

Gas
Networks
Ireland

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

2025 Annual Report and Financial Statements



Resilient network



Net zero transition

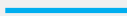







Customer driven

ABOUT US

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

KEY

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



Delivering Ireland's Energy

30%

of Ireland's total energy needs



53.4 TWh

transported through the network for Republic of Ireland

40%

of Ireland's electricity generation

17%

of gas used in Ireland sourced indigenously from Corrib gas field

Delivering for Ireland

€3bn

publicly-owned national asset

€294m

worth of goods and services procured from Irish suppliers

€190m

Taxes paid



€217m

capital expenditure



€62m

dividend payment to the Exchequer

830

staff directly employed by Gas Networks Ireland

Delivering on network resilience and security

4 new transmission connections - construction completed

3 further transmission connections construction commenced

Progressed cyber and physical security upgrades at pace during 2025

The Irish Government approved the development of a Strategic Gas Emergency Reserve, as critical infrastructure required to secure Ireland's energy supply

Lost Time Incident Frequency Rate (LTIFR) for staff and key service providers of **0.13** continues to demonstrate our safety-first culture

A record daily demand of **370 GWh** was recorded on January 8, 2025

Delivering for a net zero future

Biomethane

Commenced construction of Mitchelstown biomethane central grid connection

- **3** Biomethane connections contracts signed
- **12** compressed natural gas stations (CNG) operational by the end of 2025

Hydrogen

- Participated in Government Hydrogen Interdepartmental Working Group.
- Continued research in relation to Network Technical Readiness and Hydrogen compatibility.

3

We won 3 awards

- 1 - Gas Networks Ireland awarded the Excellence In Public Sector Sustainability Support Services Award 2025.
- 2 - Gas Networks Ireland awarded ESG Performer of the Year at the 2025 Green Awards
- 3 - Gas Networks Ireland awarded Best Customer Experience and Communication Award at the 2025 Chambers Ireland InBUSINESS Awards



Gas Networks Ireland transitioned from our Champion role to enduring **SDG Ambassador**

Decarbonised operations

Absolute GHG emissions reduction since 2010 (**Scope 1&2**) - **27%**

Absolute GHG emissions reduction since 2024 (**Scope 1&2**) - **4%**

Advanced the "**Scottish Electrification Project**" to shift from gas turbines to electric power.

Delivering for our customers

720,000+ customers in **23** counties, with 28,533 industrial and commercial customers, including power stations

95% customer satisfaction score remains at an excellent level

Shipper / Supplier satisfaction score out of 10 (very satisfied)

8.2 **17%** drop in complaints compared to 2024, lowest level raised in 10 years

1.8m meter reads undertaken

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As Ireland goes through a major energy transition, we're well placed to play our part.



Section

1

Strategic performance

Business overview

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Strategy, business model and risk management

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OUR HISTORY AND SUSTAINABILITY JOURNEY

50 years in business

We look forward to shaping the next chapter of Ireland's energy story, together.



1970 /80s



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

- 1971** Natural gas discovered off the Old Head of Kinsale, in south-west Ireland.
- 1976** Bord Gáis Éireann established to transport and supply gas in Ireland, replacing private "town gas" companies.
- 1978** Natural gas first brought ashore through a sub-sea pipeline at Inch in Co. Cork
- 1983 to 1989** Gas pipeline from Cork to Dublin completed, followed by expansion to other cities, converting customers from "town gas" to natural gas.

1990s



- 1993** Sub-sea Interconnector 1 pipeline completed, connecting the Irish gas network to the UK gas grid.

Natural gas within reach of 550,000 homes in Ireland.

1996 Corrib gas field discovered off the coast of Mayo in the west of Ireland.

1999 Share of electricity generated by natural gas continues to grow to 28%, displacing heavily polluting fossil fuels such as oil.

2000s



2000 Aurora Telecom enters dark fibre market

2002 Sub-sea Interconnector 2 pipeline completed, to meet higher gas demands and declining supplies from Kinsale gas field.

Gas network extended to bring natural gas to the west of Ireland for the first time.

2009 Our charitable fund and commitment to youth education first established.

2010s



2014 Bord Gáis Éireann was renamed as Ervia, following the sale of Bord Gáis Energy.

2015 Natural gas from the Corrib gas field enters the gas network.

2018 Our first Sustainability Report is published.

2019 Domestically produced renewable biomethane enters into the gas network.

2020s



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

2023 Network Innovation Centre established to develop hydrogen technical and safety roadmap.

Uisce Éireann was legally separated from Ervia. Ervia was subsequently dissolved in 2024.

2024 Publication of "Pathway to a Net Zero Carbon Network".

Roll-out of 11 compressed natural gas (CNG) stations completed by the end of 2024.

2025 The Irish Government approved the development of a Strategic Gas Emergency Reserve.

2026

Celebrating 50 years of energy innovation

For 50 years, we have played a vital role in Ireland's energy. This milestone is a testament to the generations of colleagues who built and strengthened this organisation through their unique talent, dedication, and loyalty to allow us to enable Ireland's energy today, for the future. We stand on five decades of expertise and experience, of which we are incredibly proud. As we mark this anniversary, we commit fully to our values - building on experience, doing what's right, and energised for change - to ensure we continue to deliver, succeed and evolve. As the energy landscape evolves, our vision to be at the heart of Ireland's energy future remains clear. We will continue to lead responsibly, champion innovation, and deliver positive impact for our customers, citizens, communities and the planet, ensuring that our legacy endures for generations to come. United in purpose, we look forward to shaping the next chapter of Ireland's energy story, together.

At the heart of Ireland's energy future

Introduction

As Chairperson I am delighted to present the 2025 Annual Report and Financial Statements for Gas Networks Ireland.

Throughout the year, we made significant progress on our strategic goals, prioritised a refresh of our corporate strategy and worked towards our vision of being at the heart of Ireland's energy future. We have continued to deliver for our customers and stakeholders by operating a safe and reliable network, ensuring overall energy security and resilience in Ireland and pursuing opportunities to decarbonise the network as part of Ireland's transition to a net-zero carbon economy.

Our critical role in Ireland's energy system

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.

Our infrastructure plays a critical role in Ireland's energy system and in supporting the electricity market by compensating for the variability inherent in renewable sources such as wind and solar.

Gas Networks Ireland can provide solutions to challenges associated with security of energy supply, capacity

constraints and decarbonisation. We have been working closely with Government departments, EirGrid, and others in relation to detailed network scenario modelling in order to demonstrate the extent to which the gas network can support Ireland in addressing future energy capacity constraints.

Gas Networks Ireland is dedicated to maintaining and investing in our infrastructure to meet the highest standards of safety and reliability. In 2025, 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. The flexibility, availability and reliability of gas to support Ireland's energy security and resilience was shown throughout 2025 with zero downtime, including during severe weather events such as Storm Éowyn in January.

The Government approved the delivery of the Strategic Gas Emergency Reserve (SGER) in March this year as critical infrastructure required to secure Ireland's energy supply while the State continues its transition to renewable energy. Gas Networks Ireland will develop the SGER on behalf of the State. The new gas reserve will be delivered in the form of a Floating Storage and Regasification Unit (FSRU) and will address the critical risk of a disruption to

Ireland's natural gas supply. In November 2025, following a robust selection process, Cahiracon Co. Clare along the Shannon Estuary was announced as the site for Ireland's new SGER.

The escalating geopolitical instability in the Middle East reinforces the strategic importance of energy security. Against the backdrop of tightening global gas markets and heightened price volatility, the Government approved SGER represents a critical resilience measure, providing energy security and a necessary safeguard to support continuity of gas supply to Ireland in the event of a disruption.

Charting our path to a net zero carbon future

Ireland's government has set ambitious climate objectives, aiming to achieve net zero emissions by 2050. The gas network will evolve to play a pivotal role in helping Ireland to achieve these targets. Decarbonising the gas network and increasing integration with the electricity system will enable Ireland to achieve net zero in the most cost-effective and least disruptive way while enhancing energy security and diversity.

By replacing natural gas with renewable gases (biomethane and hydrogen), we will reduce emissions across key sectors, including those traditionally difficult to decarbonise, such as the high heat industry, power generation, agriculture, and transport as set out in our Pathways document published in 2024.

Throughout 2025, we continued to facilitate the transition to renewable energy, thereby supporting Ireland's ambitious climate objectives. We progressed the development of the Mitchelstown central grid injection (CGI) facility and engaged with biomethane producers to provide direct connections onto the network.

Gas Networks Ireland welcomes the Government's introduction of the Renewable

Heat Obligation (RHO), a landmark policy designed to accelerate the decarbonisation of Ireland's heat sector and stimulate demand for renewable gases such as biomethane. We support the RHO as a key enabler of Ireland's renewable gas ambitions and a critical policy measure to expand biomethane injection into the national network.

Strategy

In 2025, we refreshed our strategy following a comprehensive review conducted by our Executive and Board. It reflects our purpose, 'Enabling Ireland's energy today, for the future', and our vision, 'To be at the heart of Ireland's energy future'. It prioritises our network and its role in enhancing the security of supply, our decarbonisation ambition and the importance of supporting our customers. In parallel, we also launched our organisational behaviours, which, supported by our company values, provides us with a strong framework to enable the delivery of our strategy. We are confident that this is the right strategy for our business and key stakeholders. Our approach is aligned with and supports government policy, including the Energy Security Package, the National Biomethane Strategy and the National Hydrogen Strategy.

Sustainability

During 2025, we continued to embed sustainability across our business. We refreshed our sustainability commitments to reflect our refreshed corporate strategy, a robust double materiality assessment, the climate action framework for the commercial semi-state sector and our desire to support UN sustainable development goals. A need to dial up the social activities in our sustainability commitments was also critical. Our new sustainability commitments have three priority areas: Planet: Driving the transition together towards a net zero future for Ireland, People: Protect and

The Government approved the delivery of the Strategic Gas Emergency Reserve as critical infrastructure required to secure Ireland's energy supply.

The gas network will evolve to play a pivotal role in helping Ireland achieve net zero targets.



Kevin Toland Chairperson

empower our people, partners, customers, and communities and Principles: Do the right thing as a business. Our sustainability commitments are designed to bring our sustainability objectives and ambitions to life, fostering a stronger culture of sustainability within the organisation.

In 2025, we officially transitioned from our role as Sustainable Development Goal (SDG) Champion to take up a new role as SDG Ambassador for the Department of Climate, Energy and the Environment (DCEE).

In 2025, we continued to monitor progress in Europe with regards to the Corporate Sustainability Reporting Directive (CSRD) requirements and complete our CSRD “no regrets” deliverables, including the publication of our 2025 Sustainability in Action report which was aligned to the ESG framework. We mobilised our Methane Emissions programme in the year under the European Union (EU) Methane Regulation 2024/1787. We progressed our “electrification” projects at both compressor stations in Scotland, which are a significant part of Gas Networks Ireland’s decarbonisation initiative. The projects will result in the installation of single Electric Motor Drives (EMD) at each compressor station. Delivery of this programme is targeted for 2030/31.

People

We continue to invest in the development of our staff with many development programmes delivered including our technical training programmes, various bespoke development programmes including leadership and management development, a self-leadership programme

and our further education support. In addition, 2025 saw a further reduction in our gender pay gap to 3.9%, which shows that our efforts in this space are having an impact. Further detail on how our people support and enable the Business to deliver can be seen on page 88.

Financial results and shareholder dividends

Gas Networks Ireland delivered a profit after tax of €146m in 2025. Our financial results for the year are underpinned by a strong financial focus and a requirement to continuously reinvest in our network to support energy resilience and decarbonisation ambitions. Financial resilience is a key enabler of our strategy, in particular, maintaining our investment grade credit rating. In 2025, we maintained credit ratings of A+ / A2 with S&P and Moody’s rating agencies. Gas Networks Ireland’s 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 €66m dividend payment in 2026, based on the 2025 financial performance.

Corporate governance

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.

Board and leadership changes

Our evolution as a Company was accompanied by a transition in both our Board and senior leadership positions during the year. Keith Harris’s tenure on the Board expired on 4 July and David Salisbury was appointed to the Board with effect from 5th September. I would like to thank Keith for his work, commitment and valuable contribution to Gas Networks Ireland and welcome David to our Board. Cathal Marley, in his role as Chief Executive Officer, resigned his Directorship on 1st April. On behalf of the Board, and all in Gas Networks Ireland, I thank Cathal for his significant contribution, and we all wish him every success in his future career.

On behalf of the Board, I would like to thank and acknowledge Ronan Galwey who has been our Acting Chief Executive Officer for the past year. Ronan has provided strong leadership to our business, supporting all parts of our organisation in maintaining our strong momentum and focus around delivery.

David Kelly has been appointed to the role of Chief Executive Officer for Gas Networks Ireland, commencing in February 2026. David has over twenty years of experience in both the private and public sectors. David has spent ten

years with the organisation, initially as Group Head of Customer Operations and Public Affairs for Ervia, before taking on the Director of Customer and Business Development role four years ago. David has recently been appointed President of Dublin Chamber of Commerce.

Personally, and on behalf of the Board, I am delighted to congratulate David on his appointment and look forward to working closely with him as he takes up his new role. David has the right knowledge, skills, capabilities, and drive to help make Gas Networks Ireland an even more successful organisation.

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 Climate, Energy and the Environment for their support throughout the year. I extend my gratitude to the officials at NewERA with whom we regularly liaise on governance matters. 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, 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

Enabling Ireland’s energy today, for the future

We own, operate, build, and maintain the natural gas network in Ireland. Ireland’s gas network is among the most modern in Europe, providing a safe, secure, and reliable energy supply. This includes:



Over **14,781km** of pipelines, two subsea 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.



David Kelly Chief Executive Officer



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 40% of Ireland's electricity.

The variability of fuel types in the electricity generation mix, particularly wind and solar, saw gas electricity generation peak at 92% of demand during 2025, reiterating the importance of having a flexible and reliable gas supply.

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 29-37.

Performance in 2025

Safety

In 2025, we maintained our track record of excellent safety performance, with safety underpinning everything we do across ongoing operational activities and decision-making.

The flexibility, availability and reliability of gas to support Ireland's energy security and resilience was shown throughout 2025 with zero downtime, including during severe weather events such as Storm Éowyn in January. 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. During the year, we underwent a successful surveillance audit of all five ISO systems by the National Standards Authority of Ireland (NSAI). The audit report noted 22 strengths across all areas, in particular in relation to storm response, safety culture, and sustainability. 2025 was a milestone year for our safety strategy Work Safe Home Safe, driven by staff commitment to safety. We started the year by relaunching our revised safety strategy and hosted impactful live events in Dublin and Cork. In Q2 we launched a Driver Safety Campaign, and saw the establishment of our second and third Work Safe Home Safe Safety Committees. These committees are designed to inspire, empower, and mobilise our people to lead proactive safety initiatives across the organisation. A number of safety communications, safety moments and awareness campaigns for staff were run over the course of the year covering issues such as driving, office, summer and winter safety. We also celebrated our first Safety Hero Award winner. 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. Our Dial Before you Dig campaign won a gold Bell at the ICADs (Institute of Creative Advertising and Design). The ICADs are a benchmark of success for creative advertising in Ireland and Europe.

After more than a decade, Gas Networks Ireland returned to the National Ploughing Championships, engaging with over 10,000 attendees across the three-day event. Through presentations and creative activations, we showcased our commitment to safety, innovation, and shaping a cleaner, more sustainable energy future for Ireland.



Capital investment

In 2025, €217m of capital investment was delivered to ensure the gas network meets the highest standards of safety, reliability, and security and to transition to renewable energy solutions.

Capital investment to note this year includes:

Completed construction

of 4 new Transmission connections and Commenced construction of 3 further new connections.

Completed construction

of Physical Security Projects at Beattock, Brighthouse Bay, Twynholm and Cluden.

Completed the installation

of three Air Intake Units at Beattock and Brighthouse Bay, as well as electrical refurbishment works at Brighthouse Bay.

Completed

Transmission Diversion works at Irish Distillers in Middleton and at the M28 Motorway site in Ringaskiddy.

Procured materials for three biomethane direct injection projects.

Completed SL3 Enhanced

Cyber Security to an appropriate level for 2 essential sites and commenced works at Beattock Compressor Station.

Commenced construction

on Mitchelstown biomethane central grid injection (CGI).

Commissioned

Beauparc Cappagh Compressed Natural Gas (CNG) station

1.6 km distribution

reinforcement main laid.

Advanced the Scottish Electrification Project.

Completed capacity upgrade at Barnakyle Above Ground Installation (AGI) and Boiler Upgrade at Gormanston AGI Phase 1.

Operations and maintenance

Operating and maintaining our network in an efficient and economic manner is a key element of our strategy. In 2025 the network transported approximately 72.69 TWh of energy across Ireland, Northern Ireland and the Isle of Man. We are proud that we had no gas quality nonconformances on the network during the year. During a particularly cold spell and low wind period in January 2025, a record daily demand of 370 GWh was recorded on the network on January 8.

During the year we took over 1.8 million meter reads on behalf of gas suppliers and responded to 14,072 publicly reported escapes of gas, 99.9% of which was within the one-hour criteria. We also dispatched over 47,768 preventive maintenance work orders, with a 98% completion rate.

Physical and cyber security programmes

We have made very good progress with our physical and cyber security programmes in 2025 and are continuing to progress at pace, building strong, layered defences for our company. We must continue to stay vigilant and keep our company assets and information secure from malevolent actors. We maintain regular cyber awareness communications and training to all employees and contractors. We remain on track to meet our 2026 maturity target of 3+ (Repeatable) under the National Institute of Standards & Technology cyber security framework. As noted previously, cyber and physical security upgrades continued at

various locations in Republic of Ireland (ROI) and Scotland and will continue into 2027.

Security of supply

Throughout 2025, Gas Networks Ireland continued to work closely with EirGrid and Commission for the Regulation of Utilities (CRU) to ensure a more secure electrical supply.

We completed construction of four new Transmission connections and commenced construction of three further new connections, thereby supporting the increase in power generation capacity and providing resilience to the ongoing expansion of renewable electricity generation. In addition, Bord Gáis Energy (BGE) has signed a contract with Gas Networks Ireland for a new gas-powered peaker plant.

In 2025, Gas Networks Ireland worked on developing the SGER on behalf of the State. Full details of our SGER project can be found in our operating review.

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.

The Government's announcement of the RHO during the year was a significant breakthrough for the Biomethane sector. The RHO requires an increasing proportion of energy from suppliers of heating fuels to come from renewable sources, in line with EU Renewable Energy sustainability criteria.

Over 2025, there was 35 GWh (11GWh indigenous and 24GWh imported) of biomethane transported by the gas network. Gas Networks Ireland further advanced its commitment to decarbonising Ireland’s energy system by signing three new direct connection contracts, which are planned to be delivered in 2027. Gas Networks Ireland also made significant progress on the construction of its central CGI facility in Mitchelstown Co. Cork, a cornerstone project in the expansion of Ireland’s renewable gas infrastructure. The facility will enable large-scale biomethane injection into the national gas network and play a pivotal role in meeting Ireland’s climate and energy targets.

Renewable gas in transport (BioCNG)

In 2025, demand for renewable gas in the transport sector increased by 13% compared to 2024. Compressed Natural Gas (CNG) and its renewable equivalent, BioCNG, offer substantial emissions reductions for the Heavy Goods

Vehicles (HGV) sector, with BioCNG cutting emissions by up to 90%. In 2025, 46% of CNG dispensed was BioCNG. A Renewable Gas in Transport (RGT) Strategy was approved by the Gas Networks Ireland Board in June 2025 to support the continued roll-out of additional CNG and BioCNG infrastructure. The strategy aims to increase gas HGVs to 2,000 by 2031/2032, raise annual biomethane demand by up to 580GWh by 2031, and deliver ~1.8TWh incremental demand between 2025–2031. The Strategy expects to reduce transport emissions by up to 350,000 tonnes CO₂eq by 2031 and over 1.2 million tonnes by 2040. Decarbonisation efforts continued with the opening of Panda’s new CNG refuelling station in Cappagh, Co. Dublin, and the launch of the government funded GRAZE (Green Renewable Agricultural Zero Emissions) Vehicle Grant Scheme initiative (value €750,000) administered by Gas Networks Ireland supporting fleet operators transitioning to gas powered HGVs.

Customer

In 2025, Gas Networks Ireland continued to put customers at the heart of our operations, delivering high-quality services to more than 720,000 domestic and commercial customers.

Our overall Customer Satisfaction Score remained at an excellent score of 95% and we continued to enhance our customer service with our complaint resolution targets being exceeded. A total of 783 complaints were received, significantly below the CRU threshold of 1,800. This represented a 17% reduction relative to 2024 and was the lowest level received in over a decade.

Throughout 2025, the Customer Solutions Team continued to proactively engage with large energy users on the network. The publication of our step-by-step guidelines document was designed to help companies, subject to EU

Emissions Trading System (ETS) regulations, understand how to integrate biomethane as part of their emissions reporting requirements.

Our win for ‘Best Customer Experience and Communication’ at the Chambers Ireland InBUSINESS Recognition Awards, is a testament to our commitment to high standards and best practices in governance. We were also shortlisted for an Age Friendly Ireland Innovation Award.

Hydrogen

The National Hydrogen Strategy (2023) recognises the long-term need for a national hydrogen network and the opportunity to use the existing gas network to transport hydrogen produced from wind energy. Throughout 2025, Gas Networks Ireland supported the delivery of this strategy through participation in the Government’s Hydrogen Interdepartmental Working Group and advanced preparations for both hydrogen blending in the natural gas network and the future repurposing of parts of the network for 100% hydrogen.

Aligned with this work, the Network Innovation Centre in Citywest, continued hydrogen testing with research partners to assess compatibility and functionality, ensuring the network can safely transport and store blended hydrogen and ultimately pure hydrogen in the future.

Following the EU hydrogen and decarbonised gas market package coming into force in August 2024, Gas Networks Ireland worked with the CRU and DCEE in 2025 to ensure readiness for the Regulation (applicable from February 2025) and to prepare for transposing the Directive by August 2026. The organisation is also engaging with DCEE on Ireland’s designation of a Hydrogen Network Operator, a role we believe we are ideally positioned to fulfill.

2026 strategic priorities

Central to our strategy is the safe development, operation, and maintenance of a flexible, and secure gas network that meets Ireland’s current energy requirements and adapts to future energy demands. We will continue to manage the gas network safely and reliably, 365 days a year thereby providing a flexible and reliable gas supply underpinning Ireland’s energy mix.

We will safeguard Ireland’s energy security which is essential for economic stability and growth. We will continue to connect vital gas power stations to bolster electricity generation and enhance Ireland’s security of energy supply by developing a temporary Strategic Gas Emergency Reserve on behalf of the State. In 2026, we will continue to operate our gas network and invest more than €237m of capital investment to ensure it meets the highest standards of safety, reliability, and security. The risk of a physical or cyber-attack on our network remains a high priority for our company.

We will focus on playing a pivotal role in supporting Ireland’s evolving energy needs and work to 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 leverage our expertise and collaborate with our stakeholders to make this happen. We recognise the criticality of collaborating closely with other leading energy players to develop

an integrated, sustainable, and efficient energy system for Ireland.

We will continue to construct our central grid injection facility at Mitchelstown, and progress delivery of the requisite regulatory and commercial arrangements. We will continue to actively support the development of the biomethane industry in Ireland.

We will continue to undertake work to be ready to safely transport hydrogen on our network both for low levels of blended hydrogen and 100% hydrogen. We will work with DCEE to advance the transposition of the EU Hydrogen and Decarbonisation Gas Market Package Directive plus the certification of Gas Networks Ireland as the National Hydrogen Network Operator.

We are passionate about delivering for our customers, focused on providing innovative solutions for them, advocating for policies that support their interests and supporting energy

affordability. A principal challenge for our organisation over the next decade, will be to balance the requirements of energy security, affordability, and decarbonisation.

We are committed to putting our employees at the core of our business and advancing our sustainability agenda. We will continue to focus on our talented workforce across the business, so that we can evolve and develop skills and capabilities to meet future goals. We will continue to attract, retain, and develop talent through development programmes, progression and opportunities across the business.

The Board and executive team will drive delivery of our strategy enabling Ireland’s energy today, for the future and to be at the heart of Ireland’s energy future. To do that, our network must achieve net zero by transporting renewable gas safely and reliably. We will work towards an affordable and clean energy future for our customers.

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 2025.



David Kelly Chief Executive Officer



STRATEGIC PERFORMANCE

Strategy, business model and risk

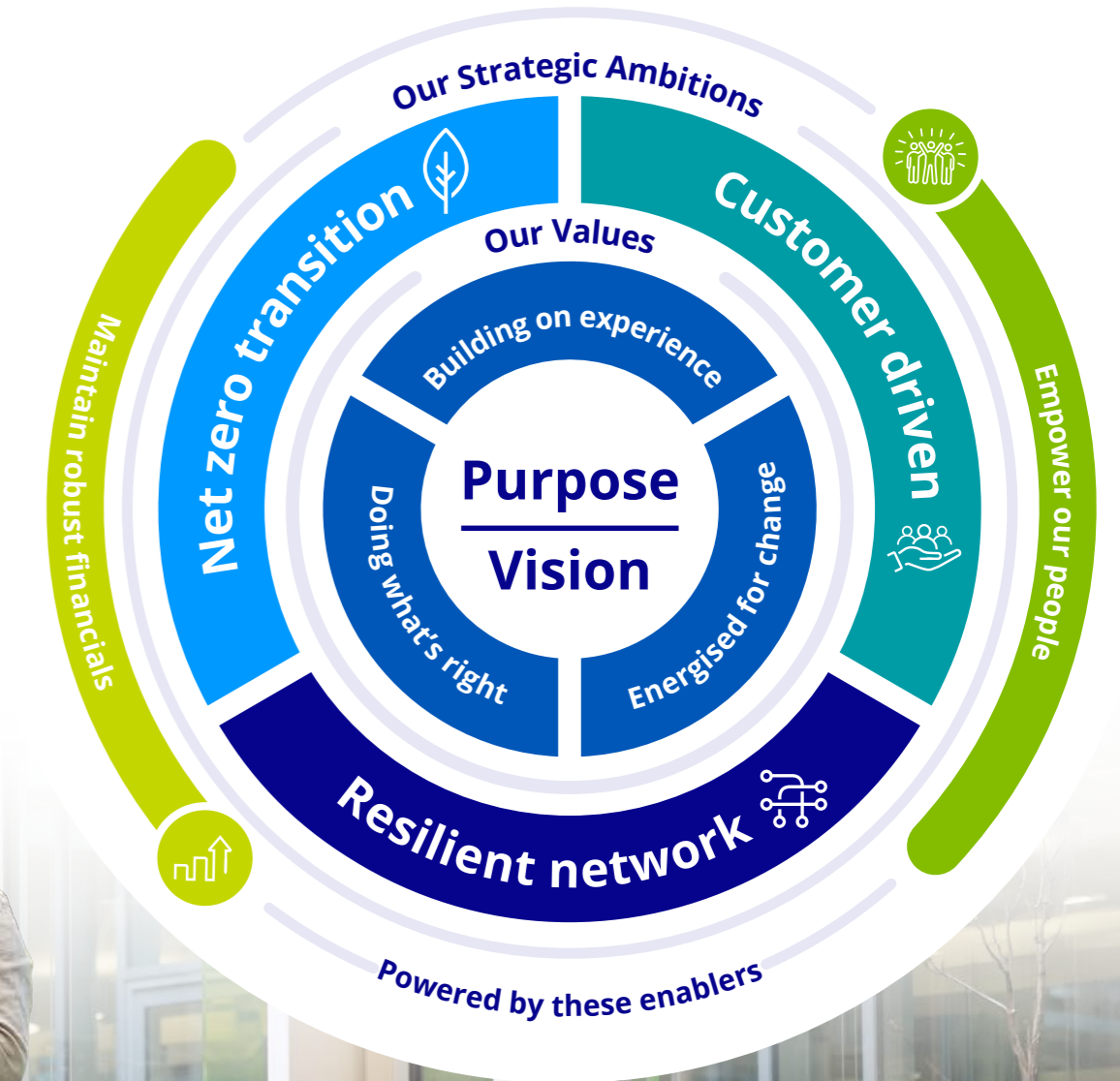


OUR STRATEGY

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.

Gas Networks Ireland has three strategic ambitions and two supporting enablers that provide a clear roadmap to deliver our vision.



OUR STRATEGY

Our purpose, vision, and story

Our purpose

Enabling Ireland's energy today, for the future

Our vision

To be at the heart of Ireland's energy future



Our purpose and vision underscore who we are as a company

At Gas Networks Ireland, we're proud to have a team that can draw on decades of experience and expertise to meet Ireland's evolving energy needs.

Our track record has been to transform and deliver at times of great change. Now we're ready to do it again; to pave the way for a better tomorrow. That powers our purpose:

Enabling Ireland's energy today, for the future

Our role

As Ireland goes through a major energy transition, we're well-placed to play our part. And up for the challenge.

Safety and resilience have always been at the core of what we do. In today's volatile world, this takes on a new meaning, encompassing a wider sense of security.

We're also innovating to unlock the potential of renewable gas and the greater energy independence that this provides for Ireland. While continuing to manage critical infrastructure and work every day to safeguard energy supply for our customers.

All of this gives us confidence in our vision:

To be at the heart of Ireland's energy future.

Our ambition

To do that, our network must achieve net zero by transporting renewable gas as safely and reliably as ever. While working towards an affordable and clean energy future for our customers.

We're already carrying biomethane. Now we need to scale its volume, repurpose our network for hydrogen, and work with our energy partners to create a net zero energy system.

Our people

Our people are more than up to the task. Uniquely talented, dedicated and loyal. We take great pride in delivering consistently across our network. Supporting our customers with unmatched care, commitment and professionalism.

By bringing those strengths together, we'll continue to make a real difference.

Enabling Ireland's energy today, for the future. With the drive, ability and ambition to be at the heart of Ireland's energy future.

OUR STRATEGY

Our strategy on a page



Resilient network

Always meeting Ireland's energy needs with a safe, flexible, and secure network



Net zero transition

Driving the transition together towards a net zero future for Ireland



Customer driven

Delivering affordable and innovative solutions for all energy customers



Supported by these commitments

Safety

Safety first in everything we do

Network resilience

Meet Ireland's evolving energy demands through the development and operation of a reliable network

Security of supply

Take the necessary actions to enable Ireland's energy security

Integrated system

Drive whole system planning across the energy industry to develop a least-cost, clean, and secure energy system

Scale biomethane

Champion the biomethane industry while preparing to transport biomethane at scale for customers

Enable hydrogen

Lead the development of networked hydrogen as a core component of Ireland's future energy system

Decarbonised operations

Deliver on our climate change commitments by decarbonising our own operations

Customer-driven solutions

Deliver innovative and efficient energy solutions for our customers

Customer advocate

Advocate for the right policies that reflect the interests of energy customers

Energy affordability

Prioritise energy affordability through efficient operations, appropriate strategic investments, and equitable pricing

Powered by these enablers



Empower our people



Maintain robust financials



OUR STRATEGY

Our values

At the core of our culture are our values, which shape our behaviours, decision-making and processes. At Gas Networks Ireland, we have three core values.



While our vision guides our long term goals and our strategy provides the focus of what we do; our culture steers us in how we deliver and show up each day.

Building on experience

We are proud of our past which is our platform for our continued delivery, success and evolution.

I **deliver** with pride, focus and purpose working towards achieving our goals, leveraging our vast experience and skillsets.

I **collaborate** with my colleagues, our partners and stakeholders; to consistently deliver for our customers and for the people of Ireland.

I **understand** how my actions contribute to our strategy and help deliver the company's commercial success.

Doing what's right

We are responsible for creating an environment of safety, trust, respect and belonging which is the foundation for a culture of empowerment, performance and inclusion.

I put **safety** first in everything that I do.

I have **respect** for everyone, I act with **integrity**, and courage, even when no-one is watching; celebrating good behaviours and challenging poor behaviours.

I am **accountable** for my actions and own my decisions; delivering tasks with independence and confidence.

Energised for change

We need to learn, adapt, innovate and change to make the impact that our future requires.

I am **flexible** and **agile** preparing to move at pace as our business meets the demands, and challenges, of the external environment.

I think **innovatively**, trying new ideas, I simplify how I work, removing unnecessary complexity and I seek to keep developing.

I consider our **impact** on people and planet. I take **responsibility** for my actions.

OUR STRATEGY

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



Engage our stakeholders

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



Invest in assets

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



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



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

Total assets:



€3bn

OUR STRATEGY

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.



General public communities

Individuals, communities, environmental groups, consumer groups, business interest groups, farming bodies etc.

Priorities

- Ensure safe, secure and reliable supplies of natural and renewable gas
- Maintain competitiveness
- Support social and economic growth
- Support decarbonisation

Response

- 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.
- Engage in industry safety events.
- Responsible road opening operation with minimum public disruption.
- Enhance public engagement on pathways to network decarbonisation.

Surveys	Website
Face to face	Social media
Information events	Multi-stakeholder meetings
Working groups	



Partners

Partners, shippers, suppliers and third-party service providers.

Priorities

- Work effectively together to deliver quality services
- Encourage innovation
- Decarbonise the network

Response

- 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.

Surveys	Website
Face to face	Social media
Information events	Multi-stakeholder meetings
Working groups	



Regulators

Commission for Regulation of Utilities (Republic of Ireland), Utility Regulator (Northern Ireland), Office of Gas and Electricity Markets (UK).

Priorities

- Deliver initiatives to implement energy and climate policies
- Operate efficiently
- Deliver on our regulatory commitments
- Deliver Gas Network Stakeholder Evaluation Panel (CRU)

Response

- 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.

Surveys	Website
Face to face	Social media
Information events	Multi-stakeholder meetings
Working groups	



Shareholders

Department of Housing, Local Government and Heritage and Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, Department of Climate, Energy and the Environment

Priorities

- 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

Response

- 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.

Surveys	Website
Face to face	Social media
Information events	Multi-stakeholder meetings
Working groups	

RISK MANAGEMENT

Risk management review

Effective Risk management enables Gas Networks Ireland to navigate challenges and unlock opportunities, supporting the successful development and delivery of our strategy.

