with Gas Networks Ireland shareholder on strategic issues.
- Updates on the Climate Action Plan.
- Climate Action Framework.
- Corporate Strategy.
- Customer strategy.
- Communications Strategy.
- Price Control.
- Biomethane.
- Hydrogen.
- Sustainability Strategy.

Safety

- Monthly health and safety metrics.
- Implementation of mental health awareness initiatives.
- Bi-annual safety deep dives.

Operations

- CEO's Operations Report including key performance indicators.
- Capital investment evaluations.
- Delivery of critical projects safely.
- Stakeholder engagement.
- Innovation.

Corporate governance

- Annual Board evaluation.
- Review of Board and Board Committee Terms of Reference.
- Monitoring compliance with the Code of Practice for the Governance of State Bodies.
- Appointment of Directors.
- Revised constitution for Gas Networks Ireland.
- Protected Disclosures Policy and Anti-Fraud, Bribery and Corruption Policy.
- Review of Governance framework and associated policies in preparation for integration of Ervia into Gas Networks Ireland.

Finance

- Annual published results.
- Monthly trading results including performance versus budget and forecast.
- Annual budget and funding.
- Quarterly re-forecasts.
- Dividends.
- Business Plans.
- €300m Corporate Bond issuance.

Risk

- Ongoing risk monitoring.
- Setting of risk appetite.
- Regular review at Audit and Risk Committee and Board of cyber security.

Board responsibilities statement for the annual report and financial statements

The Board is responsible for the preparation of the Annual Report and the accompanying Financial Statements, which in the opinion of the Board, give a true and fair view of the state of affairs and profit of Gas Networks Ireland for the year. The Board is responsible for the maintenance and integrity of certain corporate and financial information included in the organisation's website, www.gasnetworks.ie. Legislation in Ireland concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The Board has prepared the Financial Statements in accordance with applicable Irish law and International Financial Reporting Standards as adopted by the European Union. The Board maintains adequate accounting records in compliance with the obligations imposed by the Gas Act 1976 (as amended) and the Companies Acts.

The Board is also responsible for reviewing the effectiveness of the system of internal controls comprising financial, operational, compliance and risk management controls and for reporting thereon to the Minister. Finally, the Board is responsible for safeguarding the assets of Gas Networks Ireland and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the Financial Statements, the Directors are satisfied that:

- Suitable accounting policies have been selected and applied consistently.
- Judgements and estimates used are reasonable and prudent.
- Preparation of the Financial Statements on a going concern basis is appropriate.
- The Financial Statements give a true and fair view of the financial position of Gas Networks Ireland for the year ended 31 December 2024.

The Financial Statements give a true and fair view of the financial position of Gas Networks Ireland for the year ended 31 December 2024.

The Board

Details on current Board members are outlined on pages 84-86.

Board composition

The Board's composition is a matter for the Government on advice of the Minister. Decisions regarding the appointment and re-appointment of Board members are made by the Minister in accordance with the Guidelines on Appointments to State Boards as published by the Department of Public Expenditure and Reform. The Chairperson engages with the Minister in advance of Board appointments to highlight the specific skills and experience that are required on the Board.

Board members have a blend of skills and experience and the necessary competence to support effective decision making.

The Board is led by the Chairperson, Kevin Toland, who is responsible for ensuring its effectiveness in all aspects of its role. The Company Secretary, Liam O' Riordan, is responsible for ensuring that Board procedures are complied with and for advising the Board, through the Chairperson, on governance matters generally.

Induction and development of new Board members

On appointment, Board members are provided with detailed briefing documents covering governance, financial and operational information, and an opportunity to be briefed by the Executive team on the various aspects of the business of the Group.

Board members have access to training programmes and their ongoing development needs are kept under review.

Board Members have a blend of skills and experience and the necessary competence to support effective decision making.

Independence

The Board is satisfied that the non-executive Board members are independent of management, in character and judgement, and free from relationships or circumstances that could affect, or appear to affect, their judgement and ability to meet the requirements of the role. Each Board member brings independent judgement to bear on issues of strategy, performance, resources and standards of conduct. Board members must declare any interest or relationship which could interfere with the exercise of their independent judgement. A declaration of any conflicts of interest is a standing item on the agenda for all Board and Committee meetings.

Board members' remuneration, expenses and attendance

The Minister determines the fees payable to Board members. A schedule of attendance at the Board and Committee meetings for 2024 is set out below, including the fees and expenses received by each member in 2024. The table outlines fees, expenses and meeting attendance for 2024.

Board Member	Remuneration (€)	Expenses (€)	Board (attended / eligible)	Audit and Risk (attended / eligible)	Remuneration (attended / eligible)	Finance and investment (attended / eligible)	Safety, sustainability and people (attended / eligible)
Kevin Toland (Board Chairperson and Remuneration Committee Chairperson)	31,500	38	11/11	-	6/6	-	-
Fiona Egan	15,750	124	11/11	4/4	6/6	9/9	-
Geraldine Kelly (Finance and Investment Committee Chairperson)	15,750	124	10/11	4/4	-	9/9	-
*Joe O'Flynn	7,547	584	6/7	-	3/3	-	2/2
Keith Harris (Audit and Risk Committee Chairperson)	15,750	223	8/11	3/4	-	8/9	-
Keara Robins	15,750	3,074	9/11	-	-	9/9	3/3
Saoirse Fahey	15,750	-	11/11	4/4	-	-	3/3
Sean Hogan (Safety, Sustainability and People Committee Chairperson in 2024)	15,750	706	10/11	-	6/6	-	3/3
John Curran	3,938	116	2/2	-	-	-	-
**Cathal Marley (CEO)	Note 2	-	11/11	-	-	9/9	-

** Note 1 – Joe O'Flynn retired from the Gas Networks Ireland Board on 21 June 2024, therefore his eligibility for meetings differs from the other Board members.*

*** Note 2 – Did not receive a Board fee in compliance with Guidelines on Contracts, Remuneration and Other Conditions of Chief Executives and Senior Management of Commercial State Bodies.*

Report of the Board

The Board conducts an annual evaluation of its own performance and that of its Committees. The evaluation methodologies applied by the Board to determine its effectiveness are: Internal Evaluation, External Evaluation and Non-executive Board Member Evaluation

Board and committee effectiveness and evaluation

The Board conducts an annual evaluation of its own performance and that of its Committees. The evaluation relates to the Board's and Committees' collective performance. The evaluation methodologies applied by the Board to determine its effectiveness are as follows:

Internal evaluation

The Board self-assessment questionnaire as provided in the Code is circulated to the Board. The questionnaire incorporates an analysis of the gender, diversity and skills mix within the Board based on the Annex to the Code on Gender Balance, Diversity, Equity and Inclusion. Completed questionnaires, include views on performance and recommendations for improvement. The Board formally concludes on its own performance, on the performance of Committees, and that of the Chairperson, CEO and Company Secretary.

External evaluation

In order to comply with the provisions of the Code, an external performance evaluation of the Board and its Committees is conducted every 3 years. The next external performance evaluation will be carried out in 2025.

Non-executive Board Member evaluation

Non-Executive Board members carry out a performance evaluation of the Chairperson considering the views of the CEO.

Board committees

The Board has an effective Committee structure in place to assist in the discharge of its responsibilities. During 2024, four committees of the Board assisted in the discharge of its responsibilities and were delegated specific responsibilities by the Board as set out in their Terms of Reference.

Audit and Risk Committee

Activities undertaken by the Audit and Risk Committee in 2024 are outlined in the Audit and Risk Committee Report on pages 104 - 106. The Audit and Risk Committee held 4 meetings during the year.

Finance and Investment Committee

The Finance and Investment Committee's responsibilities are set out in its Terms of Reference which are available at www.gasnetworks.ie. The Finance and Investment Committee held 9 meetings during the year.

Key activities undertaken by the Finance and Investment Committee in 2024 include:

- Capital project evaluation and investment planning approach.
- Updates on capital projects and related cost estimates.
- All capital expenditure proposals in excess of €10m.
- Updates on Gas Networks Ireland Price Control.
- Updates on transmission connections.
- Updates on BioCNG in transport.
- National and EU policy and regulatory updates.
- Post project reviews.

Remuneration Committee

The Remuneration Committee's responsibilities are set out in its Terms of Reference, which are available on our website, www.gasnetworks.ie. The Remuneration Committee held 6 meetings during the year.

Key activities undertaken by the Remuneration Committee in 2024 include:

- Review of Executive performance for 2023.
- Review of Executive remuneration.
- Remuneration terms for new executive appointments.
- Talent and succession planning.
- Organisation overview.
- Set and review performance on 2024 Balanced scorecards.
- Gender Pay Gap.

Safety, Sustainability and People Committee

The Safety, Sustainability and People Committee's responsibilities are set out in the Terms of Reference which are available at www.gasnetworks.ie. The Safety, Sustainability and People Committee held 3 meetings during the year.

Key activities undertaken by the Safety, Sustainability and People Committee in 2024 include:

- Review of Modern Slavery statement for Gas Networks Ireland and GNI (UK) Limited.
- Sustainability Strategy.
- Stakeholder Strategy.
- Customer performance.
- Review of safety performance and safety action plans.
- Employee engagement.
- Occupational health and safety.

Disclosures required by the Code of Practice for the Governance of State Bodies

The Board is responsible for ensuring that Gas Networks Ireland has complied with the requirements of the Code. The following disclosures are required by the Code:

Analysis of employee benefits

Details of the number of employees whose total employee benefits (excluding employer pension costs and termination benefits) for the financial year for each band of €25,000 from €50,000 upwards are set out in the following table.

	2024	2023
€50,000-€75,000	257	256
€75,001-€100,000	213	217
€100,001-€125,000	130	106
€125,001-€150,000	59	40
€150,001-€175,000	24	23
€175,001-€200,000	18	12
€200,001-€225,000	5	6
€225,001-€250,000	5	1
€250,001-€275,000	2	2

Note 1: All short-term employee benefits in relation to services rendered during the reporting period are included in the disclosure above. Refer to note 5 of the Financial Statements for further analysis of the various benefits included.

Report of the Board

Gas Networks Ireland is committed to improving the public's understanding of how the organisation operates and our role in delivering important national infrastructure and services to support the social and economic development of Ireland.

Consultancy costs

Consultancy costs include the directly incurred cost of external advice. They are defined as engagements to provide intellectual or knowledge-based services (e.g. expert analysis and advice) through delivering reports, studies, assessments, recommendations, proposals, etc. that contribute to decision or policy-making for a limited time period to carry out a specific finite task. They exclude outsourced 'business-as-usual' functions.

	2024 €'000	2023 €'000
Legal advice	**769**	582
Financial advice	**243**	339
Advertising, marketing, public relations/Marketing	**155**	267
Business improvement/change	**3,593**	1414
Other	**182**	289
Total consultancy costs	**4,942**	2,891
Capitalised	**-**	-
Income statement	**4,942**	2,891
Total consultancy costs	**4,942**	2,891

Within the above categories expert advices were received in relation to; Security of Supply (€1.8m), Climate Change, Biodiversity and Renewable Gases (€1.3m), Price Control Planning and Corporate Restructuring (€0.6m), Accountancy/Tax/Pension/HR (€0.4m), IT and Cyber Security (€0.4m), and Advertising, Marketing and Public Relations (€0.2m).

Legal costs and settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements, conciliation and arbitration proceedings. This does not include expenditure incurred in relation to general legal advice, as this is included in consultancy costs above.

	2024 €'000	2023 €'000
Legal fees & costs	**298**	668
Settlements	**267**	622
Total	**565**	1,290
Number of legal cases	**4**	6

Note 1: The number of cases relates to legal proceedings initiated by Gas Networks Ireland or legal proceedings taken against it and excludes insurance proceedings.

During 2024, 20% of all advertising was in the Irish language.

Travel and subsistence expenditure

Travel and subsistence expenditure is categorised as follows:

	2024 €'000	2023 €'000
Domestic		
Board *	**13**	-
Employee	**2,031**	1,710
International		
Board	**-**	-
Employee	**286**	227
Total	**2,330**	1,937

** Travel and subsistence expenditure for Gas Networks Ireland Directors in 2024 was €13k (2023: €nil). Travel and subsistence expenditure incurred by the Directors of Gas Networks Ireland in 2024 is deemed to be incurred in their capacity as an Ervia Board member up to 1 June 2024 when Ervia was dissolved and thereafter in 2024 as Directors of Gas Networks Ireland.*

Hospitality

The income statement includes the following hospitality expenditure:

	2024 €'000	2023 €'000
Staff hospitality	**215**	203
Client hospitality	**98**	70
Total	**313**	273

Transparency

Gas Networks Ireland, as a commercial state body, is an open organisation which strives to be accountable and transparent to the public and is committed to improving the public's understanding of how the organisation operates and our role in delivering important national infrastructure and services to support the social and economic development of Ireland.

Protected disclosures and raising concerns

The mechanism whereby employees and management may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014, is outlined in the Protected Disclosures Policy. Further guidance on raising concerns for management and employees is outlined in the Code of Business Conduct, the Anti-Fraud Bribery and Corruption Policy. Section 22 of the Protected Disclosures Act 2014 (as amended) requires Gas Networks Ireland to publish an Annual Report providing details of protected disclosures made under the Act during the proceeding calendar year. In line with this requirement, Gas Networks Ireland confirmed that, in the year ending 31 December 2024, two reports of potential wrongdoing were made to Gas Networks Ireland. As a result, investigations were carried out in 2024 and are now complete with necessary actions either complete or in progress.

Regulation of lobbying

Gas Networks Ireland is registered on the lobbying register maintained by the Standards in Public Office Commission and has made the required submissions for the return periods in 2024 in accordance with the requirements of the Regulation of Lobbying Act 2015.

Official Language Acts (2003 and 2021)

Gas Networks Ireland is committed to meeting all its obligations under the Official Language Acts (2003 and 2021). The Head of Customer Care and Communications has been appointed to oversee performance and report on its obligations under the Official Languages Acts (2003 and 2021).

During 2024, Gas Networks Ireland met the new obligations under section 10A (Advertising by Public Bodies) requiring a minimum of 20% (10A. (1) (b)) of all advertising undertaken to be in the Irish language. Gas Networks Ireland was close to full compliance with the obligation of 5% of annual advertising spend on Irish language media as also prescribed under section 10A (1)(b) and will continue to work towards full compliance for year 2025.

Prompt payments

Gas Networks Ireland is a signatory to the Prompt Payment Code as launched by the Government in 2015 and, pursuant to its provisions, undertakes to pay suppliers on time, to give clear guidance to suppliers on payment procedures and to encourage the adoption of the code by suppliers within their own supply chains. Appropriate internal financial controls are in place within Gas Networks Ireland to ensure material compliance with the provisions of the Prompt Payments of Accounts Act, 1997 and the European Communities (Late Payments in Commercial Transactions) Regulations 2012-2016. All non-disputed invoices received in 2024 were paid within agreed payment periods. When Gas Networks Ireland validates a late payment request from a supplier, it is Gas Networks Ireland's policy to pay interest due on such late payments. No such interest payments were made in respect of late payments during the year 2024.

Model publication schemes

Section 8 of the Freedom of Information Act 2014 requires Gas Networks Ireland, to conform with the model publication scheme published by the Department of Public Expenditure, National Development Plan Delivery and Reform. Under the scheme, Gas Networks Ireland publishes as much information as possible in an open and accessible manner outside of Freedom of Information requests, having regard to the principles of openness, transparency and accountability as set out in the Act.

The Publication Scheme is published on the website at Model Publication Scheme (gasnetworks.ie). Gas Networks Ireland strives to apply the principle of transparency and adheres to the model publication scheme by publishing relevant information on its website, https://www.gasnetworks.ie.

Gender balance, diversity, equity and inclusion

The organisational commitment to building a workplace that embraces diversity, where everyone is treated fairly and where everyone has a real sense of belonging continued strongly during 2024. During 2024, our Executive Team in collaboration with our Diversity, Equity and Inclusion Council, agreed our DE&I roadmap which identifies our key activities and objectives in relation to DE&I over the coming 3 years which we hope will be supportive of greater diversity and representation in our company.

Our Employee Resource Groups (ERGs) remain a key component of our DE&I approach. During 2024 we established our NextGen network specifically aimed at providing for intergenerational activities and networking. Our ERGs continue to provide valuable insight and have been instrumental in the development and implementation of a range of progressive policies during 2024 such as our Menopause, Infertility, Domestic Violence, and Cultural Holiday policies. In 2024, the company and our ERGs have facilitated a number of key events such as PRIDE celebrations, fertility awareness and International Women's Day Celebration. We have also commenced partnering with third level university accessibility programmes and will be offering internship opportunities during 2025.

We have continued to keep a focus on female representation in our company and are heartened to see some modest improvements. Our hugely popular Female Development Program continues to support our female colleagues and provide strong foundations for their future career progression. We are particularly proud of this programme being endorsed and recognised by Engineers Ireland as a best in class learning offering within the Engineering Sector to facilitate greater female representation in the sector.

In 2025, we will continue to mature our approach in areas of inclusive leadership training, talent acquisition and career development.

2024

saw the company and our ERGs facilitate a number of events such as **PRIDE celebrations, fertility awareness and International Women's Day Celebration**

Statement on the **system of internal control**

Scope of responsibility

The Board acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated.

Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it and can only therefore provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, National Development Plan Delivery and Reform, has been in place in Gas Networks Ireland for the year ended 31 December 2024 and up to the date of approval of the Financial Statements.

Management of risk and control environment

All employees are responsible for the effective management of risk, which includes designing, operating and monitoring the systems of internal control. The Chief Executive Officer is the accountable executive with ultimate responsibility. The Chief Executive Officer delegates clear roles and responsibilities for effective risk management and for ensuring the systems of internal control are operating effectively to his Executive Team and their reports.

Risk and control environment

The Board ensures that it has appropriate systems of internal control and risk management in place through the use of the following structures and systems:

tGas Networks Ireland has an Audit and Risk Committee ("the ARC") comprising 4 non-executive Board members who have the necessary expertise for the role. The ARC provides oversight of the risk and control environment on behalf of the Board and is responsible for assisting the Board in discharging its responsibilities as they relate to this area. On a quarterly basis, the ARC performs, a substantive review of the risk profile, prepared by management, ensuring oversight of the key and emerging risks and reviewing the effectiveness of management's responses to key risk exposures. The ARC also reviews the overall integrity of the risk management system including the effectiveness of the risk and internal audit functions.

Integrated Assurance Forum

Gas Networks Ireland has a responsibility under the Code to ensure effective systems of internal control are maintained and operated. An assessment of the effectiveness of these controls is required annually. In order to address this requirement, the Group developed the Integrated Assurance Forum ("IAF").

The membership of the IAF is the Chief Executive Officer and his direct reports. The IAF meets quarterly to confirm assurance activities and required signoffs are co-ordinated and evidenced in a structured manner. The ARC is appraised of the results of the IAF on a quarterly basis.

At year end the IAF provides assurance to the Board on the effectiveness of the controls. The IAF process, along with numerous other governance, risk and control activities across the Group, supports the Board in signing-off on the Statement on the System of Internal Control.

Internal audit

Gas Networks Ireland has an established internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC. The Head of Internal Audit reports directly to the ARC and to the Chief Financial Officer.

The internal audit function provides a systematic and disciplined approach to evaluate and improve the effectiveness of Gas Networks Ireland's governance, risk management and internal control.

The internal audit function:

- Evaluates risk exposure relating to the achievement of Gas Networks Ireland's strategic objectives.
- Evaluates the systems established to ensure compliance with policies, plans, procedures, laws and regulations.
- Evaluates the means of safeguarding assets.
- Monitors and evaluates the effectiveness of risk management processes.
- Evaluates specific operations at the request of the Board or management, as appropriate. Performs advisory services related to governance, risk management and control as appropriate.

The Gas Networks Ireland Risk Management Committee **meets quarterly**

An appropriate risk management **speak up culture** led out by a risk aware tone from the top and a quarterly bottom-up reporting process

Risk management function

Gas Networks Ireland has an established risk management function which is adequately resourced and is responsible for the design and implementation of an Enterprise Risk Management Framework and for ensuring that sufficient risk management knowledge, experience and skills are available throughout Gas Networks Ireland.

The Head of Risk Management reports to the Chief Financial Officer and attends ARC meetings. In addition, the Risk Management Committee chaired by the Chief Executive Officer, meets quarterly.

In particular, the risk management function:

- Ensures that adequate and consistent processes and oversight are in place for identifying, measuring, managing, monitoring, challenging and reporting the risks to which Gas Networks Ireland is exposed.
- Ensures that oversight is maintained, and an assessment is undertaken of the risk profile including principal key risks, emerging and trending risks and high impact low probability risks, including a description of these risks, clear ownership and associated mitigation measures.
- Embeds an appropriate risk management speak up culture led out by a risk aware tone from the top and a quarterly bottom-up reporting process.

Elements of control environment

In addition to the key structures referred to above, the Board confirms a control environment, containing the following elements, is in place:

- Responsibility by management at all levels within Gas Networks Ireland for internal control and risk management;
- A Corporate Governance Framework, including financial control and risk assessment. This is monitored by the Gas Networks Ireland Executive and by the Gas Networks Ireland internal audit and risk functions;
- Clearly defined organisational structure, with defined authorisation limits and reporting mechanisms to higher levels of management and to the Board;
- A comprehensive set of policies and procedures relating to operational and financial controls, including capital expenditure. Large capital projects require Board approval and are closely monitored on an ongoing basis by the Finance and Investment Committee;
- Established processes to identify and evaluate business risks by identifying the nature, extent and implication of risks, including financial, facing the organisation including the extent and categories which it regards as acceptable. Other processes to identify and evaluate business risks include assessing the likelihood of identified risks occurring and assessing the company's ability to manage and mitigate the risks that do occur through associated mitigation plans and strategies;
- Appropriate segregation of duties and documentation of processes and controls that are focused on preventing and detecting fraud;
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- A comprehensive system of financial reporting;
- A comprehensive set of management information and performance indicators is produced quarterly, enabling progress against longer-term objectives and annual budgets to be monitored;
- Internal policies requiring all employees to act with integrity and maintain the highest ethical standards. These policies include the Code of Conduct, Anti-Fraud, Bribery and Corruption Policy, Regulation of Lobbying Policy and Protected Disclosures Policy;
- A comprehensive anti-fraud programme including the Anti-Fraud, Bribery and Corruption Policy, training and communication and a fraud response plan;
- Systematic reviews of internal financial and operational controls by internal audit. In these reviews, emphasis is focused on areas of greater risk as identified by risk assessment; and
- An internal control framework assessment that involves undertaking an extensive risk assessment, reviewing the operation and effectiveness of key control policies and processes, internal control self-assessment reporting, performance reporting, supported by the assurance activities of Risk, Internal and External Audit.

Ongoing monitoring and review

Gas Networks Ireland has a robust framework to review the adequacy and monitor the effectiveness of internal controls covering financial, operational and compliance as well as risk management processes.

The Board is satisfied that the system of internal control in place is appropriate for the business. The monitoring and review of the effectiveness of the system of internal control in respect of Gas Networks Ireland is informed by the work of managers within the Company who have responsibility for the development and maintenance of the internal control framework. This is supplemented by the ARC who oversee the work of the risk and governance functions, the work of internal audit and comments made by the external auditor in their management letter and/or other reports. Control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way.

Ongoing monitoring by management includes:

- Review and consideration of the programme of internal audit and consideration of its reports and findings. The programme of internal audit is also reviewed by the ARC.
- Review of regular reporting from internal audit on the status of the internal control environment, and the status of issues raised previously from their own reports. Reports are also reviewed by the ARC.
- Participation in the Integrated Assurance Forum.
- Participation in the Risk Management Committee.
- Monthly meetings which may include financial, risk, internal audit and operational matters pertaining to Gas Networks Ireland.

Ongoing monitoring by the Board includes;

- Review of the risk profile.
- Review and consideration of the report from the Gas Networks Ireland Chairperson on the effectiveness of the operation of the systems of internal control, both financial and operational.
- Review of reports from the external auditor, which contain details of any material financial control issues.

Ongoing monitoring by the ARC includes;

- Review of the Integrated Assurance Forum reports over the system of internal control on a quarterly basis.
- Review of the risk profile on a quarterly basis.
- Review of reports from the internal audit function which contain details of control issues and status updates on close out of open internal audit recommendations.
- Review of reports from the external auditor, which contain details of any material internal financial control issues.
- Review and consideration of the report from the Chief Executive Officer on the effectiveness of the operation of the systems of internal control, both financial and operational.

Capital and operational expenditure

Robust and effective systems are in place to ensure compliance, as appropriate, with the relevant principles and requirements of the recently published Infrastructure Guidelines (replacing the 2019 Public Spending Code set of guidelines).

The Procurement Policy (PD02) details the procedures to be followed by Group to support procurement requirements in the organisation. Application of PD02 ensures that value for money is obtained in procurement practices, EU and Irish laws relating to public procurement are adhered to, tender processes are appropriately managed and governance and management oversight of the procurement process is maintained across the Group.

In systematic reviews, emphasis is focused on areas of greater risk as **identified by risk assessment**

The monitoring and review of the system for Gas Networks Ireland is informed by the work of managers within Gas Networks Ireland who have responsibility for the **development and maintenance of the internal control framework**

The Expenditure and Contract Approval Policy (PD03) sets out the financial expenditure and contract governance framework including the authorisation process and authority levels for capital and operational expenditure in each of Gas Networks Ireland and its subsidiaries. All expenditure and contract approvals must comply with the requirements of the Governance Framework and PD03.

The financial expenditure and contract governance framework is aligned with the value for money criteria in the updated Infrastructure Guidelines, as published by the then Department of Public Expenditure and Reform in December 2023.

All capital expenditure must have regard to national and EU procurement requirements in addition to compliance with any requirements that may be set by the CRU, environmental and planning related requirements and national, regional and local infrastructural priorities. Appropriate investment appraisal methods are used in respect of capital projects and programmes in order to facilitate effective decision making. Capital projects and programmes are assessed and delivered using a robust 5 stage approval process.

The capital commitments process operates on the basis that the company requests the relevant Ministerial consents in advance for an overall envelope of capital commitments to be entered into during the following financial year.

Separate Ministerial consents are requested by Gas Networks Ireland in advance of committing to any individual capital project or new capital programme costing €40m or greater for regulated expenditure and €15m for unregulated expenditure. Ministerial consents are submitted to the parent Department and other relevant government departments involved in the consenting process for the specific application. In addition, requests for ministerial approval are submitted to NewERA who provide project specific financial and commercial advice to the Department of Housing, Local Government and Heritage, prior to the granting of Ministerial consent.

Capital investments, including contracts, with a value in excess of €3.5m are presented to the (executive) Expenditure Approval Committee ('EAC') for detailed review and approval. All capital expenditure greater than €10m requires the approval of the Board.

The Board is kept appraised of the status of capital projects and programmes as they progress including updates on implementation against plan, timescales and quality. Budget and variance reporting is also presented to the Board. All projects have specific objectives against which they are measured. Tenders and subsequent contracts include strict delivery requirements as well as KPIs which are used to measure performance throughout the course of the contract. Post project reviews and financial close reports are presented to the EAC, the Finance and Investment Committee and the Board for evaluation depending on the value of the project or programme. Project close out and annual programme review meetings facilitate a key 'lessons learned' approach which are then assessed, tracked and implemented as part of existing and future projects across the organisation as appropriate.

General Data Protection Regulation (GDPR)

The Data Protection Officer has not raised any significant areas of concern regarding non-compliance with regards to legislative requirements under GDPR.

Review of effectiveness

The Board has reviewed the effectiveness of the system of internal control up to the date of approval of the Financial Statements, covering financial, operational and compliance controls and risk management systems for 2024 and will ensure a similar review is performed in 2025. A detailed review was performed by the ARC, which reported on its findings to the Gas Networks Ireland Board.

Internal control issues

No weaknesses in internal control were identified in relation to 2024 that require disclosure in the financial statements.

Conclusion

Going concern

The Directors, having regard to current financial projections, available financial resources and credit facilities, are confident that the Company and the Group as a whole, has adequate resources to continue in operation for the foreseeable future. Therefore, the financial statements are prepared on a going concern basis. Further details of this going concern assessment are provided in notes 1 and 23 respectively of these Financial Statements

Risk management

The Board carried out a robust assessment of the principal risks facing the organisation throughout 2024. These risks and mitigating controls or actions are set out on pages 38-45.

Shareholder relationship

Gas Networks Ireland operates independently from its parent Department (the Department of Housing, Local Government and Heritage), but engages in active and ongoing consultation with its parent Department as required by legislation and the Code.

Board members' interests

The Board members had no interest in Gas Networks Ireland or its subsidiary companies during the year. The Board is satisfied that its members are free from any business or other relationships that could materially affect, or could appear to affect, the exercise of their independent judgement.

Board members may hold directorships, executive positions or have interests in third party companies, including banks and financial institutions, some of which (or their affiliates) may, in the normal course of business, undertake transactions on an arm's length basis with Gas Networks Ireland. All Board members disclose any interest and recuse themselves from Board discussions and decisions where they are conflicted or have a direct or indirect interest as required by the Code. In such cases, a separate record (to which the Board member does not have access) is maintained.

Performance evaluation

The Board approves an annual budget that supports the corporate plans. Actual performance versus plan and budget is evaluated annually. Detailed consideration is provided in the Operating and Financial Reviews on pages 41 and 60.

Accounting records

The Board members believe that they have provided appropriate systems and resources, including the appointment of suitably qualified accounting personnel with appropriate expertise, to maintain adequate accounting records throughout the organisation to ensure compliance with Gas Networks Ireland's obligation to keep adequate accounting records. The books of account of Gas Networks Ireland are held at Gasworks Road, Cork.

External auditor

After the completion of a tender process, Ministerial consent was received to appoint KPMG as auditor of Gas Networks Ireland for financial years 2024, 2025 and 2026 with an option to extend this term of appointment for up to a further 2 years (2027 and 2028).

For and on behalf of the Board:

Kevin Toland
Chairperson

Keith Harris
Member of the Board

Date: 25 March 2025

Year end report 2024

Audit and Risk Committee report

"As Chairperson of the Gas Networks Ireland Audit and Risk Committee, I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2024."

Keith Harris
Chairperson, Audit and Risk Committee

The Audit and Risk Committee ("the Committee") is established at the Gas Networks Ireland Group level and acts in respect of Gas Networks Ireland and its subsidiaries ("the Group"). This report provides an insight into the workings of the Committee over the last 12 months and details how the Committee has met its responsibilities under its Terms of Reference and under the Code of Practice for the Governance of State Bodies ("the Code").

During the year the Committee dedicated significant time to fulfilling its key oversight responsibilities. It has engaged regularly with senior management, internal audit, risk management and the Group's statutory auditor. In addition, in order to discharge its duties effectively, it has pursued a full agenda of reviews in its meetings throughout the year. In fulfilling his key oversight responsibilities, the Chairperson of the Committee meets separately with senior management, internal audit, risk management and the Group's statutory auditor on a regular basis.

Role and responsibilities of the Audit and Risk Committee

The role of the Committee is to support the Gas Networks Ireland Board in relation to its responsibilities for the following matters:

- Financial reporting
- Risk management
- Internal controls
- Internal audit
- External audit
- Other related activities, including policies and procedures on protected disclosures, anti-fraud, bribery and corruption.

The Chairperson of the Committee reports to the Gas Networks Ireland Board on the matters addressed at each Committee meeting, and the Board receives all of the Committee's minutes and papers for Committee meetings. The Committee's Terms of Reference set out the Committee's roles and responsibilities in detail and are available on Gas Networks Ireland website **www.gasnetworks.ie**. These are reviewed annually.

Membership

The Committee comprises four independent Non-Executive Gas Networks Ireland Board Members. Members of the Committee are appointed by the Gas Networks Ireland Board in consultation with the Chairperson of the Committee. For details of membership and attendance at meetings in 2024 see the Report of the Board on page 93. The Committee is independent from the management of the Group.

Financial reporting

The Committee is responsible, on behalf of the Gas Networks Ireland Board, for monitoring the integrity of the preparation of the Group's Financial Statements and for reviewing the financial reporting judgements contained therein. The Financial Statements are prepared on behalf of the Board by a finance team with the appropriate qualifications and expertise.

During the year the Committee reviewed the draft financial statements before recommending their approval by the Gas Networks Ireland Board. The Committee considered, and discussed with the Chief Executive Officer, Chief Financial Officer and the external auditor, the appropriateness of the significant accounting standards and policies, estimates and judgements applied in preparing these financial statements, together with the clarity and completeness of the disclosures in the Annual Report and Financial Statements.

Risk management

The Committee is responsible, on behalf of the Gas Networks Ireland Board, for monitoring the Group's risk management activities, developments in key risks and progress in delivery of the target risk profile, enabling the Gas Networks Ireland Board to confirm annually that it has carried out an assessment of the Group's principal risks.

During the year the Committee reviewed, in conjunction with senior management, the risk profile, risk management policies, high impact/low probability exposures and risk appetite and target profile for approval by the Gas Networks Ireland Board. The Committee reviewed presentations on a selection of principal risks and discussed with senior management the material internal controls that exist to mitigate these risks.

Internal controls

The Committee is responsible, on behalf of the Gas Networks Ireland Board, for reviewing the appropriateness and completeness of the Group's system of internal control and reviewing whether the system of internal control operated effectively during the reporting period and gives appropriate early warning of any failures and emerging risks.

Gas Networks Ireland has a responsibility under the Code for ensuring that an effective system of internal control is maintained and operated. Gas Networks Ireland pursues this responsibility through senior management and its "Integrated Assurance Forum", a management body which collates evidence from the various control activities performed across the Group organisation to build a comprehensive picture of internal control and risk. The Integrated Assurance Forum provides a greater understanding of the assurance activities in place and makes recommendations for their enhancement, in order to mitigate risk and maximise governance oversight, helping also to identify and remediate any assurance gaps.

Internal audit

The Committee is responsible, on behalf of the Board, for monitoring and reviewing the effectiveness and scope of the internal audit function including its plans, activities and resources so as to ensure it can effectively review the operation of the Group's controls over significant risks within the Group organisation.

During 2024, the Committee reviewed the plan and work undertaken by the Gas Networks Ireland internal audit team and the consequent actions to be taken by management. The Committee was informed regularly by the Gas Networks Ireland Head of Internal Audit of the findings of internal audit reviews. The Committee also considered management's progress in addressing relevant issues, including the nature, extent and timeliness of its responses. The Committee reviewed and agreed a risk-based internal audit annual plan for 2025, including the resources required, and considered the alignment of internal audit focus and key risk areas.

During 2024, the organisation continued to promote integrity and to emphasise the importance of ethical behaviour across the organisation through the roll-out of the 'Doing the Right Thing' campaign.

The campaign involves a number of initiatives including updates to the suite of ethics related corporate policies, rollout of training, promotion of a "speaking up" culture and quarterly integrity conversations focusing on topical integrity topics.

External audit

The Committee is responsible, on behalf of the Gas Networks Ireland Board, for monitoring the external audit process. The Committee monitored the integrity of the Group's financial statements and reviewed the appropriateness of the accounting policies and financial reporting issues contained therein having regard to matters communicated to it by the external auditor. The Committee also reviewed the external auditor's audit plans, reports and findings in relation to the audit, and discussed them with the external auditor. The Committee reviewed the external auditor's post-audit management letter and management's responses.

The Committee is also responsible, on behalf of the Gas Networks Ireland Board, for the initiation of audit tenders and the selection process for the external auditor, reviewing and monitoring the independence and remuneration of the external auditor. The Committee takes appropriate steps to ensure that an objective and professional relationship is maintained with the external auditor.

During the year the Committee carried out an assessment of auditor independence and objectivity which included reviewing:

- the nature and extent of the services provided, and fees earned, for external audit and non-audit work carried out by the external auditor.
- compliance with the Group's policy governing the provision of non-audit services to the Group whereby clear rules and limits are in place, permitting non-audit services which do not present a conflict of interest.
- assurances provided by the external auditor in this regard.

Audit and non-audit service fees are set out in Note 4 of the Financial Statements. There were no instances during the year where the external auditor was engaged to provide services which were deemed to give rise to a conflict of interest. The Committee also monitored the external auditor's compliance with relevant regulatory, ethical and professional guidance. The Committee is satisfied that KPMG is both independent and objective.

The effectiveness of the external auditor is reviewed annually. The evaluation focuses on such areas as the robustness of the audit process, audit team, communications and governance. Overall, the review was satisfactory. During the year the external auditors met privately with the Committee with no members of management present.

The Committee adheres strictly to the 70% non-audit services fee cap prescribed in Article 4 of Regulation (EU) No 537/2014.

Audit and risk committee effectiveness

The Committee completes an annual review of its own effectiveness. For 2024, the review was conducted internally through the completion of self-evaluation questionnaires and the overall review was satisfactory.

On behalf of the Audit and Risk Committee:

Keith Harris
Chairperson,
Audit and Risk Committee

25 March 2025

Date: 25 March 2025

Approved by the Board and signed on their behalf:

Kevin Toland
Chairperson

Keith Harris
Member of the Board

Directors' report

The Directors present their annual report and the audited financial statements of the Group and Company for the financial year ended 31 December 2024. The Group comprises the Parent Company and its subsidiaries disclosed in Note 25.

Principal activities

Gas Networks Ireland ("the Company") was incorporated on 13 January 2015 as a 100% owned subsidiary company of Ervia and commenced trading on 1 August 2015. GNI (UK) Limited, Gas Networks Ireland (IOM) DAC and Network Services Transition DAC are subsidiaries of the Company and form part of the Gas Networks Ireland Group ("the Group").

In 2018, the Government announced that in 2023 Gas Networks Ireland and Uisce Éireann would become two standalone, publicly owned, commercial, regulated utilities. Uisce Éireann was established as a standalone, publicly owned, regulated utility on 1 January 2023 and Gas Networks Ireland remained the sole direct subsidiary of Ervia. The integration of Ervia into Gas Networks Ireland took place on 1 June 2024 pursuant to the Gas (Amendment) and Miscellaneous Provisions Act 2024, such that all functions, assets and liabilities of Ervia on that date transferred to Gas Networks Ireland and Ervia was dissolved.

The Company is a regulated network utility, regulated under licence by the Commission for Regulation of Utilities ("CRU") in Ireland. The Utility Regulator regulates the GNI (UK) Limited pipelines in the Northern Ireland transmission system.

The principal objective of the Company is the safe, reliable and efficient operation, maintenance, development and decarbonisation of the gas network in Ireland.

The Company owns, operates and maintains the natural gas network in Ireland. Our gas network is one of the most modern and safest in the world and comprises 14,758 km of gas pipelines including two sub sea interconnectors and pipelines in Scotland, Northern Ireland and the Isle of Man. Aurora Telecom, a business of the Company, acts as a wholesale, open-access service provider for telecoms operators and business customers, providing dark-fibre and managed bandwidth services.

The company is fully committed to working with the Department of Housing, Local Government and Heritage ('DHLGH'), the Department for Climate, Environment, Energy and Transport (DCEET), and the CRU to utilise the gas network to its full extent and ensure security of supply in the transition to a low carbon energy system.

Results and review of the business

Details of the financial results of the Group are set out in the Group Income Statement on page 116 and the related notes on page 122.

The current period being reported on is the financial year ended 31 December 2024. The comparative figures are for the financial year ended 31 December 2023.

Commentaries on performance during the financial year ended 31 December 2024, including information on recent events and future developments, are contained in the Chairperson's Report, Chief Executive's Review, and the Financial Review.

Principal risks and uncertainties

An outline of the principal risks and uncertainties faced by the Group is discussed in the report on pages 32 to 39. Note 23 includes a full analysis of the Company's financial risk management objectives, policies, and exposures.

Dividends

The Company paid an annual dividend of €44.018m to the Exchequer during the financial year 2024. On 25 March 2025, the Board recommended the payment of a dividend of €62.075m for the financial year 2025.

Directors and secretary and their interests

The Directors of the Company are Kevin Toland, Fiona Egan, Geraldine Kelly, Keith Harris, Keara Robins and Saoirse Fahey who were all appointed with effect from 19 April 2023, John Curran who was appointed with effect from 18 September 2024, Liz Joyce who was appointed with effect from 20 January 2025 and Cathal Marley who was appointed with effect from 5 April 2019. Joe O' Flynn's term of office expired on 21 June 2024 and Sean Hogan's term of office expired on 19 January 2025. The Chairperson of the Company is Kevin Toland. The Secretary of the Company is Liam O'Riordan. Interests of the Directors and Secretary are disclosed in note 26 of the financial statements.

Political donations

There were no political donations made during the financial year (2023: nil).

Going concern

The Directors have a reasonable expectation that the Group and the Company will continue to meet liabilities as they fall due for the foreseeable future and consequently these financial statements are prepared on a going concern basis. The Group has €300m in undrawn committed bank facilities (2023: €312m) available together with strong profitability forecasts for 2025 and beyond, to meet liabilities as they fall due. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements. Further details of this going concern assessment and the Group's liquidity position are provided in note 1, respectively, of these financial statements.

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 accounting records are the employment of appropriately qualified accounting personnel and the use of suitable accounting systems and procedures.

The accounting records are kept at Gasworks Road, Cork.

Post balance sheet events

There are no significant events affecting the Group which have taken place since the end of the financial year, other than as described in note 27 of the financial statements.

Auditors

After the completion of a tender process, Ministerial consent was received to appoint KPMG as auditor of Gas Networks Ireland for financial years 2024, 2025 and 2026 with an option to extend this term of appointment for up to a further 2 years (2027 and 2028).

Disclosure of information to auditors

So far as each of the Directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' compliance statement

For the purposes of section 225 of the Companies Act 2014 (the 'Act'), we, the Directors:

- Acknowledge that we are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 (1) of the Act (the 'relevant obligations'); and
- Confirm that each of the following has been done:

  A compliance statement (as defined in section 225(3)(a) of the Act) setting out the Company's policies (that in our opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations has been drawn-up;

  Appropriate arrangements or structures, that are, in our opinion, designed to secure material compliance with the Company's relevant obligations, have been put in place; and

  During the financial year to which this report relates, a review of the arrangements or structures referred to in paragraph (ii) above has been conducted.

The plans we put in place now will ensure we continue to have an integral role at the heart of Ireland's energy system.

Section 3

Financial statements

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Independent auditor's report to the members of Gas Networks Ireland

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Gas Networks Ireland ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024 set out on pages 115 to 183, which comprise:

- The Group Income Statement;
- The Group Statement of Other Comprehensive Income;
- The Group Balance Sheet;
- The Group Statement of Changes in Equity;
- The Group Statement of Cashflows;
- The Company Balance Sheet;
- The Company Statement of Changes in Equity;
- The Company Statement of Cashflows;
- and related notes, including the material accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

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 further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

We obtained an understanding of the process the directors undertook in assessing going concern.