As the organisation's risk landscape continues to evolve, we remain committed to a proactive risk management approach that adds value for our shareholders, customers and the wider community. This approach ensures timely identification, management and mitigation of risks across our organisation.

Given the long-term nature of our business, we face a range of persistent risks whose

potential impact and likelihood may change in response to both internal and external factors.

In addition, new risks are continually emerging. To address this dynamic environment, we foster a speak up culture that encourages open communication and vigilance. Managing safety risk remains a top priority, with proactive efforts dedicated to early identification and mitigation.

Identifying risk



Day to day

Identify, manage, challenge and report risks.



Integrating with strategy and 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 operates a robust risk management framework designed to identify, assess, manage, monitor, report and challenge the principal risks and uncertainties that may affect our ability to achieve our strategic objectives. This framework ensures a consistent approach across the organisation to evaluate both the potential impact on our business and likelihood of the risk occurring.

Risk governance

The Gas Networks Ireland Board has ultimate responsibility for overseeing risk management across the organisation, with support from the Audit and Risk Committee. Our established risk governance framework and comprehensive risk reporting process provide the Board with confidence that the principal risks facing our business are continuously identified, monitored and effectively managed. Our risk appetite is reviewed and set by the Board annually to determine the types and levels of risks we are prepared to accept in pursuit of our strategic objectives.

Three lines model

Gas Networks Ireland uses the Three Lines Model for effective risk management. Throughout the year, ongoing engagement with the business in the first line, and collaboration among the second and third lines ensured a unified approach for risk management which is integrated with the overall internal control framework. The second and third lines conduct annual fraud risk assessment workshops across the business which ensure a complete fraud risk universe with preventative and detective controls in place.

Governing body Board and Audit and Risk Committee

Provides governance and oversight of the risk management framework and reporting

Business First line

Proactively identify and manage risk in their area of responsibility in line with policies and procedures

Enterprise risk Second line

Establishes policy, process and procedures for Gas Networks Ireland's risk management framework

Facilitates the management and reporting of the organisation's risk to the governing body while promoting an effective risk culture

Internal audit Third line

Provides an independent assessment on the control environment and assurance to the governing body

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 and 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 very low likelihood that they could happen.

RISK MANAGEMENT

Risks are assessed based on their potential impact and likelihood, considering their inherent and residual position as well as any future targets. Mitigating actions and timelines ensure effective management and continuous improvement. Gas Networks Ireland proactively manages risks in an ever-changing environment, by continuously updating risk information to support informed decision making. Our dedicated risk team and risk governance model reinforces a strong risk management culture, enabling the cascading and escalation of risks. This ensures appropriate accountability and responsibility and reinforces our commitment to maintaining an effective risk management environment.

Emerging risks

Gas Networks Ireland remains vigilant in identifying and monitoring emerging risks that could impact the delivery of our strategic objectives. It can be difficult to predict their effects and as a result, it is essential to proactively manage these risks to avoid negative consequences and ensure objectives remain on track.

Throughout the year, we conduct a comprehensive review of risk industry reports/publications, as part of our ongoing horizon scanning process. This enables us to enhance our understanding of the evolving external risk environment. We actively manage emerging risks in conjunction with the organisation's principal risks and provide regular updates to the Audit and Risk Committee and Board.

Risk culture

At Gas Networks Ireland we recognise that robust risk management is dependent on a proactive risk culture. Our commitment is demonstrated by a 'tone from the top' set by the CEO, Executive team, ARC and Board. Through our 'Doing the Right Thing' programme we promote a 'speak up' culture where employees are encouraged to raise risks and concerns, with assurances that they will be handled seriously, and addressed in accordance with legal obligations. Our proactive risk management, risk aware and speak up culture at all organisational levels is enhanced by risk training, along with regular engagement, and a focused communication plan. These efforts ensure that risk management remains an integral part of our business operations.



The principal risks and uncertainties and key mitigations

Overview 2025

Throughout 2025 the risk landscape remained elevated due to persistent geopolitical instability and increased sophistication of cyber security threats. In response we continued several work programmes, and implemented crisis management exercises to proactively prepare for/respond to any potential disruptions, thereby safeguarding security of supply and service delivery.

We closely monitored our internal and external environment to identify and assess any potential impacts to Gas Networks Ireland, including cyber and physical security threats, challenges to security of supply, as well as safety and decarbonisation risks.



Gas Networks Ireland's principal risks.



Health, safety, environment

Resilient network

Risk	Context	Mitigation
A major health and safety or environmental incident resulting in significant impact and harm to an employee, contractor or the public.	Gas Networks Ireland maintains a strong safety culture and is committed to putting safety first in everything we do. All health, safety and environmental legislation and arrangements must be adhered, to protect staff, contractors, and the public from injury or fatality and to avoid potential prosecutions, financial loss, environmental and reputational damage. Further detail on page 44-45.	<ul style="list-style-type: none"> Board oversight of Health and Safety performance. Commission for Regulation of Utilities (CRU) regulatory oversight including approved Safety Cases. Certified to ISO45001 Occupational Health and Safety Management System and ISO14001 Environmental Management System. Assurance activity, audits, training, emergency planning, maintenance and inspection programmes, gas incident management and reporting. Proactive health and safety strategy includes safety campaigns and safety leadership conversations. Third party monitoring and liaison Staff health and wellbeing support.
The security of Ireland's natural gas supply depends on reliable imports and robust infrastructure. Any major disruption, especially to the gas interconnectors between Ireland and Scotland could have serious impacts on Gas Networks Ireland's business and on the Irish economy.	Ireland's economic stability is closely linked to the ongoing security of natural gas supplies, which account for circa 30% of Ireland's primary energy needs. The current geopolitical landscape, including the developing situation arising from the conflict in the Middle East, emphasises the importance of resilient European gas infrastructure and reliable supply chains. The United Kingdom remains Ireland's principal supply source. Any disruption to the UK's energy supply, or to Ireland's strategic gas infrastructure could seriously impact Gas Networks Ireland's business/operations and the broader Irish Economy.	<ul style="list-style-type: none"> Twinned onshore gas pipeline in Scotland reinforces Ireland's security of supply. Corrib gas field provides indigenous supply of gas. Progressing the Strategic Gas Emergency Reserve (SGER) in Ireland to final investment decision (Energy Security Package 2023). Member of the Department of Climate, Energy and the Environment (DCEE) Energy Security Emergency Group. Gas Emergency Management plan in place. 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, maintenance programmes and reinforcement projects. Demand modelling, Network Development Plan, Network Capacity Management Plan, Capital Investment Plan and projects. National Gas Security of Supply Assessment reviewed with the CRU every four years (2026 next revision).

Security of supply

Risk trend

Rising trend ▲ Falling trend ▼ Steady trend —



Risk trend

Resilient network



Capital delivery

Risk	Context	Mitigation
Failure to meet capital delivery requirements including capital works associated with connections for new power stations and other large energy users.	EirGrid and CRU have highlighted a shortfall in Ireland's thermal power generation capacity in the short, medium, and long-term posing a risk to electricity security of supply. Substantial effort is required to deliver these critical projects. This challenge is compounded by rising demand from other sectors, which may require prioritisation, leading to potential financial and reputational damage.	<ul style="list-style-type: none"> Gas Networks Ireland, EirGrid and CRU tri-party collaboration. Engagement with the Department of Enterprise, Tourism and Employment (DETE) Engagement with key stakeholders on delivery and consenting process. Ongoing communication with power stations and other large energy developers. Optimised resourcing and supply chain planning to expedite delivery of projects. Developing alternate delivery partnerships within the supply chain to enhance delivery capabilities and mitigate potential disruptions. Robust contractual agreements and oversight.

Supply chain / critical suppliers

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.	Global economic volatility and geopolitical tensions continue to present risks, including increases in the cost of services and materials, supply shortages, extended lead times, all of which impact the viability of key suppliers. Disputes with or the failure of critical suppliers or contractors to meet obligations could negatively impact our business, operations, reputation, strategy or financial health.	<ul style="list-style-type: none"> Robust relationship management model in place. Internal supply chain expertise and proactive engagement with key suppliers. Construction and engineering procurements processes ensure a diverse range of suppliers. Suppliers of key contracts monitored and reviewed to maintain performance standards. Maintaining buffer stocks of critical materials. Contingency and business continuity plans in place to mitigate risk of key supplier failure and provide for an effective response.
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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 an evolving geopolitical environment and have the potential to cause business interruption, operational disruption, safety concerns, reputational damage or regulatory fines, impacting on gas and electricity customers and the Irish economy.	<ul style="list-style-type: none"> Physical security capital programme. Security risk assessments. Remote monitoring of critical sites. Engagement with national and UK security stakeholders. <p>Further detail on page 46.</p>
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Cyber security / information technology failure or breach

Risk	Context	Mitigation
Risk of cyber-attack, significant failure to our Information Technology, or control breach due to evolving technology (e.g. Artificial Intelligence (AI)), 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. A cyber security 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.	<ul style="list-style-type: none"> Gas Networks Ireland continues to invest in and mature cyber capabilities and posture in line with the expectation of our designation as an operator of essential service Policies, strategy and operational model in place. Cyber awareness and user training programmes, protection software and tools. Collaboration with the National Cyber Security Centre. Ongoing monitoring /auditing against best practice standards. Increased investment in prevention and proactive security controls across critical systems. Business continuity contingency arrangements developed and tested. Security Operations Centre in place (24*7 monitoring). Ongoing risk assessments. Operational scenarios and stress tests on critical processes and response plans. AI policies aligned to the EU AI Act.

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 which can create complexity for our business. The presence of external constraints and/or inadequate policies and processes may lead to noncompliance with applicable laws and regulations. This could result in penalties and sanctions, potentially impacting our operational performance, strategy and financial health.	<ul style="list-style-type: none"> Compliance with Code of Practice obligations for the Governance of State Bodies. Comprehensive policies and procedures in place. Actively monitoring legislative developments. 'Tone from the top' and bi-annual review of Directors' Compliance Policy Statement. Engagement with relevant external stakeholders. Strong ethical risk and compliance culture underpinned by our 'Doing the Right Thing' programme.
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Rising trend ▲ Falling trend ▼ Steady trend —



 **Risk trend** 

Net zero transition



Renewable gases - network readiness and availability

Future of gas

Risk	Context	Mitigation
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 the energy transition. Further detail on pages 50-55.	<ul style="list-style-type: none"> Innovation funding and regulatory approvals for hydrogen and biomethane development. Ongoing engagement with government and CRU to deliver the National Biomethane and Hydrogen Strategies. Co-chairing biomethane working group in Gas Infrastructure Europe (GIE) to support EU initiatives to decarbonise gas grids. Our Research and Innovation Centre continues to lead hydrogen research and testing, keeping us at the forefront of industry advancements. Enhanced training and technical competency. Established strategic partnerships with key gas industry stakeholders. Developing safety cases to ensure the safe integration of hydrogen to our network.
Failure to successfully deliver Gas Networks Ireland's long-term strategy for renewable gas to replace natural 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 or the availability of renewable gases is delayed. This could impact on the Government's climate change targets and decrease the future utilisation of the gas network, leading to potential tariff increases and stranded assets. Further detail on pages 50-55	<ul style="list-style-type: none"> Committed to support the Government's Biomethane Strategy to deliver up to 5.7 TWh of indigenously produced biomethane by 2030. Advancing initiatives through the "Pathway to a Net Zero Carbon Network" to underpin the Government's Biomethane and Hydrogen strategies. Integrating biomethane into the gas network including delivery of the Central Grid Injection facility in Mitchelstown. Engaging with customers/large energy users to provide solutions with a pathway to decarbonisation. Continued development and expansion of the BioCNG network the primary use of biomethane in Ireland at present. Long Term Network Demand modelling.

Climate change - impact on infrastructure

Energy policy

Sustainable operations

Risk	Context	Mitigation
Physical risk that extreme or unusual weather events could impact on our infrastructure.	Increase in severity and unpredictability of extreme weather could cause malfunctions or unexpected interruptions to services. Prolonged service interruptions could cause significant social/economic disruption where businesses and households could lose access to power and/or heating.	<ul style="list-style-type: none"> Robust emergency response and crisis management plans are regularly reviewed, tested and updated as needed e.g. after severe weather events. Maintenance policies, standards and materials specifications are evaluated to ensure assets remain suitable for operational conditions. Identification of vulnerable areas and relocation of assets. Gas Networks Ireland's Climate Adaptation Plan and Sectoral Adaptation Plan (SAP) for gas and electricity networks. Climate Change Scenario modelling and risk assessment exercises. Winter preparedness and storm hardening measures. Tools for monitoring/controlling infrastructure. Address identified risks to network infrastructure via regulatory submissions.
Failure to secure a role for gas network and renewable gases in Ireland's energy transition.	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.	<ul style="list-style-type: none"> 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' outlines a decarbonised gas network's role in Ireland's future energy system Dedicated policy team who actively engage with stakeholders on energy policy. Build collaborative relationships with stakeholders across the entire value chain. Communicating Gas Networks Ireland's decarbonisation message in energy transition public discussions. Renewable Heat Obligation approved by Government.
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.	<ul style="list-style-type: none"> Sustainability commitments and performance monitoring in place. Gas Networks Ireland Sustainability Report published annually Carbon Disclosure Project (CDP) participant Committed to 51% reduction in greenhouse gas emissions by 2030. Business Working Responsibly Mark standard certification. Methane emissions reduction plan in place to incorporate requirements under the EU Methane Emissions Reduction Regulation. South West Scotland Onshore System (SWSOS) electrification project to decarbonise our compressor stations.

Rising trend ▲ Falling trend ▼ Steady trend —





Customer driven

Risk trend

Affordability

Risk	Context	Mitigation
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. Further detail on pages 56 - 58.	<ul style="list-style-type: none"> 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. Membership of national affordability committee. Active engagement with the CRU on Tariff Methodologies and structures. 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.

Reputation

Risk	Context	Mitigation
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.	<ul style="list-style-type: none"> Key public affairs and stakeholder engagement plans. Dedicated public affairs team. Risk, compliance and control frameworks in place. Crisis management plans in place. Safety programmes and campaigns awareness and promotion advertising campaigns. Ongoing brand tracking and media monitoring to proactively identify emerging trends and potential issues.



Rising trend ▲ Falling trend ▼ Steady trend —



People

Risk trend

People

Risk	Context	Mitigation
Failure to develop, retain or attract people with the right skills and capabilities to deliver our strategy.	Our ability to deliver our strategy depends on employee capabilities, values, behaviours and performance. Their agility and ability to adapt are essential to navigate the changing external environment and meeting evolving stakeholder expectations. Further detail on pages 89-95	<ul style="list-style-type: none"> 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 and hybrid working. Leadership, learning and Development programmes and Performance Management. Talent Management and Talent Development, programmes including retirement and succession planning. Graduate and apprenticeship programmes. Continued monitoring of key workforce metrics and stability indices. Strategic focus on future workforce trends.

Pandemics

Risk	Context	Mitigation
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.	<ul style="list-style-type: none"> Pandemic response plan in place. Business continuity contingency arrangements developed. Engagement with key stakeholders and peer utility benchmarking. Ongoing monitoring of global health threats via public health agencies.





Financial

Risk	Context	Mitigation
Fraud Major 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.	<ul style="list-style-type: none"> • Policy awareness and Anti-Fraud, Bribery, Corruption and Protected Disclosures training and workshops. • Strong control and speak up culture. • Fraud awareness programmes and Cyber Security awareness training. • Annual Fraud Risk Assessment workshops. • Risk, compliance and control frameworks in place. • Internal and external audit programmes. • Segregation of duties.
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 the 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.	<ul style="list-style-type: none"> • Regulatory model with a record of stable and transparent cost recovery. • Strict framework of controls and procedures. • Defined risk limits and exposure monitoring. • Management of debt at fixed rates, foreign currency exposure and liquidity. • Close monitoring and impact assessment of macroeconomic events. • Engagement with key suppliers to mitigate key cost pressures. • Continuous engagement with regulator to ensure timely recovery of efficiently incurred costs.
Financial strength Failure to preserve financial strength to facilitate future development of a resilient and sustainable network.	The delivery of Gas Networks Ireland's strategy is dependent upon securing and maintaining adequate funding. Gas Networks Ireland must maintain a strong balance sheet to manage the potential ramp up in decarbonisation investments and security of supply deliverables.	<ul style="list-style-type: none"> • 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.

Risk trend ▬

Regulatory settlements

Risk	Context	Mitigation
Failure to achieve an adequate and timely regulatory decision and settlement.	The CRU regulates relevant Gas Networks Ireland revenues under a revenue cap framework. Failure to agree an adequate allowance for expenditure and return on capital invested, including support for renewable gases, could impact the delivery of our strategy, operations, prospects, and financial health.	<ul style="list-style-type: none"> • Active engagement and collaboration with regulatory authorities and other stakeholders to ensure business requirements are recognised and understood. • Price Control 5 (PC5) determination in place with funding allowances to 2027. • Price Control 6 (PC6) planning underway.

Rising trend ▲ Falling trend ▼ Steady trend ▬





Section

2

Business performance

Business review

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BUSINESS REVIEW

The gas network enabling Ireland's energy today, for the future

€3 billion national asset	720,000 connected customers	28,000+ businesses across the country
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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. It provides crucial services to Irish homes, businesses and industry, and our organisation has a strong history of safety and delivery. The gas network's contribution to Ireland is significant, not only in terms of scale, but also in relation to its pivotal role in providing resilience to the Irish energy system by supporting Ireland's intermittent wind and solar electricity supplies. Every year this c. €3 billion national asset transports almost a third (30%*) of national primary energy requirement through 14,781 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

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 important energy assets, importing c. 83% 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 40% of all electricity generated each year, and 92% of electricity in peak periods. 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. A faster transition to renewable gases also supports improved diversification of energy sources and helps mitigate geopolitical and security of supply risks. Our focus is about working every day to continue to safeguard Ireland's energy supply by managing critical energy infrastructure safely and reliably, while also advancing the transportation of renewable gases, and facilitating innovative and affordable solutions for our customers.

**based on data reported up to 2024.*

Executive team

Learn more about the Gas Networks Ireland executive team.



Ronan Galwey

Chief Financial Officer

Ronan is responsible for overseeing the financial management of the organisation, including financial strategy, planning, reporting, treasury and risk management.

Ronan is a graduate of UCC and a Fellow of the Chartered Association of Certified Accountants. Prior to being appointed to his current role, Ronan held a number of senior positions including Chief Financial Officer of Ervia.

Finance



Edwina Nyhan

Director of Strategy and Regulation

Edwina is responsible for defining Gas Networks Ireland's strategy, sustainability focus, regulatory affairs in addition to managing the organisation's stakeholder and policy environment. Edwina has extensive experience in the energy industry, is a Fellow of the Institute of Chartered Accountants Ireland. Prior to being appointed to her current role, Edwina held a number of senior positions including Head of Finance Operations in Ervia and Head of Finance in Gas Networks Ireland.

Strategy



Brian Sheehan

Director of Assets and Infrastructure

Brian has over 25 years' experience in the utility sector. In his current role he is responsible for setting the strategic direction for the national gas network's infrastructure and delivery of its assets, ensuring the safe transportation of energy and enabling the transition to a decarbonised future. Prior to being appointed to his current role, Brian held a number of senior positions within the organisation including Head of Asset Management. Most recently he has held roles in Ervia and was Infrastructure Delivery Director at Uisce Éireann. Brian holds a degree in Mechanical Engineering from the University of Limerick, a Diploma in Company Direction from the Institute of Directors and is a Fellow of Engineers Ireland.

Infrastructure



Emer Walsh

Chief Legal Officer

Emer has extensive experience in the energy, infrastructure and renewables sectors. As CLO, she is responsible for the leadership and direction of all legal, corporate governance and data protection activities across Gas Networks Ireland; playing a key role in delivering on the organisation's strategy to transition to a low carbon energy network. Prior to being appointed to her current role, she held the position of Head of Legal at Gas Networks Ireland for seven years. Emer holds a degree in Law and French from UCC and a solicitor's practising certificate with the Law Society of Ireland.

Legal



Nicola McSweeney

Director of People and Acting Director of Customer and Business Development

Nicola is responsible for developing and executing the people and culture strategy to support the development of our people, and teams, to ensure the delivery of the business plan and strategic direction of the organisation, specifically in the areas of human resources, talent, diversity, equity and inclusion and organisational development and effectiveness. Prior to being appointed to her current role, Nicola held a number of senior positions including Head of HR Shared Services and Business Partnering with Ervia and Head of HR with Gas Networks Ireland.

Nicola holds a BA (Hons), a Higher Diploma in Public Management, and a Diploma in Quality Management and Lean Systems, and is a Fellow of the Chartered Institute of Personnel and Development (CIPD).

Nicola is the acting Director of Customer and Business Development. The position is currently being recruited following the recent appointment of David Kelly as CEO.

People



Ian O'Flynn

Director of Business Services

Ian is responsible for IT, data, financial support services, supply chain, facilities and fleet, continuous improvement and change. He brings over 30 years of senior leadership experience across the utilities and retail sectors and has held a number of leadership roles within Gas Networks Ireland and the Ervia Group, including Head of IT, Head of Shared Services, and Head of Commercial and Corporate Affairs. Ian holds a BSc(Hons) in Computer Science, an MBA, and a Certified Diploma in Accounting and Finance, and has a strong focus on resilience, digital transformation and enabling Ireland's energy transition.

Services



Bobby Gleeson

Chief Operations Officer

Bobby has over 25 years of experience in the Energy and Utility sectors, after spending 10 years with Fingleton White and Company, Bobby joined Gas Networks Ireland in 2006 where he held a number of senior positions including Head of Asset Delivery and Head of HSQE. Bobby holds a degree in Mechanical Engineering (B.Eng (Hons)) from the University of Limerick.

Operations



Chief Executive Officer

David Kelly

Chief Executive Officer

David Kelly is the Chief Executive Officer of Gas Networks Ireland, the semi-state organisation responsible for operating Ireland's €3 billion, 14,781 km national gas network, and ensuring the safe and reliable delivery of gas to over 720,000 homes and businesses across the country.

David has over twenty years of executive-level experience having worked extensively in both the private and public sectors throughout his career. Prior to being appointed to his current role, David was the Director of Customer and Business Development at Gas Networks Ireland and Group Head of Customer Operations and Public Affairs for Ervia. David is a Chartered Director with the Institute of Directors and holds a BSc in Information Technology (DCU) and a National Diploma in Computing (SETU).

OPERATING REVIEW

Operating environment

During the year, 17% of all gas requirements in the Republic of Ireland (ROI) were supplied by the Corrib gas field, while imports from the United Kingdom (UK) met 83% of demand. 11 GWh of demand was met from renewable gas delivered through the biomethane injection point in Co. Kildare.



Gas demand
1.5% lower

Total gas
53.4 TWh
transported in ROI

Power Generation **58%**

Industrial and Commercial **30%**

Residential **11%**

Fuel gas **1%**

Transport **0.09%**



35 GWh
of demand was met from
renewable gas in 2025
(11GWh indigenous
and 24GWh imported)

Demand and supply

During the year, 17% of all gas requirements in the ROI were supplied by the Corrib gas field, while imports from the UK met the remaining 83% of demand. A total of 11 GWh of demand was met from renewable gas delivered through the biomethane injection point in Co. Kildare. Gas prices remained volatile in 2025, peaking at 144 p/therm in February during a historic cold snap and European storage depletion, before easing to sub-80 p/therm by late summer as European injections progressed and geopolitical risks subsided. EU storage regulations were relaxed mid-year, reducing the refill target from 90% to 83% by 1st December and introducing additional flexibility to ease market pressure. Despite this, European injections lagged early in summer due to weak market economics and Norwegian outages, leaving inventories at a European level at 62% by the end of December. Ireland's gas supplies remained secure, supported by a reliable connection to the UK through a twinned interconnector system. The UK market was in turn, well supplied through a combination of indigenous gas production, Norwegian gas production and liquefied natural gas (LNG) imports.

We continue to monitor the developing energy security instability arising from the conflict in the Middle East and are assessing the potential impacts for our operations as the situation continues to evolve.

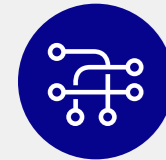
Regulation

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, reporting requirements and the formation of a new stakeholder panel. This panel was appointed by the CRU in early 2025 and on March 31 2025, we submitted Gas Networks Ireland's first externally facing stakeholder engagement plan to the CRU. Throughout 2025, Gas Networks Ireland worked on the implementation of Stakeholder Engagement reporting. Gas Networks Ireland will publish our first Stakeholder out-turn report in Q1 2026, reflecting on our performance on 2025 Stakeholder Engagement and present to the CRU chaired Stakeholder Panel in April.

The Transmission tariffs for gas year 2025/26 reflect a circa 4.86% (nominal) increase on the previous gas year. This increase was primarily driven by the profile of the PC5 Transmission Revenue for 2025/26 relative to 2024/25, which was partially offset by the unwinding of cost/revenue mitigation measures agreed with CRU in previous year. The Distribution tariffs for gas year 2025/26 reflect a circa 1.39% (nominal) decrease on the previous gas year.

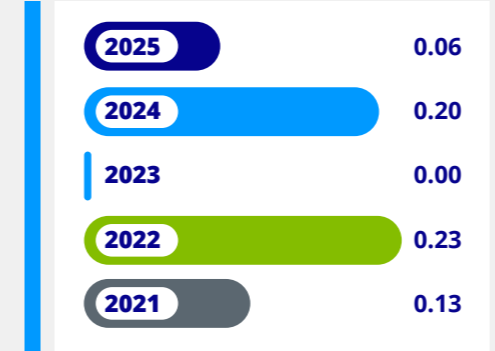
OPERATING REVIEW



Resilient network



Total LTIFR - No. of employee injuries (>1 day absence)/100k hours



We use the Lost Time Incident Frequency Rate (LTIFR) to track the number of employee workplace accidents per 100,000 hours worked that result in an employee needing to take >1 day off work.



Safety

At Gas Networks Ireland we ensure safety comes first in everything we do. We are committed to the highest possible safety standards. During 2025, 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, are independently certified to ISO 45001, ISO 14001, ISO 9001, ISO 50001 and ISO 55001, to ensure our activities are managed in accordance with international best practice. In 2025, Gas Networks Ireland successfully completed a surveillance audit of all five ISO systems conducted by the National Standards Authority of Ireland (NSAI). The Auditors highlighted 22 strengths, including the organisation's storm response, safety culture, and approach to sustainability.

Throughout 2025, Gas Networks Ireland continued our track record of excellent safety performance. Our Lost Time Incident Frequency Rate for staff of 0.06 is a proud reflection of our dedication and vigilance to our safety-first culture.

We also measure the safety performance of service delivery partners (contractors) that work in the field on our assets (these are the workers who are most directly affected by our activities and assets). These service delivery partners worked a total of over 1.37 million hours in 2025 and recorded a total LTIFR of 0.22. No serious injuries were reported. All incidents are investigated, and recommendations are tracked and monitored via a Corrective Action Report (CAR) system to help reduce future incidents. We are proud of this excellent performance; however, we continue to strive to achieve zero injuries in line with our stated Safety Policy goal that "our activities and assets shall not cause harm to anyone".

During 2025, staff reported over 1,100 hazard reports – an increase of over 20% relative to 2024. By reporting and fixing hazards, we helped to remove the sources of accidents before they have a chance to cause harm. We recorded over 325 Safety Leadership Conversations and undertook 18 internal management system audits along with nearly 1,150 safety and technical inspections. 2025 kicked off with the launch of our revised Work Safe Home Safe strategy, providing an interactive, theatre-based,

immersive experience led by our partners Theatre at Work. Over 700 employees attended across the eight sessions with circa 90% of staff rating the event as 'excellent'.

A number of safety communications and awareness campaigns for staff were delivered throughout the year, covering issues such as driving safety, safety in the office and seasonal summer and winter safety. In 2025, the Work Safe Home Safe page on the company intranet (the Zone) was refreshed and used to create and share monthly safety messages and metrics across the organisation.

In relation to regulatory interaction on safety cases in 2025, Gas Networks Ireland obtained regulatory acceptance from the CRU for both Transmission and Distribution Safety Case as part of the 5-Year Independent Review.

A number of additional material changes to the Safety Cases were also approved by the CRU. These included the further expansion of the Barberstown CNG Station for the addition of a second storage unit, as well as a change in oxygen content for the preparation for the use of Biomethane in the transmission network. In addition, several material change submissions were made in 2025. These included the Mitchelstown CGI Facility,

the Huntstown Biomethane Network Entry Facility and College Group Network Entry Facility.

Safety advertising

Throughout the year, Gas Networks Ireland 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. Our Dial Before You Dig safety campaign won gold for best TV commercial at the ICADs (Institute of Creative Advertising and Design) and won gold and silver in categories at the internationally renowned Kinsale Shark Advertising Awards. After more than a decade, Gas Networks Ireland returned to the National Ploughing Championships. Over the course of the three-day event, our team engaged with more than 10,000 attendees, sharing how we are helping to shape a cleaner, safer, and more sustainable energy future for Ireland. From insightful presentations to creative activations, our presence at the Ploughing was a powerful showcase of our commitment to safety, innovation and community engagement.

Employee wellbeing

Work Safe Home Safe is not just about physical safety; it also encompasses mental health and psychological safety too. Gas Networks Ireland delivered a range of health and wellbeing events and supports, including several initiatives under the "Time to Talk" mental health awareness banner. These activities 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 across the organisation. Gas Networks Ireland is accredited by Ibec to their "Keep Well Mark" workplace wellbeing award.

Downstream gas incidents and non-compliances

Under the Gas (Amendment) Act 1987 we are obliged to disclose "Reportable Incidents" (fatalities, injuries requiring hospitalisation, and property damage of a value greater than €6,349) to the CRU where natural gas is involved, and are obliged to report any other incidents involving

natural gas where we believe it is beneficial to do so. We are committed to transparent and open disclosure and have agreed additional categories of "Reportable Under Guidelines" (RUG) incidents with the CRU. Such incidents are reportable whether they occur on our network or on consumer installations downstream of the gas meter (which are the responsibility of the consumer).

In 2025, we reported ten Reportable Incidents; six on network installations and four on downstream (customer) installations. None involved fatality or serious injury. When working on customer installations, we have obligations in relation to the identification of unsafe or non-compliant gas appliances, installation pipework and ventilation that are downstream of the meter (and are thus the responsibility of the consumer). If safety issues or non-compliances are identified, we issue a Notice of Hazard to the consumer and may shut off either the gas supply to the whole property or the gas supply to an individual appliance, depending on the nature of the issue identified. The consumer is then required to contact a Registered Gas Installer to rectify the issue(s). In 2025 we issued 16,783 Notices of Hazard.

OPERATING REVIEW

Network resilience

Capital investments programme

In 2025, we undertook a capital investment programme of €217m which included ongoing programmes to improve the safety and reliability of the network. In addition to many complex projects such as the four completed Transmission connections, two diversions complete, the SWSOS Security Upgrades, and the Hawkins Street DRI (Distribution Regulating Installation) relocation project, ongoing work programmes focused on improved network resilience, security, capacity and transition to new energy solutions.

Critical maintenance of the network

Ensuring the efficient and economic operation and maintenance of our network, around the clock and throughout the year, is fundamental to our strategic objectives.

In 2025, over 47,768 preventative maintenance work orders were dispatched on the transmission and distribution networks with a 98% completion rate. The network

transported approximately 72.69 TWh of energy across Ireland, Northern Ireland and the Isle of Man with no gas quality nonconformances. A record daily demand of 370 GWh was recorded on January 8, 2025.

Gas Networks Ireland supplied over 1.8 million meter reads (1,752,279) on behalf of gas suppliers. We responded to 14,072 publicly reported escapes of gas in 2025, achieving 99.9% compliance to respond within 1 hour. Remedial works were carried out on 75 multi-occupancy buildings and leakage surveys were completed on 1,464km of mains and services.

In July, Gas Networks Ireland joined the Pipeline Repair and Sub-Sea Intervention group administered by Equinor. This group pairs critical underwater infrastructure (CUI) operators with vessel suppliers, repair specialists, specialist equipment, and materials within 21 days of notification. A plan to test the end-to-end notification process with Equinor is in development.

Physical and Cyber Security

The evolving geopolitical, cyber, and hybrid threat landscape continues to reinforce the strategic importance of protecting Ireland's national energy infrastructure. Cyber threats to critical infrastructure remain elevated but stable, with sustained activity from criminal groups and

state aligned actors across the UK and EU energy sector. Recent high-profile incidents affecting European transport, manufacturing, and energy supply chains have again demonstrated the disruptive potential of cyber-attacks, particularly where third-party dependencies and legacy environments are exploited.

Gas Networks Ireland is in the final year of our current five-year Cyber Security Programme and the penultimate year of its Engineering Technology (ET) Cyber programme. We remain on track to meet our 2026 maturity target of 3+ (Repeatable) under the National Institute of Standards & Technology cyber security framework. A key driver of this maturity uplift during 2025 was the delivery of foundational cyber controls, including strengthened asset management, security monitoring, and third-party risk governance.

2025 marked a step change year for cyber security regulation in Europe, with the EU's Network and Information Systems Directive version two (NIS2), moving from policy development into the implementation phase, alongside the introduction of the Critical Entities Resilience (CER) Directive and the Cyber Resilience Act. These frameworks significantly raise expectations for operators of essential services, particularly in the areas of governance, asset management, incident reporting, supply chain assurance, and demonstrable operational resilience. The CER Directive represents a further evolution in the EU's approach to safeguarding essential services, shifting the emphasis from protecting individual assets to ensuring entity wide resilience. CER requires operators to demonstrate the ability to prevent, withstand,

respond to, and recover from disruptive incidents, including cyber events, physical attacks, and natural hazards.

In 2025 Gas Networks Ireland has aligned its cyber and physical security frameworks with the anticipated requirements of NIS2 and CER Directive through strengthened governance, expanded operational metrics, enhanced asset management, and increased third-party assurance. In addition, our Corporate and Physical Security Programme continued to progress through 2025, moving from design into full implementation, delivering tangible improvements across all locations. Cyber and physical security capabilities delivered over the past five years have now been embedded into day-to-day operations, supported by clearer accountability, stronger metrics, and improved regulatory readiness.