We considered the appropriateness of the method used by directors in performing the going concern assessment in the context of the applicable financial reporting framework. We evaluated and challenged the relevance and reliability of the underlying data and appropriateness of the assumptions used by the directors in making the assessment.

We completed an assessment of and challenged the forward looking forecasts through evaluating both the FY25 budget and longer term cashflows, prepared by the Group as well as revenue and cost projections.

We performed a detailed review of the Group and Company's financing facilities including; a review of the Group and Company cash position at the financial year end date, the financial resources available to the Group and Company with a focus on the repayment profile of debt.

We considered whether the going concern disclosure in note 1 to the financial statements gives an appropriate and sufficient description of the directors' assessment of going concern, including the identified risks and dependencies.

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 or the Company's ability to continue as a going concern for a period of at least twelve months from the date 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.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the audit committee, internal audit and management as to the Groups's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, the audit committee, internal audit and management regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and sub-committee meeting minutes.
- Considering remuneration incentive schemes and performance targets.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Group and Company are subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation, taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group and Company are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, Gas Act 1976, Financial Transactions of Certain Companies and Other Bodies Act 1992, recognising the regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition, other than that associated with management override of controls. Further, we did not identify any other additional fraud risk.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements for bias.

As the Group and Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group and Company operates in and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, in respect of both the Group and Company, were as follows:

Capitalisation of expenditure as Property, Plant and Equipment: €177.4m (Group) (2023: €142.1million) and €140.2m (Company) (2023: €126.8m).

Refer to page 122 (accounting policy) and pages 136 to 137 (financial disclosures)

The key audit matter

A key focus for the Group and Company is network investment. Property, Plant and equipment ('PPE') represent the majority of the Group and Company's asset base and a significant portion of the Group's annual expenditure. The total amount of capitalised expenditure recognised in respect of PPE in the financial year for the Group was €177.4m (Company: €140.2m).

Depending on its nature, expenditure may be capitalised or expensed in the year the cost is incurred. In making this decision, the Group and Company has to consider whether the expenditure will generate future economic benefits and meets capitalisation criteria in line with the accounting policy. In particular, there is a significant level of judgment around the capitalisation of refurbishment expenditure. Refurbishment expenditure capitalised in the financial year for the Group was €78.0m (Company: €53.8m).

For the reasons outlined above the engagement team determine this matter to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures included:

We obtained and inspected the Group and Company's PPE capitalisation policy and assessed that it is in line with IAS 16.

We performed a walkthrough of the asset capitalisation process and evaluated the design and implementation of the relevant key control.

We obtained a listing of assets capitalised and agreed them to the general ledger.

We selected a sample of additions for testing using a statistical sampling tool and for all samples selected, we used our judgement in performing the following:

- assessed that they each meet the criteria for capitalisation under IAS 16 and have been recorded in the correct period;
- inspected contracts and/or underlying invoices to assess that the costs are accurately recorded and appropriately classified as capitalised costs; and
- inspected minutes of meetings of the Group's Investment Approval Committee as evidence of appropriate approval of capital additions.

We assessed the adequacy of the disclosures in the financial statements.

Based on the audit procedures performed and evidence obtained, we did not identify any material misstatements associated with capitalisation of PPE costs.

Accuracy of revenue recognition associated with transmission and distribution regulated revenues: €553.4m (Group) (2023: €485.2m) and €516.9m (Company) (2023: €454.3m).

Refer to page 124 (accounting policy) and page 130 (financial disclosures)

The key audit matter

The Group's revenues are derived from gas transportation services in both regulated and unregulated markets.

Regulated revenue is derived from a price control process managed by the relevant regulator, primarily the Commission for Regulation of Utilities, whereby the regulator carries out a review of the revenues that the Group is allowed to recover through gas tariffs for the ongoing operation and maintenance of the gas network.

Regulated revenue for the financial year ended 31 December 2024 was €553.4m (2023: €485.2m).

Given the quantum of regulated revenue relative to materiality, the engagement team determine this matter to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures included:

We obtained and inspected the Group and Company's regulated revenue recognition policy and exercised judgment in assessing that it is in line with IFRS 15.

We obtained an understanding of the regulated revenue arrangements in place across the Group and Company, through the performance of a walkthrough of the regulated revenue recognition process.

For regulated revenue, on a sample basis, we traced the revenue recognised to amounts invoiced to customers and the subsequent receipt of payment from those customers. We also tested the volume of gas being charged for and assessed those charges were in line with the regulatory price tariffs, as well as performing a recalculation of the accuracy of the amounts billed to customers.

We tested billed and unbilled revenue recorded within receivables at year end on a sample basis by agreeing amounts recorded to transportation/distribution records, post year end invoices and receipts for payments.

We assessed the adequacy of the disclosures in the financial statements.

Based on the audit procedures performed and evidence obtained, we did not identify any material misstatements associated with regulated revenue recognition.

Measurement of defined benefit pension schemes: Group and Company - €23.1m (2023: €Nil)

Refer to page 125 (accounting policy) and pages 147 to 151 (financial disclosures)

The key audit matter

At 31 December 2024, a net surplus of €23.1m has been recognised on the Group and Company balance sheet in respect of the Group's defined benefit pension scheme – comprising a gross defined benefit obligation of €512.9m and plan assets of €536.0m.

On 1 June 2024, the defined benefit pension scheme was transferred to Gas Networks Ireland as part of the integration of Ervia. The scheme was renamed the Gas Networks Ireland Superannuation Scheme.

The Group engaged an external third party actuarial expert to perform an actuarial valuation of the scheme liabilities as of the balance sheet date.

There is a risk that inappropriate assumptions are used in valuing the pension liabilities which may have a material impact on the recognition of the overall net asset/liability position.

The measurement of defined benefit pension liabilities involves the selection of key assumptions which include judgements and inherent uncertainty, particularly in respect of the selection of the discount rate used.

For the reasons outlined above the engagement team determine this matter to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures included:

We made inquiries to understand the process applied in the selection of key assumptions used in calculating the defined benefit liability.

We assessed and documented the qualifications as well as the independence and objectivity of the actuary employed to perform the actuarial calculations over the Group and Company's defined benefit obligations.

We used judgement in engaging our internal KPMG actuarial specialists to inspect the valuation assessments, to assess the appropriateness of the methodology applied and to assess the reasonableness of the key assumptions applied in valuing the defined benefit liabilities – in particular the discount rate assumption, mortality rates and inflation rates. This assessment included a comparison of these assumptions against externally available benchmarks.

We independently confirmed the value of the plan assets at 31 December 2024 with the pension scheme investment manager.

We assessed the scheme participant data provided to the plan actuary by Gas Networks Ireland for completeness and accuracy by comparing participant data to payroll records and other supporting evidence.

We assessed the appropriateness of recognition of the net surplus in the scheme as an asset on the Group and Company's balance sheet with reference to the scheme rules.

We considered the adequacy of the Group's disclosures in the financial statements in the context of IAS 19 requirements, including in respect of the sensitivity of the liability to changes in key assumptions.

Based on the audit procedures performed and evidence obtained, we did not identify any material misstatements associated with the measurement of defined benefit pension schemes.

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements and Company financial statements as a whole was set at €14.5m and €11.6m respectively, determined with reference to a benchmark of net assets for both Group and Company (of which it represents 1.1% respectively).

Performance materiality for the Group financial statements and Company financial statements as a whole was set at €9.4m and €7.5m respectively, which represents 65% of Group and Company materiality respectively.

We consider net assets to be the appropriate benchmark for both the Group and Company as Gas Networks Ireland is an infrastructure business and the users of the financial statements would consider net asset value as a key metric in assessing performance.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.7m (Group) and €0.58m (Company), in addition to other identified misstatements that warranted reporting on qualitative grounds.

In applying our judgement in determining the percentage to be applied to the benchmark (to establish materiality for the Group and Company financial statements) and to be applied to materiality (to establish performance materiality for the Group and Company financial statements), we considered that Gas Networks Ireland is a mature and stable business, the consistency of key management and financial reporting personnel, the Group operates in a regulated environment and has debt arrangements and that this is our first year as auditor.

Our assessment of the risks of material misstatement, our determination of materiality and our application of that materiality determined our audit scope. We determined the scope of our audit by obtaining an understanding of the Group and its environment, including Group-wide controls and assessing the risks of material misstatement at the Group level as well as the financial significance and specific risks of the individual companies within the Group.

We focused our Group audit scope on the audit of the three trading legal companies comprising the Group. These companies (components) represent all the principal business units and account for 100% of Group revenue and assets. Our audit work for each component was executed at levels lower than Group materiality which were applicable to each individual component ranging from €1.5m to €11.6m. All components of the Group were audited centrally by a single engagement team in Ireland.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Annual Report together with the financial statements, other than the financial statements and our auditor's report thereon. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- 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.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

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 and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

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 financial control required under the Code on pages 97 to 100 does not reflect the Group's compliance with paragraph 1.9 (iv) 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 and we report if it does not. We have nothing to report in this regard.

Date: 07 April 2025

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 89, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

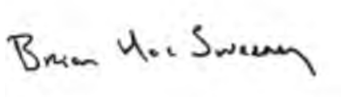
Auditor's responsibilities for the audit of the financial statements

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 fuller description of our responsibilities is provided on IAASA's website: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.



Brian MacSweeney
for and on behalf of KPMG

Group income statement

for the year ended 31 December 2024

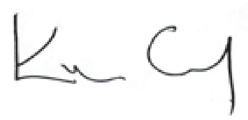
	Notes	2024 €'000	2023 €'000
Continuing operations			
Revenue	3	**599,501**	527,069
Operating costs net (excluding depreciation and amortisation)	4	**(276,209)**	(253,674)
Operating profit before depreciation and amortisation (EBITDA)	-	**323,292**	273,395
Depreciation and amortisation	6	**(153,639)**	(147,132)
Operating profit	-	**169,653**	126,263
Finance income	7	**13,397**	4,065
Finance costs	7	**(17,845)**	(15,297)
Net finance costs	7	**(4,448)**	(11,232)
Profit before income tax	-	**165,205**	115,031
Income tax	8	**(26,914)**	(18,533)
Profit for the year	-	**138,291**	96,498
Profit attributable to:			
Owners of the Company		**138,291**	96,498
Profit for the year	-	**138,291**	96,498

Group statement of other comprehensive income

for the year ended 31 December 2024

	Notes	2024 €'000	2023 €'000
Profit for the year		**138,291**	96,498
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial losses	18	**(3,805)**	-
Remeasurement of other pension assets	18	**162**	
Deferred tax relating to defined benefit actuarial losses	8	**455**	-
Total items that will not be reclassified subsequently to profit or loss		**(3,188)**	-
Items that may be reclassified subsequently to profit or loss:			
Translation differences on consolidation of foreign subsidiaries		**2,991**	1,120
Total items that may be reclassified subsequently to profit or loss		**2,991**	1,120
Total other comprehensive income for the year		**(197)**	1,120
Total comprehensive income for the year		**138,094**	97,618
Total comprehensive income attributable to:			
Owners of the Company		**138,094**	97,618
Total comprehensive income for the year		**138,094**	97,618

Date of approval
Date: 25 March 2025



Kevin Toland
Chairperson

Keith Harris
Member of the Board

Group balance sheet as at 31 December 2024

	Notes	2024 €'000	2023 €'000
Assets			
Non-current assets			
Property, plant and equipment	9	**2,511,608**	2,482,227
Investment properties	10	**6,896**	7,325
Intangible assets	12	**28,614**	25,796
Retirement benefit asset	18	**23,069**	-
Derivative financial instruments	23	**59**	-
Total non-current assets		**2,570,246**	2,515,348
Current assets			
Trade and other receivables	13	**92,297**	113,597
Cash and cash equivalents - available to group	14	**160,297**	188,405
Cash and cash equivalents - restricted deposits	14	**21,339**	35,341
Derivative financial instruments	23	**333**	218
Current tax assets	8	**3,371**	8,887
Inventories	16	**743**	656
Total current assets		**278,380**	347,104
Total assets		**2,848,626**	2,862,452
Equity and liabilities			
Equity			
Share capital and share premium		**(318,353)**	(318,353)
Capital contribution		**(396,824)**	(369,947)
Retained earnings		**(656,898)**	(565,813)
Translation reserve		**(5,050)**	(2,059)
Total equity		**(1,377,125)**	(1,256,172)
Liabilities			
Non-current liabilities			
Borrowings and other debt	17	**(859,422)**	(724,584)
Deferred revenue	19	**(182,788)**	(148,293)
Grants	20	**(45,963)**	(52,401)
Provisions	21	**(5,263)**	(5,072)
Trade and other payables	22	**(5,905)**	(6,911)
Deferred tax liabilities	8	**(209,954)**	(206,057)
Total non-current liabilities		**(1,309,295)**	(1,143,318)
Current liabilities			
Borrowings and other debt	17	**(231)**	(299,360)
Deferred revenue	19	**(18,017)**	(12,958)
Grants	20	**(6,719)**	(6,585)
Provisions	21	**(1,754)**	(1,691)
Trade and other payables	22	**(134,637)**	(142,096)
Derivative financial instruments	23	**(51)**	(272)
Current tax liabilities	8	**(797)**	-
Total current liabilities		**(162,206)**	(462,962)
Total liabilities		**(1,471,501)**	(1,606,280)
Total equity and liabilities		**(2,848,626)**	(2,862,452)

Group statement of changes in equity

for the year ended 31 December 2024

		Share capital and share premium	Capital contribution	Retained earnings	Translation reserve	Total
		€'000	€'000	€'000	€'000	€'000
At 01 January 2023		(318,353)	(369,947)	(488,184)	(939)	(1,177,423)
Profit for the year		-	-	(96,498)	-	(96,498)
Other comprehensive income for the year		-	-	-	(1,120)	(1,120)
Total comprehensive income for the year		-	-	(96,498)	(1,120)	(97,618)
Dividends	26	-	-	18,869	-	18,869
At 31 December 2023		(318,353)	(369,947)	(565,813)	(2,059)	(1,256,172)
Profit for the year		**-**	**-**	**(138,291)**	**-**	**(138,291)**
Other comprehensive income for the year		**-**	**-**	**3,188**	**(2,991)**	**197**
Total comprehensive income for the year		**-**	**-**	**(135,103)**	**(2,991)**	**(138,094)**
Transfer from Ervia under common control	26	**-**	**(26,877)**	**-**	**-**	**(26,877)**
Dividends	26	**-**	**-**	**44,018**	**-**	**44,018**
At 31 December 2024		**(318,353)**	**(396,824)**	**(656,898)**	**(5,050)**	**(1,377,125)**

All attributable to the owners of the Company

Group statement of cash flows

for the year ended 31 December 2024

	Notes	2024 €'000	2023 €'000
Net cash from operating activities	15	**354,199**	214,228
Cash flows from investing activities			
Payments for property, plant and equipment		**(183,897)**	(133,594)
Payments for intangible assets		**(10,265)**	(6,629)
Grant received	20	**-**	762
Net cash used in investing activities		**(194,162)**	(139,461)
Cash flows from financing activities			
Proceeds from borrowings	17	**298,287**	-
Repayment of borrowings	17	**(459,520)**	-
Capital contribution received	26	**2,492**	-
Repayment of lease liabilities	11	**(244)**	(239)
Dividends paid	26	**(44,018)**	(23,969)
Net cash used in financing activities		**(203,003)**	(24,208)
Net (decrease)/increase in cash and cash equivalents	14	**(42,966)**	50,559
Cash and cash equivalents at 01 January	14	**223,746**	172,632
Effect of exchange rate fluctuations on cash held	14	**856**	555
Cash and cash equivalents at 31 December	14	**181,636**	223,746

Notes to the Group Financial statements

1. Statement of accounting policies
2. Segmental information
3. Revenue
4. Operating costs net (excluding depreciation and amortisation)
5. Employee benefits
6. Depreciation and amortisation
7. Net finance costs
8. Tax
9. Property, plant and equipment
10. Investment properties
11. Lease assets and liabilities
12. Intangible assets
13. Trade and other receivables
14. Cash and cash equivalents
15. Cash generated from operations
16. Inventory
17. Borrowings and other debt
18. Retirement benefit obligations
19. Deferred revenue
20. Grants
21. Provisions, contingencies and capital commitments
22. Trade and other payables
23. Financial risk management and financial instruments
24. Fair value measurement
25. Subsidiaries
26. Related parties
27. Subsequent events
28. Approval of financial statements

1. Statement of accounting policies

Basis of preparation

Gas Networks Ireland ('the Company') is a designated activity company, limited by shares, and incorporated in Ireland, on 13 January 2015. The address of its registered office is Gasworks Road, Cork, Ireland. The Company registration number is 555744. The Group financial statements consolidate the financial statements of the Company and its subsidiaries (as set out in note 25), (together referred to as 'the Group'), up to 31 December each year. The Company and its subsidiaries were previously controlled by Ervia. Ervia, a statutory corporation established under the Gas Act 1976 and domiciled in Ireland, was dissolved with effect from 01 June 2024, pursuant to the Gas (Amendment) and Miscellaneous Provisions Act 2024, that provided for the transfer of all functions, assets, and liabilities of the Ervia statutory corporation on that date. Refer to note 26(a) for details of the assets and liabilities transferred to Gas Networks Ireland.

The Company has availed of the exemption in section 304(2) of the Companies Act 2014 not to present its individual income statement, statement of comprehensive income and related notes.

The Group and Company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRIC) agenda decisions, effective for accounting periods beginning on or after 1 January 2024, and the Companies Act 2014. The financial statements are presented in euro, rounded to the nearest thousand and are prepared on a historical cost basis, except for certain derivative financial instruments which are measured at fair value through profit or loss. Fair value is defined as 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.

These policies have been consistently applied to all years presented in these financial statements with the exception of adoption of new standards (as set out below). In the process of applying these accounting policies, judgements and estimates are necessarily used which affect the amounts recognised in the financial statements. Details of the most significant accounting judgements and estimates applied are set out below.

Going concern

The Group and Company financial statements are prepared on the going concern basis of accounting.

The Group and Company have considerable financial resources and the Directors believe that the Group is well placed to manage its risks successfully. The Group has significant available resources, including €160m of cash and cash equivalents available to group at 31 December 2024 (2023: €188m) and committed undrawn bank facilities of €300m at 31 December 2024 (2023: €312m), with solid profitability and operating cash-flow forecasts for 2025 and beyond. Further details of the Group's liquidity position are provided in note 23 (ii) of these financial statements.

When completing the going concern assessment, the Directors have considered the principal risks and uncertainties of the Gas Networks Ireland business, including geopolitical events and the impacts of climate change.

The Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for at least twelve months from the date of approval of the financial statements.

New IFRS accounting standards effective for the year ended 31 December 2024

The Group has adopted the following amendments to standards, which have had no material impact on the Group's results or financial statement disclosures:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.
- Amendments to IAS 1 Presentation of Financial Statements: Non-current liabilities with Covenants
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

1. Statement of accounting policies (continued)

New IFRS accounting standards and interpretations not yet adopted

The following new accounting standards and amendments to existing standards have been issued but are not yet effective for this accounting period or have not yet been endorsed by the EU:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
- Annual Improvements Volume 11
- Amendments to IFRS 9 and IFRS 7: the Classification and Measurement of Financial Instruments
- Amendments to IAS 21 The Effect of Exchange Rates: Lack of Exchangeability

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new presentation requirements related to the statement of profit or loss and enhanced guidance on the aggregation and disaggregation of information in financial statements. The Group is currently working to identify all impacts of the new standard.

It is anticipated that application of the other IFRS amendments and annual improvements, in issue at 31 December 2024, but not yet effective, will not have a significant impact on the Group's financial statements.

Material accounting policy information

a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases. In the Parent financial statements, investments in subsidiaries are carried at cost less any impairment charges.

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 Group 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.

Transfer of assets and liabilities from an entity under common control

Where assets and liabilities are transferred between entities that are under common control at the date of the transfer, the assets and liabilities are not measured at their fair values and instead are measured based on the carrying values. Differences between the consideration paid and the aggregate carrying value of the assets and liabilities (as of the date of the transaction) acquired are included in equity as a capital contribution.

b) Property, plant and equipment

Recognition

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses thereon. Cost includes direct costs (including directly attributable labour and overhead costs), decommissioning or restoration costs and interest incurred in financing the construction of the asset when construction necessarily takes a substantial period of time to complete. Assets under construction represent the cost of purchasing, constructing and installing property, plant and equipment ahead of their productive use.

Subsequent expenditure

Subsequent expenditure, for example, the cost of replacing a component of an item of property, plant and equipment, is recognised in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use.

Distribution pipelines	60 years
Transmission pipelines (Northern Ireland regulated)	25 years
Transmission pipelines (Republic of Ireland regulated)	40 years
Compressor stations	20 years
Meters	15 years
Above Ground Installations (AGI's)	25 or 40 years
Buildings	40 years

Depreciation is not charged on land or assets under construction. Depreciation method, useful lives (including production hours) and residual values are reviewed at each reporting date and adjusted if appropriate.

Borrowing costs

Borrowing costs are capitalised as a cost of an asset if they are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of interest ceases when the asset is commissioned or where active development has been interrupted for an extended period.

c) Investment properties

Investment Property includes an office building and legacy gasworks sites not occupied by the Group. Investment properties are carried at historical cost less accumulated depreciation and impairment. Transfers are made to (or from) investment property only when there is a change in use. Transfers to (or from) investment property from (or to) owner-occupied are accounted for at historical cost less accumulated depreciation and impairment. Investment properties are derecognised either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

d) Intangible assets

Software and software under development

Software costs include both internally developed and externally purchased assets.

Internally developed software refers to costs directly associated with the production of identifiable and unique software products which are controlled by the Group. Intangible assets are recognised when they meet the definition of an intangible asset IAS 38 para 8 and the recognition criteria in IAS 38 para 21-23. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific assets, provided the costs meet the criteria in IAS 38 for capitalising.

Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. Amortisation is not charged on development assets that are not yet available for use. Software and other intangible assets are amortised, on a straight-line basis, over their estimated useful lives of up to seven years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Borrowing costs

Refer to accounting policy b) above.

e) Impairment of assets

Assets that are not subject to amortisation

Intangible assets that are not yet ready for use are tested annually for impairment.

Assets that are subject to depreciation/ amortisation

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any indication of impairment. If an indication of impairment exists, then the asset's recoverable amount is estimated.

Recognition of an impairment loss

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). 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 value in use. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Reversal of an impairment loss

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

A reversal of an impairment loss for a CGU shall be allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The reversal is recognised immediately in profit or loss. Using the asset's revised carrying amount, depreciation/amortisation is provided on a straight-line basis over the estimated remaining useful life.

f) Foreign currency

These financial statements are presented in euro, which is both the functional currency of the Parent and the presentational currency of the Group and the Parent.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency at rates ruling at the reporting date. The resulting foreign currency gain or loss

1. Statement of accounting policies (continued)

arising on translation is recognised in profit or loss. Non-monetary assets and liabilities in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction, and are not subsequently retranslated.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The results of foreign operations are translated to euro at average exchange rates for the period, when they represent a reasonable approximation of the actual rates incurred. Exchange differences on retranslation of the opening net assets and the results are recognised in other comprehensive income and presented as a separate component of equity (translation reserve).

g) Revenue

The Group's revenues are principally derived from gas transportation services, in both regulated and unregulated markets. The Group develops, operates and maintains the natural gas transmission and distribution networks in Ireland and provides gas transportation services to suppliers and shippers. The Group also operates and owns the two interconnector gas pipelines between Scotland and Ireland and has network infrastructure assets in Northern Ireland and the Isle of Man. The Group's revenue also includes operating lease income, which is recognised in accordance with IFRS 16 (see h below).

Revenue is measured based on the consideration the Group expects to be entitled to receive in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when or as the performance obligations, as set out in the contract, are satisfied. Transportation capacity revenue (billed and unbilled) is recognised over time as the performance obligation is fulfilled being the provision of network capacity, while any related commodity revenue is recognised based on throughput for the period for each customer.

Customer contributions in respect of gas network connections are recognised in deferred revenue when received and are released to the income statement over the life of the connection. Judgment is required to determine whether the completion of the connection services are distinct from the provision of future network transportation services. The Group has concluded that the connections and transportation services are not distinct services and therefore customer connection contributions are recognised as revenue over time as we provide access to the gas network. Transmission system connections revenue is released to the income statement over a period of fifteen years while distribution system connections revenue is released to the income statement over a period of seven years.

Contributions received towards the cost of diverting or relocating elements of the gas network are initially recorded as deferred revenue and are released to the income statement over the course of the completion of the works.

If it is considered that the criteria for revenue recognition are not met for a contract, revenue recognition is delayed until such time as collectability is considered probable. Where required, the promised amount of consideration is discounted to reflect a financing element of the transaction and the interest unwind is presented annually as a credit to the income statement.

A number of the Group's sources of revenue are dependent on being approved by the industry regulator, the Commission for Regulation of Utilities (CRU). Certain circumstances may result in the regulatory "allowed" revenue being over or under recovered in the year. For example, as part of our regulatory agreement, the Group is entitled to recover any under recovery of certain pass-through costs such as gas system shrinkage through future revenue tariff adjustments. Any over or under recovery of "allowed" revenue may therefore be included, within certain parameters, in the calculation of the subsequent years' regulatory revenue. However, no adjustment is made for over or under recoveries in the year that they arise as the recoveries are subject to future tariff changes being applied to future transportation services and therefore such adjustments do not qualify for recognition as assets or liabilities at the reporting date.

h) Leases

The Group as Lessee

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 for 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.

The lease liability (presented within 'Borrowings and other debt') is initially measured at 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.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss 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 (presented within 'Property, plant and equipment') are measured on initial recognition 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.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. IAS 36 is applied to determine whether a right-of-use asset is impaired and the Group accounts for any identified impairment loss as described in policy e) Impairment of assets.

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.

For short-term (lease term less than 12 months) and low value leases (value of the asset when new is less than €5,000), the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed. The Group had no such leases during the reporting or comparative periods.

The Group as Lessor

Leases for which the Group is the lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group enters into lease agreements as a lessor with respect to some of its investment properties and its pipelines, these leases are classified as operating leases. Rental income from pipeline operating leases is recognised as revenue on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed. Rental Income from investment properties is recognised in "other income" on a straight-line basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

i) Retirement benefit obligations

Defined benefit pension scheme

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme, which is detailed below.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial reviews being carried out at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in other comprehensive income.

Past service cost is recognised immediately. The current service cost and gains and losses on settlements and curtailments are charged to operating costs, or to provisions in the instances where the associated costs were provided for initially as part of the recognition of a restructuring provision. The pension net interest cost is calculated by applying the discount rate at the beginning of the period to the net defined liability or asset.

The retirement benefit asset recognised in the balance sheet represents the present value of the defined benefit obligation of the scheme and the fair value of the scheme's assets.

The fair value of the reimbursement rights is recognised when the Group is entitled to recover the cost of funding prior pensionable service from other public sector bodies where qualifying employees transfer their pensionable service entitlements, arising from service with other public sector bodies, to the Gas Networks Ireland scheme in accordance with the Public Service Transfer Network, which is governed by Section 4 of the Superannuation and Pensions Act 1963.

Defined contribution pension schemes

A defined contribution scheme is a post-employment scheme under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions payable under the defined contribution schemes are charged to profit or loss in the periods during which services are rendered by employees.

j) Grants

A grant is recognised as a liability initially on the balance sheet when there is reasonable assurance that it will be received and that the Group will comply with the conditions attaching to it. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are amortised to the income

1. Statement of accounting policies (continued)

statement on a systematic basis over the useful life of the asset to match the depreciation charge.

k) Provisions and contingent liabilities

The Group evaluates its exposures to contingent liabilities relating to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or Government regulation. A provision is recognised when it is probable that an obligation exists for which a reliable estimate can be made after careful analysis of the individual matter. Analysis includes assessing the likelihood that a pending claim will succeed, or a liability will arise, and the point of recognition for the associated liability.

Matters that either are possible obligations or do not meet the recognition criteria for a provision are disclosed as contingent liabilities, unless the possibility of transferring economic benefits is remote.

Provisions may change in the future due to new developments and as additional information becomes available. Reflecting the inherent uncertainty in this evaluation process actual costs may be different from the estimated provision. Details of provisions are disclosed in note 21.

l) Inventories

Inventories are measured at the lower of cost and net realisable value, using the first-in, first-out (FIFO) cost formula in line with IAS 2 Inventories. Cost comprises purchase price and all direct costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the actual or estimated selling price less all costs to be incurred prior to sale. Specific allowance is made for damaged, deteriorated, obsolete and unusable items where appropriate.

m) Financial assets and liabilities

Derivative financial instruments

Foreign exchange forward contracts are the only derivative financial instruments used by the Group to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 23.

Derivatives are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both current legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest rate method.

Trade and other receivables

Trade and other receivables are initially recognised at the transaction price receivable and are subsequently carried at this value as there is no significant financing component less an appropriate allowance for expected credit losses. Impairment losses are provided for using a lifetime expected credit loss model, with the expected impairment being recognised as an expense in operating costs. Where required, the expected credit loss amount is calculated by applying expected loss rates, based on actual historical cash collection performance, to the aged debt profile with future macro-economic factors and factors specific to the debtors taken into consideration.

Cash and cash equivalents

- available to group

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Where the conditions and intention for offset exists, cash balances are combined with overdraft balances and this combined balance is presented on the balance sheet.

- restricted deposits

Restricted deposits are third party monies, held under financial security or regulatory arrangements, that are not available for operational purposes under the Gas Networks Ireland Code of Operations, nor are they held for the purpose of meeting short-term cash commitments. The monies are held in deposit accounts held with banks, the monies meet the definition of cash and cash equivalents.

Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount plus any directly attributable transaction costs, and subsequently carried at amortised cost using the effective interest rate method.

Loans and balances with Group companies (Company)

Loans and balances with Group companies are non-derivative financial assets or liabilities which are not quoted in an active market. They are included in current trade and other receivables or current trade and other payables in the Company balance sheet, except for those with an expectation of collection greater than twelve months after the balance sheet date, which are included in non-current trade and other receivables or non-current trade and other payables. Loans due to Group companies are initially recorded at fair value. Loans and balances receivable from Group companies are subsequently accounted for at amortised cost less expected credit loss.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above).
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

n) Net finance income/costs

Finance costs comprise, effective interest on borrowings, financing charge on provisions (which are recognised if assessed as material), and fair value movements on financial instruments classified as fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Finance income comprises fair value movements on financing instruments classified as fair value through profit or loss, any interest income on funds invested and dividends received. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Fair value adjustments on financing instruments that are classified at fair value through profit or loss are presented as finance income or finance costs, as appropriate.

o) Income tax

Income tax expense 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 equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the intention is to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured, at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying temporary differences can be deducted.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the intention is to settle on a net basis or to realise the asset and settle the liability simultaneously.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

p) Operating profit

Operating profit is stated before net finance costs and taxation.

q) Non-GAAP measures

EBITDA is defined as earnings before interest, tax, depreciation and amortisation. Net debt is defined as total borrowings and other debt adjusted for impact of fair value hedges less cash and cash equivalents available to group. The Group uses these non-GAAP measures to provide useful performance and financing information to management, stockholders and external stakeholders.

Critical accounting judgements and estimates

In the process of applying these accounting policies, the Group is required to make certain estimates, (monetary amounts in the financial statements that are subject to measurement uncertainty) assumptions and judgements that it believes are reasonable based on the information available. These are assessed in the preparation of these financial statements. The Group has also considered the implications of climate change on its operations and activities, further details of which are set out below.

These estimates, assumptions and judgements affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. Changes to these estimates could have a material effect on the financial statements.

1. Statement of accounting policies (continued)

On an ongoing basis, the Group evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ from these estimates, the effect of which is recognised in the period in which the facts that give rise to the revision becomes known.

(i) Significant judgements in applying the Group's accounting policies

The following are the significant judgements apart from those involving estimates (which are dealt with separately below) that the Group has made in the process of applying these accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification of costs between operating expenditure and capital expenditure

The classification of expenditure as capital or operating expenditure can require significant judgement, particularly in instances where projects include elements of both enhancement (capital) and maintenance (operating) activities. The Group has policies, controls and procedures in place to mitigate against the risks of ineligible expenditure being capitalised.

(b) Connection services and network transportation services

Judgement is required in the application of the Group's revenue accounting policy for network connection customer contributions, to determine whether the completion of the connection works is a distinct performance obligation from future network transportation services. The Group notes that this accounting judgement area has been subject to consideration within the accounting profession, with two schools of thought existing on whether the connection works are a distinct performance obligation, depending on the assessment as to whether future network services are "readily available" in accordance with IFRS 15. The alternative view is that future network services are not "readily available" in accordance with IFRS 15, based on the assessment that connection works are inextricably linked to the provision of future network transportation services. The Group has concluded that connection works are not a distinct performance obligation and consequently, network connection customer contributions are recognised as revenue over the estimated life of the connection as network services are provided.

(ii) Estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

(a) Infrastructure assets and the assets we use in our business

As of 31 December 2024, the aggregate of the Group's property, plant and equipment, investment properties and intangible assets was €2,547.1m (2023: €2,515.3m), which accounted for the majority of the Group's assets. Therefore the estimates and assumptions made in determining the carrying value are critical to the financial statements because the recoverability of the amounts, or lack thereof, could significantly affect the Group's future financial performance and position. The Group recognises depreciation and amortisation charges annually (2024: €153.6m and 2023: €147.1m) which are primarily calculated to write down the cost of property, plant and equipment and intangible assets over their expected useful economic lives (UELs).

In the case of property, plant and equipment in particular, the determination of estimated UELs of assets requires significant judgement, that are based on experience, expectations about the future and other factors. The estimated UELs for major asset classifications are set out in these accounting policies. The Group reviews assets' UELs annually and any required changes are adjusted prospectively.

Ireland's Climate Action target to reach net zero by 2050, will impact on how fossil fuels are used by customers and end-consumers and this will impact on how our gas network is used into the future. We believe that we have a clear role in addressing climate change net zero targets by facilitating an efficient energy transition, through the decarbonisation of the gas network, using alternative technologies including hydrogen and biomethane. We have published "Pathway to a Net Zero Carbon Network", that details our transformation ambitions towards a repurposed, resized, and fully decarbonised gas network by 2045. While we recognise that there are a range of possible scenarios regarding how our network is used in the future, we are satisfied, based on currently available information, that asset useful lives continue to remain appropriate.

Due to the significance of asset investment by the Group, variations between actual and estimated UELs could have a material impact on future results, either positively or negatively. See note 9 for a sensitivity analysis of the impact were shorter UELs presumed for the Group's plant, pipeline and machinery.

(b) Climate change

The Group continues to develop and enhance its assessment of the potential long-term impacts of climate change on the assets and liabilities in its financial statements. The impact of climate change has been considered in the preparation of these financial statements across a number of areas, predominantly in respect of the valuation of the property, plant and equipment held by the Group, as described in (a) above.

2. Segmental information

The Group has adopted IFRS 8 Operating Segments in the financial statements. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance. In the Group's case, the Chief Operating Decision Maker has been identified as the Gas Networks Ireland Board.

The Group's operating segments are therefore those used internally by the Gas Networks Ireland Board to run the business and make strategic decisions. The Gas Networks Ireland Board is provided with information in respect of the Group on a single segment basis for the purposes of assessing performance and allocating resources. The Gas Networks Ireland Board reviews operating results at a Gas Networks Ireland Group level. In light of this, the Group has a single segment for financial reporting purposes. Therefore the segment profit and segment assets and liabilities as reported to the Chief Operating Decision Maker are as set out in the Group Income Statement and Group Balance Sheet respectively and therefore no further segmental information is provided in this note.

(a) Revenue by geographic location 2024 2023

	2024 €'000	2023 €'000
Ireland	**559,980**	488,037
UK (including Northern Ireland and Isle of Man)	**39,521**	39,032
Total	**599,501**	527,069

Included in the Group's total revenue are revenues of €156.1m (2023: €143.9m), €111.3m (2023: €95.7m) and €80.4m (2023: €61.5m) which arose from sales to the Group's three largest customers. Revenue from one other customer exceeded 10% of total revenue (€64.2m). Refer to note 3 for analysis of revenues from external customers by type.

(b) Non-current assets by geographic location

	2024 €'000	2023 €'000
Ireland	**2,172,426**	2,156,715
UK (including Northern Ireland and Isle of Man)	**374,692**	358,633
Total	**2,547,118**	2,515,348

Non-current assets for the purpose of this disclosure consist of property, plant and equipment, investment properties and intangible assets.

3. Revenue

	2024 €'000	2023 €'000
Regulated	**553,405**	485,172
Unregulated - transportation contracts	**12,999**	21,333
Unregulated - new connections contracts	**9,502**	7,874
Unregulated - other	**23,595**	12,690
Total	**599,501**	527,069

Regulated revenue is commodity and capacity revenue earned and regulated by the Commission for Regulation of Utilities (CRU) and the Utility Regulator (UR). Unregulated transportation contracts are agreements for gas transportation that are not overseen by the CRU or UR. These contracts are negotiated directly between Gas Networks Ireland and gas shippers or suppliers. Unregulated - new connection contracts relate to transmission and distribution customer connection contributions, that are recognised as revenue over time as we provide access to the gas network. Unregulated - other revenues includes contributions towards the cost of network diversions and alterations, revenues from the Aurora telecommunications business and revenues from operational services that are ancillary to the use of the gas transportation system.

Refer to note 1 for details of the Group's revenue accounting policy and revenue streams. Refer to note 13 for details of the Group's trade receivables from these revenue streams.

4. Operating costs net

(excluding depreciation and amortisation)

	Notes	2024 €'000	2023 €'000
Employee benefit expense	5	**(77,220)**	(67,672)
Hired and contracted services		**(15,031)**	(10,364)
Materials, maintenance and sub-contractor costs		**(85,771)**	(72,052)
Rates and facilities		**(39,328)**	(36,814)
Gas system shrinkage and gas losses		**(26,655)**	(36,295)
Central transactional and support service costs	26	**-**	(169)
Other operating expenses		**(33,510)**	(31,630)
Other operating income		**1,306**	1,322
Total		**(276,209)**	(253,674)

Operating costs are stated after charging:

(a) Auditor's remuneration

	2024 €'000	2023 €'000
Audit of the Group financial statements*	**(325)**	(164)
Other assurance services	**(89)**	(31)
Tax advisory services	**-**	-
Other non-audit services	**(176)**	(22)
Total	**(590)**	(217)

** The audit of the Group financial statements includes the audit of subsidiary companies.*

(b) Directors' remuneration*

	2024 €'000	2023 €'000
Non-Executive Directors - Fees **	**(137)**	(142)
Remuneration of the Chief Executive Officer ***	**(266)**	(269)
Remuneration of other Executive Directors ****	**-**	(264)
Total	**(403)**	(675)

** In accordance with the Articles of Association, the Chief Executive Officer or other executive directors are not entitled to receive Directors fees.*

*** The non-executive Board members of Ervia were appointed as Directors of Gas Networks Ireland on 19 April 2023. They were remunerated for their Ervia Board membership up to the integration of Ervia into Gas Networks Ireland on 01 June 2024. From 01 June 2024 they were remunerated as Directors of Gas Networks Ireland. The disclosure above includes the allocation of all remuneration earned as Board members of Ervia, based on services provided to Gas Networks Ireland.*

**** The disclosure above represents the combined remuneration earned in the capacity as Chief Executive Officer of Ervia and Gas Networks Ireland. All remuneration was allocated to Gas Networks Ireland, based on services provided.*

***** During the period in 2023, prior to the appointment of the Ervia non-executive Board members as Directors of Gas Networks Ireland, 4 other Executive Directors served as Directors of Gas Networks Ireland. The disclosure above represents remuneration earned by the executive directors, in their capacity as salaried employees of Gas Networks Ireland. During 2023, two directors accrued defined benefit pension contributions (€10,000) and two directors accrued defined contribution pension contributions (€14,000).*

(c) Chief Executive Officer

Details of the all-in cost of the remuneration package of the Ervia and Gas Networks Ireland Group Chief Executive Officer is as follows:

	2024 €'000	2023 €'000
Basic salary	**(225)**	(225)
Other short-term employee benefits	**(11)**	(13)
Post-employment benefits - pension contributions	**(30)**	(31)
Total	**(266)**	(269)

5. Employee benefits

(i) Aggregate employee benefits

	2024 €'000	2023 €'000
Staff short-term benefits	**(74,142)**	(67,877)
Post-employment benefits - defined benefit scheme *	**(6,008)**	(3,173)
Post-employment benefits - defined contribution scheme	**(3,146)**	(2,661)
Social insurance costs	**(8,216)**	(7,476)
	(91,512)	(81,187)
Capitalised payroll	**14,292**	13,515
Employee benefit expense charged to profit or loss	**(77,220)**	(67,672)

**Gas Networks Ireland participated in the Ervia Superannuation scheme until 01 June 2024. The expense disclosed above includes €2.130m (2023: €3.173m) incurred in the periods prior to 01 June 2024, that were accounted for as a Group Plan in accordance with IAS 19 - refer to note 18 for further details.*

(ii) Staff short-term benefits

	2024 €'000	2023 €'000
Wages and salaries	**(70,057)**	(64,049)
Overtime	**(1,430)**	(1,382)
Allowances	**(1,111)**	(944)
Other **	**(1,544)**	(1,502)
Total	**(74,142)**	(67,877)

*** Other short-term employee benefits primarily include permanent health and life insurance benefits and taxable travel allowances.*

The average monthly number of employees providing services to the Group and the Company for the year was 848 (2023: 813)

6. Depreciation and amortisation

	Notes	2024 €'000	2023 €'000
Depreciation of property, plant and equipment	9	**(144,653)**	(144,025)
Impairment of property plant and equipment	9	**(6,916)**	(1,864)
Depreciation of investment properties	10	**(429)**	(438)
Depreciation of right-of-use assets	11	**(402)**	(414)
Amortisation of intangible assets	12	**(7,904)**	(6,972)
Grant amortisation	20	**6,665**	6,581
Total		**(153,639)**	(147,132)

7. Net finance costs

	Notes	2024 €'000	2023 €'000
Before remeasurements			
Interest and finance costs		**(18,923)**	(15,656)
Interest income on short-term deposits		**8,713**	4,002
Gain on derecognition of financial liabiity *		**4,104**	-
Interest capitalised		**1,154**	440
Lease liability finance charge	11	**(76)**	(81)
Net Interest on the net defined benefit asset	18	**58**	-
Interest on other pension assets	18	**127**	-
Total before remeasurements		**(4,843)**	(11,295)
Remeasurements			
Net changes in fair value of derivatives		**395**	63
Total remeasurements		**395**	63
Total			
Finance income		**13,397**	4,065
Finance costs		**(17,845)**	(15,297)
Net finance costs		**(4,448)**	(11,232)

** In September 2024, Gas Networks Ireland issued a €300m Corporate Bond at a 3.25% coupon rate. Gas Networks Ireland subsequently completed a Liability Management exercise of €164m on the €500m 1.375% coupon bond, that was due to mature in December 2026. The amount payable to partially redeem the bond was €4.49m below its par value, less fees associated with the buyback of €0.387m, resulting in a gain of €4.104m, which is reported under finance income above.*

8. Tax

Income tax

	2024 €'000	2023 €'000
Current tax		
Current tax	**(28,955)**	(14,857)
Adjustments in respect of previous years *	**2,060**	58
	(26,895)	(14,799)
Deferred tax		
Origination and reversal of temporary differences *	**2,145**	(3,417)
Adjustments in respect of previous years	**(2,164)**	(317)
	(19)	(3,734)
Total income tax	**(26,914)**	(18,533)

** Adjustments in respect of previous years current and deferred tax charges primarily relate to accelerated capital allowances entitlements by the Group's UK subsidiary.*

Current tax assets and liabilities

	2024 €'000	2023 €'000
Current tax asset *	**3,371**	8,887
Current tax liabilities	**(797)**	-

** Prior year current tax asset arose primarily due to prior year tax impacts of the change in accounting policy as described in note 1 to the 2023 Gas Networks Ireland Group Financial Statements. The current year tax asset primarily arose due to accelerated capital allowance entitlements of the Group's UK Subsidiary.*

Reconciliation of effective tax rate

	2024 €'000	2023 €'000
Profit before income tax	**165,205**	115,031
Taxed at 12.5% (2023: 12.5%)	**(20,651)**	(14,379)
Depreciation on capital expenditure that is not deductible for tax purposes	**(2,392)**	(2,041)
Other expenses not deductible for tax purposes	**367**	193
Income not taxable	**503**	499
UK subsidiary profits taxed at higher rates	**(4,795)**	(2,521)
Effect of tax rate change	**-**	(49)
Exchange adjustments	**158**	24
Adjustments in respect of previous years	**(104)**	(259)
	(26,914)	(18,533)

Refer to the Group statement of other comprehensive income for details of the tax impacts therein.