Supplied 1.8m meter reads in 2025 (1,752,279).



Transmitted 72.69TWh of energy.



Daily record 370GWh demand recorded January 8th 2025.

Key capital projects 2025:

-  Completed construction of Physical Security Projects at Beattock, Brighthouse Bay, Twynholm and Cluden.
-  Commissioned Beuparc Cappagh CNG station.
-  Completed the installation of three Air Intake Units at Beattock and Brighthouse Bay, as well as electrical refurbishment works at Brighthouse Bay.
-  1.6km distribution reinforcement main laid.
-  Completed Transmission Diversion works at Irish Distillers in Midleton and at the M28 Motorway site in Ringaskiddy, Co. Cork.
-  Advanced the Scottish Electrification Project
-  Procured materials for three biomethane direct injection projects.
-  Completed construction of 4 new Transmission connections and commenced construction of 3 further new connections.
-  Enhanced Cyber Security to an appropriate level for 2 essential sites.
-  Completed capacity upgrade at Barnakyle AGI and Boiler Upgrade at Gormanston AGI Phase 1.
-  Commenced construction on Mitchelstown CGI.

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.

In January, Gas Networks Ireland experienced two significant incidents that posed serious threats to the resilience and integrity of the gas network. Firstly, showcasing strong

resilience to extreme weather conditions, maintaining uninterrupted gas supplies throughout Storm Éowyn, despite a nationwide red warning alert. The Gas Networks Ireland emergency response team were placed on high alert, and existing staffing at the compressor stations was proactively reinforced ahead of the red weather alert to maintain uninterrupted gas supply and support a rapid response to any emerging issues. The second incident, which coincided with Storm Éowyn involved a leak from a high-pressure water main that compromised a gas main, flooding the gas network as a result. The incident caused a gas outage for 910 customers in the Ballybough Dublin 3 area and resolution involved over 76 excavations on the gas main over a period of 11 days. The Gas Networks Ireland emergency response fitters and crews, together with our business partners GMC, responded instantly facing many complexities for the repair.

On 19 August 2025, Gas Networks Ireland mobilised the Crisis Management Team after Gas Control received a call from Dublin Fire Brigade (DFB) for assistance with a fire on a bridge at George’s Dock, IFSC, Dublin 1. The incident involved a fire, resulting in the failure of a Medium Pressure (4 bar) gas main and loss of containment. This is the most significant gas related incident in over a decade.



Energy security in Ireland

During 2025, Gas Networks Ireland actively participated in several crisis simulations and emergency exercises to ensure preparedness in line with the Natural Gas Emergency Plan (NGEP). Key activities included:

Exercise Gearoid: Annual simulation to assess the effectiveness of the Natural Gas Emergency Plan (NGEP).

Incident response: The Crisis Management Team (CMT) was mobilised in response to a significant incident at George’s Dock Bridge, Dublin, following damage to one of our 4bar gas mains and a subsequent fire.

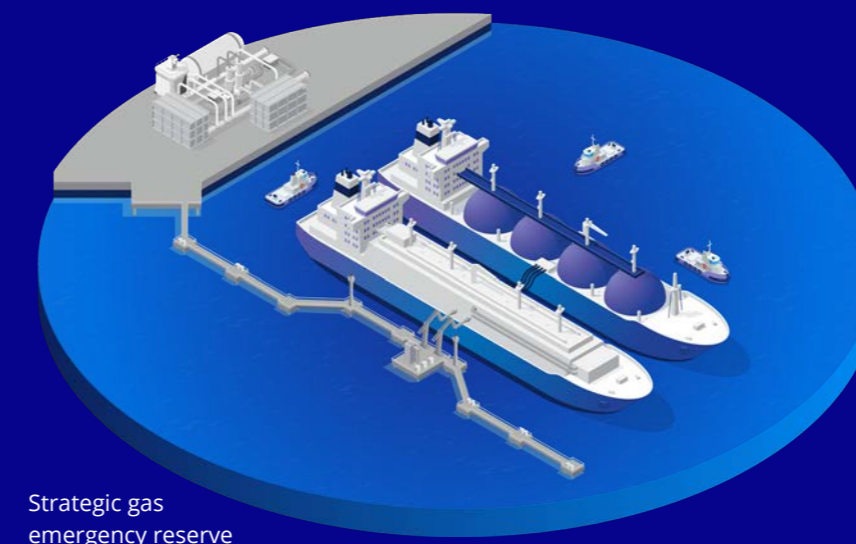
Exercise Glacier: Participation in the UK National Gas Transmission exercise, validating Gas Networks Ireland’s role as Network Emergency Coordinator (NEC) and testing communication protocols with UK gas industry stakeholders.

Comprehensive energy system exercises: Engagement in events such as Exercise Atlantic (led by EirGrid at the National Emergency Coordination Centre) and Exercise Foyle (led by the Northern Ireland Network Emergency Coordinator), involving government departments, regulatory authorities, and system operators.

Strategic Gas Emergency Reserve

Security of supply

Ireland requires a flexible, temporary solution to safeguard its energy supply as we transition to renewable energy sources. The Government decided to establish a state-led Strategic Gas Emergency Reserve (SGER) to protect national energy security during this transition. The SGER will be a temporary, non-commercial, natural gas storage facility, used only in the unlikely but high-impact event of a disruption to Ireland’s gas supply.



Strategic gas emergency reserve

The Government approved the delivery of the SGER in March 2025 as critical infrastructure required to secure Ireland’s energy supply while the State continues its transition to renewable energy. The new gas reserve will be delivered in the form of a **Floating Storage and Regasification Unit (FSRU)**.

Gas Networks Ireland will develop the SGER on behalf of the State. The SGER will address the critical risk of a disruption to Ireland’s natural gas supply. Ireland imports around 83% (up to 90% on peak demand days) of its natural gas via two interconnectors from Great Britain. If one of these interconnectors were to fail, there would be severe disruption to heating or electricity to homes and businesses for an extended period of up to several months.

An FSRU has been identified as the best solution. This specialist ship stores liquefied natural gas (LNG) and converts it to natural gas when required. It will dock at a jetty and deliver this natural gas to the

existing gas network in the event of a supply disruption. The FSRU will provide energy security while Ireland transitions to renewable energy sources like wind, solar, biomethane and green hydrogen. As of 2025, over 50 FSRUs are in operation globally – demonstrating a strong and reliable safety track record.

When Ireland has progressed its transition to renewable energy sources and no longer faces a risk of disruption to gas supplies, the FSRU will sail away, and the state-owned jetty and onshore facility can be repurposed for other uses.

In November 2025, following a robust selection process Cahiracon, Co. Clare on the Shannon Estuary was announced as the site for Ireland’s SGER. Selecting the site was a key milestone in 2025, that allowed the SGER team to begin further surveys, assessments and Front-End Engineering Design (FEED), all of which will form part of a planning submission, which is expected to be submitted toward the end of 2026.

OPERATING REVIEW



Net zero transition



Driving the transition together towards a net zero future for Ireland

Integrated system

Realising Ireland's climate action and 2050 decarbonisation ambitions will require increasing energy systems integration and will only be achieved by major energy system components collectively delivering. We believe that Gas Networks Ireland will play a key role in driving whole system planning across the energy industry to develop a least cost, clean and secure energy system. Integrated planning will optimise future gas network investments and maximise the utilisation and value of Ireland's growing renewable gas and electricity sources. Modelling and planning for future networks will be key to this.

Throughout 2025, Gas Networks Ireland made significant progress in advancing integrated systems and future network planning. The full consultation and analysis process for the 2024 Network Development Plan was

completed, incorporating extensive stakeholder input and securing regulatory approval ahead of its final publication. Gas Networks Ireland also published the Summer and Winter Outlooks, providing a clear view of short-term gas adequacy and delivering targeted briefings across the industry.

A major focus for the year was the development of the new CRU Adaptive Planning and the Core Flexibility report planning. This included a comprehensive stakeholder engagement programme via webinars and individual sessions to refine modelling assumptions, as well as the creation of Gas Networks Ireland's new large-scale integrated energy system model linking gas, hydrogen, and electricity networks across Ireland, Great Britain, and Europe. The work established a transparent, evidence-based approach to assessing system flexibility and informing long-term investment decisions through 2040 scenario development.

Scale biomethane

Connecting new biomethane producers

Biomethane is a carbon neutral renewable gas that can be made from agricultural and food waste through anaerobic digestion. Meeting the same technical standards as natural gas, it is fully compatible with the gas network. This makes Biomethane a strategic low-carbon energy source with potential to support the decarbonisation of heating, industrial processes, transport and power generation. Biomethane can directly replace natural gas with no modifications needed to the customers installation to the gas network. The large-scale use of biomethane in Ireland has significant benefits for decarbonisation, energy security in reducing Ireland's reliance on imported natural gas, economic growth through the stimulation of local economies by creating

jobs and agricultural benefits through a reduced need for chemical fertilisers and enhanced soil quality.

Gas Networks Ireland advanced its commitment to decarbonising Ireland's energy system in 2025 by signing connection contracts with three new biomethane producers: Evergreen Agricultural Enterprises in County Kildare, Nephin Renewable Gas in County Mayo, and Carbon AMS in County Meath. Together, these projects mark meaningful progress in building a strong, indigenous biomethane industry that supports Ireland's climate and energy goals.

In Monasterevin, Evergreen Agricultural Enterprises is developing a €50 million anaerobic digestion facility capable of converting 100,000 tonnes of distilling industry byproducts into renewable biomethane each year. Once operational, the plant is expected to produce up to 100 GWh of renewable gas annually while reducing carbon emissions by almost 18,500 tonnes. In Ballinrobe, Nephin Renewable Gas is constructing a €50 million plant that will process 90,000 tonnes of agricultural feedstock each year to generate more than 85 GWh of biomethane. This project is the first of three planned facilities expected to deliver over 250 GWh of renewable gas annually, providing new opportunities for farmers and supporting rural economic development. In Duleek, Carbon AMS's biomethane facility has been designed to capture nearly 8,000 tonnes of carbon, generate 45,000 tonnes of nutrient rich biofertiliser, and reduce carbon emissions by 21,253 tonnes. The Duleek facility marks the first of 10 planned AD sites for Carbon AMS, which will entail a planned spend of €200 million in the coming years.

Fully compatible with the existing gas network, biomethane from these plants will provide an immediate, scalable pathway to decarbonise heating, industry, transport, and power generation. These connection agreements reflect Gas Networks Ireland's continued leadership in enabling clean, secure, and sustainable energy nationwide.

Accelerating biomethane production

Gas Networks Ireland strengthened its leadership in the transition to a low carbon energy system by signing a Memorandum of Understanding (MOU) with CycleØ, a specialist in the development and operation of biomethane plants. This collaboration is designed to accelerate the integration of biomethane production into Ireland's national gas network.

This partnership represents a significant milestone in advancing Ireland's renewable gas sector. Gas Networks Ireland will work closely with CycleØ to address regulatory and technical requirements, streamline design and safety standards, and ensure adequate resourcing to expedite project delivery. The MOU reinforces Gas Networks Ireland's ambition to achieve 38% biomethane on the network by 2045 and highlights Ireland's potential to lead Europe in renewable gas production while reducing agricultural emissions and enhancing energy security.

Progressing Ireland's renewable gas infrastructure

Gas Networks Ireland made significant progress on the construction of its central grid injection (CGI) facility in Mitchelstown County Cork, a cornerstone project in the expansion of Ireland's renewable gas infrastructure. Delivered in partnership with GMC Utilities Group, the facility will enable large-scale biomethane injection into the national gas network and play a pivotal role in meeting Ireland's climate and energy targets.

Key construction milestones were achieved during the year. Building bases for the biomethane network entry facility and packaged boiler unit were successfully poured, alongside the installation of ducting and manhole structures. Foundations for the electrical, instrumentation and welfare buildings were put in place, with structural fabrication progressing well. A comprehensive traffic management plan was implemented to ensure the safety of site personnel and logistics operators, while underground power and telecommunications services were fully installed.



OPERATING REVIEW

Once operational, the Mitchelstown CGI facility will be capable of injecting up to 700 GWh of renewable biomethane annually, equivalent to meeting 12% of Ireland’s 2030 biomethane production target. This clean energy injection will support a reduction of approximately 130,000 tonnes of CO₂ emissions each year, strengthening Ireland’s path toward a fully decarbonised gas network.

The facility represents a major step toward Gas Networks Ireland’s vision of a repurposed, resized and net-zero gas network by 2045. As demand for sustainable energy solutions increases, infrastructure projects like Mitchelstown will be essential in helping Ireland’s largest energy users meet their decarbonisation goals and in delivering a secure, renewable energy future for the country.

Introduction of the renewable heat obligation

Gas Networks Ireland welcomed the Government’s introduction of the Renewable Heat Obligation (RHO), a landmark policy designed to accelerate the decarbonisation of Ireland’s heat sector and stimulate demand for renewable gases such as biomethane. The RHO requires suppliers of heating fuels—to ensure an increasing proportion of the energy they supply comes from renewable sources, in line with EU Renewable Energy Directive sustainability criteria.

The introduction of the RHO represents a significant step toward achieving national and EU climate commitments, including Ireland’s legally binding target of net zero emissions by 2050 and a 51% reduction by 2030. Heating currently accounts for over 13% of Ireland’s greenhouse gas emissions, and the RHO is designed to reverse

declining renewable heat shares by creating a stable and long-term market signal for renewable fuels.

Biomethane can play a central role under the new scheme. As a carbon neutral gas produced from agricultural and food waste, biomethane offers substantial lifecycle emissions savings and supports rural economies by incentivising indigenous production.

Gas Networks Ireland supports the RHO as a key enabler of Ireland’s renewable gas ambitions and a critical policy measure to expand biomethane injection into the national network. We will continue to collaborate with industry partners and policymakers to ensure the successful rollout of the scheme and to advance Ireland’s transition to a cleaner, more secure energy future.

Renewable Gas In Transport (BioCNG)

Efforts to decarbonise Ireland’s heavy transport continued as Minister for Climate, Environment and Energy and Minister for Transport, Darragh O’Brien TD, officially opened Panda’s new compressed natural gas (CNG) refuelling station in Cappagh, Co. Dublin, in partnership with Gas Networks Ireland. The facility, Panda’s second public CNG station in Dublin following the opening of another station in Ballymount earlier in the year, increased the nationwide total to twelve stations, enhancing accessibility for low-emission freight transport.

The attendance of Minister O’Brien highlighted the transport sector’s economic importance and the need for tailored solutions beyond electrification for heavy goods vehicles (HGVs). The Minister noted that there was over 170 gas-powered HGVs on Irish roads, with gas usage surging more than 90% in the prior year, signalling strong momentum toward sustainable freight.

Despite comprising only 3% of vehicles, HGVs account for around 20% of transport-related carbon emissions, making decarbonisation essential for national climate targets. CNG offers immediate reductions of up to 22%, with renewable bioCNG enabling near-zero emissions as biomethane integration progresses.

The continued investment by Panda in new CNG vehicles and stations, underscored the company’s commitment, to decarbonising their operations. These collaborative efforts between government, industry, and private companies demonstrate practical progress in building sustainable supply chains and accelerating Ireland’s journey to net-zero commercial transport.

GRAZE: Helping organisations to decarbonise

The event for Panda’s new station coincided with the launch of the GRAZE (Green Renewable Agricultural Zero Emissions) Vehicle Grant Scheme, a government-funded programme administered by Gas Networks Ireland with €750,000 allocated in its first phase.

The GRAZE Vehicle Grant Scheme has been created to assist Irish fleet operators and hauliers in funding the transition to cleaner gas vehicles.

The new scheme provides grants of up to €10,000 per vehicle, covering up to 40% of the cost differential between diesel and gas-powered HGVs for up to seventy-five fleet operators transitioning to this cleaner alternative.



Enable Hydrogen

Delivering a net zero energy system with green hydrogen

The government’s National Hydrogen Strategy points to a significant role for the development of renewable or “green” hydrogen in Ireland’s future energy system. Green hydrogen is produced by using renewable energy sources like wind or solar to power a production process called “electrolysis”.

The development of hydrogen at scale will be an important part of Ireland’s targets for decarbonisation. As noted in the government’s National Hydrogen Strategy, hydrogen deployment will be necessary for sectors where direct electrification are not feasible or cost effective. Hydrogen could also enhance Ireland’s energy security

through the development of hydrogen to fully harness renewable generation and develop large scale seasonal storage of energy. The National Hydrogen Strategy also identifies a longer term opportunity for Ireland to export hydrogen to other jurisdictions.

The National Hydrogen Strategy acknowledges the crucial role that Ireland’s gas network will play in Ireland’s future renewable hydrogen evolution and suggests specific areas of Ireland’s energy system which low-carbon hydrogen may help to decarbonise 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.”

In October 2025, the Irish government formally launched its National Hydrogen Strategy implementation

programme which sets out how the twenty-one actions in the Strategy document will be delivered. The government has now set up a series of working groups and an overarching taskforce to drive delivery of the national hydrogen strategy. Gas Networks Ireland will play an active role in these groups in the coming years as the strategy comes to fruition. A key enabler of the hydrogen economy in Ireland will be the development of the offshore sector at scale in Ireland and national plans are being progressed in this space, with an initial focus on the deployment of offshore wind in the south coastal areas.

In relation to Gas Networks Ireland’s role and in anticipation of the emergence of both indigenous hydrogen and hydrogen via our interconnectors to Scotland, Gas Networks Ireland is specifically engaged in an extensive programme of work across two fronts: (1) network readiness to enable a “blend” of hydrogen to be mixed in with existing natural gas supplies and (2) network readiness to enable a complete repurposing of sections



OPERATING REVIEW

The EU hydrogen and decarbonised gas market package

Following the entry into force of the EU hydrogen and decarbonised gas market package in August 2024, the associated EU Regulation became applicable on 5th February 2025, while the Directive is due for transposition by Member States into national law by 5th August 2026. 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. Gas Networks Ireland have worked with CRU and DCEE in 2025 to ensure readiness for application of the Regulation in the early part of the year, while also preparing for transposition of the Directive. Throughout 2025, 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), the European Network of Network Operators for Hydrogen (ENNOH), 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 2025, Gas Networks Ireland increased its participation in ENNOH at working group level, as the organisation ramped up work to develop the rules and regulatory framework for hydrogen network operators. In addition, Gas Networks Ireland actively worked with peer organisations through Eurogas and GD4S on the integration of gas distribution system operators (DSO) into the EU DSO Entity. Following completion of negotiations, draft statutes were sent to European Union Agency for the Cooperation of Energy Regulators (ACER) and the European Commission for consultation and opinion.

Decarbonised operations

Scottish electrification project

Gas Networks Ireland operates two key compressor stations in Southwest Scotland – Brighthouse Bay and Beattock, which are essential for transporting gas from the UK to Ireland via our subsea interconnectors. The natural gas compressors at the stations are driven by gas turbines between 6MW and 12MW of rated power. The South West Scotland Onshore System (SWSOS) Electrification Programme was launched with the objective of reducing fuel gas consumption at both stations, cutting fugitive methane emissions to support Gas Networks Ireland's commitment to 51% reduction in greenhouse gas emissions by 2030. The programme includes major engineering elements including; Construction of a new compressor hall equipped with an electric motor drive (EMD) and supporting systems; and the installation of a new electrical connection to increase local electricity supply capacity required to power the EMDs. The electrification represents a major decarbonisation milestone, shifting the compressor drivers from fossil-fuel turbines to electric power – reducing on-site emissions. In 2025, SP Energy Networks (SPEN) in Scotland completed the design work for both (Brighthouse and Beattock) electrical (33kV) connections and the design team completed the validation phase. Concept design for both sites, site Investigation (S.I.) works packages and Gas Networks Ireland's electrical enablement works package were also finalised.

Methane emissions and regulatory compliance

In 2025 Gas Networks Ireland, to be compliant with the EU Methane Regulation (Regulation 2024/1787) and methane-management frameworks, aligned with Oil and Gas Methane Partnership (OGMP), mobilised a project to strengthen its methane-reduction capabilities through enhanced Measurement, Reporting and Verification (MRV) systems. Under EU regulation, which entered into force on 4th August 2024, operators are required to implement robust MRV processes, including accurate methane-emissions measurement, transparent reporting, and independent verification, with key reporting obligations starting in 2025 and expanding through 2030.

In compliance with EU Methane Emissions Regulation 2024/1787, Gas Networks Ireland completed a baseline leak detection and repair (LDAR) survey between January and August 2025. This was completed on 11,571km in line with the mandated Methane Emissions Regulations. Total leak surveys completed in 2025 equates to 13,035km.

The resulting Methane Emissions Report will be submitted to the Competent Authority upon appointment, ensuring alignment with EU and national climate objectives.

Hydrogen readiness and research

of the network to transport pure hydrogen. A critical element here will be policy in Great Britain (GB) in relation to hydrogen blends. In September 2025, a government consultation was launched in GB that outlined a minded to decision to consider the deployment of a 2% hydrogen blend into the existing GB gas transmission network. This blend would enable and optimise the development of a hydrogen economy in GB by allowing hydrogen producers to inject excess hydrogen beyond direct end user needs into the gas network. Given Ireland's significant reliance on GB gas imports, Ireland would effectively import a hydrogen blend if this decision proceeds and therefore it is imperative that the gas network operated by Gas Networks Ireland is appraised for its ability to facilitate hydrogen blends.

A key element to ensuring readiness for hydrogen (or hydrogen blends) is the programme of works to appraise the technical compatibility of the gas network to hydrogen. Gas Networks Ireland has undertaken a series of preparatory works in this space to allow for a full assessment to be undertaken. During 2025, with the assistance of a European network operator that has experience in the hydrogen field, Gas Networks Ireland developed a "technical readiness roadmap" for both hydrogen blends and a full network repurposing. This roadmap outlines a comprehensive multi-year programme that would be required to be undertaken to enable the network to be ready and certified for hydrogen transportation. Gas Networks Ireland are also actively collaborating with other gas pipeline operators to share learnings and perspectives, and in June 2025, a MOU was signed with the GB gas transmission operator, National Gas, which will allow both companies to formally collaborate on the development of hydrogen in Ireland

and the UK, including actively assessing potential supply and demand dynamics, technical and regulatory barriers, and necessary policy developments.

A further element of the readiness programme is the undertaking of hydrogen research. Gas Networks Ireland has developed a hydrogen testing facility at our Network Innovation Centre, located in Citywest Dublin. This facility has already undertaken tests in relation to the impact of hydrogen blends and future plans include the testing of a 100% hydrogen off-grid operation. Gas Networks Ireland is also actively undertaking a number of research programmes in collaboration with other pipeline operators and research/academia bodies. An example of this is the research project "Material Testing and Development under Variable Hydrogen Ratios" which is being carried out by scientists from AMBER, the Science Foundation Ireland's centre for Advanced Materials and Bioengineering research, hosted at Trinity College Dublin, in conjunction with engineers from Gas Networks Ireland.

OPERATING REVIEW



Customer driven



Delivering affordable and innovative solutions for all energy customers

Customer engagement

In 2025, Gas Networks Ireland continued to place customer centricity at the heart of its operations, delivering high-quality services to more than 720,000 domestic and commercial customers. The organisation delivered strong performance across customer experience (CX) and operational metrics, including:

- 73,530 customer appointments with a 99.8% compliance rate
- Over 1.8 million meter reads
- 535,648 total customer interactions handled by our contact centre, an increase of 14,176 from the previous year.

Over 2025, a total of 783 complaints were received, significantly below the CRU threshold of 1,800, representing a 17% reduction compared to 944 in 2024 - the lowest level in over a decade. We achieved 98% compliance on 10-day complaint resolutions against

a target of 96%, and 98.5% compliance on 30-day resolutions versus a 98% target. This improvement was driven by a customer journey mapping programme, which enhanced complaint management processes and improved overall customer experience.

The Contact Centre met all contractual and CRU call-answering metrics. There has been a 26% reduction in escalations over 2024 and 2025 collectively, reducing repeat calls and improving customer experience. A project to empower customers to self-serve went live in 2025.

We actively participated in leading industry forums: Global CCA, CCMA UK, CCMA Ireland, and CXPA, sharing best practices and showcasing its CX Strategy at the Utility Week Customer Summit in Birmingham, focusing on digital insights and employee engagement.

The Above and Beyond for Customers 'On the Road' programme launched successfully, celebrating 213 CX Leaders at quarterly ceremonies. Two CX Days were hosted, providing opportunities to hear directly from customers about their challenges on the path to net zero. The organisation continued quarterly CX and Insights

into Action Forums, driving improvements through collaboration with key stakeholders.

Gas Networks Ireland expanded its CX Monitoring and Insights programme, capturing feedback from customers and developing a Mature Domestic Strategy based on insights from consumers considering gas for their homes. The organisation also enhanced its CX Metrics Reportal, introduced digital templates for sharing insights, and supported these with video content across offices.

In 2025, 59 customer improvement initiatives were identified, with 65 successfully completed. Gas Networks Ireland raised over €10,000 for Age Action and Irish Red Cross through its CX Monitoring programme.

Gas Networks Ireland was shortlisted for the National Age Friendly Recognition and Achievement awards under business innovation. Work commenced on developing a Vulnerable Customer Framework, and accessibility initiatives progressed, including an online reporting tool for deaf and hard-of-hearing customers reaching user-proofing stage. A process was introduced to alert suppliers about customers who would benefit from

registration on the special services register.

Gas Networks Ireland established and led the Customer and Communications Working Group for the PAYG Replacement Project, ensuring cohesive and coordinated customer care and communications across Gas Networks Ireland, suppliers and the CRU, optimising the customer experience during the transition to the new PAYG product.

Customer solutions

Our Customer Driven Solutions Commitment is based on two fundamental principles. Firstly, it involves continuously engaging with our customers to gain a comprehensive understanding of their requirements. Secondly, it focuses on developing and implementing innovative solutions that facilitate our customers decarbonisation efforts. By assisting customers in utilizing new technologies, Gas Networks Ireland will create energy solutions that are tailored to specific needs, driven by customer insights and data.

Following the establishment of a Customer Solutions Team in 2024 to provide key support to over 300 of our largest customers, all of whom have strong ambitions to decarbonise and will require renewable gas as part of their transition to net zero, the Customer Solutions Team continued to proactively engage with large energy users on the network. The publication of our step-by-step guidelines document in Q4, to help companies, subject to EU Emissions Trading System (ETS) regulations, understand how to integrate biomethane as part of their emissions reporting requirements ensured this cohort of large customers have a roadmap to including biomethane as a fuel source on site. By educating and informing customers in the high-heat, hard to abate, sectors regarding the benefits of biomethane to their business, the team helped to facilitate several key customers proceed with the exploration of biomethane as a solution to reducing their carbon footprint. The Customer Solutions Team will continue to roll out the above-mentioned step-by-step guidelines to all EU ETS customers on our network in 2026, while helping non-regulated customers understand the various pathways that renewable gas can positively impact their climate action targets.

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 2025 was highly rated, with a Net Promoter Score to +52 for 2025. Shippers and Suppliers gave an average satisfaction score of 8.2 with an overall satisfaction score of 92%. The feedback received highlighted strong stakeholder relationships, improved engagement, positive market entry experiences and responsiveness from Gas Networks Ireland. Stakeholders praised proactive support, collaboration on projects, and strategic dialogue, while calling for faster operational decision-making, clearer communication, and progress on renewables.

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 operates the industry switching process. In 2025, Gas Networks Ireland processed approximately 150,000 switches, a new record of switches in a calendar year and an increase of c. 17% over 2024.

Customer innovation

In 2023, Gas Networks Ireland established a new Gas Innovation Steering Group. The Gas Innovation Steering Group includes representation from all the business pillars within the organisation and is augmented by two external 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. In 2025, our Gas Innovation Steering Group met each quarter, to review the progress of active innovation projects and consider approvals for new proposed innovation projects. Examples of projects approved for funding included 'Gas Sensor', a project to develop new technologies to measure gas quality, in a co-funding arrangement with UK gas network operators and 'Digital As-Laid' a project to develop new solutions to enhance our digitisation of network records.

The CRU has provided innovation funding of €5.3m for the PC5 price control period, including innovation funding for the Network Based Innovation Fund (NBIF) and also a Strategic Innovation Fund (SIF). Further details of the activities related to these funds can be found in the first PC5 Annual Innovation Report which was published by CRU and Gas Networks Ireland in December 2025. To date the total funding allocation to innovation projects the NBIF exceeds €2.8m, bringing the total number of funded innovation projects to 39.

Gas Networks Ireland further contributed to research collaboration at a European level through our membership of GERG (The European Gas Research Group), hosting the GERG General Assembly in May in Dublin. National research programmes were also supported, including Next Generation Energy Systems (NexSys) an all-island, multidisciplinary energy research programme. NexSys is hosted by the UCD Energy Institute in partnership with eight other leading research institutions. Gas Networks Ireland is an industry partner for the research Programme. Also, in 2025 Gas Networks Ireland became a member of IRDG (Industry Research and Development Group) enhancing our collaboration with and support of the innovation community in Ireland.

Research in clean energy

To advance progress towards net-zero targets, Gas Networks Ireland are increasingly exploring a range of innovative low-carbon heating pathways that can reduce reliance on conventional fossil-based system. This work involves evaluating scalable, energy-efficient alternatives capable of integrating with existing infrastructure while supporting long-term decarbonising goals. By assessing emerging options, operational feasibility, and system-wide environmental benefits, Gas Networks Ireland hope to identify solutions that not only lower emissions but enhance resilience and affordability.



The Network Innovation Centre, located in Citywest, Dublin, continued to play a key role in supporting our research and innovation activities. The on-site gas pipeline network of over 500m of Low Pressure and Medium Pressure pipelines has facilitated ongoing testing and trialling of new network equipment and innovation projects.

Gas Networks Ireland partnered with Research Ireland to launch the €2.7 million Research Ireland – Gas Networks Ireland Innovation Challenge, a major initiative aimed at driving breakthrough solutions to support the decarbonisation of Ireland’s gas network. This ambitious programme invites multidisciplinary research teams to develop innovative technologies in renewable gas

production, energy system integration and artificial intelligence (AI), all of which are essential to Ireland’s transition to a low carbon energy future.

Co-funded by Gas Networks Ireland’s Gas Innovation Fund and Research Ireland, the challenge follows a phased funding model designed to nurture ideas from concept to high impact implementation. Selected teams will receive up to €250,000 across early development stages, with the most transformative proposal ultimately awarded a €1 million prize to accelerate its advancement.

The initiative focuses on two priority themes. The Energy System Integration Challenge seeks solutions to support the effective integration of renewable gases—such as

biomethane and hydrogen—into Ireland’s energy system, alongside AI driven diagnostic tools for intelligent gas network performance. The Biomethane and Biohydrogen Challenge aims to improve the efficiency, commercial viability and sustainable production of renewable gases, including methods for managing and utilising byproducts.

A significant feature of the programme is its emphasis on deep stakeholder engagement. Research teams will collaborate closely with Gas Networks Ireland engineers and technical experts to gain firsthand insights into real world system challenges. Alongside funding, participants will receive training, mentoring and access to Gas Networks Ireland’s Research and Innovation Centre.

Key capital projects 2026:

Progress a number of capital works including:

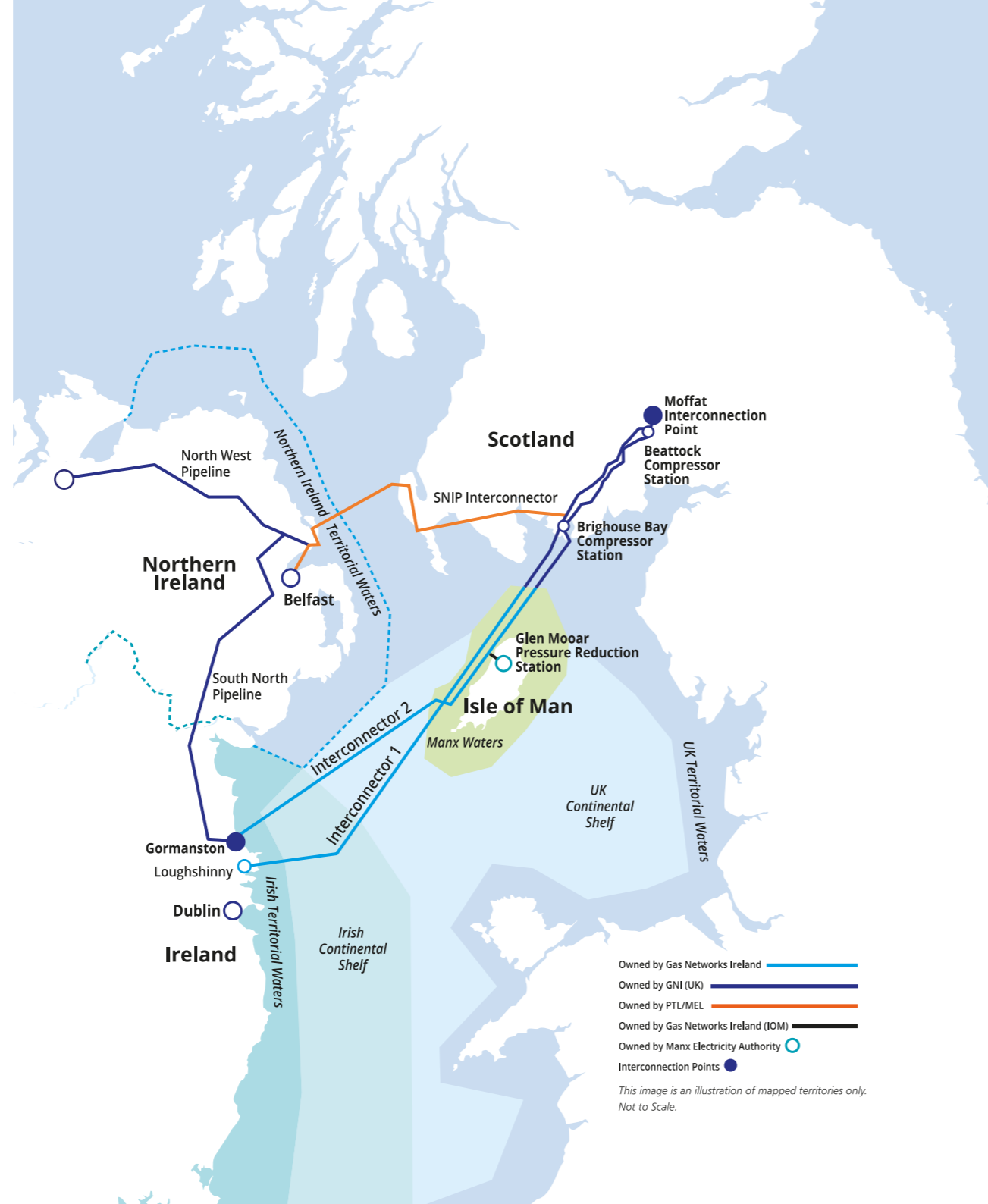
- Complete construction of the Southern Area Reinforcement project to enable pressure restoration of the Transmission pipeline to 85 bar in November 2026.
- Complete refurbishment and upgrade of gas preheating systems at 3 transmission pressure reduction stations in ROI and 1 station in NI.
- Complete construction on 4 Transmission connection projects and advance construction on 1 project for completion in 2027.
- Select a construction contractor following the tender competition and commence construction at one of the Transmission diversion locations on the Foynes motorway diversion.
- Complete Cyber Security upgrades at essential sites and commence level upgrades at selected sites.
- Commission 3 biomethane direct connection projects and order long lead equipment for 2 projects.
- Commence construction of the Capacity Upgrade Project at the Compressor Stations in Scotland.
- Complete station freeflow upgrade at Carrickfergus AGI.
- Complete upgrade to Ballinaclose AGI to facilitate biomethane gas entry form new biomethane connection.
- Complete physical security upgrades at 13 Transmission stations in ROI.
- Progress the design, planning and consents for the Strategic Gas Emergency Reserve Project.
- Complete preliminary and detailed design for the first Reverse Compression Units onto the network at Knockroe AGI.
- Complete Electrical security upgrades to 12 Transmission stations in Northern Ireland (NI).
- Complete preliminary design and planning applications for the Compressor Station Electrification Programme.
- Complete construction on the Mitchelstown Central Gas Injection facility to enable commissioning in early 2026.



GNI (UK) Ltd.

GNI (UK) Ltd is a wholly owned subsidiary of Gas Networks Ireland, and its central role is the security and delivery of gas to the island of Ireland. Its operations span multiple jurisdictions, and its infrastructure is critical to supplying gas to the Republic of Ireland, Northern Ireland, and the Isle of Man.

GNI (UK) is involved in both ownership and operation of several major high-pressure gas pipelines. The company part-owns and operates the high pressure transmission pipelines that run from Moffat in Scotland to Ireland and the Isle of Man. These sub-sea pipelines form a key supply route delivering gas to the Republic of Ireland, Northern Ireland and the Isle of Man. All gas supplied into Northern Ireland passes through infrastructure managed by GNI (UK), alongside assets owned by other parties. GNI (UK) also owns and operates two key transmission pipelines within Northern Ireland – the South-North pipeline (SNP): Runs from Gormanston, Co. Meath to Co. Antrim and the North-West pipeline (NWP) connecting Carrickfergus to the Coolkeeragh power station. GNI (UK) operates assets across multiple jurisdictions where its activities are regulated by three separate regulators: the CRU for assets linked to the Republic of Ireland, the Utility Regulator (UR) for infrastructure in Northern Ireland and Ofgem for operations that fall under UK regulatory oversight. Throughout 2025, GNI (UK) collaborated with key stakeholders across Northern Ireland to help shape the policy and regulatory environment supporting the region’s climate and energy objectives.



An operating division of



Aurora Telecom, an operating division of Gas Networks Ireland,

demonstrated continued growth in 2025, exceeding all operational stretch targets and cementing its position as the provider of dark fibre services in Ireland.

Backed by the utility industry expertise of Gas Networks Ireland, Aurora Telecom operates Ireland’s premier carrier-neutral, open-access dark fibre backhaul network, delivering robust, high-capacity solutions. Security and resilience remain central priorities, reinforced by comprehensive technical and ground-level monitoring to ensure unparalleled network reliability.

Aurora Telecom’s national dark fibre network has maintained 100% availability for more than six consecutive years, demonstrating the industry leading strength and durability of its infrastructure and the commitment of its team. The network’s ring topology provides built-in redundancy, ensuring market leading uptime and reliability for clients.

Aurora successfully completed a surveillance audit, conducted by the National Standards Authority of Ireland (NSAI), of three ISO systems, ISO 45001, ISO 14001 and ISO 9001 safety, environmental and quality management systems.

Aurora Telecom has continued to expand its metropolitan networks in Dublin, Shannon, and Ennis, while its national backhaul network now spans over 1,550 km across 15 counties, offering ultra-high fibre connectivity to all major urban centres.

Aurora Telecom’s focus on innovation continues to be reflected in both the completion of feasibility studies for multiple new backhaul corridors and advancement of key preparatory work to support upcoming network rollouts and service launches.

Aurora Telecom’s targeted investments in supporting subsea cable infrastructure have significantly enhanced Ireland’s international connectivity, reinforcing the country’s position as a key global digital gateway. As a dedicated carrier, Aurora Telecom designs and delivers bespoke, high-capacity network solutions that support mission-critical communications for its customers.

As digital needs grow with AI, machine learning, and 5G, Aurora Telecom’s high-speed, low-latency dark fibre network will be vital for next-generation solutions and Ireland’s ongoing digital development. While our main goal is building a strong national backbone, we also prioritize improving connectivity in rural and underserved areas to boost economic growth, enable remote work, and advance digital inclusion.



Total assets:

€45m

BUSINESS PERFORMANCE

Financial review



FINANCIAL REVIEW

A satisfactory financial performance

Gas Networks Ireland delivered a satisfactory financial performance during 2025, particularly in the context of a volatile market for wholesale gas prices and the continued geopolitical challenges impacting the Irish and global economy.

Gas Networks Ireland generated a profit after tax of €146m, made an annual dividend payment of €62m to the Exchequer and delivered €217m in critical investments in gas infrastructure during the year.

Gas Networks Ireland maintained its credit rating investment grade of A2 with Moody's and A+ with S&P in 2025.

The financial outcome for the year combined with strong financial metrics and credit rating enables Gas Networks Ireland to access a wide range of funding sources at competitive pricing. This enables Gas Networks Ireland to continue to invest in critical infrastructure on our gas network to strengthen energy security and deliver a decarbonised network in support of our climate ambitions.

Gas Networks Ireland continued to provide significant economic benefits to the Irish economy during 2025, including over €600m in direct contributions in the form of purchases from domestic suppliers, payroll, taxes, business rates and dividends.

We are closely monitoring the developing situation arising from the conflict in the Middle East and are assessing the potential impacts for our operations as the situation continues to evolve.

Key highlights 2025



Revenue
€635m

↑ +€35m vs 2024



Profit after tax
€146m

↑ +€8m vs 2024



Dividends paid
€62m

↑ +€18m vs 2024



Capex
€217m

↑ +€29m vs 2024



Net assets
€1,482m

↑ +€105m vs 2024

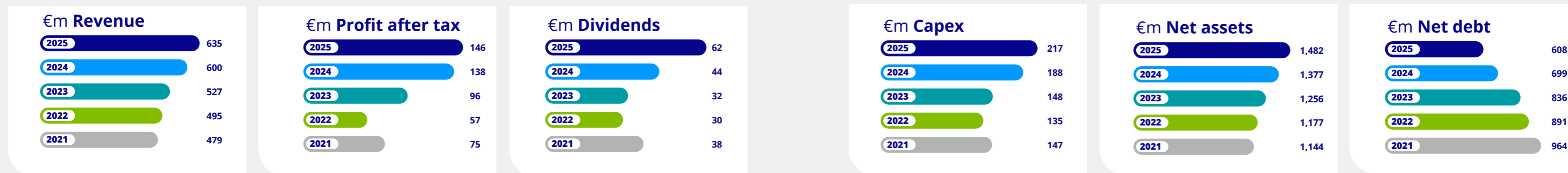


Net debt
€608m

↓ -€91m vs 2024

Key trends

Key trends



Summary income statement

Category	2025 €m	2024 €m
Revenue	635	600
Operating costs	(294)	(276)
EBITDA	341	323
Depreciation and amortisation	(154)	(154)
Net finance costs	(15)	(4)
Profit before income tax	173	165
Tax charge	(27)	(27)
Profit after tax	146	138
Dividend paid to Exchequer	62	44

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

Revenue

Total revenue of €635m increased by €35m compared to 2024. Regulated revenue of €593m, accounted for 93% of total revenue and increased by €40m compared to 2024, driven principally by higher distribution tariffs and higher demand. Unregulated revenue of €43m decreased by €5m year on year, primarily reflecting the profile of unregulated contracts.

Operating costs

Operating costs (net) of €294m increased by €18m compared to 2024. This was primarily due to higher own-use gas costs, higher employee resourcing requirements, increased network maintenance activities, higher regulatory levies and the continuation of general inflationary cost pressures. These cost increases were partly offset by the continued delivery of operating cost efficiencies.

Depreciation

Depreciation and amortisation of €154m was flat year on year.

Net finance costs

Net finance costs of €15m was €11m higher compared to 2024. This was primarily due to the higher coupon rate on the €300m bond issuance in September 2024. Furthermore, the year on year increase was also impacted by a non recurring finance gain in 2024 of €4m, arising on the early partial debt repayment of the 2026 Eurobond.

Profit after tax

Profit after tax of €146m was €8m higher compared to 2024.

Dividends

An annual dividend of €62m was paid by Gas Networks Ireland to the Irish Government in 2025. The annual dividend was based on 45% of the previous year's profit before certain exceptional items. Post year-end, the Board recommended a further dividend of €66m to be paid to the Irish Government in 2026, based on the 2025 results.

Summary balance sheet

Category	2025 €m	2024 €m
Infrastructure assets	2,593	2,548
Pension asset (IAS 19)	46	23
Other assets	386	278
Total assets	3,025	2,849
Borrowings and other debt	(860)	(860)
Trade and other payables	(151)	(141)
Deferred revenue and grants	(300)	(253)
Deferred tax liabilities	(224)	(210)
Other liabilities	(8)	(8)
Total liabilities	(1,543)	(1,472)
Net assets	1,482	1,377
Net debt	(608)	(699)

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

Infrastructure assets and capital expenditure

Gas Networks Ireland delivered a capital investment programme of €217m in 2025, a 15% investment increase compared to 2024. Notably, 5 gas fired generation connections were completed during 2025 and we have progressed the development of the Strategic Gas Emergency Reserve, on behalf of the State.

Our capital investment programmes and projects are focused on ensuring the safety and security of the network as well as facilitating the transition to renewable gases. We continue to prioritise customer affordability to ensure investment decisions are delivered in a cost-effective manner.

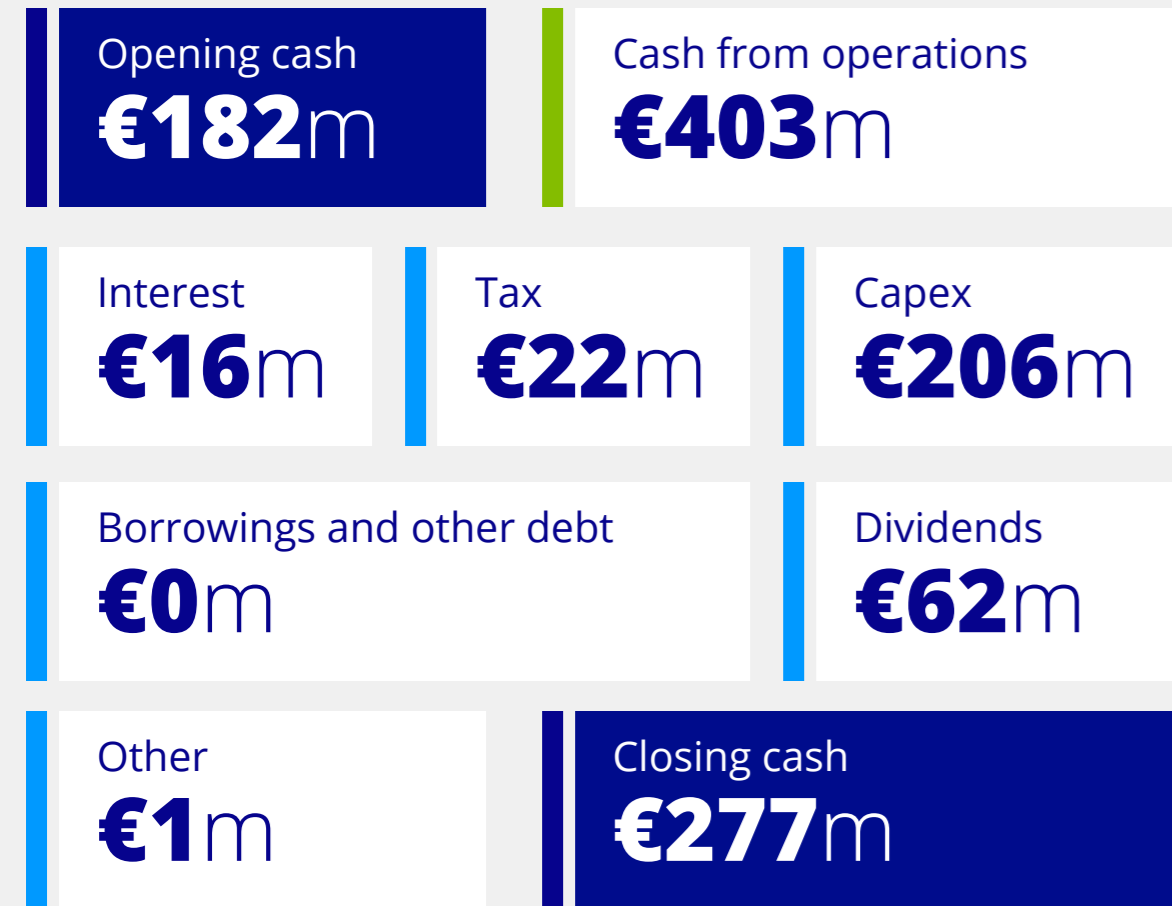
Pension asset

As of 31 December 2025, this scheme had an accounting pension surplus of €46m, compared to €23m on 31 December 2024. The movement in the net pension surplus was principally due to higher market discount rates partly offset by lower asset returns, primarily due to the scheme's liability matching investment strategy.

Other assets

Other assets of €386m were €108m higher compared to 2024 and primarily comprised of cash and cash equivalents and trade and other receivables. Cash and cash equivalents increased from €182m to €277m during the year, as set out overleaf. Cash and cash equivalents of €277m comprised of available cash of €253m and restricted cash of €25m (refer to note 15 of the financial statements). Available cash resources of €253m is held to meet short-term cash obligations including working capital, capital investment, and dividend requirements.

How cash was used in 2025



■ Cash inflows 2025 ■ Cash outflows 2025

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

Net debt and cash flows

Net debt was €608m (gross borrowings €860m less available cash of €253m) on 31 December 2025, compared to €699m in the prior year. Net operating cash flows, after interest and tax cashflows, of €365m, were primarily used as follows:

- €206m was utilised to fund capital investment requirements,
- €62m was utilised to fund the dividend payments to the Exchequer,
- €95m was utilised to increase retained cash of €277m,

Deferred revenue and government grants

Deferred revenue and government grants of €300m were €47m higher compared to 2024 and primarily comprise of customer connection contributions. These values are released to the Income Statement as revenue over time as access is provided to the gas network- refer to note 20 of the financial statements for further details.

Capital resources

Gas Networks Ireland had total borrowings and other debt of €860m on 31 December 2025 (2024: €860m). In addition, there were undrawn committed facilities of €300m and €253m of available cash and cash equivalents on 31 December 2025.

88% of Gas Networks Ireland's debt (excluding lease liabilities) was at fixed rates on 31 December 2025 (2024: 88%). The weighted average interest rate on the portfolio of outstanding borrowings was 1.85% (2024: 1.8%) and the average maturity of its debt was 4.19 years (2024: 5.27 years).

A revolving credit facility with a group of 6 domestic and international banks provides the Group with a strong level of liquidity out to 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.

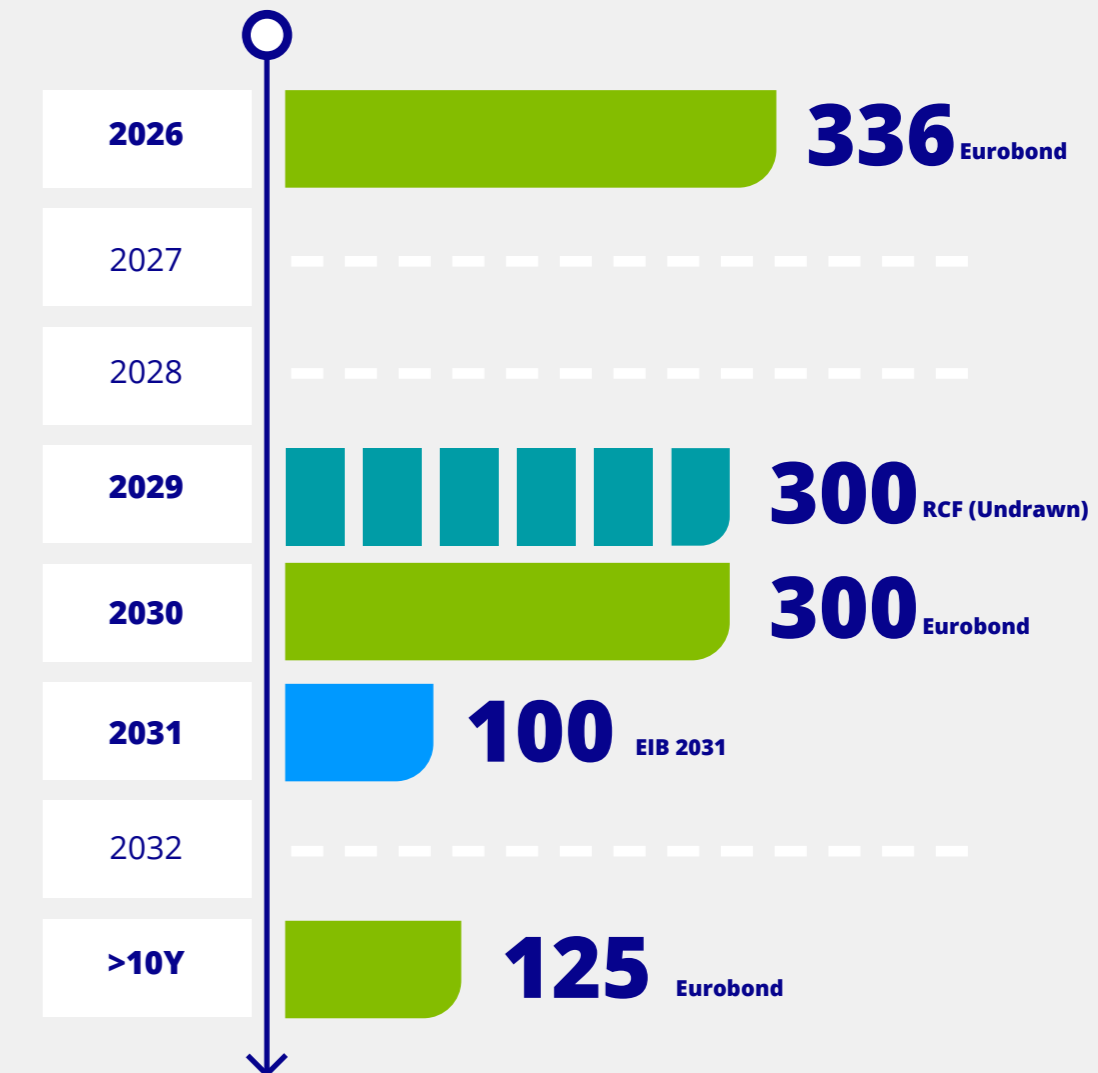
Gas Networks Ireland's treasury function is not operated as a profit centre and treasury positions are managed in a risk averse manner. All treasury transactions have a valid underlying business reason and speculative positions are strictly prohibited. Further details of our treasury governance financial risk management policies are set out in the Financial Statements note 24.

Financial outlook

In 2025, Gas Networks Ireland maintained its long-term credit rating with Moody's Investors Services at A2 and S&P at A+. Reflecting a strong balance sheet (including total assets of €3bn and net assets of €1.5bn) and a robust and stable regulatory model, over the coming years Gas Networks Ireland will continue to build on its financial strength to enable the delivery of critical infrastructure and 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.

Debt maturity profile €m

as at 31 December 2025



The average debt maturity as at 31 December 2025 was 4.19 years

Using our resources in a sustainable way

Over €600m direct contribution to the Irish Economy in 2025

ROI taxes paid **€190m** | Taxes borne **€28m** | Taxes collected **€162m**

Our contribution in respect of Irish taxes borne and collected during 2025 was €190m in total as shown opposite:

Return to the shareholder:

€62m dividend paid to the Irish Government in 2025. In the last five years, we have distributed over €200m in dividends to our shareholder, the Irish Government.
 €66m dividend proposed to be paid to the Irish Government in 2026 from 2025 profits.

Supporting communities:

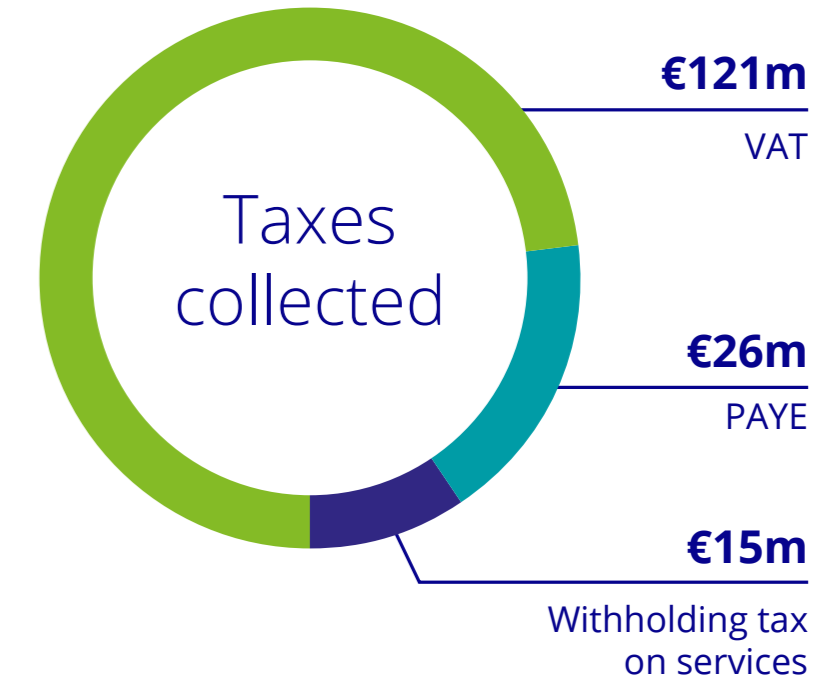
Payroll costs **€102m** | Employee volunteer hours **over 980** | Social impact hours **42,095** | Community projects supported **109**

Business rates:

€27m in rates paid this fiscal year, making a substantial contribution to local economies.

Supply chain:

€294m (81%) of Goods and Services procured from Irish Suppliers during 2025.



SUSTAINABILITY REVIEW

Sustainability is at the heart of our business

We are transforming the gas network to transport renewable gases.

Sustainability is central to our role as a leading utility provider, focused on delivering an affordable, clean energy future for Ireland through the decarbonisation of our network.

In 2025, Gas Networks Ireland updated its Sustainability Commitments under the pillars of Planet, People and Principles. These commitments were shaped by the external operating environment, the refreshed Corporate Strategy,

a comprehensive Double Materiality Assessment, the Climate Action Framework for the Commercial Semi-State Sector, and alignment with the UN Sustainable Development Goals (SDGs).

Our sustainability commitments are designed to bring our sustainability objectives and ambitions to life, fostering a stronger culture of sustainability within the organisation.



Edwina Nyhan Director of Strategy and Regulation

BUSINESS PERFORMANCE

Sustainability



During 2025 we progressed our sustainability commitments and our priorities under the three pillars of our sustainability commitments.

The three priority areas are:

Planet

Drive the transition together towards a net zero future for Ireland



People

Protect and empower our employees, partners, customers and communities



Principles

Do the right thing as a business



Planet

Throughout 2025, we continued to facilitate the transition to renewable gases, thereby supporting Ireland's ambitious climate objectives. We progressed the development of the Mitchelstown Central Grid Injection facility and engaged with biomethane producers to provide direct connections onto the network this culminated in contracting with three biomethane producers. Also in anticipation of the emergence of both indigenous hydrogen and blended hydrogen during 2025 a "technical readiness roadmap" was developed.

We advanced two key projects to reduce operational emissions: a programme to cut methane emissions across the network and our "electrification" projects at both compressor stations to lower emissions. These initiatives are essential to meeting our target of reducing scope 1 and 2 emissions by 51% by 2030.

We also achieved our 2025 "Seeds for Nature" biodiversity commitments, established in 2019 as part of a government led initiative involving public bodies, private organisations and NGOs to accelerate implementation of the National Biodiversity Action Plan.

People

In 2025, 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. Our revised safety strategy "Work Safe Home Safe" was relaunched. 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.

Across 2025 our people programmes progressed further through the continued integration of our cultural programmes via our iBelong Diversity, Equity and Inclusion programme, strong engagement, with a sustainable engagement score of 91%, and we continued to invest in employee development through tailored training and education programmes and we welcomed a new group of graduates.

Over the course of 2025 we supported our communities to the value of over €250,000 via our community engagement programmes and charitable donations.

Principles

Gas Networks Ireland is one of only 40 companies in Ireland to hold the Business Working Responsibly (BWR) Mark. In 2025, we successfully achieved recertification by the National Standards Authority of Ireland (NSAI), reinforcing our commitment to embedding sustainability in all aspects of our business.

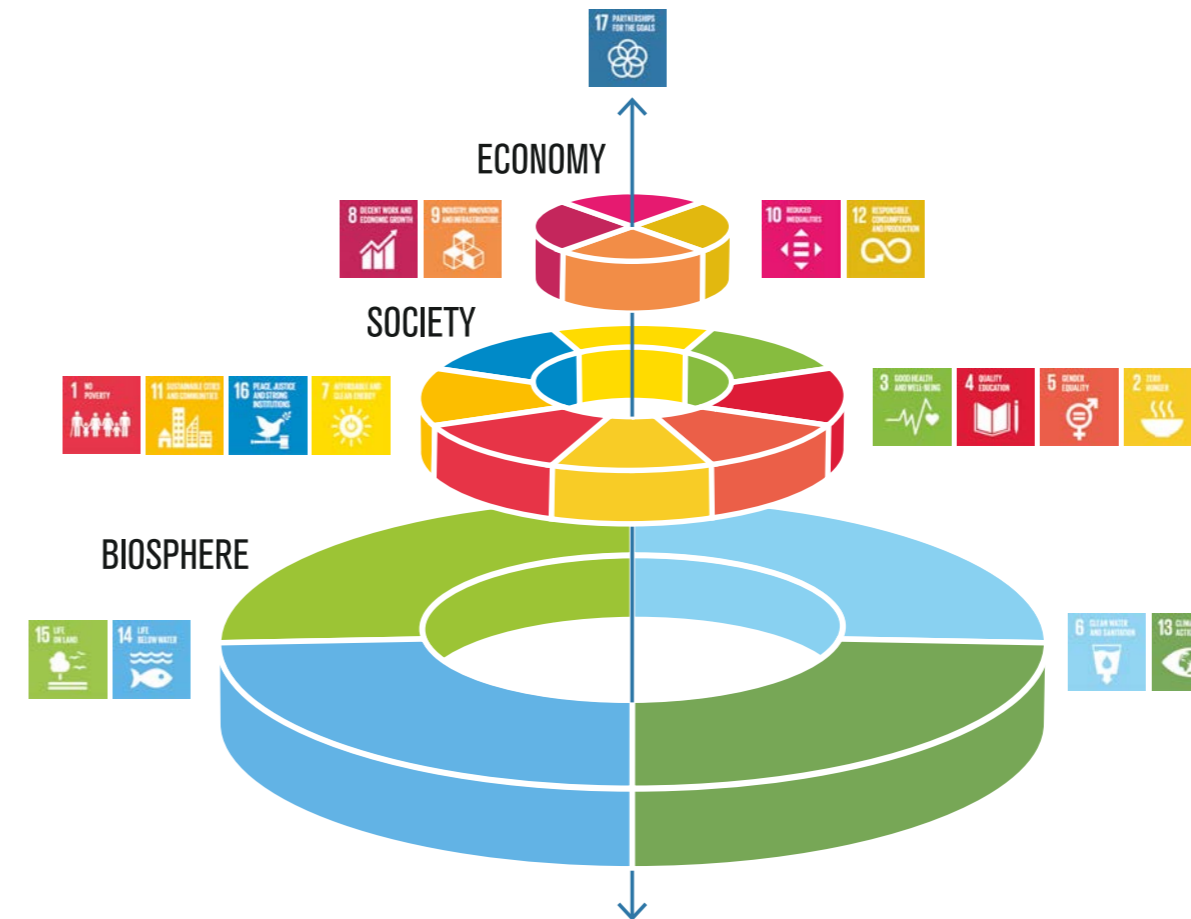
During the year, we underwent a successful surveillance audit of all five ISO systems by the NSAI. The audit report noted 22 strengths across all areas.

In 2025, we officially transitioned from our role as Sustainable Development Goal (SDG) Champion to take up a new role as SDG Ambassador for the Department of Climate, Energy and the Environment.

In 2025, we continued to monitor progress with regards to the Corporate Sustainability Reporting Directive (CSRD) requirements and we completed our CSRD "no regrets" deliverables.



United Nations Sustainable Development Goals (SDGs) and our role as SDG Ambassador



We support all 17 of the United Nations' Sustainable Development Goals with the six below being most relevant to our business, and at the core of our strategic ambitions.

UN sustainable development goals



In 2024, Gas Networks Ireland was appointed as a 2024/2025 Sustainable Development Goal (SDG) Champion by the Minister for the Environment, Climate, Communications and Transport. Notably, Gas Networks Ireland became the first energy provider to receive this designation. This acknowledgment underscored our commitment to supporting and advancing the United Nations SDGs. In July 2025, Gas Networks Ireland transitioned to the enduring role of SDG Ambassador. We continue to actively foster sustainability awareness among employees and stakeholders through community engagement, responsible business practices, educational workshops, external communications, conferences, and webinars.

Double materiality assessment

In 2024, we conducted a Double Materiality Assessment (DMA) to identify and assess our material sustainability related impacts, risks, and opportunities. We continuously integrate sustainability into our corporate strategy and business model and the DMA helped inform our revised corporate strategy which we launched in 2025 and in the development of our sustainability commitments which was recently approved by our Board.

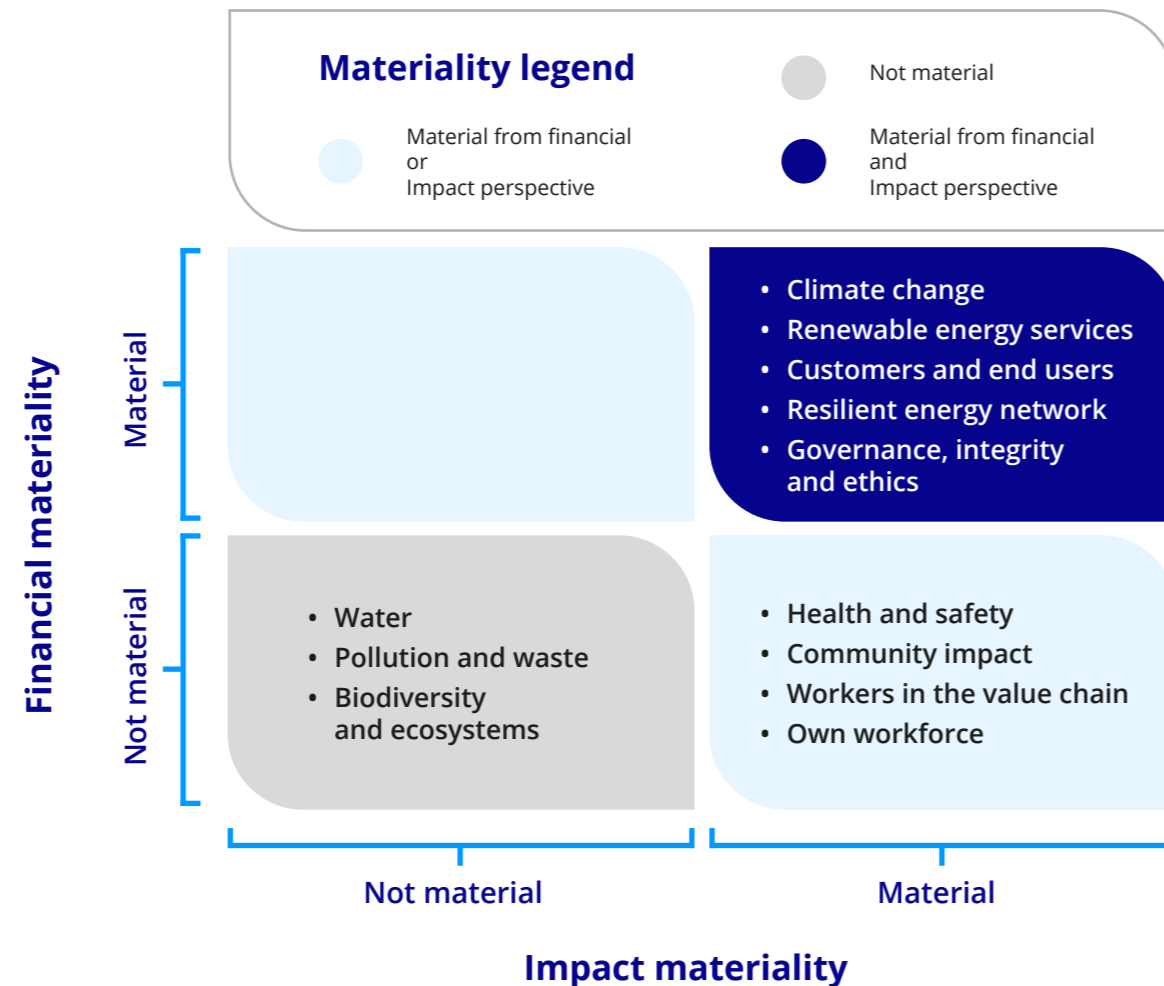
Sustainability context

Materiality helps identify and prioritise the sustainability issues that matter most to our business and stakeholders. We conducted a rigorous process to analyse Gas Networks Ireland's sectoral, regulatory, and sustainability reporting requirements. This included reviewing previous materiality and risk assessments and performing value chain and peer analysis.