Deferred tax assets and liabilities

	Pension €'000	Accelerated tax depreciation €'000	Interest charges payable €'000	Other * €'000	Total €'000
At 01 January 2023	-	(208,415)	1,732	4,744	(201,939)
Recognised in income statement	-	2,660	(1,453)	(4,941)	(3,734)
Exchange adjustments	-	(365)	(19)	-	(384)
At 31 December 2023	-	(206,120)	260	(197)	(206,057)
Transferred under common control transaction	**(3,465)**	**-**	**-**	**-**	**(3,465)**
Recognised in income statement	**140**	**(156)**	**(23)**	**20**	**(19)**
Recognised in equity	**455**	**-**	**-**	**-**	**455**
Exchange adjustments	**-**	**(868)**	**-**	**-**	**(868)**
At 31 December 2024	**(2,870)**	**(207,144)**	**237**	**(177)**	**(209,954)**

** Includes deferred tax asset of €0.3m in relation to lease liabilities (2023 €0.3m). Deferred tax liability in relation to right-of-use assets amounts to €0.5m, (2023 €0.5m).*

Deferred tax has not been provided for in relation to unremitted reserves of the Group's overseas subsidiary which were €215.4m as at 31 December 2024 (2023 €189.7m).

9. Property, plant and equipment

	Notes	2024 €'000	2023 €'000
Property, plant and equipment - owned assets		**2,507,713**	2,478,051
Property, plant and equipment - right-of-use assets	11	**3,895**	4,176
Property, plant and equipment - as presented on the balance sheet		**2,511,608**	2,482,227

Property, plant and equipment - owned assets

	Land and buildings €'000	Plant, pipeline and machinery €'000	Assets under construction €'000	Total €'000
Cost				
At 01 January 2023	69,581	4,708,644	75,096	4,853,321
Additions	395	11,284	130,420	142,099
Disposals	-	(3,892)	-	(3,892)
Transfers	3,513	92,785	(96,298)	-
Effect of movement in exchange rates	-	5,108	65	5,173
At 31 December 2023	73,489	4,813,929	109,283	4,996,701
Additions	**-**	**7,582**	**169,810**	**177,392**
Disposals	**-**	**(5,257)**	**-**	**(5,257)**
Transfers	**2,229**	**133,121**	**(135,350)**	**-**
Effect of movement in exchange rates	**-**	**12,004**	**332**	**12,336**
At 31 December 2024	**75,718**	**4,961,379**	**144,075**	**5,181,172**
Accumulated depreciation and impairment losses				
At 01 January 2023	(29,718)	(2,342,108)	(1,062)	(2,372,888)
Depreciation charge	(1,931)	(142,094)	-	(144,025)
Impairment charge	-	(1,864)	-	(1,864)
Disposal	-	3,892	-	3,892
Transferred to Investment properties 10	(314)	(86)	-	(400)
Effect of movement in exchange rates	-	(3,365)	-	(3,365)
At 31 December 2023	(31,963)	(2,485,625)	(1,062)	(2,518,650)
Depreciation charge	**(1,541)**	**(143,112)**	**-**	**(144,653)**
Impairment charge	**-**	**(6,916)**	**-**	**(6,916)**
Disposals	**-**	**5,257**	**-**	**5,257**
Effect of movement in exchange rates	**-**	**(8,497)**	**-**	**(8,497)**
At 31 December 2024	**(33,504)**	**(2,638,893)**	**(1,062)**	**(2,673,459)**
Carrying amounts				
At 31 December 2023	41,526	2,328,304	108,221	2,478,051
At 31 December 2024	**42,214**	**2,322,486**	**143,013**	**2,507,713**

Impairment losses recognised in respect of plant and machinery in the year amounted to €6.9m, (2023 €1.9m). These losses are attributable to greater than anticipated wear and tear and the write down of spares. The impairment loss brought forward in respect of assets under construction relates to development projects.

The carrying value of property, plant and equipment includes assets that are subject to operating lease arrangements as described in note 11 'The Group as Lessor'. The carrying value of these assets at 31 December 2024 was €35m (31 December 2023: €45m) and is included in plant, pipeline and machinery.

During the year, the Group capitalised €1.2m (2023: €0.4m) in borrowing costs. The capitalisation rate was 1.65% (2023: 1.45%).

Depreciation sensitivity

Given it is an area of estimation uncertainty, as described in note 1, below we provide a sensitivity analysis on the depreciation charge increase were a shorter useful economic life (UEL) presumed:

	2024 €'000	2023 €'000
UEL limited to 2050	**15,161**	14,113
UEL limited to 2060	**4,158**	3,811
UEL limited to 2070	**877**	757

10. Investment properties

	Total €'000
Cost	
At 31 December 2023	23,151
At 31 December 2024	**23,151**
Accumulated depreciation and impairment losses	
At 1 January 2023	(15,788)
Transferred from Property, plant and equipment (note 9)	400
Depreciation charge	(438)
At 31 December 2023	(15,826)
Depreciation charge	**(429)**
At 31 December 2024	**(16,255)**
Carrying amounts	
At 31 December 2023	7,325
At 31 December 2024	**6,896**

The Group's investment properties consist primarily of an office building, also included are legacy gasworks sites, one of which is leased to a third party. The fair value of the investment properties as at 31 December 2024 was €11.7m (2023 €14.2m). As at 31 December 2024 and 2023, the fair values of the properties are based on valuations performed by Avison Young, an accredited independent valuer with experience in the location and category of property being valued. The valuation has been prepared in accordance with the RICS Valuation Global Standards (incorporating the IVSC International Valuation Standards.) The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 24).

Rental income recognised by the Group during 2024 was €1.3m, (2023 €1.3m) and was included in "other operating income", (see note 4).

11. Lease assets and liabilities

The Group as Lessee

The Group has entered into various leasing arrangements which generally relate to the rental of buildings, land and telecommunications assets. There are no significant or unusual restrictions imposed by the terms of these leases. All lease arrangements are at an arm's length basis.

Amounts recognised on the balance sheet

	Land and buildings	Plant, pipeline and machinery	Total
Right-of-use assets	**€'000**	**€'000**	**€'000**
At 01 January 2023	410	5,536	5,946
Additions	82	-	82
At 31 December 2023	492	5,536	6,028
Additions	**121**	**-**	**121**
At 31 December 2024	**613**	**5,536**	**6,149**
Accumulated depreciation and impairment losses			
At 01 January 2023	(312)	(1,126)	(1,438)
Depreciation charge	(89)	(325)	(414)
At 31 December 2023	(401)	(1,451)	(1,852)
Depreciation charge	**(76)**	**(326)**	**(402)**
At 31 December 2024	**(477)**	**(1,777)**	**(2,254)**
Carrying amounts			
At 31 December 2023	91	4,085	4,176
At 31 December 2024	**136**	**3,759**	**3,895**
Lease liabilities			
At 01 January 2023	(90)	(2,648)	(2,738)
Addition	(82)	-	(82)
Interest expense	(1)	(80)	(81)
Lease payments	80	240	320
At 31 December 2023	(93)	(2,488)	(2,581)
Addition	**(121)**	**-**	**(121)**
Interest expense	**(1)**	**(75)**	**(76)**
Lease payments	**80**	**240**	**320**
At 31 December 2024	**(135)**	**(2,323)**	**(2,458)**

11. Lease assets and liabilities (continued)

Analysed as follows:

	2024 €'000	2023 €'000
Non-current	**(2,227)**	(2,346)
Current	**(231)**	(235)
Total	**(2,458)**	**(2,581)**

Lease liabilities are monitored within the relevant business functions. The Group does not face significant liquidity risk with regard to its lease liabilities. Refer to note 17 for a maturity analysis of lease liabilities.

The Group as Lessor

The Group has entered into operating leases on its investment property (see Note 10). Rental income recognised by the Group in other operating income (see Note 4) during the year is €1.3m (2023 €1.3m).

The Group enters into operating lease arrangements to allow third parties the use of parts of the Gas Network Transportation system. In accordance with the Group's accounting policy all receipts from these arrangements are deemed to be earned as part of the Group's core operations and accordingly this lease income is recognised as revenue in the income statement. During 2024, lease income in respect of the transportation system of €8.3m was recognised (2023: €18.1m). Below is a profile of undiscounted non-cancellable future operating lease income to be recognised as revenue and other operating income in future years. The unexpired lease terms range from 1 to 3 years (2023: 1 to 4 years).

Maturity analysis

	31-Dec-24 €'000	31-Dec-23 €'000
Year 1	**6,919**	9,579
Year 2	**3,899**	6,829
Year 3	**502**	3,899
Year 4	**-**	502
Total	**11,320**	20,809

12. Intangible assets

	Software and other €'000	Software under development €'000	Total €'000
Cost			
At 01 January 2023	173,081	4,068	177,149
Additions (including internally developed)	-	5,735	5,735
Transfers	3,614	(3,614)	-
Effect of movement in exchange rates	44	1	45
At 31 December 2023	176,739	6,190	182,929
Additions (including internally developed)	**-**	**10,702**	**10,702**
Transfers	**11,109**	**(11,109)**	**-**
Effect of movement in exchange rates	**118**	**3**	**121**
At 31 December 2024	**187,966**	**5,786**	**193,752**
Accumulated amortisation			
At 01 January 2023	(150,121)	-	(150,121)
Amortisation charge	(6,972)	-	(6,972)
Effect of movement in exchange rates	(40)	-	(40)
At 31 December 2023	(157,133)	-	(157,133)
Amortisation charge	**(7,904)**	**-**	**(7,904)**
Effect of movement in exchange rates	**(101)**	**-**	**(101)**
At 31 December 2024	**(165,138)**	**-**	**(165,138)**
Carrying amounts			
At 31 December 2023	19,606	6,190	25,796
At 31 December 2024	**22,828**	**5,786**	**28,614**

13. Trade and other receivables

	31-Dec-24 €'000	31-Dec-23 €'000
Use of system receivable - billed	**7,394**	50,403
Use of system receivable - unbilled	**54,850**	47,579
Other trade receivables - billed	**7,519**	1,278
Other trade receivables - unbilled	**9,036**	4,572
Other receivables	**4,978**	486
Sub-total	**83,777**	104,318
Prepayments	**8,520**	9,279
Total	**92,297**	113,597
Analysed as follows:		
Non-current	**-**	-
Current	**92,297**	113,597
Total	**92,297**	113,597

Trade receivables mainly represent use of system receivables for the Group's gas pipeline networks in the Republic of Ireland and Northern Ireland. Other trade receivables mainly represent unregulated customer contract receivables and ancillary regulated customer contract receivables.

There are no material expected credit loss allowances recognised by the Group and the Group does not expect any significant losses of receivables that have not been provided.

Use of system receivables:

Republic of Ireland:

Use of system revenue in Ireland comprises Distribution Use of System (DUoS) revenue and Transmission Use of System (TUoS) revenue. The credit terms for both DUoS and TUoS are ten business days and there were twenty eight external shippers at year end. TUoS and DUoS revenue is billed and collected by the Group. The allowed revenue is invoiced to the shippers on a monthly basis twelve business days after month end with payment due twelve days after the date of issue or by the second last business day of the month (whichever is later). Under the Gas Network Code of Operations, shippers may be required to provide financial security in order to protect the Group against non-payment of gas transportation invoices. Related funds received are held on deposit and are included within the restricted deposits balance (note 14). The Group has not recognised any material impairment loss in the current or prior reporting period.

Northern Ireland:

Use of system revenue in Northern Ireland comprises Transmission Use of System (TUoS) revenue. Invoices are issued by the administrator and non-payment of invoices attracts a daily interest charge. Shippers may be required to provide financial security in order to protect the group against non-payment of gas transportation invoices. Related funds received are held on deposit and are included within the restricted deposits balance (note 14). The Group has not recognised any impairment loss in the current or prior reporting period.

Other trade receivables and other receivables:

Other trade receivables include unregulated customer contract receivables, third party damages receivables, Aurora Telecom receivables and regulated customer contract receivables that are ancillary to the use of the DUoS and TUoS systems. Payments in relation to new connections or alterations are paid for in advance of the work being carried out. Credit risk on all other receivables is managed through proactive monitoring and management of balances and credit vetting (where applicable).

The Group's maximum exposure of trade receivables and other receivables to credit risk at the reporting date is €83.8m (2023: €104.3m). Prepayments are excluded as no credit exposure arises.

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region is as follows:

	31-Dec-24 €'000	31-Dec-23 €'000
Republic of Ireland	**73,237**	96,589
UK (including Northern Ireland and Isle of Man)	**10,540**	7,729
Total	**83,777**	104,318

The majority of the Group's trade and other receivables are collected within 30 days of the invoice date. Given the credit worthiness of the Group's trade and other receivables, a provision matrix is not used by the Group and an adjustment in respect of macro-economic factors is assessed as not required as it would not have a material impact on the expected credit losses (ECL) recognised. Instead an assessment of ECL is performed on individual debtors. As noted above, there are no material expected credit loss allowances recognised by the Group and the Group does not expect any significant losses of receivables that have not been provided. The Group writes off trade and other receivables where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed into liquidation or has entered into bankruptcy proceedings. The trade receivables that have been written off, in the current year and prior year, are immaterial.

The following table shows the movement in expected credit loss allowance that has been recognised for trade and other receivables in accordance with the simplified approach as set out in IFRS 9 (individually assessed).

	31-Dec-24 €'000	31-Dec-23 €'000
At 1 January	**(894)**	(593)
Impairment losses on financial assets	**(102)**	(301)
Allowance utilised	**318**	-
At 31 December	**(678)**	(894)

The ageing of trade and other receivables, net of expected credit losses, is as follows:

	31-Dec-24 €'000	31-Dec-23 €'000
Not past due	**80,754**	98,489
1-30 days overdue	**1,106**	3,421
31-120 days overdue	**1,088**	1,891
> 120 days overdue	**829**	517
Total	**83,777**	104,318

14. Cash and cash equivalents

Available to group

Cash and cash equivalents are held for the purposes of meeting short-term cash commitments.

	31-Dec-24 €'000	31-Dec-23 €'000
Short-term bank deposits	**126,097**	160,000
Cash at bank	**34,200**	28,405
Total	**160,297**	188,405

Cash and cash equivalents primarily comprise cash balances and short-term bank deposits with an original maturity of less than three months. The carrying amount of these assets approximates their fair value. Refer to note 23 for treasury related credit risk disclosures.

Restricted deposits

	31-Dec-24 €'000	31-Dec-23 €'000
Cash at bank	**21,339**	35,341
Total	**21,339**	35,341

All restricted deposits held by the Group meet the definition of "Cash and Cash Equivalents" under IAS 7 "Statement of Cash Flows". Restricted deposits include amounts held in respect of gas network shipper security deposits (note 13) and certain connection agreements (note 19). The level of shipper security in place is assessed on a regular basis, and further deposits or refunds are made if required, in accordance with the Gas Networks Ireland Code of Operations. Connection agreement security deposits are held to underwrite the capital cost of large connection projects (returned to the customers on a phased basis over 2-3 years) and to underwrite capacity payments (returned to the customer over a period of up to 7 years). Customers have the option of replacing existing security deposits with other forms of financial security at any time. Corresponding payables due have been recorded for all restricted cash balances recorded in cash and cash equivalents. Refer to Note for details. Refer to note 23 for treasury related credit risk disclosures.

Cash and cash equivalents movements through the statement of cash flows also includes movements in restricted deposit balances.

	31-Dec-24 €'000	31-Dec-23 €'000
At 1 January	**223,746**	172,632
(Decrease)/Increase in cash and cash equivalents in the statement of cash flows	**(42,966)**	50,559
Effect of exchange rate fluctuations on cash held	**856**	555
At 31 December	**181,636**	223,746

15. Cash generated from operations

	Notes	2024 €'000	2023 €'000
Cash flows from operating activities			
Profit for the year		**138,291**	96,498
Adjustments for:			
Depreciation and amortisation	6	**153,639**	147,132
Retirement benefit cost		**1,451**	-
Net finance costs	7	**4,448**	11,232
Income tax expense	8	**26,914**	18,533
		324,743	273,395
Working capital changes:			
Change in trade and other receivables		**24,951**	(37,823)
Change in trade and other payables		**(7,174)**	(14,046)
Change in deferred revenue		**39,387**	36,721
Change in provisions		**254**	(653)
Change in inventories		**(87)**	(88)
Cash from operating activities		**382,074**	257,506
Interest paid *		**(7,213)**	(18,445)
Income tax paid		**(20,662)**	(24,833)
Net cash from operating activities		**354,199**	214,228

** Interest paid in 2023 includes €7.4m of interest paid to the ultimate parent undertaking.*

Interest paid is net of deposit interest income on Short term deposits of €8.7m (2023 €4.0m).

16. Inventory

	31-Dec-24 €'000	31-Dec-23 €'000
Stocks and materials	**743**	**656**

No inventory was pledged as security.

There were no write-downs of inventories to net realisable value in 2024 (2023: €nil).

In 2024 the value of inventory recognised as maintenance costs amounted €3.3m (2023 €2.9m).

17. Borrowings and other debt

This note provides information about the contractual terms of the Group's interest-bearing borrowings. Refer to note 23 for more information about the Group's exposure to interest rate, exchange rate and liquidity risk.

	Notes	2024 €'000	2023 €'000
Bonds		**(757,695)**	(922,103)
Loans from financial institutions		**(99,500)**	(99,260)
Lease liabilities		**(2,458)**	(2,581)
Total		**(859,653)**	(1,023,944)
Analysed as follows:			
Non-current		**(859,422)**	(724,584)
Current		**(231)**	(299,360)
Total		**(859,653)**	(1,023,944)
Less than one year		**(231)**	(299,360)
Between one and five years		**(334,101)**	(498,915)
More than five years		**(525,321)**	(225,669)
Total		**(859,653)**	(1,023,944)

All borrowings are repayable other than by instalment.

Net debt

	Notes	2024 €'000	2023 €'000
Total borrowings and other debt		**(859,653)**	(1,023,944)
Less cash and cash equivalents - available to Group	14	**160,297**	188,405
Net Debt *		**(699,356)**	(835,539)

** Only cash and cash equivalents available to group are included in the calculation of net debt, cash and cash equivalents- restricted amounts are excluded.*

Changes in liabilities arising from financing activities

	Notes	Bonds €'000	Loans from financial institutions €'000	Lease liabilities €'000	Sub-total €'000	Ultimate parent undertaking €'000	Total €'000
At 01 January 2023		(921,156)	(99,020)	(2,738)	(1,022,914)	(5,270)	(1,028,184)
Lease Liabilities	11	-	-	239	239	-	239
Payment of withheld dividend		-	-	-	-	5,100	5,100
Payment of interest on withheld dividend		-	-	-	-	205	205
Non-cash		(947)	(240)	(82)	(1,269)	(35)	(1,304)
At 31 December 2023		(922,103)	(99,260)	(2,581)	(1,023,944)	-	(1,023,944)
Lease Liabilities	11	**-**	**-**	**244**	**244**	**-**	**244**
Proceeds from Borrowings		**(298,287)**	**-**	**-**	**(298,287)**	**-**	**(298,287)**
Repayment of Borrowings		**459,520**	**-**	**-**	**459,520**	**-**	**459,520**
Non-cash		**3,175**	**(240)**	**(121)**	**2,814**	**-**	**2,814**
At 31 December 2024		**(757,695)**	**(99,500)**	**(2,458)**	**(859,653)**	**-**	**(859,653)**

18. Retirement benefit obligations

The Group operates a defined benefit scheme and a defined contribution scheme.