Materiality completeness

The double materiality process considers all significant impacts across our value chain. Stakeholder inclusiveness was ensured by considering feedback from our stakeholder engagement matrix. 108 internal and external stakeholders across various departments and activities within our value chain took part in a survey. They selected

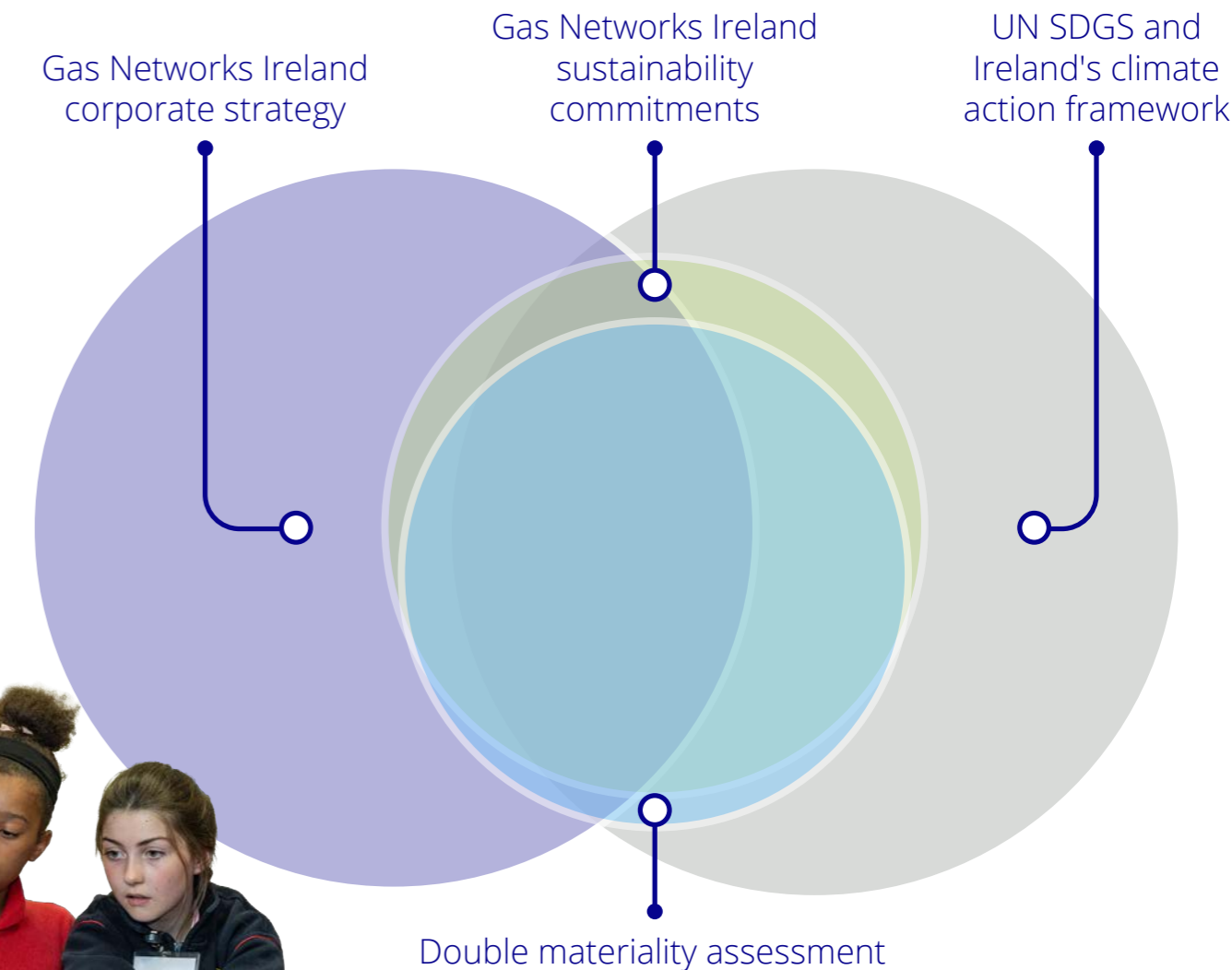
topics which were most relevant to them in relation to their work. Five external survey participants were then chosen for interviews to provide additional qualitative feedback on their survey responses.



How it all fits together

Gas Networks Ireland values and culture

Our sustainability commitments are shaped by the outputs of our double materiality assessment, corporate strategy, organisational values and culture, the UNSDGs and the Climate Action Framework for Commercial Semi-States.



Our sustainability commitments and achievements

Pillar framework

Priorities 2025-29

Double materiality assessment

Our sustainability achievements



Planet

Driving the transition together towards a net zero future for Ireland

- Integrated system
- Scale biomethane
- Enable hydrogen
- Decarbonised operations
- Minimise strategic gas emergency reserve impact

- Climate Change
- Renewable Energy Services
- Resilient Energy Network
- Biodiversity and Ecosystems

Contracts executed for direct connections with **3 biomethane producers**

Hydrogen technical readiness roadmap developed

Advanced two key projects to reduce operational emissions

Biodiversity/Nature Positive – Successfully achieve 2025 **“seeds for nature”** commitments

GHG emissions reduction since 2024 (Scope 1 and 2)

- Absolute GHG emissions reduction 4%
- GHG emission intensity reduction 2%

Achieved CDP Climate Change **Score of B**



People

Protect and empower our people, partners, customers and communities

- Safety first
- Empower our people
- Customer impact
- Community impact

- Health and Safety
- Community Impact
- Own Workforce
- Customers and End Users
- Workers in the Value Chain

Safety

- Total LTIFR – Employees: 0.06
- Total LTIFR - Contractors: 0.22

Empower our people

- DEI Index: 82%
- Gender Pay Gap: 3.9%
- Sustainable Engagement Score: 91%

Community impact

- Social Impact Hours: 42,095
- Volunteering Hours: 980
- Employee Fundraising: €34,219
- Total Value of Support to Communities: €251,906
- Organisations or Groups Supported: 109



Principles

Do the right thing as a business

- Responsible business
- Governance excellence
- Sustainable procurement

- Governance, Integrity and Ethics

Maintained 5 ISO Management Systems (Safety, Quality, Environmental, Energy and Asset Management)

Took up our role as **Sustainable Development Goal (SDG) Ambassador**

Re-certified to the **Business Working Responsibly Mark**

Published 2025 sustainability in action report

Achieved CDP Supplier Engagement Assessment **Score of A-**



SUSTAINABILITY REVIEW



Planet

Driving the transition together towards a net zero future for Ireland

Priorities 2025-29

Integrated system

Drive whole system planning across the energy industry to develop a least cost, clean and secure energy system.

Scale biomethane

Champion the biomethane industry while preparing to transport biomethane at scale for customers.

Enable hydrogen

Lead the development of networked hydrogen as a core component of Ireland's future energy system.

Decarbonised operations

Deliver on our climate change commitments by decarbonising our own operations and contributing to a Nature Positive World via biodiversity.

Strategic gas emergency reserve impact

Ensure that minimising the greenhouse gas impact is a critical consideration in our design and investment decision.

Under the Planet pillar, our key sustainability priorities are focused on five core areas. These priorities reflect the central ambitions of our refreshed Corporate Strategy and are fundamental to achieving our overarching net zero objective.

This section, we place a dedicated emphasis on Decarbonised Operations, outlining how we are

delivering on our climate change commitments and reducing emissions across our own activities. As part of this commitment, we also highlight our progress in contributing to a Nature Positive world via the delivery of our Biodiversity Action Plan, which supports our climate ambitions by protecting and restoring ecosystems across our operational footprint and embedding biodiversity/nature positive best practice into our day-to-day activities.

The remaining commitments Integrated System Planning, Biomethane, Hydrogen and SGER are explored in detail throughout the main body of this report, where their wider system impacts and contribution to Ireland's energy transition are highlighted.

Decarbonised operations

Deliver on our climate change commitments by decarbonising our own operations and contributing to a Nature Positive world via biodiversity

GHG emissions generated by own activities

Our approved greenhouse gas reduction targets — a 51% reduction in Scope 1 and 2 emissions and 25% reduction in Scope 3 emissions by 2030 — create a clear expectation that decarbonising our own operations is essential to maintaining a resilient, future ready gas network.

In line with Ireland's Climate Action Plan and the latest climate science, these targets reflect a pathway compatible with limiting global warming to 1.5°C. Significant programmes of work have been mobilised to reduce Gas Networks Ireland's operational emissions, details of which are set out in the operating review.

Each year, we collect and verify comprehensive energy and emissions data to quantify our Scope 1, 2 and 3 emissions within our operational boundary. This includes all six greenhouse gases defined by the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O),

hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆) with all results reported in tonnes of CO₂ equivalent (tCO₂e).

Ensuring sustained emissions reduction across our varied assets requires strong governance, structured delivery and independent assurance. We measure and report our GHG emissions in line with applicable regulatory requirements and third-party frameworks. We continually review our approach to measurement and reporting to ensure alignment with best practices.

Scope 1, 2, 3 breakdown

Our 2025 GHG inventory was independently verified according to ISO 14064-3:2019 Specifications in 2021 with Guidance for the Validation and Verification of Greenhouse Gas Statements. Conversion factors for carbon equivalents used are from verified sources.

The following sections provide more detail of the Scope 1, 2 and 3 trends since 2010.



A target to achieve a **51% reduction** in Scope 1 & 2 emissions by 2030



A target to achieve a **25% reduction** in Scope 3 emissions by 2030



Breakdown of emission sources by activity:

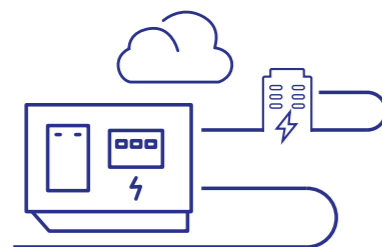
This section provides an overview of our GHG emissions. We report our emissions in three categories: Scope 1, Scope 2, and Scope 3.



Scope 1

This covers the GHG emissions that Gas Networks Ireland makes directly — for example while running our boilers, compressors and vehicles along with methane emissions.

- Unintentional Emissions of Natural Gas from Equipment
- Metered Process Gas
- Compressor Vented Fuel Gas
- Offices - Gas
- Fleet
- Refrigerant gas (known as F-gas) used in air conditioning and refrigeration systems



Scope 2

These are the emissions made indirectly - like when the electricity for heating buildings and electricity on site, is being produced on our behalf.

- Offices – Electricity
- Process Sites Electricity Use



Scope 3

In this category are all the indirect emissions that the organisation is responsible for, up and down our value chain. For example, from buying products from suppliers.

- Main Period Contractors
- Grey Fleet
- Helicopter surveys
- Water
- Waste
- Suppliers
- Staff Commuting
- Remote Working
- Taxis
- Distribution Pipeline Construction
- Transmission Pipeline Construction
- Gas Meters
- Cloud Computing
- Airline Travel including RF¹ forces
- Rail Travel
- Well-to-tank emissions for energy consumed
- Printed Paper
- Transmission and Distribution electricity losses
- Transportation of goods to site

¹ Radiative Forces (RF) is the concept used to account for the full climate impact of aviation, beyond just carbon emissions

Absolute GHG emissions reduction since 2010 (Scope 1 and 2) **-27%**

Emission intensity reduction since 2010 (Scope 1 and 2) **-20%**

Absolute GHG emissions reduction since 2024 (Scope 1 and 2) **-4%**

Emission intensity reduction since 2024 (Scope 1 and 2) **-2%**

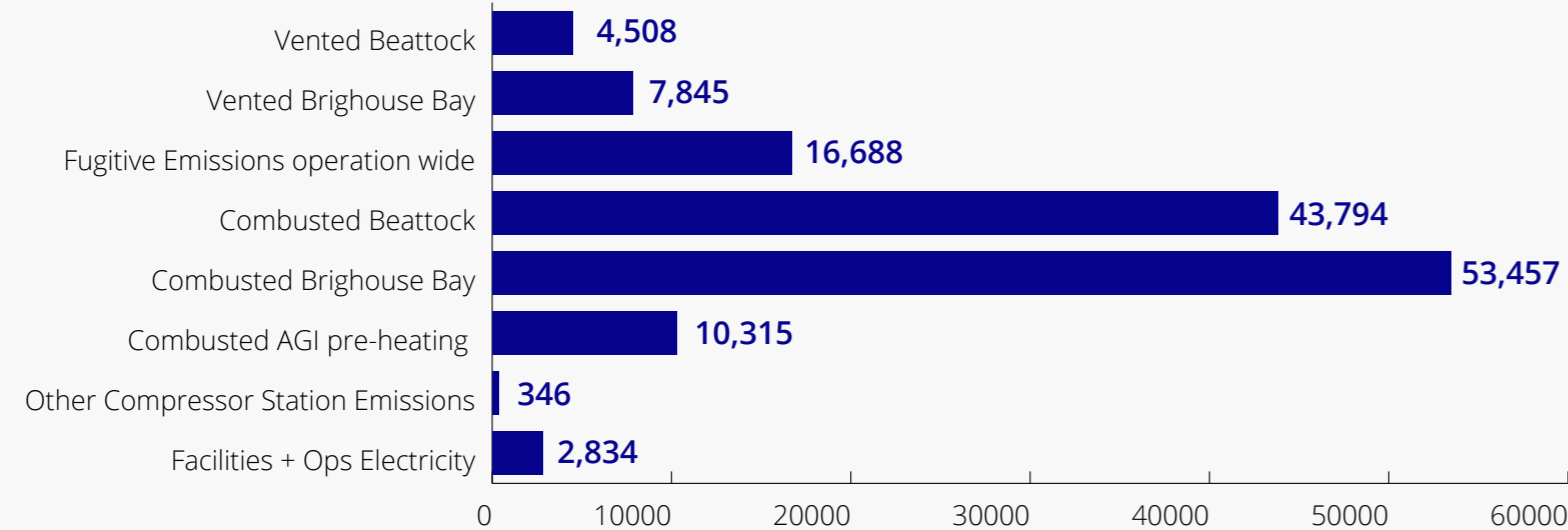
Scope	Category	UNIT	2025
1	Uncombusted methane emissions	TCO ₂ e	29,041
1	Combusted natural gas emissions	TCO ₂ e	108,087
1	F-gas top ups	TCO ₂ e	4
1	Gas Networks Ireland fleet	TCO ₂ e	722
2	Electricity - Location based	TCO ₂ e	1,933
2	Electricity (market based)	TCO ₂ e	299
3	Category 1: Purchased goods and services	TCO ₂ e	5,184
3	Category 2: Capital goods	TCO ₂ e	5,704
3	Category 3: Fuel and energy related activities (not included in scope 1 and 2)	TCO ₂ e	18,850
3	Category 4: Upstream transportation and distribution	TCO ₂ e	29
3	Category 5: Waste generated in operations	TCO ₂ e	97
3	Category 6: Business travel	TCO ₂ e	304
3	Category 7: Employee commuting	TCO ₂ e	1,587
3	Category 8: Upstream leased assets	TCO ₂ e	0
3	Category 9: Downstream transportation and distribution	TCO ₂ e	0
3	Category 10: Processing of sold products	TCO ₂ e	0
3	Category 11: Use of sold products	TCO ₂ e	79
3	Category 12: End-of-life treatment of sold products	TCO ₂ e	0
3	Category 13: Downstream leased assets	TCO ₂ e	0
3	Category 14: Franchises	TCO ₂ e	0
3	Category 15: Investments	TCO ₂ e	0

Gas Networks Ireland conducts an annual relevance assessment to determine which Scope 3 categories are material to its operations. GHG Protocol Categories 8–12 are excluded from its Scope 3 inventory due to their limited relevance to Gas Networks Ireland's operations, which do not involve product sales or downstream processing. For transparency, estimated emissions from the use of transported gas—13.5 million tCO₂ is provided here for transparency and context.

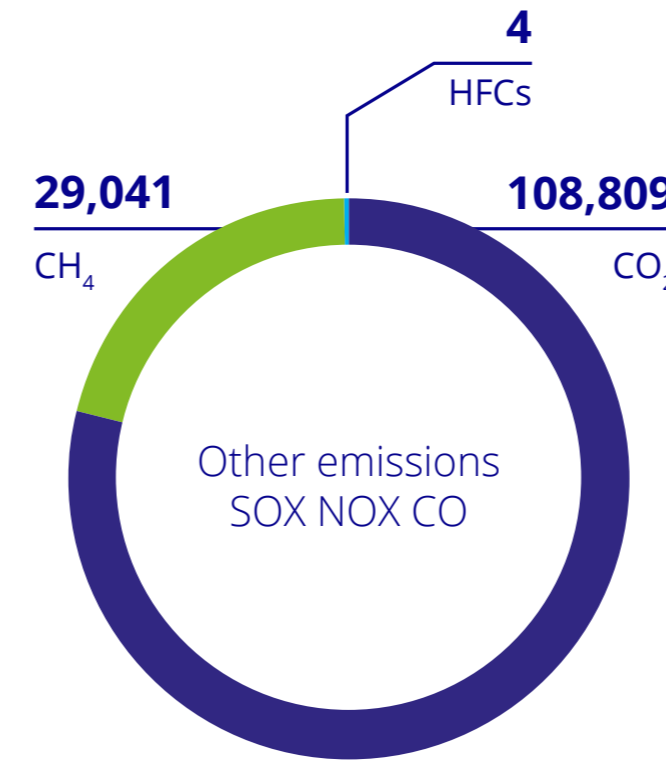
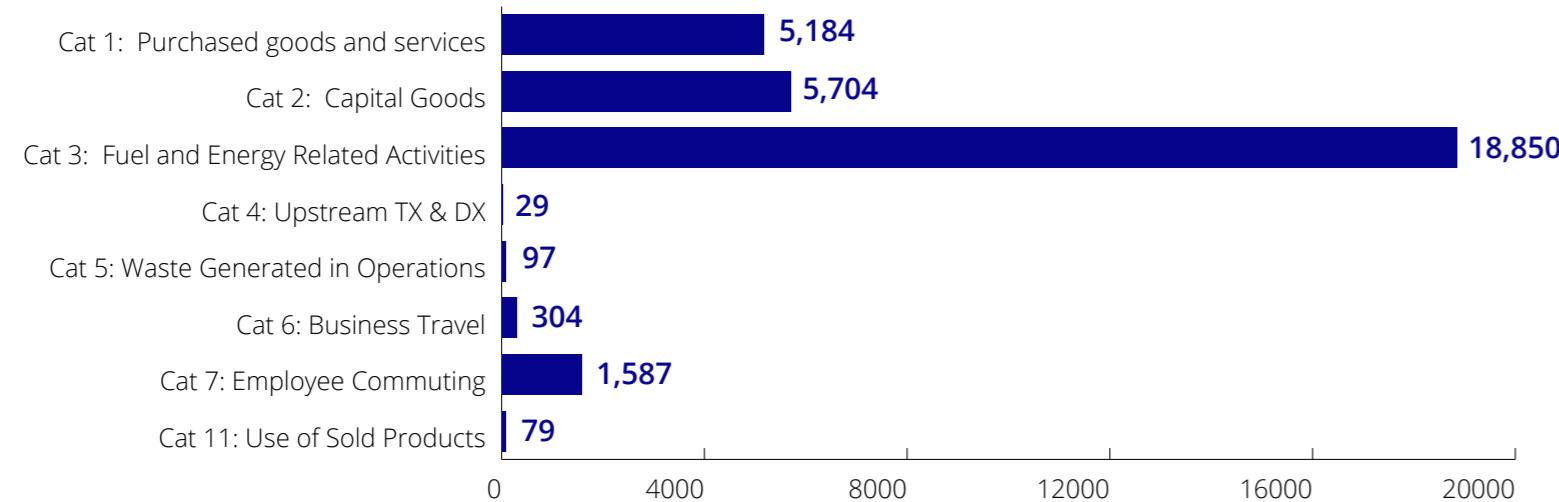
Note 1: This data is provisional until final verification is complete.

Note 2: Methane emissions quantification is currently under development. Reported uncombusted methane figures reflect the best available data at the time of reporting, informed by enhanced detection and quantification activities (see page 83). As methodologies are further refined, these figures may be updated in future reports.

Scope 1 and 2 emissions (tCO₂e)



Scope 3 emissions (tCO₂e)



2019, our Scope 1 and 2 emissions fell partly because Corrib became a significant indigenous supply, reducing the volume of gas needing compression in Scotland. With Corrib output now decreasing, reliance on Scottish compressor stations is rising again, which directly impacts our Scope 1 emissions.

Despite this shift, our 2025 Scope 1 and 2 absolute emissions remain 27% below our 2010 baseline, reflecting the impact of ongoing efficiency measures and operational improvements.

The following sections provide more detail of the Scope 1, 2 and 3 trends since 2010.

Methane emissions performance

Methane is a critical focus area for Gas Networks Ireland as it is the second largest contributor to global warming after carbon dioxide and has a significantly higher global warming potential (29.8 times more potent over 100 year timescale). We recognise that methane is the primary component of natural gas and that our operations must be carefully managed to minimise both fugitive emissions from network assets and any vented emissions across the system. This recognition underpins our strong commitment to accurately quantify, manage and reduce methane emissions.

Over recent years, Gas Networks Ireland has established a dedicated Methane Emissions Project to accelerate progress in this area. We have significantly enhanced our emissions quantification approach through extensive Leak Detection and Repair (LDAR) campaigns, including drive by surveys (over 12,000 kms covered) and AGI specific monitoring, as well as trials of advanced detection tools. These initiatives materially improve the accuracy and robustness of our reported emissions.

Where leaks were detected through this programme, Gas Networks Ireland ensured they were prioritised and resolved as soon as reasonably practicable. All repair decisions were made in accordance with established safety procedures. This proactive approach to detecting, prioritising and repairing leaks directly supports our commitment to reducing GHG emissions.

Gas Networks Ireland is also an active member of MARCOGAZ, the technical association of the European natural gas industry. MARCOGAZ is a supporting organisation to the Methane Guiding Principles, alongside Gas Infrastructure Europe (GIE), reflecting our commitment to continuous improvement and alignment with international best practice.

Compressor station energy and emissions

Our compressor stations in Scotland are central to the delivery of c. 83% of Ireland's Natural gas.

These Scottish compressor stations account for over 70% of both our energy consumption and our Scope 1 and 2 emissions), as fuel gas is required to maintain system pressure and manage throughput. As production from the Corrib gas field declines, more gas must be imported and compressed, increasing fuel consumption and associated emissions. Additional emissions arise from essential operational venting during compressor start ups, shutdowns and other safety critical activities. These combustion and venting activities together determine the emissions intensity of compression operations.

Recent reliability improvements at Beattock have reduced NOx and CO emissions but increased fuel use in 2025. Control valve upgrades now help stabilise suction pressures and allow turbines to operate in Dry Low Emissions mode more consistently.

Both compressor stations operate under strict oversight from the Scottish Environment Protection Agency (SEPA), with quarterly and annual reporting of methane, CO₂, NO₂, SO₂ and other pollutants independently verified and audited. Given their significant contribution to emissions and energy use, these stations remain a central focus of our decarbonisation programme as Ireland's reliance on imported gas continues to grow.

Data point	Unit	2022	2023	2024	2025
Covered by UK Emissions Trading Scheme	TCO ₂ e	89,563	89,649	99,027	97,251

Biogenic fuels

512 kWh of BioCNG consumed

GHG removals / credits

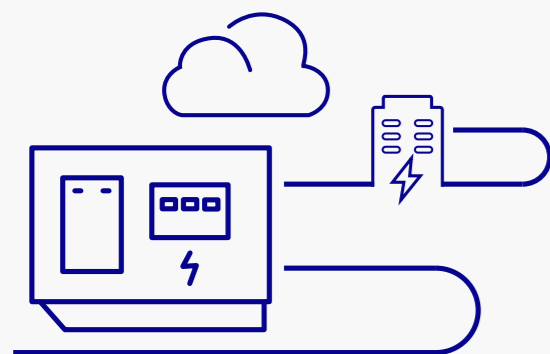
Gas Networks Ireland did not purchase any GHG removals or credits in 2025

Emissions intensity as part of net revenue

220 tCO₂e / Million Euro

As production from the Corrib gas field declines, Ireland is becoming increasingly dependent on gas imported through the Moffat Entry Point. This requires greater use of the compressor stations in Scotland, where fuel gas is combusted to maintain system pressures—driving an increase in Scope 1 emissions. Between 2010 and

Scope 2



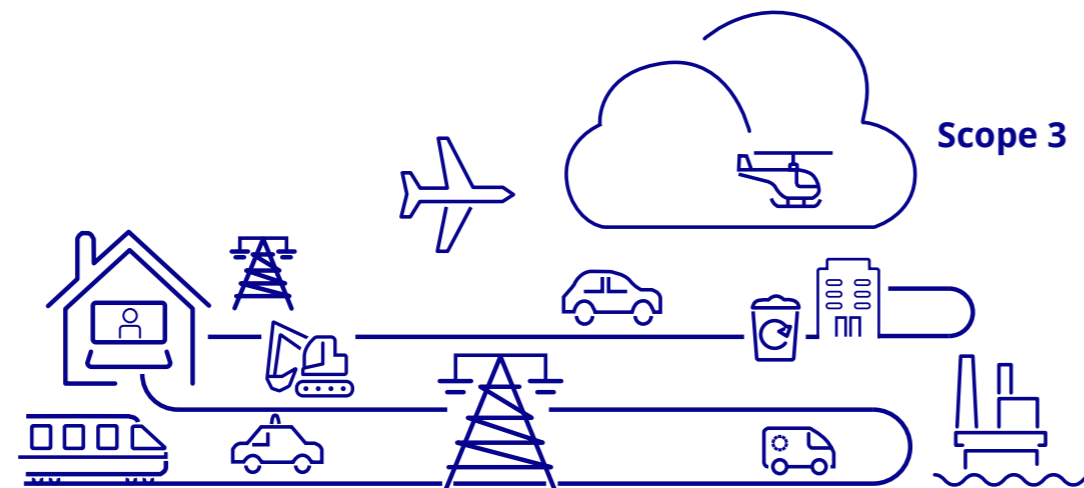
Scope 2

Our Scope 2 emissions have seen reduction in carbon emissions since 2010 of 64%. Electricity purchased to facilitate the operational requirements of Scope 2 are under our financial and operational control.

Scope 2 emission sources	Location based emissions (tCO ₂ e)	Market based emissions (tCO ₂ e)
Purchased electricity	1,933	299
Purchased heat	0	0
Purchased steam	0	0
Total scope 2 emissions	1,933	299

Scope 3 (value chain emissions)

Up until 2023, the variation in annual scope 3 emissions was accounted for by annual changes in construction, e.g. a 50km gas pipeline between Cluden and Brighthouse Bay in 2017/2018. Our scope 3 emissions have increased in 2023/2024 due to the addition of more suppliers and materials to our calculations. We also added GHG Protocol Scope 3 Category 3 (other fuel related activities) to account for the upstream emissions associated with the energy we consume – these fuel related activities accounted for an additional 18k TCO₂e in 2023. Capital goods and additional information from our suppliers accounted for approx. another 2.4k TCO₂e. All elements of Scope 3 are under the financial and operational control of our business.



Energy

To reduce GHG emissions and uphold a separate commitment to responsible energy management, we build energy efficiency into all aspects of the organisation. Our Energy Efficiency Policy, certified to ISO 50001 Energy Management System, details commitments and activities related to responsible energy management. The scope includes all energy consumption and emissions for which Gas Networks Ireland are responsible.

Public Sector Monitoring and Reporting targets (PSMR)

The 2021 Climate Action Plan set a target for the public sector to cut greenhouse gas emissions by 51% and improve energy efficiency by 50% by 2030. Gas Networks Ireland continues to support this national ambition through active participation in the PSMR programme, which requires annual reporting of energy use and emissions. This covers our offices and fleet, representing less than 1% of our overall emissions.

In 2024, we achieved a 31% reduction in our total CO₂ emission compared to the baseline, a 1.5% reduction in our fossil CO₂ emissions and a 48% reduction in our Energy Performance Indicator (EnPi) from the baseline of 2006-2008. 2025 data will be publicly available via the SEAI website in Q3 2026. Our progress reflects improvements in asset efficiency, enhanced monitoring and the integration of energy saving measures, supported by our ISO50001 aligned Energy Management System.

Across our main sites, we continue to implement energy efficient technologies, including solar PV, automated and sensor controlled lighting, variable speed drive HVAC systems, lowering of hot water temperatures, turning our heat pump off during summer months, heat recovery at our exhaust system and high efficiency heat pump solutions. We are also increasing our use of renewable energy and improving fleet performance through vehicle upgrades, enhanced inspection programmes, and initiatives to promote fuel efficient driving.

GHG emissions reduction plans

Scope 1 and 2 GHG emission reduction plans

In 2025, we continued several major programmes of work to significantly reduce our operational greenhouse gas emissions and strengthen the integrity of our emissions data.

1. Methane emissions project

Throughout 2025, we progressed our methane emissions programme of works, focused on reducing methane emissions and improving emissions quantification across our network.

2. Electrification of compressor stations in Scotland

We progressed the programme to electrify our two compressor stations in Scotland, a transformative initiative that will deliver substantial long term reductions in Scope 1 emissions. These two stations currently account for roughly 80% of our total Scope 1 and 2 GHG emissions, making their electrification one of the most impactful carbon reduction projects underway.

These programmes are key enablers in achieving our ambitious targets of a 51% reduction in Scope 1 and 2 emissions by 2030 and a 25% reduction in Scope 3 emissions.

Scope 3 emissions reduction levers

To reduce Scope 3 emissions, we prioritise supplier engagement, renewable energy integration, and collaborative action across the value chain.

Supplier engagement actions

1. Conducted bi annual heat mapping exercises to identify high impact contracts.
2. Integrated GHG related questions into tender evaluations, with enhanced requirements for high impact contracts.
3. Embedded climate aligned KPIs for major suppliers to ensure alignment with Gas Networks Ireland emissions reduction targets.
4. Provided suppliers with access to the Sustainability Supply Chain School training tools.
 - Strengthened collaboration through:
 - Ensuring awareness and adherence to our Sustainability Charter.

5. Joint work on emissions reduction initiatives.
 6. Requested annual GHG emissions data and product specific emission factors where relevant.
- Employee engagement actions**
7. Continued promoting low emission commuting options, reducing business travel emissions. And enhanced remote collaboration capabilities.
 8. Delivered information sessions and staff training on sustainability and GHG management.
 9. Communicated updates via our e newsletter, in person and virtual pillar meetings, and company all hands events.
 10. Supported ongoing internal workshops to improve understanding of GHG emissions and reduction pathways.

Innovation and collaboration

We continued working with national and international partners—including Marcogaz, GIE, and SEAI—to develop and share best practice, improve emissions methodologies, and drive innovation across the energy sector.

CDP performance

The Carbon Disclosure Project (CDP) is recognised globally as the leading framework for corporate environmental transparency. Companies are scored from A to D, based on disclosure quality, risk management, governance, and ambition.

We have voluntarily reported to CDP for several years, demonstrating our commitment to transparency and robust emissions management. In 2025, Gas Networks Ireland received a Climate Change score of B, aligning with both the European regional average (B) and the Energy Utility Networks sector average (B).

SUSTAINABILITY REVIEW

Contributing to a nature positive world via biodiversity

At Gas Networks Ireland, we emphasise the significance of biodiversity as part of our commitment to environmental stewardship and sustainability. We recognise our responsibility to protect and restore Ireland's biodiversity through our extensive underground infrastructure network and numerous AGIs and office locations. As custodians of these sites, we take a proactive approach to avoiding, minimising, and restoring biodiversity impacts across our network.



Gas Networks Ireland are signatories of the government's biodiversity 'Seeds for Nature' Charter, pledging to manage all of our infrastructure, asset base and office locations in line with Biodiversity Best Practice by 2025 and to strive to have a net gain impact on biodiversity across our operations to support, scale up and fast-track the implementation of the National Biodiversity Action Plan. Gas Networks Ireland is a Partner of the All-Ireland Pollinator Plan which is a leading biodiversity initiative in Europe.

Our Biodiversity Action Plan outlines actions and goals to promote biodiversity awareness among colleagues and communities, improve biodiversity and create pollinator-friendly habitats across the country. By adhering to Biodiversity Best Practice and partnering with initiatives like the All-Ireland Pollinator Plan, we aim to achieve a "no net loss" impact on biodiversity and strive for net gain impact. Our approach encompasses comprehensive management processes, environmental planning, and design toolkits to ensure best practices in biodiversity management are integrated into our operations. In 2025, we advanced our efforts, strengthening our systems, accelerating biodiversity enhancements and deepening employee and community engagement.

Biodiversity audit

As part of our Biodiversity Action Plan, we engaged an external consultant to carry out a comprehensive biodiversity audit to verify progress toward our pledge of managing our network of assets in line with biodiversity best practice by 2025, and to strive for net gain in all our operations.

The audit found that Gas Networks Ireland has made significant progress in implementing biodiversity best practice across its operations. The findings indicated that we are effectively working towards a No Net Loss objective and, based on the sites assessed, have achieved this objective to date.

Managing for biodiversity

Managing work that has the potential to impact biodiversity is a key aspect of our approach to environmental management. We have a robust management process as part of our Environmental Management System, and bespoke tools to aid our designers in meeting our goals.

In 2025, we trialled the use of our bespoke Compensatory Habitat Design Tool. The tool compares the baseline habitats existing on the site to the proposed habitats post construction and generates a percentage change to biodiversity. This allows for a scientific and measurable method to incorporate biodiversity enhancement into project design.

Enhancing biodiversity

In 2025, Gas Networks Ireland successfully completed a major programme of biodiversity enhancement works across our network of assets in Scotland. These works were a key element in ensuring alignment with the recommendations emerging from the biodiversity action plan and baseline assessments for the sites. The habitat rehabilitation works included removal of invasive species to restore ecological function, planting over 800 m of hedgerow, planting mixed native tree species, over 44,000 bulbs, creation of 5 hibernacula, 4 bee banks and 10 log piles. There were also 38 bat boxes and 32 bird boxes installed. Significant biodiversity enhancement works were completed at the Abbotstown Above Ground Installation in 2025. The project included planting 192 mixed native trees, the creation of a pond to support aquatic and semi-aquatic species, and the construction of large berms to provide varied topography and habitats. Additional features such as rubble piles, log piles, a sand and gravel dry garden, and bee banks were also established, offering shelter and resources for insects, birds, and small mammals. In 2025, Gas Networks Ireland continued to manage our sites in a

pollinator friendly regime, including reduced grass cutting. There were additional biodiversity enhancement measures undertaken at the Ardrabeg, Carrigtwohill, Old Court and Raffeen Above Ground Installations. These measures included native tree planting, installing bird boxes and bat boxes, planting hedgerow, bulb planting and creating log piles. These actions continue to deliver measurable biodiversity benefits and directly support our Biodiversity Action Plan objectives.

Envirokit improvement programme

Throughout 2025 we continued to advance a comprehensive continuous improvement programme for our environmental assessment tool, Envirokit. Through a series of collaborative workshops, a number of improvement initiatives have been identified, including clarifying where Envirokit assessments are required, and refining the environmental assessment questions to ensure they align with stakeholder needs and regulatory expectations. The workshops have also supported agreement on appropriate exemptions for specific workstreams, helping to streamline workloads while maintaining robust environmental oversight. Building on the outcomes of this engagement, a suite of follow-on actions are being progressed.

Climate adaptation

In 2025, we collaborated with the Department of Climate, Energy and the Environment (DCEE) on the Climate Adaptation Plan for the Electrical and Gas Sector.

In 2025 we developed our own Gas Networks Ireland Climate Adaptation Plan and presented to our Safety, Sustainability and People Committee in October with the ambition to have Board approved in Q1 2026.

SUSTAINABILITY REVIEW



People

Protect and empower our people, partners, customers, and communities

Priorities 2025-29

Safety first

Safety first in everything we do.

Full details on our safety performance and activities is provided in the operations review on page 44 - 45.

Empower our people

Foster a diverse and inclusive workforce.

Develop skills and capabilities to meet future goals.

Enable our people to deliver by embedding sustainability (including biodiversity) in our asset processes.

Customer impact

Deliver innovative and efficient energy solutions.

Prioritise energy affordability through efficient operations, appropriate sustainable investments and equitable pricing.

Community impact

Make a lasting positive impact on our communities through our community engagement programmes and community benefit fund.

Our people commitments

Under the People pillar, our key sustainability priorities are focused on safety, empowering our people, having a positive impact on our communities, and delivering innovative and efficient solutions for a customers with a focus on affordability. These priorities reflect the central ambitions of our refreshed Corporate Strategy and are fundamental to supporting socio-economic development.

In this section, we place a dedicated emphasis on Empower our People, and Community Impact. Safety first and Customer impact are key priorities of our sustainability commitments and material to our business, but are addressed in the Operating Review section of this report.

SUSTAINABILITY REVIEW

Empower our people

Empowering our people is a commitment to fostering a diverse and inclusive workforce, developing the skills and capabilities needed to achieve our future ambitions, and enabling our teams to deliver by embedding sustainability – including biodiversity – across our asset management processes.

Across 2025 our people programmes included the continued integration of our cultural programmes, strong internal communications and engagement, focused leadership, enhanced health and wellbeing programmes, and continued emphasis on future skills and capabilities.

Gas Networks Ireland is accredited by Ibec to their “Keep Well Mark” workplace wellbeing award, which demonstrates our commitment to promoting a healthy and productive workforce, and upholding the highest standards in wellbeing for our employees.

An ongoing area of focus is the wellbeing of our people. Time to Talk is our organisational mental health programme which aims to provide a structured approach to mental health initiatives in our workplace. This programme continued to gain momentum in 2025, with further support for our mental health first aiders, a specific communication programme for our Field Force colleagues, and numerous events organised to raise awareness and allow space for conversations about mental wellbeing and health.



Listening to our people

Our employee engagement approach is embedded across the organisation, and in 2025 we saw progress at both organisational and local team level. This was demonstrated through strong participation, with over 75% of colleagues attending our Quarterly Business Reviews, 85% completing the year end engagement survey, and a sustainable engagement score of 91%. Engagement remains vital to our success, providing opportunities to share company progress, gather feedback and continually shape, our culture, improve how we do things and better support our people.

Embedding strong communication and connection

Throughout the year, our engagement strategy was supported by regular, transparent communication and multiple channels for open dialogue. Four all-hands employee meetings and monthly organisational performance updates ensured consistent awareness across the business,

while leaders at all levels played an active role in reinforcing messaging. Ongoing interaction with the Leadership Group and the People Manager community supported effective two way communication and helped maintain alignment across teams.

Regular engagement

Employees were further supported through a wide range of engagement touchpoints designed to keep people informed and connected. These included:

- Staying Connected fortnightly e-zine
- Intranet events calendar
- Learn from the Experts sessions
- Digital signage across our main offices to reinforce important internal messaging
- Bi-monthly employee forums
- All Hands and Quarterly updates

Collectively, these activities strengthened communication, provided accessible platforms for employee voice, and contributed to a culture where colleagues feel valued, heard and able to influence how we work.

Employee benefits

The following benefits are available to all employees – there is a 1-year qualification period for sick leave.

Core benefits

Pension scheme

2.5 company days, 24 days annual leave

Sick pay scheme, income protection, death in service

Educational assistance

Paid marriage/civil partnership leave

Paid paternity leave

Enhanced maternity leave pay

Compassionate leave

Other statutory leaves including parental, parents, carer's and force majeure

Financial wellbeing

Taxsaver ticket

Employees Credit Union

Microsoft home programme scheme

Christmas saving facility

Long service awards

Payment of professional subscriptions

Physical wellbeing

Cycle to work scheme

Onsite fitness room

Subsidised employees restaurant

Flu vaccinations

Group health scheme - Laya, VHI, HSF

Eyecare provision

Digital doctor service

Occupational health initiatives

Accessibility programme

Emotional wellbeing

People awards

Flexible working

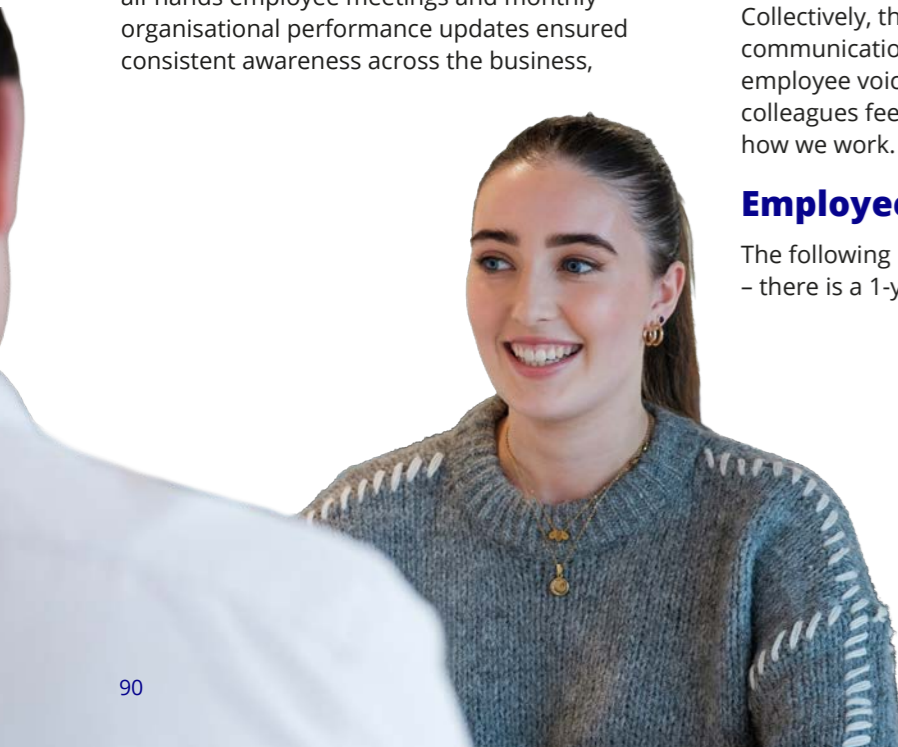
Time to Talk mental health programme including:

- Trained mental health first aiders
- Manager and employee mental health awareness training.

Employee assistance programme including

- EAP online support website
- Legal / financial information
- Telephone counselling
- Face-to-face counselling

Wellbeing week / initiatives





Diversity, equity, and inclusion

Inclusive workforce that reflects the communities we serve. Our Diversity, Equity and Inclusion (DE&I) efforts aim to ensure everyone is treated fairly and has a genuine sense of belonging. As a signatory to the BITCI Elevate Pledge, we continue to champion more inclusive workplaces and contribute to national efforts to strengthen diversity across Irish industry.

Strengthening our DE&I foundations

Our iBelong DE&I programme continued to mature in 2025, with work undertaken to strengthen programme structures ahead of a wider rollout in 2026. The DE&I Council and our Employee Resource Groups (ERGs) remained central to this progress, representing communities including Women’s, Rainbow (LGBTQ+), Family, Neurodiversity and Ability, Cultural and Ethnicity, and NextGen Youth. Throughout the year, these groups

contributed meaningfully to education, awareness and belonging by delivering recognition events, Pride celebrations, cultural observances such as Holi and Eid, webinars and volunteer activities. They also supported the delivery of year two of our three year iBelong strategy.

Advancing gender equality

Our Female Development Programme - recognised by Engineers Ireland as a best in class learning initiative - continued to strengthen gender representation in engineering and supported career progression across the organisation with another cohort of our female colleagues participating. This programme is significant to the business as we continue to nurture talent while improving female representation at all levels of the organisation. The success rates among participants has been notable, with almost 50% moving roles, either through lateral moves or promotions, following completion of the programme. In addition, 2025 saw a further reduction in our gender pay

gap to 3.9% demonstrating that our efforts in this space are having an impact.

Complementary initiatives included Gender Pay Gap Clinics, which created open spaces for discussion and pay transparency, and the WorkEqual Clothing Drive, which collected corporate attire to support women re-entering the workforce.

Enhancing accessibility

Accessibility and inclusive workplace design also advanced in the past year. We relaunched our Accessibility Programme with a network of Access Officers and Champions to better support colleagues experiencing accessibility challenges. JAM Card e-learning (Just A Minute or JAM Card is a discreet card or app that signals “I need a little extra time or patience”.) was introduced to improve disability awareness and enhance customer-facing interactions, while additional sessions on navigating disability supports strengthened our inclusive practices.

Our Neurodiversity and Ability ERG also partnered with the Accessibility Office at University College Cork to deliver our first intern programme, providing practical pathways into the organisation. Work will continue in 2026 to establish a long term framework that embeds meaningful and lasting change.

Through these combined efforts, our DE&I foundations continued to grow, supporting a culture where all employees feel respected, included and able to contribute fully to our organisation’s success.

Wellbeing and mental health

Supporting the health and wellbeing of our people remained a key priority. Under the Time to Talk programme and through other avenues, we ran a range of health and wellbeing events and supports in 2025, including cancer awareness sessions, employee coffee mornings, information sessions with guest speakers, breakfast sessions for field employees and regular sessions for in-house Mental Health First Aiders. We encouraged our employees’ physical wellbeing with a Couch to 5k programme, a Move More challenge, and winter flu vaccine programme. Supports available to employees, including the Employee Assistance Programme and Mental Health First Aiders are widely and regularly promoted.

The Time to Talk programme – our structured mental health initiative – continued to expand through:

- Strengthened support for Mental Health First Aiders
- Tailored communication for field force colleagues
- Awareness events, talks, and reflective spaces

We also delivered wide-ranging wellbeing supports, including coffee mornings, health and lifestyle sessions, guest speakers, and access to our Employee Assistance Programme.

Our ongoing commitment to excellence in workplace wellbeing was reflected in our successful Ibec KeepWell Mark accreditation audit.

Fostering connection and culture

In 2025, we continued to build an engaging and connected workplace culture through initiatives such as mindfulness sessions, physical fitness groups, social clubs, Time to Talk events, and inspirational speakers. These activities strengthened team relationships and supported both physical and mental wellbeing.

Skills and capabilities

Ensuring our workforce has the skills to support the long term evolution of the gas network is essential. In 2025, we delivered a wide range of training – both in person and virtual – covering personal, professional, and technical development topics. We also supported employees in adapting to new technologies through the rollout of Copilot assistive technology.

Embedding sustainability into work practices

By integrating sustainability, including biodiversity considerations, into our asset management processes, we ensure employees have the skills required to deliver innovative, future-focused solutions.

Performance and development

All employees participate in our annual performance management process, which includes monthly performance discussions and three significant checkpoints including objective setting at the beginning of the year, a formal mid-year and end of year review. Managers have an objective included in their own performance reviews to ensure focus in this area.

Apprenticeships and early career development.

Our Graduate, Apprenticeship, and Intern Programmes build early career capability, offering entry-level employees hands-on development through diverse and practical experience. These programmes play a critical role in developing talent across the organisation. In 2025, we welcomed 11 new graduates.

Skills development through volunteering

Volunteering also provides meaningful opportunities for skill building. Coordinator and volunteer opportunities support the development of leadership, communication, and project skills while strengthening community impact.



SUSTAINABILITY REVIEW



Community impact

Make a lasting positive impact on our communities through our community engagement programmes and community benefit fund.

At Gas Networks Ireland, we are deeply committed to making a meaningful and enduring difference in the communities we serve. Our comprehensive community engagement programmes and charitable donations are at the heart of this commitment, supporting a wide range of initiatives designed to bring about positive change across Ireland.

Core community programmes

The foundation of our community programmes is strategic partnerships and impactful initiatives. Through our ongoing collaboration with Age Action, we provided sustained support to older members of the community via both financial contributions and the highly successful Gardening Blitz. More than 50 employees, along with volunteers from our contractor partners GMC and Murphy's, transformed over a dozen gardens for Age Action clients into secure and welcoming outdoor environments. Education remains integral to our community engagement, marked by our fifteen-year partnership with Junior Achievement Ireland (JAI), and nineteen year collaboration with Business in the Community Ireland (BITCI) which encompasses our commitment to the Business Working Responsibly Mark, aligned to the Social Sustainability standard ISO 26000, and Elevate Pledge. We continued our membership with Leave No Trace Ireland who support us in environmental activities to complement operational activities at a local level.

Employee volunteering

Gas Networks Ireland's volunteer programme continues to grow in both scale and impact, reflecting our ongoing commitment to community engagement. In 2025, 220 employees – one in four members of our workforce – dedicated their time to volunteering at least once throughout the year. This impressive level of participation was further strengthened by the active involvement of our contractors and partners.

Collectively, our teams contributed a remarkable 42,095 hours of social impact during 2025. Feedback from volunteers was resoundingly positive: 95% of those surveyed reported that volunteering enhanced their sense of inclusion within the organisation, while 90% stated that it had a beneficial effect on their mental health. This positive response reinforces our dedication to fostering a culture rooted in diversity, equity, inclusion, and wellbeing.

Philanthropy and social responsibility

Throughout 2025, Gas Networks Ireland employees provided invaluable support to numerous organisations by actively participating in volunteering, fundraising, and charitable donation initiatives. A key highlight was the company choir's One Song One Voice initiative, raising funds for Cork-based charities Headway and My Canine Companion, with over 100 employees lending their voices and support. This initiative not only generated essential funds but also fostered a spirit of unity and community engagement among staff.

Our Employee Fund provided a platform for individual philanthropy, enabling employees to donate up to €250 to a charity of their choice. This fund supported 60 organisations, amplifying our collective contribution to a diverse range of causes. Employees also made a significant financial contribution to charity, collectively raising nearly €35,000 in support of internal fundraising initiatives.

In 2026 we will explore options for a Community Benefit Fund with the goal of complementing operational activities through supporting local organisations, and addressing energy poverty.

Youth and sustainability education

Gas Networks Ireland continued to promote youth education, sustainability engagement, and biodiversity awareness through a range of innovative programmes delivered in partnership with JAI, BITCI, Midlands Science, and O'Donnell Environmental. We engage with students ranging in age from 9 to 16 years old, and through hands-on workshops, interactive events, and inspiring competitions.

To broaden engagement, Gas Networks Ireland encouraged STEM (Science, Technology, Engineering, and Maths) participation, notably through the Aurora Telecom art competition, which fostered creativity and highlighted the value of integrating arts into technical learning. Community biodiversity awareness was promoted through sponsored educational content, nature walks, student

outings during National Biodiversity Week and events like Bird Walks at Harper's Island Wetlands. Participation in No Mow May demonstrated a practical commitment to pollinator support, resulting in positive biodiversity outcomes. These diverse activities reflect Gas Networks Ireland's commitment to creating lasting community impact, education, and sustainability.



SUSTAINABILITY REVIEW



Principles

Do the right thing as a business

Priorities 2025-29

Responsible business

Uphold the highest standards of integrity in all aspects of our business.

Deliver our Doing the Right Thing (DTRT) programme.

Leverage our organisational values to strengthen and advance our culture of sustainability.

Governance excellence

Maintain rigorous governance and compliance

Ensure transparent decision-making and accountability.

Sustainable procurement

Build a responsible, sustainable supply chain, protecting people and planet.

Integrate green procurement and circular economy principles.

Introduction

At Gas Networks Ireland, we uphold the highest standards of integrity, focus on rigorous governance, pride ourselves on responsible business practices and ensuring that our procurement practices are responsible and sustainable. Our reputation and the

confidence of our customers, stakeholders, and the public are vital to our sustained success. Our commitment to maintaining rigorous governance is outlined in detail in the corporate governance section of this report. The strategic performance section of the report also outlines the risk framework that is embedded in our business. This section will focus on our responsible business and sustainable procurement priorities.

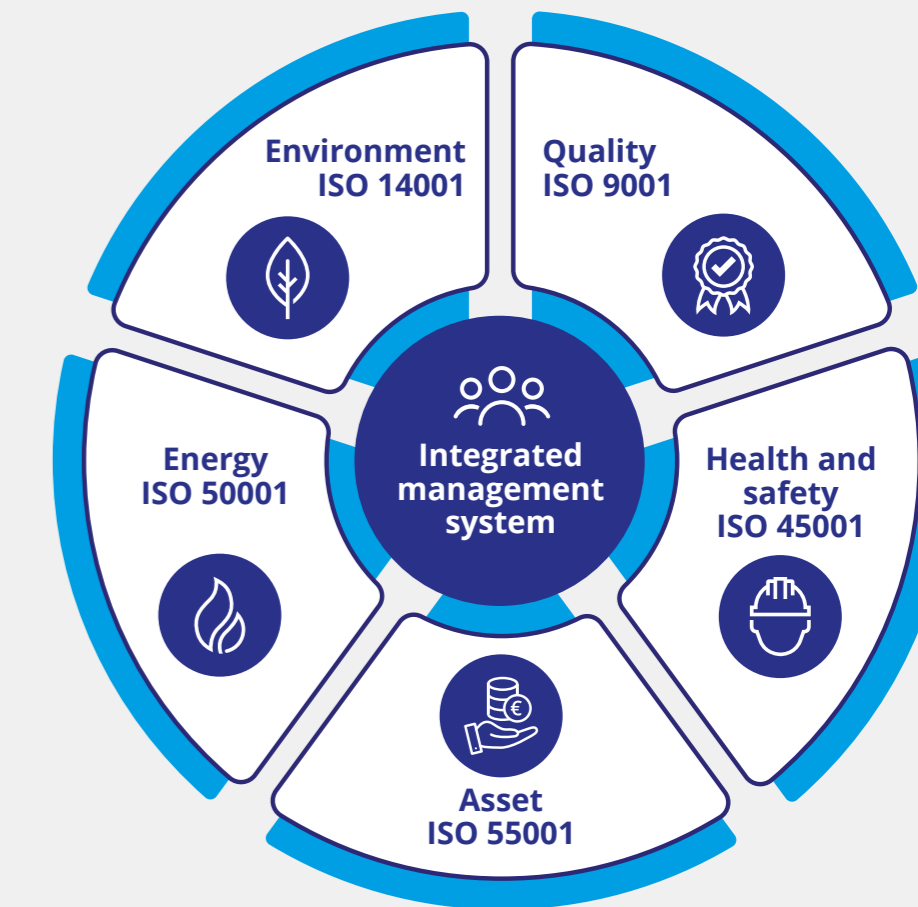


Responsible business

We pride ourselves on adhering to the highest standards. We have achieved several ISO certifications that underline our commitment to excellence. During the year, we underwent a successful surveillance audit of all five ISO systems by the National Standards Authority of Ireland (NSAI) to evaluate our performance and ensure compliance with these standards.

Our dedication to integrity and responsible sourcing promotes a strong sustainability culture and enables us to contribute effectively to Ireland's secure, resilient, and sustainable future.

In 2025, Gas Networks Ireland successfully attained recertification to the Business Working Responsibly (BWR) Mark standard. The Business Working Responsibly Mark is Ireland's Economic, Environmental, Social and Governance (EESG) standard. Third-party verified by the National Standards Authority of Ireland, it is the standard for sustainability that fosters a culture of continuous improvement, ongoing accountability, and leadership. We are one of only 40 companies in Ireland to hold the BWR mark.





Doing the Right Thing

Our reputation and the trust and confidence that our customers, stakeholders, and the public place in us is fundamental to our success. Integrity is key to building that trust. Our “Doing the Right Thing” programme helps all employees understand and recognise the importance of ethics and 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.

Our values and sustainability culture

While our vision guides our long term goals and our strategy provides the focus of what we do; our culture steers us in how we deliver and show up each day. At the core of our culture are our values, which shape our behaviours, decision-making and processes. At Gas Networks Ireland, we have three core values and we leverage them to strengthen and advance our culture of sustainability. Our values are outlined in the strategy performance section of the report.

We embed and bring to life our sustainability culture under our “Energised for Change” value, and the behaviour:

**I consider our impact on people and planet.
I take responsibility for my actions**

GOVERNANCE EXCELLENCE

Business conduct

Sustainability governance structure and resources

Sustainability is at the heart of our business and is overseen by our Board and our Steering Committees. The role of committees, steering groups with sustainability oversight, and the sustainability team, is to drive sustainability action and change across the business and to embed a sustainability culture.

Our governance structure



Our sustainability team structure



Sustainable procurement

Building a responsible sustainable supply chain protecting people and planet

Gas Networks Ireland ensures environmental and sustainability requirements are embedded in the procurement processes right through to delivery stage of the contract.

We procure significant volumes of services and materials to support the construction, maintenance, and delivery of the gas network. We are committed to sustainability, by embedding sustainability as a cornerstone of our procurement processes; we are also driving better sustainability practices throughout the entire supply chain.

Our main third-party contracts have been designed to deliver sustainability and environmental best practice throughout the project lifecycle. Where contractors and suppliers outperform set KPIs, the financial terms of the contract contain provisions to allow for additional performance awards to be made. Similarly, KPI underperformance can result in the imposition of financial performance adjustments. As part of the tendering process in 2025, when procuring works, services, and materials, we ensured our Sustainability objectives were key to the tender and contract requirements. In addition, we have now also included more challenging requirements around waste reduction targets, Biodiversity Enhancement Planning, Sustainable Procurement Planning, Sustainability Planning, Community Programmes, Modern Slavery and Carbon Emissions Management as part of our new contracts.



The key elements of our supply chain process

Procurement strategy setting	Sourcing and category management
Category strategic planning	Strategic sourcing
Performance management	Category policy and management
Risk and resilience management	Compliance monitoring implementation
Sustainable procurement	

Supplier management	Requisition to pay
Supplier relationship management	Transaction processing
Contract performance management	Category buying
Supplier risk management	Master data management
	Fulfilment

Key sustainable supply chain activities in 2025

Our supply chain team are working to deliver a comprehensive sustainable procurement strategy. The team has developed a sustainable procurement implementation framework, and our objective is to be recognised as a leader in the sustainable procurement arena. Key Sustainable Supply Chain Activities in 2025 under our sustainable procurement framework include:



Gas Networks Ireland is a co-founding member of the Irish Supply Chain Sustainability School that supports Irish industry in their transition to a sustainable and decarbonised economy.



Gas Networks Ireland achieved A- CDP (Carbon Disclosure Project) Supplier Engagement Assessment score in 2025.

As part of our continuing supplier engagement programme, a number of events were held to increase awareness of topical sustainability issues including annual supplier event, seminars training workshops.



Continued to implement our critical supplier risk framework that identifies the risk profile, including sustainability risks, of our key suppliers and extended supply chain, implementation of risk mitigating measures and actions, and continuous monitoring of our supply chain risk landscape.

Integrating green procurement and circular economy principles

Gas Networks Ireland ensures environmental and sustainability requirements are embedded in the procurement processes right through to delivery stage of all our contracts. 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. We also

have developed a sustainability procurement policy. As part of the development of the policy, the supply chain team conducted a benchmarking exercise to compare our procedures against other best in class energy companies alongside conducting a sustainable procurement survey with our main suppliers. Our objective is to be recognised as a leader in the sustainable procurement arena.

Our commitment to advancing circular economy principles and resource efficiency is evident through trialling the use of recycled construction materials and low green concrete on some of our infrastructure projects e.g. Biomethane project in Mitchelstown in 2025. We also included the use of low embodied carbon civils materials in our Networks Services Work Contract which will commence in 2026. By aiming to minimise our environmental footprint through the use of low embodied carbon civils materials, we contribute to the conservation of natural resources and the reduction of GHG emissions.

Section

3

Corporate governance

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CORPORATE GOVERNANCE

The Board continues to prioritise corporate governance in line with best practice, emerging regulation, government policy and transparency.



THE BOARD

The board of directors

Kevin Toland

Chairperson



Appointed to **Gas Networks Ireland** Board:

April 2023
Previously appointed to the Ervia Board in January 2023

Profile, skills and experience:

Kevin is Chairperson of the Remuneration Committee.

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 Ornuia and Chair of C&D Foods

- Previous**
- CEO of Aryzta AG (2017 – 2020)
 - CEO DAA plc, the airport services group (2013-2017)
 - Chair of ARI (2013-2017)
 - Glanbia 1999-2012 Executive Director and President of Glanbia USA/Global Nutritionals,

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



Appointed to **Gas Networks Ireland** Board:

September 2024

Profile, skills and experience:

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

John has more than 25 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 and Engineering. He is a member of the Institute of Directors and of Engineers Ireland.

Fiona Egan

Board member



Appointed to **Gas Networks Ireland** Board:

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

Profile, skills and experience:

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
 - Non-Executive Director North-West News Group 2011-2018

Fiona is a qualified Chartered Accountant (trained in KPMG) and holds a Bachelor of Commerce degree from University College Dublin and a Diploma in Professional Accounting from Smurfit Business School.

Saoirse Fahey

Board member



Appointed to **Gas Networks Ireland** Board:

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

Profile, skills and experience:

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

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.

- Current**
- CFO for AMCS (a global, Irish headquartered software company providing solutions for resources, waste, recycling, transport and logistics, ESG and EHS).

- Previous**
- Head of Finance and Strategy in Stripe for Global Sales and Marketing as well as Head of Finance for EMEA and APAC
 - Phorest Salon Software (CFO/COO) - Dublin
 - Microsoft (Finance, Marketing, Sales and Operations leadership roles)- Dublin, International, Madrid
 - PricewaterhouseCoopers (Audit, Tax) - Dublin, San Francisco

Saoirse is a 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) and member of the Institute of Directors in Ireland.

Liz Joyce

Board member



Appointed to **Gas Networks Ireland** Board:

January 2025

Profile, skills and experience:

Liz Joyce is a member of the Remuneration Committee and the Safety, Sustainability and People 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.

Liz has extensive experience in leading change and engaging stakeholders in international and complex environments. Liz is a 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).

Geraldine Kelly

Board member



Appointed to **Gas Networks Ireland** Board:

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

Profile, skills and experience:

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

Geraldine is a graduate of University College Galway (Maths and 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.

THE BOARD

The board of directors

David Kelly



Board member

Appointed to **Gas Networks Ireland** Board:

February 2026

Profile, skills and experience:

David Kelly is the Chief Executive Officer of Gas Networks Ireland who brings more than 25 years of senior executive experience across both the public and private sectors.

Current

- David Kelly is currently the 137th President of Dublin Chamber and has been a member of Dublin Chamber Council since 2023 and a member of the Board of Directors since 2024. David is also a member of the Dublin Chamber Planning and Infrastructure Taskforce and sits on the Dublin City Council Climate Change, Environment and Energy SPC.

Previous

- He joined Ervia in 2015 as Group Head of Operations and Public Affairs. Before his appointment as CEO, he served as Director of Customer and Business Development, where he led Gas Networks Ireland's strategic transition from natural gas to renewable gases and oversaw stakeholder engagement and communications strategy.

David is a Chartered Director with the Institute of Directors and holds a BSc in Information Technology (DCU) and a National Diploma in Computing (SETU).

Keara Robins



Board member

Appointed to **Gas Networks Ireland** Board:

April 2023

Previously appointed to the Ervia Board in January 2023.

Profile, skills and experience:

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

She has over 30 years' experience in the international energy sector in technical, business and consultancy roles. She has worked globally with Shell International and supported governments, independent oil companies, foundations and the UN 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

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

David Salisbury



Board member

Appointed to **Gas Networks Ireland** Board:

September 2025

Profile, skills and experience:

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

He has over 30 years' of experience working in senior leadership positions in the Energy and Utility Industry, much of which was within Gas Distribution and Gas Transmission including;

Previous

- member of the Executive Leadership Teams of National Grid's Gas Distribution, Electricity Transmission and Gas Transmission business
- Chief Engineer of Australia's largest Electricity Distribution Network, Essential Energy
- Babcock International and the MOD supporting the infrastructure needs of the UK Nuclear Submarine enterprise
- Board Member at Marcogaz
- Board Member of the Gas European Research Group (GERG) where he was President for 7 years, leading and representing the formative development of the Power to Gas/Gas to Power Hydrogen pathway.

David is a Chartered Engineer with a first-class honours degree in Mechanical Engineering and is a Fellow of the Institute of Gas Engineers and Managers, the Institute of Mechanical Engineers and the Institute of Asset Management as well as a Graduate of the Australian Institute of Company Directors.

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 112-113.

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.
- Safety report.
- Reports from Committees.
- Financial report.
- Chief Executive's report.

REPORT OF THE BOARD

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.

Matters considered by the Board in 2025

 **Strategy**

- Strategic direction of Gas Networks Ireland.
- Strategic Gas Emergency Reserve Project including site selection.
- Security of supply.
- Strategy including vision and mission.
- 2025 Balanced Scorecards.
- Ongoing dialogue with Gas Networks Ireland shareholder on strategic issues.
- Renewable Gas in Transport
- Updates on:
Talent
Employee engagement.
Price Control.
Communications.
Biomethane.
Hydrogen.
District Heating.

 **Safety**

- Monthly health and safety metrics.
- Bi-annual safety deep dives including process safety
- Incident at George’s Dock, Dublin
- Improvements to safety reporting

 **Operations**

- CEO’s Operations Report including key performance indicators.
- Capital investment evaluations.
- Delivery of critical projects safely.
- Stakeholder engagement.
- Scottish Electrification Project.
- Network Capacity Outlook.
- New system entry points.
- Core Flexibility Report.
- Response to storm Éowyn.

 **Finance**

- Annual published results.
- Monthly trading results including performance versus budget and forecast.
- Annual budget and funding.
- Quarterly re-forecasts.
- Dividends.
- Business Plan 2025-2029.
- Treasury policy.
- Electricity system overview.

 **Risk**

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

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. 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 2025.

The Financial Statements give a true and fair view of the financial position of Gas Networks Ireland for the year ended 31 December 2025.

REPORT OF THE BOARD

The Board



Details on current Board members are outlined on pages 104-106.

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, Infrastructure, Public Services Reform and Digitalisation. 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.

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 2025 is set out below.

During 2025 €17,756 was reimbursed to or paid on behalf of Board members for travel expenses, accommodation and other expenses incurred directly in relation to their roles as Board members

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	305	9/9	-	7/7	-	-
Fiona Egan	15,750	329	9/9	4/4	7/7	7/7	-
Geraldine Kelly (Finance and Investment Committee Chairperson)	15,750	220	8/9	4/4	-	7/7	-
*Liz Joyce	14,841	365	9/9	-	7/7	-	1/1
*Keith Harris	8,117	187	5/5	2/2	-	3/3	-
Keara Robins (Safety, Sustainability and People Committee Chairperson)	15,750	839	9/9	-	-	7/7	3/3
Saoirse Fahey (Audit and Risk Committee Chairperson)	15,750	53	9/9	4/4	-	2/4	2/2
*Sean Hogan	788	-	-	-	-	-	-
John Curran	15,750	274	9/9	-	-	-	3/3
*David Salisbury	5,028	404	2/3	-	-	2/2	1/1
**Cathal Marley (former CEO)	Note 2	-	2/3	-	-	1/2	-

* Note 1 – Sean Hogan retired from the Board on 19th January 2025, Cathal Marley resigned from the Board on 1st April 2025, Keith Harris retired from the Board on 4th July 2025, Liz Joyce was appointed to the Board with effect from 20th January 2025 and David Salisbury was appointed to the Board with effect from 5th September 2025, therefore their eligibility for meetings differs from the other Board members.