Defined benefit scheme

On 01 June 2024, the Ervia Superannuation Scheme, including all assets and liabilities, was transferred to Gas Networks Ireland in accordance with the Gas (Amendment) and Miscellaneous Provisions Act 2024. The Superannuation Scheme was subsequently renamed as the Gas Networks Ireland Superannuation Scheme.

Prior to its dissolution on 01 June 2024, the Ervia corporate body was the sponsoring employer of the Ervia Superannuation scheme. Eligible employees of Gas Networks Ireland participated in the scheme during the period and the scheme continued to be accounted for as a Group Plan in accordance with IAS 19. Therefore, the Ervia corporate body continued to recognise the full IAS 19 retirement benefit asset and the net defined benefit cost during the period up to 01 June 2024, while Gas Networks Ireland continued to recognise only the cost of contributions payable for the period in respect of its employees.

From 01 June 2024 onwards the net retirement benefit asset and net retirement benefit costs is all recognised by Gas Networks Ireland.

Transfer to Gas Networks Ireland as at 01 June 2024

	Notes	€'000
Market value of scheme assets		524,138
Present value of scheme liabilities		(502,805)
Net retirement benefit asset (before reimbursement rights)		**21,333**
Defined benefit obligation reimbursement rights		6,391
Net retirement benefit asset (after reimbursement rights)	26	**27,724**

18. Retirement benefit obligations (continued)

Defined benefit scheme - details & risks

The level of benefits provided depends on members' length of service and their pensionable salary when they leave the scheme, i.e. a 'final salary' scheme. Increases are generally provided to pensions in payment on a discretionary basis with a long-term target of price inflation.

The defined benefit scheme is administered by a Board of Trustees which comprises member and employer representatives. The Board of Trustees is responsible for the management and governance of the scheme including compliance with all relevant laws and regulations. The assets of the scheme are held separately from those of the Group in trustee administered funds. The scheme is subject to independent actuarial valuations at least every three years. The latest valuation of the defined benefit scheme was carried out as at 1 September 2022 by a qualified actuary. The valuation date was brought forward from the scheduled 1 April 2023 as part of the separation of Eriva and Uisce Éireann. The next actuarial valuation is due with an effective date of 1 April 2025.

The scheme exposes the Group to a number of risks, the most significant of which are as follows:

Asset volatility risk

The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this could create a deficit. The scheme holds approximately 30% of the fund in growth assets (equities and diversified alternatives) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term.

Changes in bond yields risk

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be partially offset by an increase in the value of any fixed income / bond holdings.

Salary risk

As a final salary scheme there is an exposure to higher benefits arising as a result of higher salary increases than allowed for in the assumptions. The assumptions used to project final salary incorporate an age-related component in addition to a flat basic rate as an allowance for the effect of increments and promotions.

Inflation risk

The scheme's defined benefit obligations are linked to inflation (for active members, benefits are linked to salary increases while for deferred members, preserved benefits are linked to statutory revaluation in the period to retirement). An objective of the benefit and funding policy is to provide discretionary post-retirement pension increases that are linked to price inflation. Higher than assumed inflation will lead to higher liabilities. Approximately 60% of the fund is invested in inflation linked bonds or swaps (real LDI instruments) as a match to such real liabilities.

Life expectancy risk

The majority of the scheme's obligations are to provide benefits for the life of the member (and their dependants), so increases in life expectancy will result in an increase in the liabilities.

	31-Dec-24 €'000	31-Dec-23 €'000
Investments quoted in active markets:		
Equities	**72,361**	-
- developed markets	64,904	-
- emerging markets	7,457	-
Bonds	**368,009**	-
- Government debt	222,954	-
- Non-government debt	145,055	-
Investment funds	**43,273**	**-**
Cash	**6,126**	**-**
Unquoted investments:		
Property/forestry	**2,903**	-
Infrastructure	**36,620**	-
Fair value of plan assets	**529,292**	-
Defined benefit obligation	**(512,896)**	-
Net defined benefit obligation (before reimbursement rights)	**16,396**	-
Reimbursement rights	**6,673**	-
Total	**23,069**	-

Investment strategy

The Group and Trustees have agreed an investment strategy target of moving to 80% matching assets over time as de-risking opportunities arise and as the scheme matures. The assets allocation at 31 December 2024 was 30% growth / 70% liability matching.

18. Retirement benefit obligations (continued)

Movement in net defined benefit liability before reimbursement rights

	Defined benefit liability		Fair value of plan assets		Net defined benefit obligation	
	2024	2023	2024	2023	2024	2023
	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January	-	-	-	-	-	-
Transfer from Ervia 01 Jun 2024	(502,805)	-	524,138	-	21,333	-
Income Statement:						
Current service cost	(3,877)	-	-	-	(3,877)	-
Interest on liabilities and assets	(9,958)	-	10,016	-	58	-
	(13,835)	-	10,016	-	(3,819)	-
Other Comprehensive Income:						
Return on plan assets excl. interest income	-	-	(371)	-	(371)	-
Experience gains/(losses) on liabilities	1,498	-	-	-	1,498	-
Changes in financial assumptions	(4,932)	-	-	-	(4,932)	-
	(3,434)	-	(371)	-	(3,805)	-
Contributions by employers	-	-	2,680	-	2,680	-
Contributions by members	(1,544)	-	1,544	-	-	-
Benefits paid	8,722	-	(8,715)	-	7	-
	7,178	-	(4,491)	-	2,687	-
At 31 December	(512,896)	-	529,292	-	16,396	-

The weighted average duration of the defined benefit obligation at 31 December 2024 was approximately 17 years (2023: 18 years). The Group expects to contribute €4.4m to its pension plan in 2025.

The principal actuarial assumptions used were as follows:

	2024
Discount rate	3.45%
Inflation assumption	2.25%
Rate of increase in salaries	2.75%
Rate of increase in pensions payment	2.25%

The average future life expectancy factored into the valuation, based on retirement age of 65 years for current and future retirees is as follows:

		2024
Retiring today	Females	24.9
	Males	23.0
Retiring in 25 years	Females	27.0
	Males	25.1

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial and demographic assumptions adopted in calculating the actuarial value of the Group's defined benefit obligation. The following table analyses the estimated impact on scheme liabilities resulting from changes to key actuarial assumptions.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease by 4.1%/increase by 4.3%
Price inflation	Increase/decrease by 0.25%	Increase by 4.4%/decrease by 4.1%
Salary	Increase/decrease by 0.25%	Increase by 1.1%/decrease by 1.1%
Mortality	Increase/decrease by one year	Increase by 2.8%/decrease by 2.8%

Defined benefit obligation - reimbursement rights

Gas Networks Ireland participates in the Public Service Transfer Network (PSTN). The PSTN is governed by Section 4 of the Superannuation and Pensions Act 1963 and allows qualifying employees to transfer their pensionable service entitlements, arising from service with other participating public sector bodies, to the Gas Networks Ireland scheme. Gas Networks Ireland is entitled to recover the cost of funding this prior pensionable service from the relevant public bodies in accordance with the provision of the PSTN, when the relevant employee superannuation benefits are paid. Gas Networks Ireland recovered €0.1m in funding during the year. At 31 December 2024, the fair value of the reimbursement rights, which is deemed to be the present value of the related obligations, was valued at €6.7m by the scheme actuary under IAS 19 assumptions (2023: €6.7m).

Defined contribution pension scheme

The Group makes contributions to the Gas Networks Ireland Defined Contribution Scheme on behalf of its employees. These costs are charged to the income statement and are disclosed in note 5.

19. Deferred revenue

	2024	2023
	€'000	€'000
At 1 January	(161,251)	(124,558)
Received	(62,426)	(48,839)
Credited to the income statement	23,039	12,118
Effect of movement in exchange rates	(167)	28
At 31 December	(200,805)	(161,251)

Analysed as follows:

	31-Dec-24	31-Dec-23
	€'000	€'000
Non-current	(182,788)	(148,293)
Current	(18,017)	(12,958)
Total	(200,805)	(161,251)

Customer connection contributions, which are received in advance, are recorded initially as deferred revenue. These contributions are then released to the income statement as revenue over time as access is provided to the gas network.

20. Grants

	2024 €'000	2023 €'000
At 01 January	**(58,986)**	(64,520)
Receivable in year	**-**	(762)
Amortised	**6,665**	6,581
Credited to operating costs	**184**	-
Effect of movement in exchange rates	**(545)**	(285)
At 31 December	**(52,682)**	(58,986)

Analysed as follows:

	31-Dec-24 €'000	31-Dec-23 €'000
Non-current	**(45,963)**	(52,401)
Current	**(6,719)**	(6,585)
Total	**(52,682)**	(58,986)

There are no unfulfilled conditions attached to grants recognised in the income statement. In certain circumstances grants may become repayable if the conditions laid down in the grant agreements are not adhered to. The Group does not expect such circumstances to arise and there were no repayments of grants in the current or prior year.

Grants receivable for 2023 of €0.8m related to grant funding from the Innovation and Networks Executive Agency (INEA), for investment in Compressed Natural Gas stations and Biogas related infrastructure and the development of policies and procedures in relation to Gas Networks Ireland Gas Operational Technology. A number of conditions relating to these grant fundings remain in progress at year end.

21. Provisions, contingencies and capital commitments

Provisions

	Self-insured claims €'000	Total €'000
At 01 January 2024	**(6,763)**	**(6,763)**
Provisions made	**(780)**	**(780)**
Provisions used	**526**	**526**
At 31 December 2024	**(7,017)**	**(7,017)**

Analysed as follows:	31-Dec-24 €'000	31-Dec-23 €'000
Non-current	**(5,263)**	(5,072)
Current	**(1,754)**	(1,691)
Total	**(7,017)**	(6,763)

Self-insured claims

The Group is self-insured in respect of certain injury and damage claims. The year-end provision is for the estimated costs of incidents that have occurred up to 31 December 2024. Payments are made as the cases are settled. The charge is included in the income statement under operating costs. The nature of these claims is such that a settlement date is uncertain but the Group expects the claims to be substantially settled by 2026.

Contingencies

Contingent liabilities with respect to grants are disclosed in note 20.

The Group is subject to various litigation, claims and contract disputes in the ordinary course of operations. While any such proceedings have an element of uncertainty, we do not expect the ultimate resolution of these proceedings to have a material adverse effect on the Group's results from operations, operating cash flows or net asset financial position.

Capital commitments

	2024 €'million	2023 €'million
Capital expenditure that has been contracted for but has not been provided for	**100**	98

22. Trade and other payables

	Note	31-Dec-24 €'000	31-Dec-23 €'000
Trade payables		**(13,306)**	(18,939)
Accrued expenses		**(79,277)**	(78,356)
Other payables		**(26,077)**	(31,450)
Amounts owed to ultimate parent undertaking	26	**-**	(218)
Taxation and social insurance creditors		**(21,882)**	(20,044)
Total		**(140,542)**	(149,007)
Analysed as follows:			
Non-current		**(5,905)**	(6,911)
Current		**(134,637)**	(142,096)
Total		**(140,542)**	(149,007)
Taxation and social insurance creditors			
PAYE/social insurance		**(2,477)**	(2,211)
VAT		**(19,405)**	(17,833)
Total		**(21,882)**	(20,044)

23. Financial risk management and financial instruments

Foreign exchange contracts and currency swaps

The Group has entered into foreign exchange contracts in relation to supplier payments (which are in US dollar and sterling) and in relation to the hedge of sterling based operations. These contracts have maturities extending until 2025. The trades in place at 31 December 2024 were not designated for hedge accounting purposes.

23. Financial risk management and financial instruments (continued)

Accounting classifications and fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Refer to note 24 for IFRS 13 disclosures in respect of fair value measurement.

	Fair value hierarchy	FVTPL €'000	Amortised cost €'000	Total €'000
At 31 December 2024				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	**392**	**-**	**392**
Trade and other receivables *		**-**	**83,777**	**83,777**
Cash and cash equivalents - available to group **		**-**	**160,297**	**160,297**
Cash and cash equivalents - restricted deposits		**-**	**21,339**	**21,339**
Total financial assets		**392**	**265,413**	**265,805**
Financial liabilities				
Borrowings and other debt ***	Level 2	**-**	**(859,653)**	**(859,653)**
Foreign exchange rate contracts (undesignated)	Level 2	**(51)**	**-**	**(51)**
Trade and other payables ****		**-**	**(39,383)**	**(39,383)**
Total financial liabilities		**(51)**	**(899,036)**	**(899,087)**
Net financial (liabilities)		**341**	**(633,623)**	**(633,282)**
At 31 December 2023				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	218	-	218
Trade and other receivables *		-	104,318	104,318
Cash and cash equivalents - available to group **		-	188,405	188,405
Cash and cash equivalents - restricted deposits		-	35,341	35,341
Total financial assets		218	328,064	328,282
Financial liabilities				
Borrowings and other debt ***	Level 2	-	(1,023,944)	(1,023,944)
Foreign exchange rate contracts (undesignated)	Level 2	(272)	-	(272)
Trade and other payables ****		-	(50,607)	(50,607)
Total financial liabilities		(272)	(1,074,551)	(1,074,823)
Net financial (liabilities)		(54)	(746,487)	(746,541)

** Prepayments have been excluded as these are not classified as a financial asset.*

*** Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group has a current legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. At 31 December 2024, €34.2m of cash and cash equivalents were available to the Group (2023: €28.5m) and as at 31 December 2024, the Group had no overdrafts (2023: €0.1m), thus a net position of €34.2m was presented as cash and cash equivalents available to the Group (2023: €28.4m). At 31 December 2024, the Group had not entered into any other master netting arrangements and other similar agreements.*

**** The fair value of borrowings and other debt as at 31 December 2024 was €831.5m (2023: €974.4m).*

***** Accrued expenses and taxation and social insurance creditors have been excluded as these are not classified as financial liabilities.*

The fair values of financial instruments, grouped by class of instrument, are as follows:

	Non-current assets €'000	Current assets €'000	Non-current liabilities €'000	Current liabilities €'000	Total €'000
Foreign exchange contracts	**59**	**333**	**-**	**(51)**	**341**
At 31 December 2024	**59**	**333**	**-**	**(51)**	**341**
Foreign exchange contracts	-	218	-	(272)	(54)
At 31 December 2023	-	218	-	(272)	(54)

Financial risk management

The Group has established financial risk management policies to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

In using derivatives, the Group complies with the Financial Transactions of Certain Companies and Other Bodies Act 1992 and any requirements and conditions as may be specified by the Minister for Finance thereunder and there are procedures in place whereby this compliance is monitored, reviewed and reported to the Board on a regular basis.

The Group's treasury function is not operated as a profit centre and treasury positions are managed in a risk averse manner. All treasury transactions have a valid underlying business reason and speculative positions are strictly prohibited.

(i) Credit risk

The Group is exposed to credit risk with counterparties the Group has entered into transactions with. It includes assets held with banks and financial institutions, transactions in relation to derivative financial instruments and credit exposures arising from trading relationships with customers. The objective of the Group's credit risk management is to manage and control credit risk exposures within acceptable parameters. Management does not expect any significant counterparty to fail to meet its obligations.

The carrying amount of financial assets, which represents their maximum credit exposure, at the reporting date was:

	31-Dec-24 €'000	31-Dec-23 €'000
Trade and other receivables (excluding prepayments)	**83,777**	104,318
Cash and cash equivalents - available to group	**160,297**	188,405
Cash and cash equivalents - restricted deposits	**21,339**	35,341
Derivative financial instruments	**392**	218
Total	**265,805**	328,282

(i) (a) Treasury related credit risk

Treasury undertakes all treasury activities for the Group. Treasury manages treasury related credit risk through the use of counterparty credit limits which take account of, among other relevant factors, published credit ratings. It is the Company's policy that cash is mainly placed on deposit with institutions who maintain an investment grade credit rating. Treasury regularly evaluates and measures its treasury counterparty exposures.

All derivative trades are transacted in compliance with the Requirements and the Conditions of the Minister of Finance, issued in accordance with provisions of the Financial Transaction of Certain Companies and Other Bodies Act 1992. This outlines the criteria that must be satisfied regarding each derivative counterparty with which the Group transacts. Group Treasury regularly evaluates and measures its treasury counterparty exposures. Where the exposure on derivative instruments has the potential to be material to the Group's net worth, the Group will consider entering into credit support arrangements.

23. Financial risk management and financial instruments (continued)

Financial guarantees

In the normal course of its business, the Group enters into certain undertakings and commitments to third parties in respect of obligations to perform under contractual arrangements. Obligations to third parties are guaranteed by letters of credit issued by financial institutions. Even though these obligations 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 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 (i.e. the maximum exposure to credit risk under these obligations).

	31-Dec-24	31-Dec-23
	€'000	€'000
Letters of credit	**700**	700
Total	**700**	700

(i) (b) Trade related credit risk

Refer to note 13 for an analysis of the Group's exposure to trade related credit risk.

(ii) Funding and liquidity risk

Gas Networks Ireland's approach to managing funding and liquidity risk is to ensure, as far as possible, that it has adequate resources to meet its liabilities when due, under both normal and stressed conditions. Treasury is responsible for ensuring Gas Networks Ireland has access to sufficient liquidity to ensure that Gas Networks Ireland is able to settle obligations arising through its day-to-day operations, maturing debt obligations and capital investment outlays. Treasury develops and maintains relationships with financial institutions in order to develop their understanding of the business and to build their long-term commitment to the Company. All banking and treasury services are sourced at competitive prices. Cash pooling is carried out and account balances netted where possible to minimise idle cash and interest expense.

(ii) (a) Funding

The Group's funding position was strong in 2024. The Group's revolving credit facility with a group of 6 domestic and international banks, which provides the group with access to a strong level of liquidity was extended in 2024 for a further year out to 2029. In September 2024, Gas Networks Ireland successfully completed a €300m Corporate Bond issuance, the majority of the proceeds along with existing cash balances were used to repay the €300m bond which matured in December 2024. A portion was also used on a liability management exercise to buy back €164m of the €500m bond due for redemption in December 2026. The liability management exercise helps de-risks Gas Networks Ireland's 2026 refinancing and extends the average tenor of debt resulting in a better overall debt profile.

The Group seeks to ensure it has a mix of funding sources at acceptable terms and conditions to finance the development of the business and to meet financial obligations as they fall due. The Group maintains a balanced maturity profile to minimise, insofar as possible, peaked repayments and refinancing risk.

Facilities available to the Group at the reporting date;

	31-Dec-24	31-Dec-23
	€'000	€'000
Borrowings (excluding lease liabilities)	**(857,195)**	(1,021,363)
Committed facilities	**(1,160,066)**	(1,335,577)

Gas Networks Ireland is rated A+ (2023 A+) by Standard & Poor's with outlook positive and A2 (2023 A2) rated by Moody's Investors Services. This strong credit rating enables the Company to have access to a wide diversity of funding sources and ensures it can raise funding at competitive cost.

(ii) (b) Cash surpluses

Cash surpluses are used primarily to reduce the level of debt. Cash surpluses are primarily placed on deposit with counterparty banks. The Group will invest surplus cash in euro or in the currency of overseas operations.

(ii) (c) Exposure to liquidity risk

The following are the contractual maturities of financial liabilities (and assets of a similar nature), including the undiscounted interest payment associated with borrowings and the undiscounted net cash flows attributable to financial instruments. The disclosure includes cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement, e.g. forward foreign exchange rate contracts.

	Carrying amount	Contractual cash flows	< 1 year	1-2 years	2-5 years	> 5 years
	€'000	€'000	€'000	€'000	€'000	€'000
At 31 December 2024						
Borrowings and other debt	**(859,653)**	**(983,147)**	**(20,440)**	**(356,070)**	**(46,997)**	**(559,640)**
Trade and other payables *	**(39,383)**	**(39,383)**	**(39,383)**	**-**	**-**	**-**
Non-derivative financial liabilities	**(899,036)**	**(1,022,530)**	**(59,823)**	**(356,070)**	**(46,997)**	**(559,640)**
Foreign exchange rate contracts	**341**	**341**	**282**	**59**	**-**	**-**
Net derivative financial assets	**341**	**341**	**282**	**59**	**-**	**-**
Net financial liabilities	**(898,695)**	**(1,022,189)**	**(59,541)**	**(356,011)**	**(46,997)**	**(559,640)**
At 31 December 2023						
Borrowings and other debt	(1,023,944)	(1,107,957)	(314,470)	(12,810)	(524,304)	(256,373)
Trade and other payables *	(50,607)	(50,607)	(50,607)	-	-	-
Non-derivative financial liabilities	(1,074,551)	(1,158,564)	(365,077)	(12,810)	(524,304)	(256,373)
Foreign exchange rate contracts	(54)	(54)	(54)	-	-	-
Net derivative financial assets	(54)	(54)	(54)	-	-	-
Net financial liabilities	(1,074,605)	(1,158,618)	(365,131)	(12,810)	(524,304)	(256,373)

** Accrued expenses and taxation and social insurance creditors have been excluded as these are not classified as financial liabilities.*

(iii) Market risk

Market risk is the possibility that changes in market factors will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows.