** Note 2 – Cathal Marley 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. An external performance evaluation of the Board and its Committees is conducted every three years and was carried out in 2025 with the outputs presented at the January 2026 Board meeting.

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. An external performance evaluation was carried out in 2025 and the outputs were presented at the January 2026 Board meeting. As a result an internal evaluation did not take place in 2025.

Board committees

The Board has an effective Committee structure in place to assist in the discharge of its responsibilities. During 2025, 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 2025 are outlined in the Audit and Risk Committee Report on pages 122 - 124. 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 7 meetings during the year.

Key activities undertaken by the Finance and Investment Committee in 2025 include:

- Strategic Gas Emergency Reserve project.
- Capital project evaluation and investment planning approach.
- Updates on capital projects and related cost estimates.
- All capital expenditure proposals in excess of €10m.
- Price Control.
- Gas Networks Ireland External valuation.
- Business Plan 2025-2029.
- Updates on Critical Assets/Locations.
- Updates on Capital Projects.
- Scottish Electrification Project.
- Updates on District Heating, Gas in Transport, Biomethane and Hydrogen.
- Large Energy Users.
- 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 at www.gasnetworks.ie. The Remuneration Committee held 7 meetings during the year.

Key activities undertaken by the Remuneration Committee in 2025 include:

- CEO remuneration.
- Appointment of new CEO.
- Remuneration terms for acting executive appointments.
- Review of Executive performance for 2024.
- Executive benchmarking.
- Talent and workforce planning.
- Set and review performance on 2025 Balanced scorecards.

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 2025 include:

- Process Safety, review of safety performance and safety action plans.
- Review of Modern Slavery statement for Gas Networks Ireland and GNI (UK) Limited.
- Sustainability Strategy.
- Stakeholder Strategy.
- Climate Adaptation Plan.
- Customer solutions and performance.
- Employee engagement.
- Ibelong, Diversity and Inclusion.

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:

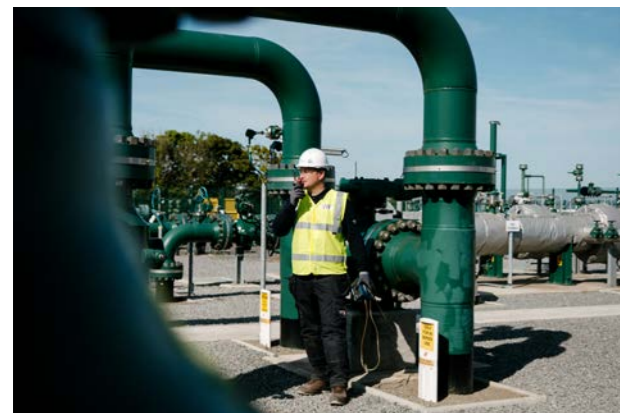
Analysis of employee benefits

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.

	2025	2024
€50,000-€75,000	253	257
€75,001-€100,000	248	213
€100,001-€125,000	144	130
€125,001-€150,000	77	59
€150,001-€175,000	25	24
€175,001-€200,000	20	18
€200,001-€225,000	8	5
€225,001-€250,000	5	5
€250,001-€275,000	2	2
€275,001-€300,000	1	0

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.

	2025	2024
	€’000	€’000
Legal advice	593	769
Financial advice	307	243
Advertising, marketing, public relations	189	155
Business improvement/change	3,902	3,593
Other	270	182
Total consultancy costs	5,261	4,942
Capitalised	-	-
Income statement	5,261	4,942
Total consultancy costs	5,261	4,942

Within the above categories expert advice were received in relation to; Security of Supply (€1.2m), Climate Change and Renewable Gases (€1.9m), Price Control Planning, Strategy & Procurement (€0.6m), Accountancy/Tax/ Pension/ HR (€0.3m), Cyber Security and Business Continuity Planning (€0.9m), 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.

	2025	2024
	€’000	€’000
Legal fees and costs	477	298
Settlements	1,215	267
Total	1,692	565
Number of legal cases	5	4

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.



Travel and subsistence expenditure

Travel and subsistence expenditure is categorised as follows:

	2025	2024
	€’000	€’000
<i>Domestic</i>		
Board	18	13
Employee	2,211	2,031
<i>International</i>		
Board	-	-
Employee	354	286
Total	2,583	2,330

Hospitality

The income statement includes the following hospitality expenditure:

	2025	2024
	€’000	€’000
Staff hospitality	238	215
Client hospitality	83	98
Total	321	313

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 2025, no reports of potential wrongdoing were made.

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 2025 in accordance with the requirements of the Regulation of Lobbying Act 2015.

Official Languages Act 2003 (as amended)

Gas Networks Ireland is committed to meeting all of its obligations under the Official Languages Act 2003 (as amended) and the associated regulations made under it (together the “OLA”). Gas Networks Ireland is actively working towards achieving compliance with the OLA across the business and the Head of Customer Care and Communications has been appointed to oversee performance and report on its obligations under the OLA.

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

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 2025 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 2025.

REPORT OF THE BOARD

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, Infrastructure, Public Services Reform and Digitalisation. 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.

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

During 2025 Gas Networks Ireland continued to deepen and deliver on our DE&I commitments. In the last 12 months, we have introduced changes to our Talent Acquisition process, simplifying our interview processes to increase accessibility and reduce barriers. We were fortunate to facilitate a number of accessibility internship programmes and are grateful to all the students and host managers who supported this programme. We will use the insights that we have learned to inform our further approaches to inclusion and accessibility.

We continued to monitor our Gender Pay Gap and saw a reduction from 4.5% to 3.9% which we feel is a reflection of the importance that we place on ensuring that Gas Networks Ireland operates on an equitable basis.

During 2025, we introduced a comprehensive training offering with respect to Inclusive Leadership and Communications to ensure that our Leaders at all levels are creating work places and spaces that embrace diversity, where everyone is treated fairly and where everyone has a sense of belonging. We are proud that 100 of our colleagues have completed this important programme and we will continue to make this available to our teams in 2026.

We continued to celebrate and support diversity in our company through celebrating key days such as Pride, International Men's Day and continuing to evolve our People Policies.

We continue to strive for better gender balance particularly across our Leadership team and during 2025 we saw a 3.5% increase and we will continue our efforts. Our Female Development Programme continues to go from strength to strength and over 50% of participants have benefited from internal mobility after their completion of the programme. We continue to provide our Self Leadership programme which is designed to resource specifically early talent and more diverse groups in our business.

In 2026, we will see some changes in our approach to DE&I in terms of our ERG, Council, to more effectively deliver against our objectives.



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 manner.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, Infrastructure, Public Services Reform and Digitalisation has been in place in Gas Networks Ireland for the year ended 31 December 2025 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:

Gas Networks Ireland has an Audit and Risk Committee ("the ARC") comprising 3 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, Gas Networks Ireland has put in place an 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 approvals 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 Gas Networks Ireland, 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.

REPORT OF THE BOARD

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 Gas Networks Ireland risks.
- 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 a quarterly bottom up and top-down 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 control policies and processes, internal control self-assessment 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 Business Conduct, Anti-Fraud, Bribery and Corruption Policy, Regulation of Lobbying Policy and Protected Disclosures Policy;
- A comprehensive Fraud Risk Management Framework to support the business in the prevention and detection of fraud as well as creating a culture of zero tolerance to fraud across the business.
- 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 Infrastructure Guidelines (replacing the 2019 Public Spending Code set of guidelines).

The Procurement Policy (PD02) details the procedures to be followed by Gas Networks Ireland 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 Gas Networks Ireland.

REPORT OF THE BOARD

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 apprised 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 consideration 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 2025 and will ensure a similar review is performed in 2026. 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 2025 that require disclosure in the financial statements.



For and on behalf of the Board

Date: 15th April 2026

Kevin Toland
Chairperson

Saoirse Fahey
Member of the Board

Conclusion

Going concern

The Directors, having regard to current financial projections, available financial resources and credit facilities, are confident that Gas Networks Ireland and its subsidiaries 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 note 1 of these Financial Statements

Risk management

The Board carried out a robust assessment of the principal risks facing the organisation throughout 2025. These risks and mitigating controls or actions are set out on pages 29-37.

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 42-69.

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).

2025
YEAR END
REPORT

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 2025.”

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. The Committee 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, The Committee has pursued a full agenda of reviews in meetings throughout the year. In fulfilling her 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.

Saoirse Fahey
Chairperson, Audit and Risk Committee

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 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 three 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 2025 see the Report of the Board on page 111. 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 the finance team who have 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 including cyber and Artificial Intelligence 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 the “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 plans, activities and resources to ensure internal audit can effectively review the operation of the Group’s controls over significant risks within the Group organisation.

During 2025, the Committee reviewed the plan and work undertaken by the Gas Networks Ireland internal audit team and the consequent actions 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 responses. The Committee reviewed and agreed a risk-based internal audit annual plan for 2026 which is designed to remain agile, including the resources required, and considered the alignment of internal audit focus with Integrated Assurance and key risk areas.

During 2025, the organisation continued to promote integrity and to emphasise the importance of ethical

REPORT OF THE BOARD

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

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.

Audit and risk committee effectiveness

The Committee completes an annual review of its own effectiveness. For 2025, 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:



Saoirse Fahey

Chairperson,
Audit and Risk Committee
15th April 2026

Date: 15th April 2026

Approved by the Board
and signed on their behalf:**Kevin Toland**
Chairperson**Saoirse Fahey**
Chairperson,
Audit and Risk
Committee

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 2025. The Group comprises the Parent Company and its subsidiaries disclosed in Note 26.

Principal activities

Gas Networks Ireland ("the Company") was incorporated on 13 January 2015 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").

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 14,781 km of gas pipelines including two subsea 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, Energy and the Environment ('DCEE'), 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 136 and the related notes on page 142.

Commentaries on performance during the financial year ended 31 December 2025, 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 29 to 37. Note 24 includes a full analysis of the Company's financial risk management objectives, policies, and exposures.

Dividends

The Company paid an annual dividend of €62m to the Exchequer during the financial year 2025. On 15 April 2026, the Board recommended the payment of a dividend of €66m for the financial year 2026.

Directors and secretary and their interests

The Directors of the Company are Kevin Toland, Fiona Egan, Geraldine Kelly, 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 David Salisbury who was appointed with effect from 5th September 2025. Sean Hogan's term of office expired on 19 January 2025, Cathal Marley resigned on 1st April 2025 and Keith Harris's term of office expired on 4th July 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 27 of the financial statements.

Political donations

There were no political donations made during the financial year (2024: 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 (2024: €300m) available together with strong profitability forecasts for 2026 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 notes 1 and 24, 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 28 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 has been conducted.

Section

4

Financial statements

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FINANCIAL STATEMENTS

Maintaining robust financials will enable Gas Networks Ireland to play a leading role in the transition to a low carbon energy system.



INDEPENDENT AUDITOR'S REPORT

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 2025 set out on pages 136 to 207, 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 2025 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 inspected 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 inspected the forward looking forecasts through evaluating both the FY26 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 Group'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.

Independent Auditor's Report to the Members of Gas Networks Ireland (continued)

Report on the audit of the financial statements (continued)

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 are as set out below.

We continue to perform procedures over the completeness and accuracy of regulated revenue which was formerly considered a key audit matter in the prior year audit. We have not assessed this as a key audit matter in our current year audit and therefore it is not separately identified in our report this year.

Measurement of defined benefit pension schemes: Group and Company - €45.7 million (2024: €23.1 million)

Refer to page 147 (accounting policy) and pages 158 to 159 (financial disclosures)

The key audit matter

At 31 December 2025, a net surplus of €45.7 million 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 €453.8 million and plan assets of €499.5 million.

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 performed a walkthrough of the liability calculation process and evaluated the design and implementation of the key control over the review and approval of actuarial assumptions and valuation.
- 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. This assessment included a comparison of the assumptions against externally available benchmarks.
- We independently confirmed the value of the plan assets at 31 December 2025 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.

Capitalisation of expenditure as Property, Plant and Equipment: €206.8 million (Group) (2024: €177.4 million) and €174.4 million (Company) (2024: €140.2 million).

Refer to page 144 (accounting policy) and pages 170 to 173 (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 €206.8 million (Company: €174.4 million)

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 €72.6 million (Company: €54.6 million).

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 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.

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 €17.0 million (2024: €14.5 million) and €13.6 million (2024: €11.6 million) respectively, determined with reference to a benchmark of net assets for both Group and Company (of which it represents 1.2% (2024: 1.1%) respectively).

We consider net assets to be the most appropriate benchmark due to the significant level of external bank borrowings and listed bonds of the Group and Company.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at €12.7 million (2024: €9.4 million) and €10.2 million (2024: €7.5 million) respectively, which it represents 75% 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 €0.85 million (2024: €0.7 million) (Group) and €0.68 million (2024: €0.58 million) (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

Independent Auditor's Report to the Members of Gas Networks Ireland (continued)

Report on the audit of the financial statements (continued)

Our application of materiality and an overview of the scope of our audit (continued)

stable business, there is consistency of key management and financial reporting personnel, that the Group operates in a regulated environment and has debt arrangements.

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 €1.7 million to €13.6 million. 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 117 to 120 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.

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 109, 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

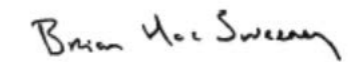
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Date: 22 April 2026

A fuller description of our responsibilities is provided on IAASA's website at: <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 Chartered Accountants,
Statutory Audit Firm 85 South Mall Cork T12 A3XN

Group income statement

for the year ended 31 December 2025

	Notes	2025 €'000	2024 €'000
Continuing operations			
Revenue	3	635,141	599,501
Operating costs net (excluding depreciation and amortisation)	4	(293,753)	(276,209)
Operating profit before depreciation and amortisation (EBITDA)		341,388	323,292
Depreciation and amortisation	6	(153,514)	(153,639)
Operating profit		187,874	169,653
Finance income	7	5,626	13,397
Finance costs	7	(20,291)	(17,845)
Net finance costs	7	(14,665)	(4,448)
Profit before income tax		173,209	165,205
Income tax	8	(26,840)	(26,914)
Profit for the year		146,369	138,291
Profit attributable to:			
Owners of the Company		146,369	138,291
Profit for the year		146,369	138,291

Group statement of other comprehensive income

for the year ended 31 December 2025

	Notes	2025 €'000	2024 €'000
Profit for the year		146,369	138,291
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gains/(losses)	19	27,340	(3,805)
Remeasurement of other pension assets	19	(657)	162
Deferred tax relating to defined benefit actuarial gains/(losses)	8	(3,335)	455
Total items that will not be reclassified subsequently to profit or loss		23,348	(3,188)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Translation differences on consolidation of foreign subsidiaries		(2,810)	2,991
Total items that may be reclassified subsequently to profit or loss		(2,810)	2,991
Total other comprehensive income for the year		20,538	(197)
Total comprehensive income for the year		166,907	138,094
Total comprehensive income attributable to:			
Owners of the Company		166,907	138,094
Total comprehensive income for the year		166,907	138,094

Group balance sheet

as at 31 December 2025

	Notes	2025 €'000	2024 €'000
Assets			
Non-current assets			
Property, plant and equipment	9	2,562,570	2,511,608
Investment properties	10	-	6,896
Intangible assets	12	30,229	28,614
Retirement benefit asset	19	45,709	23,069
Derivative financial instruments	24	-	59
Total non-current assets		2,638,508	2,570,246
Current assets			
Assets held for sale	13	6,553	-
Trade and other receivables	14	90,460	92,297
Cash and cash equivalents - available to group	15	252,512	160,297
Cash and cash equivalents - restricted deposits	15	24,982	21,339
Derivative financial instruments	24	77	333
Current tax assets	8	10,695	3,371
Inventories	17	1,051	743
Total current assets		386,330	278,380
Total assets		3,024,838	2,848,626
Equity and liabilities			
Equity			
Share capital and share premium		(318,353)	(318,353)
Capital contribution		(396,824)	(396,824)
Retained earnings		(764,540)	(656,898)
Translation reserve		(2,240)	(5,050)
Total equity		(1,481,957)	(1,377,125)
Liabilities			
Non-current liabilities			
Borrowings and other debt	18	(525,009)	(859,422)
Deferred revenue	20	(225,480)	(182,788)
Grants	21	(38,529)	(45,963)

	Notes	2025 €'000	2024 €'000
Provisions	22	(5,090)	(5,263)
Trade and other payables	23	(5,897)	(5,905)
Derivative financial instruments	24	(2)	-
Deferred tax liabilities	8	(223,811)	(209,954)
Total non-current liabilities		(1,023,818)	(1,309,295)
Current liabilities			
Borrowings and other debt	18	(335,349)	(231)
Deferred revenue	20	(29,512)	(18,017)
Grants	21	(6,736)	(6,719)
Provisions	22	(1,263)	(1,754)
Trade and other payables	23	(144,742)	(134,637)
Derivative financial instruments	24	(9)	(51)
Current tax liabilities	8	(1,452)	(797)
Total current liabilities		(519,063)	(162,206)
Total liabilities		(1,542,881)	(1,471,501)
Total equity and liabilities		(3,024,838)	(2,848,626)

For and on behalf of the Board

Date: 15th April 2026



Kevin Toland
Chairperson



Saoirse Fahey
Member of the Board

Group statement of changes in equity

for the year ended 31 December 2025

		Share capital and share premium	Capital contribution	Retained earnings	Translation reserve	Total
		€'000	€'000	€'000	€'000	€'000
At 01 January 2024		(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	27	-	(26,877)	-	-	(26,877)
Dividends	27	-	-	44,018	-	44,018
At 31 December 2024		(318,353)	(396,824)	(656,898)	(5,050)	(1,377,125)
Profit for the year		-	-	(146,369)	-	(146,369)
Other comprehensive income for the year		-	-	(23,348)	2,810	(20,538)
Total comprehensive income for the year		-	-	(169,717)	2,810	(166,907)
Dividends	27	-	-	62,075	-	62,075
At 31 December 2025		(318,353)	(396,824)	(764,540)	(2,240)	(1,481,957)

All attributable to the owners of the Company

Group statement of cash flows

for the year ended 31 December 2025

	Notes	2025 €'000	2024 €'000
Net cash from operating activities	16	364,772	354,199
Cash flows from investing activities			
Payments for property, plant and equipment		(196,902)	(183,897)
Payments for intangible assets		(10,415)	(10,265)
Grant received	21	1,534	-
Net cash used in investing activities		(205,783)	(194,162)
Cash flows from financing activities			
Proceeds from borrowings	18	-	298,287
Repayment of borrowings	18	-	(459,520)
Capital contribution received	27	-	2,492
Repayment of lease liabilities	11	(231)	(244)
Dividends paid	27	(62,075)	(44,018)
Net cash used in financing activities		(62,306)	(203,003)
Net increase/(decrease) in cash and cash equivalents	15	96,683	(42,966)
Cash and cash equivalents at 01 January	15	181,636	223,746
Effect of exchange rate fluctuations on cash held	15	(825)	856
Cash and cash equivalents at 31 December	15	277,494	181,636

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NOTES TO THE GROUP 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 26), (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 27(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 2025, 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 €253 million of cash and cash equivalents available to group at 31 December 2025 (2024: €160 million) and committed undrawn bank facilities of €300 million at 31 December 2025 (2024: €300 million), with solid profitability and operating cash-flow forecasts for 2025 and beyond. The Group's net current liability position of €133m on 31 December 2025, includes €336m of Eurobond debt which will be refinanced in 2026. The Group expects the continuation of the significant investor appetite to refinance our debt as it falls due, as demonstrated most recently by the successful €300 million Bond issuance in September 2024. Further details of the Group's liquidity position are provided in note 24 (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 2025

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 21 The Effect of Exchange Rates: Lack of Exchangeability

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:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
- IFRS 18 Presentation and Disclosure in Financial Statements

1. Statement of accounting policies (continued)

- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

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.

The charge for depreciation is primarily calculated to write down the cost of property, plant and equipment, less estimated residual value, on a straight-line basis over their expected useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives. Major asset classifications and their estimated useful lives are:

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) Assets held for sale

Assets are classified as held-for-sale if it is highly probable that they will be recovered through sale rather than through continuing use. Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property plant and equipment are no longer amortised or depreciated.

g) 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.

1. Statement of accounting policies (continued)

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 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).

h) 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.

j) 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 operating income on a straight-line basis and is included in net operating costs (note 4). 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.

j) Retirement Benefit Asset

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.

1. Statement of accounting policies (continued)

k) 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 statement on a systematic basis over the useful life of the asset to match the depreciation charge.

l) 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 22.

m) 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.

n) 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 24.

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.

o) 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.

p) 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.

q) Operating Profit

Operating profit is stated before net finance costs and taxation.

r) 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.

1. Statement of accounting policies (continued)

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.

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 2025, the aggregate of the Group's property, plant and equipment, investment properties and intangible assets was €2,592.8 million (2024: €2,547.1 million), 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 (2025: €153.5 million and 2024: €153.6 million) 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.

(c) Taxation

The Group is subject to income taxes in different jurisdictions. Provisions for tax liabilities require the Group

to make estimates in relation to tax issues and exposures. Amounts provided are based on the Group's interpretation of tax laws and the likelihood of settlement. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made. Refer to note 8.

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

	2025	2024
	€'000	€'000
Ireland	595,597	559,980
UK (including Northern Ireland and Isle of Man)	39,544	39,521
Total	635,141	599,501

Included in the Group's total revenue are revenues of €165.7 million (2024: €156.1 million), €125.9 million (2024: €111.3 million) and €83.5 million (2024: €80.4 million) which arose from sales to the Group's three largest customers. Revenue from one other customer exceeded 10% of total revenue (€66.7m). Refer to note 3 for analysis of revenues from external customers by type.

(b) Non-current assets by geographic location

	2025	2024
	€'000	€'000
Ireland	2,214,339	2,172,426
UK (including Northern Ireland and Isle of Man)	378,460	374,692
Total	2,592,799	2,547,118

Non-current assets for the purpose of this disclosure consist of property, plant and equipment, investment properties and intangible assets.

3. Revenue

	2025	2024
	€'000	€'000
Regulated	593,097	553,405
Unregulated - transportation contracts	13,165	12,999
Unregulated - new connections contracts	11,320	9,502
Unregulated - other	17,559	23,595
Total	635,141	599,501

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 14 for details of the Group's trade receivables from these revenue streams.

4. Operating costs net

(excluding depreciation and amortisation)

		2025	2024
	Notes	€'000	€'000
Employee benefit expense	5	(83,583)	(77,220)
Hired and contracted services		(14,722)	(15,031)
Materials, maintenance and sub-contractor costs		(86,848)	(85,771)
Rates and facilities		(40,262)	(39,328)
Gas system shrinkage and gas losses		(32,359)	(26,655)
Other operating expenses		(36,547)	(33,510)
Other operating income		568	1,306
Total		(293,753)	(276,209)

Operating costs are stated after charging:**(a) Auditor's remuneration**

	2025	2024
	€'000	€'000
Audit of the Group financial statements *	(332)	(325)
Other assurance services	(91)	(89)
Other non-audit services	(95)	(176)
Total	(518)	(590)

* The audit of the Group financial statements includes the audit of subsidiary companies.

(b) Directors' remuneration*

	2025	2024
	€'000	€'000
Non-Executive Directors - Fees	(139)	(137)
Remuneration of the Chief Executive Officer **	(320)	(266)
Total	(459)	(403)

(c) Chief Executive Officer

Details of the all-in cost of the remuneration package of the Chief Executive Officer is as follows:

(i) Former Acting Chief Executive Officer remuneration

	2025	2024
	€'000	€'000
Short-term employee benefits	(219)	-
Post-employment benefits - pension contributions	(20)	-
Total	(239)	-

(ii) Former Chief Executive Officer remuneration

	2025	2024
	€'000	€'000
Basic salary	(57)	(225)
Other short-term employee benefits **	(16)	(11)
Post-employment benefits - pension contributions	(8)	(30)
Total	(81)	(266)

** Other short-term employee benefits included payment in lieu of accrued holidays entitlements.

5. Employee benefits

(i) Aggregate employee benefits

	2025	2024
	€'000	€'000
Staff short-term benefits	(79,792)	(74,142)
Post-employment benefits- defined benefit scheme *	(9,235)	(6,008)
Post-employment benefits - defined contribution scheme	(3,629)	(3,146)
Social insurance costs	(8,927)	(8,216)
	(101,583)	(91,512)
Capitalised payroll	18,000	14,292
Employee benefit expense charged to profit or loss	(83,583)	(77,220)

(ii) Staff short-term benefits

	2025	2024
	€'000	€'000
Wages and salaries	(75,083)	(70,057)
Overtime	(1,974)	(1,430)
Allowances	(1,147)	(1,111)
Other **	(1,588)	(1,544)
Total	(79,792)	(74,142)

* Gas Networks Ireland participated in the Ervia Superannuation scheme until 01 June 2024. The expense disclosed above re 2024 includes €2.13m 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 19 for further details.

** 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 896 (2024: 848)

6. Depreciation and amortisation

	Notes	2025	2024
		€'000	€'000
Depreciation of property, plant and equipment	9	(149,299)	(144,653)
Impairment of property plant and equipment	9	(2,049)	(6,916)
Depreciation of investment properties	10	(343)	(429)
Depreciation of right-of-use assets	11	(387)	(402)
Amortisation of intangible assets	12	(8,396)	(7,904)
Grant amortisation	21	6,960	6,665
Total		(153,514)	(153,639)

7. Net finance costs

	Notes	2025	2024
		€'000	€'000
Before remeasurements			
Interest and finance costs		(21,670)	(18,923)
Interest income		4,714	8,713
Gain on derecognition of financial liability *		-	4,104
Interest capitalised		1,726	1,154
Lease liability finance charge	11	(72)	(76)
Net Interest on the net defined benefit asset	19	682	58
Interest on other pension assets		230	127
Total before remeasurements		(14,390)	(4,843)
Remeasurements			
Net changes in fair value of derivatives		(275)	395
Total remeasurements		(275)	395
Total			
Finance income		5,626	13,397
Finance costs		(20,291)	(17,845)
Net finance costs		(14,665)	(4,448)

* In September 2024, Gas Networks Ireland issued a €300 million Corporate Bond at a 3.25% coupon rate. Gas Networks Ireland subsequently completed a Liability Management exercise of €164 million on the €500 million 1.375% coupon bond, that was due to mature in December 2026. The amount payable to partially redeem the bond was €4.49 million below its par value, less fees associated with the buyback of €0.387 million, resulting in a gain of €4.104 million, which is reported under finance income above.

8. Tax

Income tax

	2025	2024
	€'000	€'000
Current tax		
Current tax	(24,324)	(28,955)
Adjustments in respect of previous years *	9,061	2,060
	(15,263)	(26,895)
Deferred tax		
Origination and reversal of temporary differences	(3,099)	2,145
Adjustments in respect of previous years ¹	(8,478)	(2,164)
	(11,577)	(19)
Total income tax	(26,840)	(26,914)

* Adjustments in respect of current and deferred tax charges primarily relate to accelerated capital allowances entitlements by the Group's UK subsidiary.

Reconciliation of effective tax rate

	2025	2024
	€'000	€'000
Profit before income tax	173,209	165,205
Taxed at 12.5% (2024: 12.5%)	(21,651)	(20,651)
Depreciation on capital expenditure that is not deductible for tax purposes	(1,720)	(2,392)
Other expenses not deductible for tax purposes	(318)	367
Income not taxable	869	503
UK subsidiary profits taxed at higher rates	(4,948)	(4,795)
Exchange adjustments	345	158
Adjustments in respect of previous years	583	(104)
	(26,840)	(26,914)

Refer to the Group statement of other comprehensive income for details of the tax impacts therein.

Current tax assets and liabilities

	2025	2024
	€'000	€'000
Current tax asset **	10,695	3,371
Current tax liabilities	(1,452)	(797)

** Current tax asset in current and prior years primarily arise due to accelerated capital allowance entitlements of the Group's UK Subsidiary.

Deferred tax assets and liabilities

	Pension	Accelerated tax depreciation	Interest charges payable	Other ***	Total
	€'000	€'000	€'000	€'000	€'000
At 01 January 2024	-	(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)
Recognised in income statement	117	(12,157)	68	395	(11,577)
Recognised in equity	(3,335)	-	-	-	(3,335)
Exchange adjustments	-	1,055	-	-	1,055
At 31 December 2025	(6,088)	(218,246)	305	218	(223,811)

Deferred tax has not been provided for in relation to unremitted reserves of the Group's overseas subsidiary which were €240.6 million as at 31 December 2025 (2024 €211.1 million).

*** Includes deferred tax asset of €0.3 m in relation to lease liabilities (2024 €0.3m). Deferred tax liability in relation to right-of-use assets amounts to €0.1 m, (2024 €0.5m).

9. Property, plant and equipment

	Notes	2025 €'000	2024 €'000
Property, plant and equipment - owned assets		2,559,062	2,507,713
Property, plant and equipment - right-of-use assets	11	3,508	3,895
Property, plant and equipment - as presented on the balance sheet		2,562,570	2,511,608

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 2024		73,489	4,813,929	108,221	4,995,639
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	143,013	5,180,110
Additions		-	5,353	201,481	206,834
Disposals		-	(3,920)	-	(3,920)
Transfers		321	208,629	(208,950)	-
Transfer from investment properties	10	-	655	-	655
Effect of movement in exchange rates		-	(13,830)	(335)	(14,165)
At 31 December 2025		76,039	5,158,266	135,209	5,369,514
Accumulated depreciation and impairment losses					
At 01 January 2024		(31,963)	(2,485,625)	-	(2,517,588)
Depreciation charge		(1,541)	(143,112)	-	(144,653)
Impairment charge		-	(6,916)	-	(6,916)
Disposal		-	5,257	-	5,257
Effect of movement in exchange rates		-	(8,497)	-	(8,497)
At 31 December 2024		(33,504)	(2,638,893)	-	(2,672,397)
Depreciation charge		(1,588)	(147,711)	-	(149,299)
Impairment charge		-	(2,049)	-	(2,049)
Disposals		-	3,881	-	3,881
Transfer from investment property	10	-	(655)	-	(655)
Effect of movement in exchange rates		-	10,067	-	10,067
At 31 December 2025		(35,092)	(2,775,360)	-	(2,810,452)
Carrying amounts					
At 31 December 2024		42,214	2,322,486	143,013	2,507,713
At 31 December 2025		40,947	2,382,906	135,209	2,559,062

Impairment losses recognised in respect of plant and machinery in the year amounted to €2.0 million, (2024 €6.9m). 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 2025 was €27 million (31 December 2024: €35 million) and is included in plant, pipeline and machinery.

During the year, the Group capitalised €1.7 million (2024: €1.2 million) in borrowing costs. The capitalisation rate was 2.51 % (2024: 1.65%).

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:

	2025 €'000	2024 €'000
UEL limited to 2050	16,295	15,161
UEL limited to 2060	4,542	4,158
UEL limited to 2070	1,018	877

10. Investment properties

	Total €'000
Cost	
At 1 January 2024	23,151
At 31 December 2024	23,151
Transfer to property, plant and equipment (note 9)	(655)
Transfer to assets held for sale (note 13)	(22,496)
At 31 December 2025	-
Accumulated depreciation and impairment losses	
At 1 January 2024	(15,826)
Depreciation charge	(429)
At 31 December 2024	(16,255)
Depreciation charge	(343)
Transfer to property, plant and equipment (note 9)	655
Transfer to assets held for sale (note 13)	15,943
At 31 December 2025	-
Carrying amounts	
At 31 December 2024	6,896
At 31 December 2025	-

The Group's investment properties consisted primarily of an office building, also included were legacy gasworks sites, one of which is leased to a third party.

At 31 December 2025 two properties were re-classified from investment property to assets held for sale as management are committed to a plan to sell these properties. Refer to note 13 for further details.

The fair value of the investment properties as at 31 December 2024 was €11.7m, the fair values of the properties was based on valuations performed by Avison Young, an accredited independent valuer with experience in the location and category of property being valued. The valuation was 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 was categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 25).

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

Right-of-use assets	Land and buildings	Plant, pipeline and machinery	Total
Costs	€'000	€'000	€'000
At 01 January 2024	492	5,536	6,028
Additions	121	-	121
At 31 December 2024	613	5,536	6,149
At 31 December 2025	613	5,536	6,149
Accumulated depreciation and impairment losses			
At 01 January 2024	(401)	(1,451)	(1,852)
Depreciation charge	(76)	(326)	(402)
At 31 December 2024	(477)	(1,777)	(2,254)
Depreciation charge	(61)	(326)	(387)
At 31 December 2025	(538)	(2,103)	(2,641)
Carrying amounts			
At 31 December 2024	136	3,759	3,895
At 31 December 2025	75	3,433	3,508
Lease liabilities			
At 01 January 2024	(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)
Interest expense	(3)	(69)	(72)
Lease payments	63	240	303
At 31 December 2025	(75)	(2,152)	(2,227)

11. Lease assets and liabilities (continued)

Analysed as follows:

	2025 €'000	2024 €'000
Non-current	(2,011)	(2,227)
Current	(216)	(231)
Total	(2,227)	(2,458)

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 18 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 €0.6 m (2024 €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 2025, lease income in respect of the transportation system of €6.7 million was recognised (2024: €8.3 million). 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 2 years (2024: 1 to 3 years).

Maturity analysis

	31-Dec-25 €'000	31-Dec-24 €'000
Year 1	3,959	6,919
Year 2	502	3,899
Year 3	-	502
Total	4,461	11,320

12. Intangible assets

	Software and other €'000	Software under development €'000	Total €'000
Cost			
At 01 January 2024	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
Additions (including internally developed)	-	10,043	10,043
Transfers	8,919	(8,919)	-
Effect of movement in exchange rates	(144)	(7)	(151)
At 31 December 2025	196,741	6,903	203,644
Accumulated amortisation			
At 01 January 2024	(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)
Amortisation charge	(8,396)	-	(8,396)
Effect of movement in exchange rates	119	-	119
At 31 December 2025	(173,415)	-	(173,415)
Carrying amounts			
At 31 December 2024	22,828	5,786	28,614
At 31 December 2025	23,326	6,903	30,229

13. Assets held for sale

During 2025, the properties set out below were classified as assets held for sale and were transferred from investment properties (note 10) at their carrying value of €6.6m.