Treasury is responsible for managing market risk with respect to interest rates and currency exchange rates. All such transactions are carried out within the guidelines set by the Treasury Policy and transacted in compliance with the Requirements and the Conditions of the Minister of Finance, issued in accordance with provisions of the Financial Transaction of Certain Companies and Other Bodies Act 1992. Treasury seeks to apply hedge accounting in order to manage volatility in profit or loss where material in context of the Group.

(iii) (a) Exchange rate risk

Exchange rate risk derives from the fact that some of the Group's operations are conducted in currencies other than euro (mainly sterling). The objective of exchange rate risk management is to protect profitability by minimising the impact of material variations due to foreign exchange rate movements.

23. Financial risk management and financial instruments (continued)

GBP/EUR exchange rates were as follows:

	2024	2023
Average rate	**0.847**	0.870
Year end rate	**0.827**	0.867

The potential exposure to exchange rate risk can be summarised as follows:

Subsidiaries operating in foreign currency (sterling)

The assets and liabilities of foreign operations are translated to euro at exchange rates at the reporting date. The results of foreign operations are translated to euro at average exchange rates for the period, when they represent a reasonable approximation of the actual rates incurred. Exchange differences on retranslation of the opening net assets and the results are recognised in other comprehensive income and presented as a separate component of equity (translation reserve). Group Treasury monitor this risk, and if deemed material, hedge the risk using foreign exchange deals.

Intra-group funding to foreign currency subsidiaries is translated into euro using the exchange rates at the reporting date. The profit/loss arising on the translation of the intra-group funding to foreign subsidiaries is taken to the income statement. The profit/loss arising on the translation of foreign currency liabilities, to the extent that they are used to finance or to provide a hedge against the intragroup funding in foreign subsidiaries, is also taken to the income statement.

Transaction exposure

From time to time the Group makes purchases in foreign currencies. The Group's policy is to manage these transaction exposures by seeking to net purchases and sales denominated in foreign currencies as far as possible. Where this is not possible, exposures will be hedged using derivatives permitted under the Treasury Policy.

Under Treasury Policy, all expected transactions in excess of €300,000 equivalent in foreign currencies will be evaluated with respect to the business risks and, where appropriate, currency risks will be hedged to minimise the potential for adverse variances arising from currency movements.

Exchange rate sensitivity analysis

A strengthening or weakening of the euro, as indicated below, against sterling at 31 December would have increased/ (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis is based on exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Profit before taxation gain/(loss)	Other comprehensive income	Profit before taxation gain/(loss)	Other comprehensive income
	31-Dec-24	31-Dec-24	31-Dec-23	31-Dec-23
	€'000	€'000	€'000	€'000
5% Strengthening	**(1,141)**	**(3,435)**	(774)	(2,467)
5% Weakening	**1,141**	**3,435**	774	2,467

Note: Changes in the carrying value of derivative financial instruments not in hedging relationships affect the income statement only.

(iii) (b) Interest rate risk

Interest rate risk derives from changes in interest rates which affect the market value of financial assets and liabilities of the Group and impact on net income through impact on finance charges.

The Group's exposure to interest rate fluctuations covers two types of risk:

(i) a risk of change in the cash flows related to floating rate financial assets and liabilities; and

(ii) a risk of change in the value of fixed rate financial assets and liabilities.

The Group monitors exposure to interest rate risk on an ongoing basis with a view to taking advantage of low interest rate environments to fix the Group's interest rate obligations and increase certainty as to the Group's interest rate expense profile. The Group's policy is to maintain a minimum level of fixed rate debt of 60% of net debt on a rolling 12 month basis and 50% of net debt on a rolling three year basis. The Group uses a number of methods, including entering into fixed rate debt and interest rate derivatives to manage the interest rate risk on its debt portfolio.

The percentage of the Group's fixed and floating rate debt (excluding lease liabilities and debt owed to Parent) at 31 December was as follows:

	2024	2024	2023	2023
	€'000	%	€'000	%
At fixed rates	**(757,695)**	**88.4%**	(922,103)	90.3%
At floating rates	**(99,500)**	**11.6%**	(99,260)	9.7%
Total	**(857,195)**	**100.0%**	(1,021,363)	100.0%

At 31 December 2024, the weighted average interest rate of the fixed debt portfolio (excluding leases) was 2.26% (2023: 1.09%), which comprised three bonds totalling €761.0m (2023: €925.0m).

The table below provides details of fixed rate debt included in borrowings at 31 December 2024:

	Redemption Amount €'000	Issue Date	Tenor	Coupon %
Eurobond 1	336,000	2016	10 years	1.375
Eurobond 2	125,000	2016	20 years	2.25
Eurobond 4	300,000	2024	5 years	3.25

	2024	2023
Fixed rate debt had an average duration of	**5.06 years**	3.63 years

Interest costs on variable rate loans are reset on a periodic basis for one, three or six months over the prevailing market rate.

Cash flow sensitivity analysis for floating rate debt

The Group's policies and processes for the management and control of interest rate risk, as set out previously, aims to reduce the impact of short-term interest rate fluctuations on the Group's earnings. Nevertheless, long-term changes in interest rates will have an impact on the Group's earnings.

It is estimated that a movement of 200 basis points in interest rates at 31 December 2024 would impact profit before taxation by the amounts shown below, and the fair value change in other comprehensive income would be as shown below:

	Profit before taxation gain/(loss)		Other comprehensive income	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
200 bp increase	**(1,990)**	**(1,985)**	-	-
200 bp decrease	**1,990**	**1,985**	-	-

The following assumptions were made in respect of the sensitivity analysis above:

- all other variables, in particular foreign currency rates, remain constant;
- relates only to derivative financial instruments and floating debt;
- 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.

24. Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent that it is available.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 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).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. There were no transfers in either 2024 or 2023.

(a) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table sets out the valuation techniques applied by the Group in measuring fair value, together with any significant unobservable inputs.

Type	Valuation technique	Significant unobservable inputs
Forward exchange contracts (Refer to note 23)	The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then fair value is estimated as the difference between the contractual forward price and the current forward price for the residual maturity of the contract. Fair value hierarchy: level 2	All significant inputs required to fair value the instrument are observable.

(b) Fair value of financial liabilities that are not measured at fair value (but fair value disclosures are required)

The fair value of borrowings, measured at amortised cost is estimated by discounting the future cash flows to net present values using market rates prevailing at the reporting date - Fair value hierarchy: level 2. There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in the current year or in the prior year.

(c) Fair value of investment properties that are not measured at fair value (but fair value disclosures are required)

Investment properties are carried at historical cost less accumulated depreciation. The fair value of the investment properties is disclosed in line with the requirements of IAS 40.79. The fair value was determined using the market approach, considering all of the market information available and was performed by Avison Young (RICS registered valuers). The fair value was primarily derived from using comparable recent transactions at arm's length and using appropriate valuation techniques - Fair value hierarchy: level 3.

25. Subsidiaries

At 31 December 2024, the Group and the Company had the following subsidiaries:

Company	Nature of Business	Registered Office	% Holding of Ordinary Share Capital
GNI (UK) Limited	Gas Transmission	13th Floor, One Angel Court, London, United Kingdom EC2R 7HJ	100%
Gas Networks Ireland (IOM) DAC	Gas Transmission	Gasworks Road, Cork, Ireland	100%
Network Services Transition DAC	Non-trading	Gasworks Road, Cork, Ireland	100%

26. Related parties

The related party balances, in respect of the transactions detailed in the relevant sections below, are as follows:

	31-Dec-24	31-Dec-23
	€'000	€'000
Ervia	-	(218)
	-	(218)

Transactions with Ervia

(a) Tansfer from Ervia under common control

Prior to 01 June 2024, the ultimate parent of Gas Networks Ireland was Ervia, a corporate body established under the Gas Act 1976 and domiciled in Ireland. Ervia was dissolved with effect from 01 June 2024, pursuant to the Gas (Amendment) and Miscellaneous Provisions Act 2024, which provided for the transfer of all functions, assets, and liabilities of the Ervia statutory corporation on that date to Gas Networks Ireland. See below for details of the balances transferred from Ervia to Gas Networks Ireland.

	01-Jun-24
	€'000
Cash and cash equivalents	2,492
Retirement benefit asset	27,724
Deferred tax liabilities	(3,465)
Trade and other receivables - dividend due from Gas Networks Ireland *	44,018
Trade & other payables - dividend payable to the Exchequer *	(44,018)
Trade and other receivables - other	210
Trade & other payables - accruals	(10)
Current tax liability	(74)
Total transferred	**26,877**

** The 2024 dividend declared by Gas Networks Ireland of €44.018m (note c) had not been paid to Ervia prior to its dissolution on the 01 June 2024. Pursuant to the Gas (Amendment) and Miscellaneous Provisions Act 2024, Gas Networks Ireland assumed the dividend liability by Ervia to the Irish state of €44.018m (note c) in place of this liability.*

Where assets and liabilities are transferred between entities that are under common control, at the date of the transfer, the assets and liabilities are not measured at their fair values and instead are measured based on the carrying values. Differences between the consideration paid (nil) and the aggregate carrying value of the assets and liabilities (€26.9m) acquired are included in equity as a capital contribution (€26.9m). Prior year comparative restatements are not required.

26. Related parties (continued)

(b) Transactional and support service costs

	2024 €'000	2023 €'000
Transactional and support service agreement costs	-	(169)

The level of transactional and support service costs provided by Ervia Parent to Gas Networks Ireland during 2023 and 2024 (up to the date of dissolution) reduced significantly in comparison to prior years and consisted of certain limited Group Services and pension costs.

(c) Dividends

(i) Dividends declared

	2024 €'000	2023 €'000
Annual dividend declared to Ervia	**(44,018)**	(18,869)
Total	**(44,018)**	(18,869)

(ii) Dividends paid

	2024 €'000	2023 €'000
Annual dividend paid to Ervia	**-**	(18,869)
Deferred dividend paid to Ervia	**-**	(5,100)
Dividend Paid to the Exchequer	**(44,018)**	-
Total	**(44,018)**	(23,969)

The Company declared an annual dividend to Ervia of €44m as set out above. Following the dissolution of Ervia, this dividend was paid to the Exchequer by Gas Networks Ireland. In 2018, the Company declared an annual dividend of €54.2m and paid €49.1m with the remaining €5.1m paid in 2023 with appropriate interest (see note 17). In March 2025, the Board further approved the declaration of a dividend of €62.1m to the Exchequer.

(d) Pension costs

	2024 €'000	2023 €'000
Pension costs	**(3,363)**	(5,834)

The above pension costs, relate to contributions payable by Gas Networks Ireland for participating employees, to defined benefit and defined contribution pension schemes operated by Ervia, prior to its dissolution on 01 June 2024.

Transactions with Uisce Éireann

(a) Operating leases

	2024 €'000	2023 €'000
	1,164	1,164

During the financial years ended 31 December 2023 and 2024, Gas Networks Ireland leased a property to Uisce Éireann at an annual rent of €1.1m, a break option on 31 December 2024 has been exercised by Uisce Éireann in relation to this lease. Gas Networks Ireland also leased additional property to Uisce Éireann at an annual rent of €0.1m.

Key management compensation

Key management consists of the Gas Networks Ireland Board, the Gas Networks Ireland CEO and his direct reports.

	2024 €'000	2023 €'000
Short-term employee benefits	**(2,289)**	(2,077)
Post-employment benefits	**(218)**	(203)
Total	**(2,507)**	(2,280)

Board members

Board members had no beneficial interest in the Group at any time during the year.

Government bodies

In common with many other entities, the Group deals in the normal course of business with other Government sponsored bodies, such as, the Electricity Supply Board, Eirgrid, Local Authorities and with certain Irish banks which are partially owned by the Irish Government. All transactions are on normal commercial terms. The Group had no material concentration of borrowings or deposits with any such banks during the year, at the reporting date, or for the comparative period end.

27. Subsequent events

In March 2025, the Board approved the declaration and payment of a dividend of €62.1m. There have been no other events between the reporting date and the date on which the financial statements were approved by the Directors, which would require adjustment to these financial statements or any additional disclosures.

28. Approval of financial statements

The Directors approved the financial statements on 25 March 2025.

Company balance sheet as at 31 December 2024

	Notes	31-Dec-24 €'000	31-Dec-23 €'000
Assets			
Non-current assets			
Property, plant and equipment	30A.	**2,137,430**	2,123,890
Investment properties	10	**6,896**	7,325
Intangible assets	30B.	**28,098**	25,498
Investment in subsidiaries	30C.	**515**	515
Trade and other receivables	30D.	**123,052**	112,987
Retirement benefit asset	18	**23,069**	-
Derivative financial instruments	30M.	**59**	-
Total non-current assets		**2,319,119**	2,270,215
Current assets			
Trade and other receivables	30D.	**79,508**	103,408
Cash and cash equivalents - available to company	30E.	**121,172**	162,982
Cash and cash equivalents - restricted deposits	30E.	**18,878**	31,043
Derivative financial instruments	30M.	**357**	159
Current tax assets	30L.	**-**	8,353
Inventories	30G.	**664**	590
Total current assets		**220,579**	306,535
Total assets		**2,539,698**	2,576,750
Equity and liabilities			
Equity			
Share capital and share premium	30N	**(318,353)**	(318,353)
Capital contribution	30N	**(396,824)**	(369,947)
Retained earnings		**(436,771)**	(367,036)
Total equity		**(1,151,948)**	(1,055,336)
Liabilities			
Non-current liabilities			
Borrowings and other debt	17	**(859,422)**	(724,584)
Deferred revenue	30H.	**(179,139)**	(145,204)
Grants	30I.	**(9,203)**	(13,461)
Provisions	30J.	**(5,263)**	(5,072)
Trade and other payables	30K.	**(3,272)**	(4,210)
Derivative financial instruments	30M.	**(59)**	-
Deferred tax liabilities	30L.	**(189,235)**	(188,551)
Total non-current liabilities		**(1,245,593)**	(1,081,082)
Current liabilities			
Borrowings and other debt	17	**(231)**	(299,360)
Deferred revenue	30H.	**(18,017)**	(12,958)
Grants	30I.	**(4,036)**	(3,987)
Provisions	30J.	**(1,754)**	(1,691)
Trade and other payables	30K.	**(116,915)**	(122,166)
Derivative financial instruments	30M.	**(385)**	(170)
Current tax liabilities	30L.	**(819)**	-
Total current liabilities		**(142,157)**	(440,332)
Total liabilities		**(1,387,750)**	(1,521,414)
Total equity and liabilities		**(2,539,698)**	(2,576,750)

The profit attributable to the Company for the year ended 31 December 2024 was €116.9m (2023: €84.5m).

Company statement of changes in equity

for the year ended 31 December 2024

		Share capital and share premium €'000	Capital contribution €'000	Retained earnings €'000	Total €'000
At 01 January 2023		(318,353)	(369,947)	(301,450)	(989,750)
Profit for the year	-	-		(84,455)	(84,455)
Total other comprehensive income for the year	-	-		(84,455)	(84,455)
Dividends	30O.	-	-	18,869	18,869
At 31 December 2023		(318,353)	(369,947)	(367,036)	(1,055,336)
Profit for the year		**-**	**-**	**(116,941)**	**(116,941)**
Other comprehensive income for the year		-	-	3,188	3,188
Total other comprehensive income for the year		**-**	**-**	**(113,753)**	**(113,753)**
Transfer under common control transaction	30O.	**-**	**(26,877)**		**(26,877)**
Dividends	30O.	**-**	**-**	**44,018**	**44,018**
At 31 December 2024		**(318,353)**	**(396,824)**	**(436,771)**	**(1,151,948)**

All attributable to owners of the Company.

Company statement of cash flows

for the year ended 31 December 2024

	Notes	2024 €'000	2023 €'000
Net cash from operating activities	30F.	**300,141**	193,201
Cash flows from investing activities			
Payments for property, plant and equipment		**(147,305)**	(119,960)
Payments for intangible assets		**(9,967)**	(6,532)
Grants (paid)/ received	30I.	**-**	762
Interest received		**6,159**	4,576
Dividend received	30O.	**-**	8,000
Net cash used in investing activities		**(151,113)**	(113,154)
Cash flows from financing activities			
Proceeds from borrowings	17	**298,287**	-
Repayment of borrowings	17	**(459,520)**	-
Capital contribution received	26	**2,492**	-
Repayment of lease liabilities	11	**(244)**	(239)
Dividends paid	30O.	**(44,018)**	(23,969)
Net cash used in financing activities		**(203,003)**	(24,208)
Net increase in cash and cash equivalents	30E.	**(53,975)**	55,839
Cash and cash equivalents at 1 January	30E.	**194,025**	138,186
Cash and cash equivalents at 31 December	30E.	**140,050**	194,025

Notes to the company financial statements

30A. Property, plant and equipment
30B. Intangible assets
30C. Investment in subsidiaries
30D. Trade and other receivables
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30G. Inventory
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30I. Grants
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30K. Trade and other payables
30L. Tax
30M. Financial risk management and financial instruments
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30O. Related parties
30P. Subsequent events

30A. Property, plant and equipment

	Notes	31-Dec-24 €'000	31-Dec-23 €'000
Property, plant and equipment - owned assets		**2,133,535**	2,119,714
Property, plant and equipment - right-of-use assets	11	**3,895**	4,176
Property, plant and equipment - as presented on the balance sheet		**2,137,430**	2,123,890

Property, plant and equipment - owned assets

	Notes	Land and buildings €'000	Plant, pipeline and machinery €'000	Assets under construction €'000	Total €'000
Cost					
At 01 January 2023		61,230	3,924,822	57,573	4,043,625
Additions		395	11,284	115,097	126,776
Disposals		-	(3,892)	-	(3,892)
Transfers		3,513	91,245	(94,758)	-
At 31 December 2023		65,138	4,023,459	77,912	4,166,509
Additions		**-**	**7,582**	**132,612**	**140,194**
Disposals		**-**	**(5,257)**	**-**	**(5,257)**
Transfers		**2,229**	**117,603**	**(119,832)**	**-**
At 31 December 2024		**67,367**	**4,143,387**	**90,692**	**4,301,446**
Accumulated depreciation and impairment losses					
At 01 January 2023		(24,011)	(1,905,959)	(802)	(1,930,772)
Depreciation charge		(1,748)	(115,903)	-	(117,651)
Impairment charge		-	(1,864)	-	(1,864)
Transferred to Investment property	10	(314)	(86)	-	(400)
Disposals		-	3,892	-	3,892
At 31 December 2023		(26,073)	(2,019,920)	(802)	(2,046,795)
Depreciation charge		(1,357)	(119,498)	-	(120,855)
Impairment charge		-	(5,518)	-	(5,518)
Disposals		-	5,257	-	5,257
At 31 December 2024		(27,430)	(2,139,679)	(802)	(2,167,911)
Carrying amounts					
At 31 December 2023		39,065	2,003,539	77,110	2,119,714
At 31 December 2024		39,937	2,003,708	89,890	2,133,535

Impairment losses recognised in respect of plant and machinery in the year amounted to €5.5m, (2023 €1.9m). These losses are attributable to greater than anticipated wear and tear and write down of spares. The impairment loss brought forward in respect of assets under construction relates to development projects.

The carrying value of property, plant and equipment includes assets that are subject to operating lease arrangements as described in note 11 'The Group as Lessor'. The carrying value of these assets at 31 December 2024 was €35m (31 December 2023: €45m) and is included in plant, pipeline and machinery.

30B. Intangible assets

	Software and other €'000	Software under development €'000	Total €'000
Cost			
At 01 January 2023	170,881	4,047	174,928
Additions (including internally developed)	-	5,642	5,642
Transfers	3,595	(3,595)	-
At 31 December 2023	174,476	6,094	180,570
Additions (including internally developed)	**-**	**10,381**	**10,381**
Transfers	**10,733**	**(10,733)**	**-**
At 31 December 2024	**185,209**	**5,742**	**190,951**
Accumulated amortisation			
At 01 January 2023	(148,169)	-	(148,169)
Amortisation charge	(6,903)	-	(6,903)
At 31 December 2023	(155,072)	-	(155,072)
Amortisation charge	**(7,781)**		**(7,781)**
At 31 December 2024	**(162,853)**	**-**	**(162,853)**
Carrying amount			
At 31 December 2023	19,404	6,094	25,498
At 31 December 2024	**22,356**	**5,742**	**28,098**

30C. Investment in subsidiaries

	2024 €'000	2023 €'000
Cost		
At 1 January	**515**	515
At 31 December	**515**	515
Impairment		
At 1 January	**-**	-
At 31 December	**-**	-
Carrying amount		
At 31 December	**515**	515

Refer to note 25 to the Group financial statements for details of the particulars of the Company's subsidiaries.

30D. Trade and other receivables

	Notes	31-Dec-24 €'000	31-Dec-23 €'000
Use of system receivable - billed		**1,890**	47,867
Use of system receivable - unbilled		**52,038**	44,439
Other trade receivables - billed		**7,213**	455
Other trade receivables - unbilled		**7,119**	3,342
Amounts due from subsidiaries	30O.	**124,199**	113,614
Other receivables		**4,965**	487
Sub-total		**197,424**	210,204
Prepayments		**5,136**	6,191
Total		**202,560**	216,395
Analysed as follows:			
Non-current		**123,052**	112,987
Current		**79,508**	103,408
Total		**202,560**	216,395

Trade and other receivables include use of system receivables, other trade receivables and amounts due from subsidiaries - refer to notes 13 to the Group financial statements and 30O for further details on each of these.

There are no material expected credit losses recognised by the Company.

The Company applies the IFRS 9 simplified approach (which uses a lifetime expected credit losses (ECL)) to measure ECL for all trade and other receivables, with the exception of certain amounts due from subsidiaries, which are measured using the IFRS 9 general approach. The following table analyses total trade and other receivables by the ECL measurement approach applied by the Company.

	31-Dec-24 €'000	31-Dec-23 €'000
Simplified approach	**73,225**	96,590
General approach	**124,199**	113,614
Total	**197,424**	210,204

Simplified approach - expected credit losses

Refer to note 13 to the Group financial statements for further detail of the application of the ECL simplified approach within the Group and Company.

The following table shows the movement in expected credit loss allowance that has been recognised for trade and other receivables in accordance with the simplified approach as set out in IFRS 9 (individually assessed).

	2024 €'000	2023 €'000
At 1 January	**(894)**	(593)
Impairment losses on financial assets	**(102)**	(301)
Allowance utilised	**318**	-
At 31 December	**(678)**	(894)

The following table shows the ageing of trade and other receivables, net of expected credit loss allowance, measured in accordance with the simplified approach as set out in IFRS 9.

	2024 €'000	2023 €'000
Not past due	**70,185**	93,478
1-30 days overdue	**1,106**	1,002
31-120 days overdue	**1,088**	1,595
> 120 days overdue	**846**	515
Total	**73,225**	96,590

General approach - expected credit losses

The general approach applies to receivables not eligible for application of the simplified approach which, for the Company, are certain amounts due from subsidiaries. Assessment of the probability of default for these receivables is set out below.

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.

30D. Trade and other receivables (continued)

At 31 December 2024, the Company had amounts due from subsidiaries of €124.2m (2023: €113.6m). In determining ECL (including probability of default and loss given default), amounts due from subsidiaries were classified as low credit risk receivables. There were no amounts classified as payable on demand or for which there has been a substantial increase in credit risk since initial recognition. In determining an expected credit loss, regard is 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 and macro-economic factors. Further to this assessment, no ECL allowance is recognised in respect of these amounts at 31 December 2024 (2023: €nil) and no ECL was recognised during the year in respect of these amounts (2023: €nil) due to ECL being assessed as immaterial.

The following table shows the receivables by stage, net of expected credit loss allowance, that are measured in accordance with the general approach as set out in IFRS 9.

	2024	2023
	€'000	€'000
Stage 1 - 12 month ECL (not credit impaired)	**124,199**	113,614
Total	**124,199**	113,614

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region is as follows:

	2024	2023
	€'000	€'000
Ireland	**73,225**	96,590
UK (including Northern Ireland and Isle of Man)	**124,199**	113,614
Total	**197,424**	210,204

30E. Cash and cash equivalents

Available to group

Cash and cash equivalents are held for the purposes of meeting short-term cash commitments.

	Notes	31-Dec-24 €'000	31-Dec-23 €'000
Short-term bank deposits		**114,000**	160,000
Cash at bank.	30M	**7,172**	2,982
Total		**121,172**	162,982

Restricted deposits

	31-Dec-24	31-Dec-23
	€'000	€'000
Cash at bank	**18,878**	31,043
Total	**18,878**	31,043

Restricted deposits include amounts held in respect of gas network shipper security deposits (note 30E) and certain connection agreements (note 30H). The level of shipper security in place is assessed on a regular basis, and further deposits or refunds are made if required, in accordance with the Gas Networks Ireland Code of Operations. Connection agreement security deposits are held to underwrite the capital cost of large connection projects (returned to the customers on a phased basis over 2-3 years) and to underwrite capacity payments (returned to the customer over a period of up to 7 years).Customers have the option of replacing existing security deposits with other forms of financial security at any time. Corresponding payables due have been recorded for all restricted cash balances recorded in cash and cash equivalents. Refer to note 30M for treasury related credit risk disclosures.

Cash and cash equivalents movements through the statement of cash flows also includes movements in restricted deposit balances.

	2024	2023
	€'000	€'000
At 1 January	**194,025**	138,186
Increase in cash and cash equivalents in the statement of cash flows	**(53,975)**	55,839
At 31 December	**140,050**	194,025

30F. Cash generated from operations

	2024 €'000	2023 €'000
Cash flows from operating activities		
Profit for the year	**116,941**	84,455
Adjustments for:		
Depreciation and amortisation	**130,959**	123,281
Retirement benefit cost	**1,451**	-
Net finance income/ (costs)	**80**	(1,799)
Income tax expense	**19,550**	12,688
	268,981	218,625
Working capital changes:		
Change in trade and other receivables	**16,913**	(14,352)
Change in trade and other payables	**(4,540)**	(12,506)
Change in deferred revenue	**38,994**	33,604
Change in provisions	**254**	(653)
Change in inventories	**(74)**	(95)
Cash from operating activities	**320,528**	224,623
Interest paid *	**(7,609)**	(11,374)
Income tax paid	**(12,778)**	(20,048)
Net cash from operating activities	**300,141**	193,201

** Interest paid is net of deposit interest income on short term deposits of €8.3m (2023 €3.9m).*

30G. Inventory

	31-Dec-24 €'000	31-Dec-23 €'000
Stocks and materials	**664**	590

No Inventory was pledged as security.

There were no write-downs of inventories to net realisable value in 2024 (2023: €nil).

In 2024, the value of inventory recognised as maintenance costs amounted €2.0m (2023 €1.8m).

30H. Deferred revenue

	2024 €'000	2023 €'000
At 01 January	**(158,162)**	(124,558)
Received	**(62,033)**	(45,717)
Credited to the income statement	**23,039**	12,113
At 31 December	**(197,156)**	(158,162)

Analysed as follows:

	2024 €'000	2023 €'000
Non-current	**(179,139)**	(145,204)
Current	**(18,017)**	(12,958)
Total	**(197,156)**	(158,162)

30I. Grants

	2024 €'000	2023 €'000
At 1 January	**(17,448)**	(20,675)
Receivable in year	**-**	(762)
Amortised	**4,025**	3,989
Credited to income statement	**184**	-
At 31 December	**(13,239)**	(17,448)

Analysed as follows:

	2024 €'000	2023 €'000
Non-current	**(9,203)**	(13,461)
Current	**(4,036)**	(3,987)
Total	**(13,239)**	(17,448)

There are no unfulfilled conditions attached to grants recognised in the income statement. In certain circumstances grants may become repayable if the conditions laid down in the grant agreements are not adhered to. The Company does not expect such circumstances to arise and there were no repayments of grants in the current or prior year.

Grants receivable in 2023 of €0.8m related to grant funding from the Innovation and Networks Executive Agency (INEA), for investment in Compressed Natural Gas stations and Biogas related infrastructure and the development of policies and procedures in relation to Gas Networks Ireland Gas Operational Technology. A number of conditions relating to these grant fundings remain in progress at year end.

30J. Provisions, contingencies and capital commitments

Provisions

All Group provisions are all held at parent company level - refer to note 21 for details.

Contingencies

Contingent liabilities with respect to grants are disclosed in note 30I.

The Company is subject to various litigation, claims and contract disputes in the ordinary course of operations. While any such proceedings have an element of uncertainty, we do not expect the ultimate resolution of these proceedings to have a material adverse effect on the Company's results from operations, operating cash flows or net asset financial position.

Capital commitments

	2024 €'million	2023 €'million
Capital expenditure that has been contracted for but has not been provided for	**78**	67

30K. Trade and other payables

	31-Dec-24 €'000	31-Dec-23 €'000
Trade payables	**(11,219)**	(16,053)
Accrued expenses	**(62,695)**	(60,931)
Other payables	**(23,589)**	(29,024)
Amounts owed to ultimate parent undertaking	**-**	(218)
Taxation and social insurance creditors	**(22,684)**	(20,150)
Total	**(120,187)**	(126,376)
Analysed as follows:		
Non-current	**(3,272)**	(4,210)
Current	**(116,915)**	(122,166)
Total	**(120,187)**	(126,376)
Taxation and social insurance creditors		
PAYE/social insurance	**(2,546)**	(2,283)
VAT	**(20,138)**	(17,867)
Total	**(22,684)**	(20,150)

30L. Tax

Current tax assets and liabilities

	31-Dec-24 €'000	31-Dec-23 €'000
Current tax (liabilities)/ asset *	**(819)**	8,353

Deferred tax assets and liabilities

	Pension	Accelerated tax depreciation €'000	Interest charges payable €'000	Other ** €'000	Total €'000
At 01 January 2023	-	(190,464)	400	4,742	(185,322)
Recognised in income statement	-	1,852	(138)	(4,943)	(3,229)
At 31 December 2023	-	(188,612)	262	(201)	(188,551)
Transferred under common control	**(3,465)**	**-**	**-**	**-**	**(3,465)**
Recognised in income statement	**140**	**2,189**	**(23)**	**20**	**2,326**
Recognised in equity	**455**	**-**	**-**	**-**	**455**
At 31 December 2024	**(2,870)**	**(186,423)**	**239**	**(181)**	**(189,235)**

** Current tax asset arose primarily due to prior year tax impacts of the change in accounting policy as described in note 1 to the 2023 Gas Networks Ireland Group Financial Statements.*

*** Includes deferred tax asset of €0.3m in relation to lease liabilities (2023 €0.3m). Deferred tax liability in relation to right-of-use assets amounts to €0.5m, (2023 €0.5m).*

30M. Financial risk management and financial instruments

Refer to note 23 to the Group financial statements for an overview of the derivative financial instruments used by the Group and the Company.

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Refer to note 24 to the Group financial statements for IFRS 13 disclosures in respect of fair value measurement.

30M. Financial risk management and financial instruments (continued)

	Fair value hierarchy	FVTPL €'000	Amortised cost €'000	Total €'000
At 31 December 2024				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	**416**	**-**	**416**
Trade and other receivables **		**-**	**197,424**	**197,424**
Cash and cash equivalents - available to group ***		**-**	**121,172**	**121,172**
Cash and cash equivalents - restricted deposits		**-**	**18,878**	**18,878**
Total financial assets		**416**	**337,474**	**337,890**
Financial liabilities				
Borrowings and other debt ****	Level 2	**-**	**(859,653)**	**(859,653)**
Foreign exchange rate contracts (undesignated)	Level 2	**(444)**	**-**	**(444)**
Trade and other payables *		**-**	**(34,808)**	**(34,808)**
Total financial liabilities		**(444)**	**(894,461)**	**(894,905)**
Net financial (liabilities)		**(28)**	**(556,987)**	**(557,015)**
At 31 December 2023				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	159	-	159
Trade and other receivables **		-	210,204	210,204
Cash and cash equivalents - available to group ***		-	162,982	162,982
Cash and cash equivalents - restricted deposits		-	31,043	31,043
Total financial assets		159	404,229	404,388
Financial liabilities				
Borrowings and other debt ****	Level 2	-	(1,023,944)	(1,023,944)
Foreign exchange rate contracts (undesignated)	Level 2	(170)	-	(170)
Trade and other payables *		-	(45,295)	(45,295)
Total financial liabilities		(170)	(1,069,239)	(1,069,409)
Net financial (liabilities)		(11)	(665,010)	(665,021)

** Accrued expenses and taxation and social insurance creditors have been excluded as these are not classified as financial liabilities.*

*** Prepayments have been excluded as these are not classified as a financial asset.*

**** Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Parent has a current legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at 31 December 2024, €7.2m of cash and cash equivalents were available to the Parent (2023: €3.1m). The Parent had no bank overdrafts as at 31 December 2024 (2023: €0.1m), thus a net position of €7.2m is presented as cash and cash equivalents available to the Parent (2023: €3.0m). As at 31 December 2024, the Parent had entered no master netting arrangements and other similar agreements.*

***** The fair value of borrowings and other debt as at 31 December 2024 was €831.5m (2023: €974.4m).*

The fair values of financial instruments carried at fair value, grouped by class of instrument, are as follows:

Fair value of financial instruments

	Non-current assets €'000	Current assets €'000	Non-current liabilities €'000	Current liabilities €'000	Total €'000
Foreign exchange contracts	**59**	**357**	**(59)**	**(385)**	**(28)**
At 31 December 2024	**59**	**357**	**(59)**	**(385)**	**(28)**
Fair value of financial instruments					
Foreign exchange contracts	**-**	**159**	**-**	**(170)**	**(11)**
At 31 December 2023	-	159	-	(170)	(11)

Financial risk management

Refer to note 23 to the Group financial statements for details of the Group's financial risk management policies. These objectives, policies and processes are also adopted by the Company.

(i) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Dec-24 €'000	31-Dec-23 €'000
Trade and other receivables (excluding prepayments)	**197,424**	210,204
Cash and cash equivalents - available to group	**121,172**	162,982
Cash and cash equivalents - restricted deposits	**18,878**	31,043
Derivative financial instruments	**416**	159
Total	**337,890**	404,388

(i) (a) Treasury related credit risk

Refer to note 23 to the Group financial statements for an analysis of the Group's polices in respect of treasury related credit risk. These objectives, policies and processes are also adopted by the Company.

Financial guarantees

Refer to note 23 to the Group financial statements for details of financial guarantees entered into by the Company.

(i) (b) Trade related credit risk

Refer to note 30D for an analysis of the Company's exposure to trade related credit risk.

30M. Financial risk management and financial instruments (continued)

(ii) Funding and liquidity risk

Refer to note 23 to the Group financial statements for details of the Group's objectives, policies and processes for managing funding and liquidity risk and the methods used to measure liquidity risk. These objectives, policies and processes are also adopted by the Company.

The following are the contractual maturities of financial liabilities (and assets of a similar nature), including the undiscounted interest payment associated with borrowings and the undiscounted net cash flows attributable to financial instruments. The disclosure includes cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement, e.g. forward foreign exchange rate contracts.

	Carrying amount	Contractual cash flows	< 1 year	1-2 years	2-5 years	> 5 years
	€'000	€'000	€'000	€'000	€'000	€'000
At 31 December 2024						
Borrowings and other debt	**(859,653)**	**(983,147)**	**(20,440)**	**(356,070)**	**(46,997)**	**(559,640)**
Trade and other payables*	**(34,808)**	**(34,808)**	**(34,808)**	**-**	**-**	**-**
Non-derivative financial liabilities	**(894,461)**	**(1,017,955)**	**(55,248)**	**(356,070)**	**(46,997)**	**(559,640)**
Foreign exchange rate contracts	**(28)**	**(28)**	**(28)**	**-**	**-**	**-**
Net derivative financial liabilities	**(28)**	**(28)**	**(28)**	**-**	**-**	**-**
Net financial liabilities	**(894,489)**	**(1,017,983)**	**(55,276)**	**(356,070)**	**(46,997)**	**(559,640)**
At 31 December 2023						
Borrowings and other debt	(1,023,944)	(1,110,538)	(314,705)	(13,545)	(524,304)	(257,984)
Trade and other payables *	(45,295)	(45,295)	(45,295)	-	-	-
Non-derivative financial liabilities	(1,069,239)	(1,155,833)	(360,000)	(13,545)	(524,304)	(257,984)
Foreign exchange rate contracts	11	11	11	-	-	-
Net derivative financial assets	11	11	11	-	-	-
Net financial liabilities	(1,069,228)	(1,155,822)	(359,989)	(13,545)	(524,304)	(257,984)

** Accrued expenses and taxation and social insurance creditors have been excluded as these are not classified as financial liabilities.*

(iii) Market risk

Refer to note 23 to the Group financial statements for details of the Group's objectives, policies and processes for managing market risk and the methods used to measure market risk. These objectives, policies and processes are also adopted by the Company.

(iii) (a) Exchange rate risk

Exchange rate risk derives from the fact that some of the Company's operations are conducted in currencies other than euro (mainly sterling). The objective of exchange rate risk management is to protect profitability by minimising the impact of material variations due to foreign exchange rate movements.

The potential exposure to exchange rate risk relates to the transaction exposure and debt in a foreign currency as disclosed in the Group financial statements (note 23).

Exchange rate sensitivity analysis

A strengthening or weakening of the euro, as indicated below, against sterling at 31 December would have increased/(decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis is based on exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Profit before taxation gain/(loss)	Other comprehensive income	Profit before taxation gain/(loss)	Other comprehensive income
	31-Dec-24	31-Dec-24	31-Dec-23	31-Dec-23
	€'000	€'000	€'000	€'000
5% Strengthening	**(844)**	**-**	(514)	-
5% Weakening	**844**	**-**	514	-

Note: Changes in the carrying value of derivative financial instruments not in hedging relationships affect the income statement only.

(iii) (b) Interest rate risk

Refer to note 23 to the Group financial statements for details of the Group's objectives, policies and processes for managing interest rate risk and the methods used to measure interest rate risk. These objectives, policies and processes are also adopted by the Company.

Refer to note 23 to the Group financial statements for disclosure of the Group's interest rate risk, this represents the Company's interest rate risk as all interest rate risk is carried by the Company.

30N. Issued share capital

	2024	2023
	€'000	€'000
Authorised:		
1,000,000 ordinary shares of €1.00 each	**1,000**	**1,000**
Allotted, called-up and fully paid:		
100 ordinary shares of €1.00 each (2023 1 Ordinary share of €1.00)	-	-

Prior to the dissolution of Ervia the issued Share Capital of Gas Networks Ireland, was one share held by Ervia. Pursuant to the (Amendment) and Miscellaneous Provisions Act 2024, on 01 June 2024 (the transfer day), the share issued to Ervia by Gas Networks Ireland was cancelled for no consideration.

On 01 June 2024, Gas Networks Ireland issued 100 shares in the following proportions:

(a) 90 shares to the Minister for Housing, Local Government and Heritage;

(b) 5 shares to the Minister for Environment , Climate and Communications;

(c) shares 5 to the Minister for Public Expenditure and Reform.

(b) Share premium

	2024	2023
	€'000	€'000
At 1 January *	**318,353**	**318,353**
Issue of shares	**-**	-
At 31 December	**318,353**	318,353

30N. Issued share capital (continued)

(c) Capital contribution

	2024 €'000	2023 €'000
**At 1 January ** **	**369,947**	369,947
Transfer from Ervia (note 26)	**26,877**	-
At 31 December	**396,824**	369,947

** On 1 August 2015, Ervia, previously the Parent entity of Gas Networks Ireland, transferred all assets and liabilities, relating to the gas networks business to Gas Networks Ireland, a newly incorporated subsidiary. As Ervia and Gas Networks Ireland were under common control at the date of the transfer, the assets and liabilities were not measured at their fair values and instead were measured based on the carrying values. The share premium arising represented the difference between the carrying value of the assets and liabilities transferred from Ervia (€1,231.4m) and the aggregate of the consideration payable (€550m) and the capital contribution received (€363.1m).*

*** A capital contribution of €363.1m was received from Ervia on 1 August 2015, as described above. Furthermore, property, plant and equipment was transferred during 2021 from Ervia to Gas Networks Ireland at its carrying value of €6.9m for nil consideration, as a common control transaction.*

30O. Related parties

The net related party balances, in respect of the transactions detailed in the relevant sections below, are as follows:

	31-Dec-24 €'000	31-Dec-23 €'000
Ervia	**-**	(218)
Subsidiaries	**124,199**	113,614
	124,199	113,396

Transactions with Ervia

Refer to Note 26 to the Group financial statements for details of related party transactions with Ervia Parent.

Transactions with Uisce Éireann

Refer to Note 26 to the Group financial statements for details of related party transactions with Uisce Éireann.

Transactions with subsidiaries

		2024 €'000	2023 €'000
Transactional and support service agreement costs	(a)	**7,130**	3,882
Interest income	(b)	**6,097**	5,523
Transportation supply services	(c)	**(54,186)**	(50,625)
Dividend received from subsidiary	(d)	**-**	8,000

(a) Transactional and support service agreement costs

Gas Networks Ireland provides strategic, governance, risk management, operational and capital delivery management and financial and transactional services costs to Gas Networks Ireland (UK) Ltd and Gas Networks Ireland (IOM) DAC Ltd.

(b) Interest income

The Company had interest income from subsidiaries arising on intercompany loan facilities.

(c) Transportation services

During the year the Company purchased services and supplies from a subsidiary. This expenditure primarily related to transportation services.

(d) Dividend

In April 2023, the Board of Gas Networks Ireland (IOM) DAC approved the payment of a special dividend of €8.0m to its parent, Gas Networks Ireland.

Board members

The Directors had no beneficial interests in the Company at any time during the year or at the reporting date.

Key management compensation

Refer to note 26 to the Group financial statements for details in respect of the Group's key management compensation.

Government bodies

In common with many other entities, the Company deals in the normal course of business with other Government sponsored bodies, such as, the Electricity Supply Board, Eirgrid, Local Authorities and with certain Irish banks which are partially owned by the Irish Government. All transactions are on normal commercial terms. The Company had no material concentration of borrowings or deposits with any such banks during the year, at the reporting date, or for the comparative period end.

30P. Subsequent events

Refer to Note 27 to the Group financial statements for details of subsequent events.

Gas Networks Ireland

The main contact details for
Gas Networks Ireland are:

General Enquiries
1800 464 464

Lines open Monday to Friday 8am – 8pm
and Saturday 9am – 5.30pm

24 Hour Emergency Service
1800 20 50 50

networksinfo@gasnetworks.ie

@GasNetIRL
gasnetworks.ie

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