	2025
	€'000
Land and buildings	6,553

The Gas Networks Ireland Board approved the disposal of a 1.2 hectare remediated site in Limerick, with a net book value of €1.2m, to the Land Development Agency for the development of new affordable homes. The disposal will be finalised in 2026, with the disposal value to be determined by Tailte Éireann, in accordance with the Land Development Agency Act 2021.

The Gas Networks Ireland Board also approved the commencement of a sale process for an office building in Foley Street Dublin, with a net book value of €5.4m. The building is being marketed for sale for €9.5m, which is materially in line with its fair value.

14. Trade and other receivables

	31-Dec-25	31-Dec-24
	€'000	€'000
Use of system receivable - billed	5,386	7,394
Use of system receivable - unbilled	56,660	54,850
Other trade receivables - billed	6,622	7,519
Other trade receivables - unbilled	10,564	11,554
Other receivables	1,645	2,460
Sub-total	80,877	83,777
Prepayments	9,583	8,520
Total	90,460	92,297
Analysed as follows:		
Non-current	-	-
Current	90,460	92,297
Total	90,460	92,297

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 15). 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 15). 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).

14. Trade and other receivables (continued)

The Group's maximum exposure of trade receivables and other receivables to credit risk at the reporting date is €80.9 million (2024: €83.8 million). 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-25	31-Dec-24
	€'000	€'000
Republic of Ireland	72,646	73,237
UK (including Northern Ireland and Isle of Man)	8,231	10,540
Total	80,877	83,777

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).

	2025	2024
	€'000	€'000
At 1 January	(678)	(894)
Impairment losses on financial assets	(553)	(102)
Allowance utilised	101	318
At 31 December	(1,130)	(678)

The ageing of trade and other receivables, net of expected credit losses, is as follows:

	2025	2024
	€'000	€'000
Not past due	70,022	80,754
1-30 days overdue	8,803	1,106
31-120 days overdue	1,880	1,088
> 120 days overdue	172	829
Total	80,877	83,777

15. Cash and cash equivalents

Available to group

Cash and cash equivalents are held for the purposes of meeting short-term cash commitments.

	31-Dec-25	31-Dec-24
	€'000	€'000
Short-term bank deposits	246,755	126,097
Cash at bank	5,757	34,200
Total	252,512	160,297

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 24 for treasury related credit risk disclosures.

Restricted deposits

	31-Dec-25	31-Dec-24
	€'000	€'000
Cash at bank	24,982	21,339
Total	24,982	21,339

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 14) and certain connection agreements (note 20). 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 24 for treasury related credit risk disclosures.

Cash and cash equivalents movements through the statement of cash flows also includes movements in restricted deposit balances.

	2025	2024
	€'000	€'000
At 1 January	181,636	223,746
Increase/(Decrease) in cash and cash equivalents in the statement of cash flows	96,683	(42,966)
Effect of exchange rate fluctuations on cash held	(825)	856
At 31 December	277,494	181,636

16. Cash generated from operations

	Notes	2025 €'000	2024 €'000
Cash flows from operating activities			
Profit for the year		146,369	138,291
Adjustments for:			
Depreciation and amortisation	6	153,514	153,639
Retirement benefit cost		4,994	1,451
Net finance costs	7	14,665	4,448
Income tax expense	8	26,840	26,914
		346,382	324,743
Working capital changes:			
Change in trade and other receivables		1,634	24,951
Change in trade and other payables		1,172	(7,174)
Change in deferred revenue		54,377	39,387
Change in provisions		(664)	254
Change in inventories		(308)	(87)
Cash from operating activities		402,593	382,074
Interest paid*		(15,853)	(7,213)
Income tax paid		(21,968)	(20,662)
Net cash from operating activities		364,772	354,199

* Interest paid is net of deposit interest income on Short term deposits of €4.0m (2024 €8.7m).

17. Inventory

	31-Dec-25 €'000	31-Dec-24 €'000
Stocks and materials	1,051	743

No inventory was pledged as security.

There were no write-downs of inventories to net realisable value in 2025 (2024: €nil).

In 2025 the value of inventory recognised as maintenance costs amounted €3.0m (2024 €3.3m).

18. Borrowings and other debt

This note provides information about the contractual terms of the Group's interest-bearing borrowings. Refer to note 24 for more information about the Group's exposure to interest rate, exchange rate and liquidity risk.

	Notes	31-Dec-25 €'000	31-Dec-24 €'000
Bonds		(758,391)	(757,695)
Loans from financial institutions		(99,740)	(99,500)
Lease liabilities		(2,227)	(2,458)
Total		(860,358)	(859,653)
Analysed as follows:			
Non-current		(525,009)	(859,422)
Current		(335,349)	(231)
Total		(860,358)	(859,653)
Less than one year		(335,349)	(231)
Between one and five years		(299,556)	(334,101)
More than five years		(225,453)	(525,321)
Total		(860,358)	(859,653)

All borrowings are repayable other than by instalment.

Net debt

	Notes	31-Dec-25 €'000	31-Dec-24 €'000
Total borrowings and other debt		(860,358)	(859,653)
Less cash and cash equivalents - available to Group	15	252,512	160,297
Net Debt **		(607,846)	(699,356)

** Only cash and cash equivalents available to group are included in the calculation of net debt, cash and cash equivalents- restricted amounts are excluded.

18. Borrowings and other debt (continued)

Changes in liabilities arising from financing activities

	Notes	Bonds €'000	Loans from financial institutions €'000	Lease liabilities €'000	Total €'000
At 01 January 2024		(922,103)	(99,260)	(2,581)	(1,023,944)
Repayment of lease liabilities	11	-	-	244	244
Proceeds from borrowings		(298,287)	-	-	(298,287)
Repayment of borrowings		459,520	-	-	459,520
Non-cash		3,175	(240)	(121)	2,814
At 31 December 2024		(757,695)	(99,500)	(2,458)	(859,653)
Repayment of lease liabilities	11	-	-	231	231
Non-cash		(696)	(240)	-	(936)
At 31 December 2025		(758,391)	(99,740)	(2,227)	(860,358)

19. Retirement benefit asset

The Group operates a defined benefit scheme and a defined contribution scheme.

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 (capped at 4% pa).

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 April 2025 by a qualified actuary. The next actuarial valuation is due with an effective date of 1 April 2028.

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 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 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). An objective of the benefit and funding policy is to provide discretionary post retirement pension increases that are linked to price inflation (capped at 4%pa). Higher than assumed inflation will lead to higher liabilities. A portion of the Fund is invested in inflation linked bonds (and real swaps) as a match to such real liabilities. Approximately 70% 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-25 €'000	31-Dec-24 €'000
Investments quoted in active markets:		
Equities	69,012	72,361
- developed markets	62,486	64,904
- emerging markets	6,526	7,457
Bonds	338,277	368,009
- Government debt	210,130	222,954
- Non-government debt	128,147	145,055
Investment funds	42,698	43,273
Cash	74	6,126
Unquoted investments:		
Property/forestry	2,578	2,903
Infrastructure	40,836	36,620
Fair value of plan assets	493,475	529,292
Defined benefit obligation	(453,815)	(512,896)
Net defined benefit asset (before reimbursement rights)	39,660	16,396
Reimbursement rights	6,049	6,673
Total	45,709	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 2025 was 30% growth / 70% liability matching.

19. Retirement benefit asset (continued)

Movement in net defined benefit asset before reimbursement rights

	Defined benefit liability		Fair value of plan assets		Net defined benefit asset	
	2025	2024	2025	2024	2025	2024
	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January	(512,896)	-	529,292	-	16,396	-
Transfer from Ervia 01 Jun 2024		(502,805)		524,138		21,333
Income Statement:						
Current service cost	(6,235)	(3,877)	-	-	(6,235)	(3,877)
Past Service Cost	(3,000)	-	-	-	(3,000)	-
Interest on liabilities and assets	(17,440)	(9,958)	18,122	10,016	682	58
	(26,675)	(13,835)	18,122	10,016	(8,553)	(3,819)
Other Comprehensive Income:						
Return on plan assets excl. interest income	-	-	(45,935)	(371)	(45,935)	(371)
Experience gains/(losses) on liabilities	2,779	1,498	-	-	2,779	1,498
Changes in financial assumptions	71,221	(4,932)	-	-	71,221	(4,932)
Changes in demographic assumptions	(725)	-	-	-	(725)	-
	73,275	(3,434)	(45,935)	(371)	27,340	(3,805)
Contributions by employers	-	-	4,281	2,680	4,281	2,680
Contributions by members	(2,477)	(1,544)	2,477	1,544	-	-
Benefits paid	14,958	8,722	(14,762)	(8,715)	196	7
	12,481	7,178	(8,004)	(4,491)	4,477	2,687
At 31 December	(453,815)	(512,896)	493,475	529,292	39,660	16,396

The weighted average duration of the defined benefit obligation at 31 December 2025 was approximately 16 years (2024: 17 years). The Group expects to contribute €4.3 million to its pension plan in 2026.

The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate	4.30%	3.45%
Inflation assumption	2.20%	2.25%
Rate of increase in salaries	2.70%	2.75%
Rate of increase in pensions payment	2.15%	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:

	2025	2024
Female, now aged 40	27.2	27.0
Female, now aged 65	25.0	24.9
Male, now aged 40	25.1	25.1
Male, now aged 65	22.9	23.0

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 3.7%/increase by 3.9%
Price inflation	Increase/decrease by 0.25%	Increase by 4.0%/decrease by 3.7%
Salary	Increase/decrease by 0.25%	Increase by 1.0%/decrease by 1.0%
Mortality	Increase/decrease by one year	Increase by 2.5%/decrease by 2.6%

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 €0.2 million in funding during the year. At 31 December 2025, the fair value of the reimbursement rights, which is deemed to be the present value of the related obligations, was valued at €6.0 million by the scheme actuary under IAS 19 assumptions (2024: €6.7 million).

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.

20. Deferred revenue

	2025	2024
	€'000	€'000
At 1 January	(200,805)	(161,251)
Received	(73,852)	(62,426)
Credited to the income statement	19,475	23,039
Effect of movement in exchange rates	190	(167)
At 31 December	(254,992)	(200,805)

Analysed as follows:

	31-Dec-25	31-Dec-24
	€'000	€'000
Non-current	(225,480)	(182,788)
Current	(29,512)	(18,017)
Total	(254,992)	(200,805)

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.

21. Grants

	2025	2024
	€'000	€'000
At 01 January	(52,682)	(58,986)
Receivable in year	(1,534)	-
Repayable	1,324	-
Amortised	6,960	6,665
Credited to operating costs	133	184
Effect of movement in exchange rates	534	(545)
At 31 December	(45,265)	(52,682)

Analysed as follows:

	31-Dec-25	31-Dec-24
	€'000	€'000
Non-current	(38,529)	(45,963)
Current	(6,736)	(6,719)
Total	(45,265)	(52,682)

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. Grants received for 2025 of €1.5 million related to grant funding from the Innovation and Networks Executive Agency (INEA), for investment in Compressed Natural Gas stations and Biogas related infrastructure. The Group expects to repay €1.324m to INEA due to non utilisation of pre-financing grant funding received.

22. Provisions, contingencies and capital commitments

Provisions

	Self-insured claims	Total
	€'000	€'000
At 01 January 2025	(7,017)	(7,017)
Provisions made	(934)	(934)
Provisions used	1,598	1,598
At 31 December 2025	(6,353)	(6,353)
	31-Dec-25	31-Dec-24
Analysed as follows:	€'000	€'000
Non-current	(5,090)	(5,263)
Current	(1,263)	(1,754)
Total	(6,353)	(7,017)

22. Provisions, contingencies and capital commitments (continued)

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 2025. 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 2027.

Contingencies

Contingent liabilities with respect to grants are disclosed in note 21.

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

	2025	2024
	€'million	€'million
Capital expenditure that has been contracted for but has not been provided for	96	100

23. Trade and other payables

	31-Dec-25	31-Dec-24
	€'000	€'000
Trade payables	(16,453)	(13,306)
Accrued expenses	(82,947)	(79,277)
Other payables	(32,189)	(26,077)
Taxation and social insurance creditors	(19,050)	(21,882)
Total	(150,639)	(140,542)
Analysed as follows:		
Non-current	(5,897)	(5,905)
Current	(144,742)	(134,637)
Total	(150,639)	(140,542)
Taxation and social insurance creditors		
PAYE/social insurance	(2,491)	(2,477)
VAT	(16,559)	(19,405)
Total	(19,050)	(21,882)

24. 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 2027. The trades in place at 31 December 2025 were not designated for hedge accounting purposes.

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 25 for IFRS 13 disclosures in respect of fair value measurement.

	Fair value hierarchy	FVTPL €'000	Amortised cost €'000	Total €'000
At 31 December 2025				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	77	-	77
Trade and other receivables ²		-	80,877	80,877
Cash and cash equivalents - available to group ³		-	252,512	252,512
Cash and cash equivalents - restricted deposits		-	24,982	24,982
Total financial assets		77	358,371	358,448
Financial liabilities				
Borrowings and other debt ⁴	Level 2	-	(860,358)	(860,358)
Foreign exchange rate contracts (undesignated)	Level 2	(11)	-	(11)
Trade and other payables ¹		-	(48,642)	(48,642)
Total financial liabilities		(11)	(909,000)	(909,011)
Net financial (liabilities)		66	(550,629)	(550,563)
At 31 December 2024				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	392	-	392
Trade and other receivables ²		-	83,777	83,777
Cash and cash equivalents - available to group ³		-	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 ⁴	Level 2	-	(859,653)	(859,653)
Foreign exchange rate contracts (undesignated)	Level 2	(51)	-	(51)
Trade and other payables ¹		-	(39,383)	(39,383)
Total financial liabilities		(51)	(899,036)	(899,087)
Net financial (liabilities)		341	(633,623)	(633,282)

¹ Accrued expenses and taxation and social insurance creditors have been excluded as these are not classified as financial liabilities.

² Prepayments have been excluded as these are not classified as a financial asset.

³ 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. Cash and cash equivalents as disclosed above were after offsetting overdrafts of €0.4m (2024:nil). At 31 December 2025, the Group had not entered into any other master netting arrangements and other similar agreements.

⁴ The fair value of borrowings and other debt as at 31 December 2025 was €836.1 million (2024: €831.5 million).

24. Financial risk management and financial instruments (continued)

The fair values of financial instruments, grouped by class of instrument, are as follows:

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
	€'000	€'000	€'000	€'000	€'000
Foreign exchange contracts	-	77	(2)	(9)	66
At 31 December 2025	-	77	(2)	(9)	66
Foreign exchange contracts	59	333	-	(51)	341
At 31 December 2024	59	333	-	(51)	341

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-25	31-Dec-24
	€'000	€'000
Trade and other receivables (excluding prepayments)	80,877	83,777
Cash and cash equivalents - available to group	252,512	160,297
Cash and cash equivalents - restricted deposits	24,982	21,339
Derivative financial instruments	77	392
Total	358,448	265,805

(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.

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-25	31-Dec-24
	€'000	€'000
Letters of credit	700	700
Total	700	700

(i) (b) Trade related credit risk

Refer to note 14 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 2025. A revolving credit facility with a group of 6 domestic and international banks provides the Group with a strong level of liquidity out to 2029. 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.

The Group seeks to ensure that it has committed facilities in place to cover 120% of core projected needs over a one-year horizon and that facilities are arranged with appropriate financial and operating covenants to ensure that management has the necessary flexibility in the operation of its business.

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-25	31-Dec-24
	€'000	€'000
Borrowings (excluding lease liabilities)	(858,131)	(857,195)
Committed facilities	(1,160,279)	(1,160,066)

Gas Networks Ireland is rated A+ (2024 A+) by Standard & Poor's with outlook positive and A2 (2024 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.

24. Financial risk management and financial instruments (continued)

(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 €'000	Contractual cash flows €'000	< 1 year €'000	1-2 years €'000	2-5 years €'000	> 5 years €'000
At 31 December 2025						
Borrowings and other debt	(860,358)	(962,032)	(355,996)	(15,397)	(346,792)	(243,847)
Trade and other payables *	(48,642)	(48,642)	(48,642)	-	-	-
Non-derivative financial liabilities	(909,000)	(1,010,674)	(404,638)	(15,397)	(346,792)	(243,847)
Foreign exchange rate contracts	66	66	68	(2)	-	-
Net derivative financial assets	66	66	68	(2)	-	-
Net financial liabilities	(908,934)	(1,010,608)	(404,570)	(15,399)	(346,792)	(243,847)
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)

* 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.

GBP/EUR exchange rates were as follows:

	2025	2024
Average rate	0.857	0.847
Year end rate	0.872	0.827

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) 31-Dec-25 €'000	Other comprehensive income 31-Dec-25 €'000	Profit before taxation gain/(loss) 31-Dec-24 €'000	Other comprehensive income 31-Dec-25 €'000
5% Strengthening	(751)	(2,460)	(1,141)	(3,435)
5% Weakening	751	2,460	1,141	3,435

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.

24. Financial risk management and financial instruments (continued)

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:

	2025	2025	2024	2024
	€'000	%	€'000	%
At fixed rates	(758,391)	88.4%	(757,695)	88.4%
At floating rates	(99,740)	11.6%	(99,500)	11.6%
Total	(858,131)	100.0%	(857,195)	100.0%

At 31 December 2025, the weighted average interest rate of the fixed debt portfolio (excluding leases) was 2.26% (2024: 2.26%), which comprised three bonds totalling €761.0 million (2024: €761.0 million).

The table below provides details of fixed rate debt included in borrowings at 31 December 2025:

	Redemption Amount		Tenor	Coupon %
	€'000	Issue Date		
Eurobond 1	335,989	2016	10 years	1.375
Eurobond 2	125,000	2016	20 years	2.25
Eurobond 4	300,000	2024	6 years	3.25
			2025	2024
Fixed rate debt had an average duration of			4.06 years	5.06 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 2025 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-25	31-Dec-24	31-Dec-25	31-Dec-24
200 bp increase	(1,995)	(1,990)	-	-
200 bp decrease	1,995	1,990	-	-

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.

25. 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 2025 or 2024.

(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 24)	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 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.

26. Subsidiaries

At 31 December 2025, 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%

27. Related parties

Key management compensation

Key management consists of the Gas Networks Ireland Board, the Gas Networks Ireland CEO and his direct reports.

	2025	2024
	€'000	€'000
Short-term employee benefits	(2,376)	(2,289)
Post-employment benefits	(214)	(218)
Total	(2,590)	(2,507)

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.

Transactions with Ervia (prior year)

(a) Transfer 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 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).

27. Related parties (continued)

(b) Dividends

	2025	2024
	€'000	€'000
Dividend Paid to the Exchequer	(62,075)	(44,018)
Total	(62,075)	(44,018)

In March 2024, 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. An annual dividend of €62.075m as set out above was paid to the Exchequer during the financial year ended 31 December 2025.

(c) Pension costs

	2025	2024
	€'000	€'000
Pension costs	-	(3,363)

28. Subsequent events

In April 2026, the Board approved the declaration and payment of a dividend of €65.974 million.

We are closely monitoring the developing situation arising from the conflict in the Middle East and we will continue to assess potential impacts on our operations as the situation continues to evolve. This is a non-adjusting event for these financial statements. 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.

29. Approval of financial statements

The Directors approved the financial statements on 15 April 2026.

Company balance sheet

as at 31 December 2025

	Notes	31-Dec-25 €'000	31-Dec-24 €'000
Assets			
Non-current assets			
Property, plant and equipment	30A.	2,184,789	2,137,430
Investment properties	10	-	6,896
Intangible assets	30B.	29,550	28,098
Investment in subsidiaries	30C.	515	515
Trade and other receivables	30D.	87,171	123,052
Retirement benefit asset	19	45,709	23,069
Derivative financial instruments	30M.	2	59
Total non-current assets		2,347,736	2,319,119
Current assets			
Assets held for sale	13	6,553	-
Trade and other receivables	30D.	78,762	79,508
Cash and cash equivalents - available to company	30E.	229,108	121,172
Cash and cash equivalents - restricted deposits	30E.	22,602	18,878
Derivative financial instruments	30M.	86	357
Inventories	30G.	980	664
Total current assets		338,091	220,579
Total assets		2,685,827	2,539,698
Equity and liabilities			
Equity			
Share capital and share premium		(318,353)	(318,353)
Capital contribution		(396,824)	(396,824)
Retained earnings		(519,725)	(436,771)
Total equity		(1,234,902)	(1,151,948)
Liabilities			
Non-current liabilities			
Borrowings and other debt	18	(525,009)	(859,422)
Deferred revenue	30H.	(222,771)	(179,139)
Grants	30I.	(4,825)	(9,203)
Provisions	30J.	(5,090)	(5,263)
Trade and other payables	30K.	(3,205)	(3,272)
Derivative financial instruments	30M.	(2)	(59)
Deferred tax liabilities	30L.	(190,816)	(189,235)
Total non-current liabilities		(951,718)	(1,245,593)

Company balance sheet - (continued)

as at 31 December 2025

	Notes	31-Dec-25 €'000	31-Dec-24 €'000
Current liabilities			
Borrowings and other debt	18	(335,349)	(231)
Deferred revenue	30H.	(29,302)	(18,017)
Grants	30I.	(4,150)	(4,036)
Provisions	30J.	(1,263)	(1,754)
Trade and other payables	30K.	(127,615)	(116,915)
Derivative financial instruments	30M.	(80)	(385)
Current tax liabilities	30L.	(1,448)	(819)
Total current liabilities		(499,207)	(142,157)
Total liabilities		(1,450,925)	(1,387,750)
Total equity and liabilities		(2,685,827)	(2,539,698)

The profit attributable to the Company for the year ended 31 December 2025 was €121.7 million (2024: €116.9 million).

For and on behalf of the Board

Date: 15th April 2026



Kevin Toland
Chairperson



Saoirse Fahey
Member of the Board

Company statement of changes in equity

for the year ended 31 December 2025

	Share capital and share premium €'000	Capital contribution €'000	Retained earnings €'000	Total €'000
At 01 January 2024	(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	30N.	(26,877)		(26,877)
Dividends	27	-	44,018	44,018
At 31 December 2024	(318,353)	(396,824)	(436,771)	(1,151,948)
Profit for the year	-	-	(121,681)	(121,681)
Other comprehensive income for the year	-	-	(23,348)	(23,348)
Total other comprehensive income for the year	-	-	(145,029)	(145,029)
Dividends	27	-	62,075	62,075
At 31 December 2025	(318,353)	(396,824)	(519,725)	(1,234,902)

All attributable to owners of the Company.

Company statement of cash flows

for the year ended 31 December 2025

	Notes	2025 €'000	2024 €'000
Net cash from operating activities	30F.	318,943	300,141
Cash flows from investing activities			
Payments for property, plant and equipment		(164,296)	(147,305)
Payments for intangible assets		(10,039)	(9,967)
Grants received	30I.	1,534	-
Interest received		4,649	6,159
Repayment received (loan to subsidiary)		18,175	
Dividend received	30O.	5,000	-
Net cash used in investing activities		(144,977)	(151,113)
Cash flows from financing activities			
Proceeds from borrowings	18	-	298,287
Repayment of borrowings	18	-	(459,520)
Capital contribution received	27	-	2,492
Repayment of lease liabilities	11	(231)	(244)
Dividends paid	30O.	(62,075)	(44,018)
Net cash used in financing activities		(62,306)	(203,003)
Net increase/(decrease) in cash and cash equivalents	30E.	111,660	(53,975)
Cash and cash equivalents at 1 January	30E.	140,050	194,025
Cash and cash equivalents at 31 December	30E.	251,710	140,050

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30A. Property, plant and equipment

	Notes	31-Dec-25 €'000	31-Dec-24 €'000
Property, plant and equipment - owned assets		2,181,281	2,133,535
Property, plant and equipment - right-of-use assets	11	3,508	3,895
Property, plant and equipment - as presented on the balance sheet		2,184,789	2,137,430

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 2024	65,138	4,023,459	77,110	4,165,707
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	89,890	4,300,644
Additions	-	5,353	169,074	174,427
Disposals	-	(3,920)	-	(3,920)
Transfers	321	155,157	(155,478)	-
Transferred from Investment property	10	-	655	655
At 31 December 2025	67,688	4,300,632	103,486	4,471,806
Accumulated depreciation and impairment losses				
At 01 January 2024	(26,073)	(2,019,920)	-	(2,045,993)
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)	-	(2,167,109)
Depreciation charge	(1,405)	(123,309)	-	(124,714)
Impairment charge	-	(1,927)	-	(1,927)
Disposals	-	3,880	-	3,880
Transferred from Investment property	10	-	(655)	(655)
At 31 December 2025	(28,835)	(2,261,690)	-	(2,290,525)
Carrying amounts				
At 31 December 2024	39,937	2,003,708	89,890	2,133,535
At 31 December 2025	38,853	2,038,942	103,486	2,181,281

Impairment losses recognised in respect of plant and machinery in the year amounted to €1.9 million, (2024 €5.5m). 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 2025 was €27 million (31 December 2024: €35 million) 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 2024	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
Additions (including internally developed)	-	9,671	9,671
Transfers	8,793	(8,793)	-
At 31 December 2025	194,002	6,620	200,622
Accumulated amortisation			
At 01 January 2024	(155,072)	-	(155,072)
Amortisation charge	(7,781)	-	(7,781)
At 31 December 2024	(162,853)	-	(162,853)
Amortisation charge	(8,219)	-	(8,219)
At 31 December 2025	(171,072)	-	(171,072)
Carrying amount			
At 31 December 2024	22,356	5,742	28,098
At 31 December 2025	22,930	6,620	29,550

30C. Investment in subsidiaries

	2025	2024
	€'000	€'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 26 to the Group financial statements for details of the particulars of the Company's subsidiaries.

30D. Trade and other receivables

		31-Dec-25	31-Dec-24
	Notes	€'000	€'000
Use of system receivable - billed		5,384	1,890
Use of system receivable - unbilled		51,091	52,038
Other trade receivables - billed		5,693	7,213
Other trade receivables - unbilled		8,855	9,637
Amounts due from subsidiaries	300.	87,637	124,199
Other receivables		1,618	2,447
Sub-total		160,278	197,424
Prepayments		5,655	5,136
Total		165,933	202,560
Analysed as follows:			
Non-current		87,171	123,052
Current		78,762	79,508
Total		165,933	202,560

Trade and other receivables include use of system receivables, other trade receivables and amounts due from subsidiaries - refer to notes 14 to the Group financial statements and 300 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-25	31-Dec-24
	€'000	€'000
Simplified approach	72,641	73,225
General approach	87,637	124,199
Total	160,278	197,424

Simplified approach - expected credit losses

Refer to note 14 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).

	2025	2024
	€'000	€'000
At 1 January	(678)	(894)
Impairment losses on financial assets	(553)	(102)
Allowance utilised	101	318
At 31 December	(1,130)	(678)

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.

	2025	2024
	€'000	€'000
Not past due	62,437	70,185
1-30 days overdue	8,336	1,106
31-120 days overdue	1,698	1,088
> 120 days overdue	170	846
Total	72,641	73,225

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 2025, the Company had amounts due from subsidiaries of €87.6 million (2024: €124.2 million). 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 2025 (2024: €nil) and no ECL was recognised during the year in respect of these amounts (2024: €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.

	2025	2024
	€'000	€'000
Stage 1 - 12 month ECL (not credit impaired)	87,637	124,199
Total	87,637	124,199

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region is as follows:

	2025	2024
	€'000	€'000
Ireland	72,641	73,225
UK (including Northern Ireland and Isle of Man)	87,637	124,199
Total	160,278	197,424

30E. Cash and cash equivalents

Available to group

Cash and cash equivalents are held for the purposes of meeting short-term cash commitments.

	31-Dec-25	31-Dec-24
Notes	€'000	€'000
Short-term bank deposits	229,000	114,000
Cash at bank.	30M. 108	7,172
Total	229,108	121,172

Restricted deposits

	31-Dec-25	31-Dec-24
	€'000	€'000
Cash at bank	22,602	18,878
Total	22,602	18,878

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.

	2025	2024
	€'000	€'000
At 1 January	140,050	194,025
Increase/(decrease) in cash and cash equivalents in the statement of cash flows	111,660	(53,975)
At 31 December	251,710	140,050

30F. Cash generated from operations

	2025	2024
	€'000	€'000
Cash flows from operating activities		
Profit for the year	121,681	116,941
Adjustments for:		
- Depreciation and amortisation	131,248	130,959
- Retirement benefit cost	4,994	1,451
- Net finance income/ (costs)	7,356	80
- Income tax expense	17,784	19,550
	283,063	268,981
Working capital changes:		
Change in trade and other receivables	18,509	16,913
Change in trade and other payables	(447)	(4,540)
Change in deferred revenue	54,917	38,994
Change in provisions	(664)	254
Change in inventories	(316)	(74)
Cash from operating activities	355,062	320,528
Interest paid *	(17,209)	(7,609)
Income tax paid	(18,910)	(12,778)
Net cash from operating activities	318,943	300,141

* Interest paid is net of deposit interest income on short term deposits of €3.4m (2024 €8.3m).

30G. Inventory

	31-Dec-25	31-Dec-24
	€'000	€'000
Stocks and materials	980	664

No Inventory was pledged as security.

There were no write-downs of inventories to net realisable value in 2025 (2024: €nil).

In 2024, the value of inventory recognised as maintenance costs amounted €1.8m (2024 €2.0m).

30H. Deferred revenue

	2025	2024
	€'000	€'000
At 01 January	(197,156)	(158,162)
Received	(74,454)	(62,033)
Credited to the income statement	19,537	23,039
At 31 December	(252,073)	(197,156)

Analysed as follows:

	2025	2024
	€'000	€'000
Non-current	(222,771)	(179,139)
Current	(29,302)	(18,017)
Total	(252,073)	(197,156)

30I. Grants

	2025	2024
	€'000	€'000
At 1 January	(13,239)	(17,448)
Receivable in year	(1,534)	-
Repayable	1,324	-
Amortised	4,341	4,025
Credited to income statement	133	184
At 31 December	(8,975)	(13,239)

Analysed as follows:

	2025	2024
	€'000	€'000
Non-current	(4,825)	(9,203)
Current	(4,150)	(4,036)
Total	(8,975)	(13,239)

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. Grants received for 2025 of €1.5 million related to grant funding from the Innovation and Networks Executive Agency (INEA), for investment in Compressed Natural Gas stations and Biogas related infrastructure. The Group expects to repay €1.324m to INEA due to non utilisation of pre-financing grant funding received.

30J. Provisions, contingencies and capital commitments

Provisions

Refer to note 22 to the Group financial statements for further disclosure in respect of the Company's provisions.

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

	2025	2024
	€'million	€'million
Capital expenditure that has been contracted for but has not been provided for	80	78

30K. Trade and other payables

	31-Dec-25	31-Dec-24
	€'000	€'000
Trade payables	(14,931)	(11,219)
Accrued expenses	(67,065)	(62,695)
Other payables	(29,421)	(23,589)
Taxation and social insurance creditors	(19,403)	(22,684)
Total	(130,820)	(120,187)
Analysed as follows:		
Non-current	(3,205)	(3,272)
Current	(127,615)	(116,915)
Total	(130,820)	(120,187)
Taxation and social insurance creditors		
PAYE/social insurance	(2,582)	(2,546)
VAT	(16,821)	(20,138)
Total	(19,403)	(22,684)

30L. Tax

Current tax assets and liabilities

	31-Dec-25	31-Dec-24
	€'000	€'000
Current tax (liabilities)/ asset	(1,448)	(819)

Deferred tax assets and liabilities

	Pension	Accelerated tax depreciation €'000	Interest charges payable €'000	Other * €'000	Total €'000
At 01 January 2024	-	(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)
Recognised in income statement	117	1,174	68	395	1,754
Recognised in equity	(3,335)	-	-	-	(3,335)
At 31 December 2025	(6,088)	(185,249)	307	214	(190,816)

* Includes deferred tax asset of €0.3m in relation to lease liabilities (2024 €0.3m). Deferred tax liability in relation to right-of-use assets amounts to €0.1m, (2024 €0.5m).

30M. Financial risk management and financial instruments

Refer to note 24 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 25 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 2025				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	88	-	88
Trade and other receivables ²		-	160,278	160,278
Cash and cash equivalents - available to group ³		-	229,108	229,108
Cash and cash equivalents - restricted deposits		-	22,602	22,602
Total financial assets		88	411,988	412,076
Financial liabilities				
Borrowings and other debt ⁴	Level 2	-	(860,358)	(860,358)
Foreign exchange rate contracts (undesignated)	Level 2	(82)	-	(82)
Trade and other payables ¹		-	(44,352)	(44,352)
Total financial liabilities		(82)	(904,710)	(904,792)
Net financial (liabilities)		6	(492,722)	(492,716)
At 31 December 2024				
Financial assets				
Foreign exchange rate contracts (undesignated)	Level 2	416	-	416
Trade and other receivables ²		-	197,424	197,424
Cash and cash equivalents - available to group ³		-	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 ⁴	Level 2	-	(859,653)	(859,653)
Foreign exchange rate contracts (undesignated)	Level 2	(444)	-	(444)
Trade and other payables ¹		-	(34,808)	(34,808)
Total financial liabilities		(444)	(894,461)	(894,905)
Net financial (liabilities)		(28)	(556,987)	(557,015)

¹ Accrued expenses and taxation and social insurance creditors have been excluded as these are not classified as financial liabilities.

² Prepayments have been excluded as these are not classified as a financial asset.

³ 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. Cash and cash equivalents as disclosed above were after offsetting overdrafts of €0.4m (2024:nil). As at 31 December 2025, the Parent had not entered into any master netting arrangements and other similar agreements.

⁴ The fair value of borrowings and other debt as at 31 December 2025 was €836.1 million (2024: €831.5 million).

The fair values of financial instruments carried at fair value, 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	2	86	(2)	(80)	6
At 31 December 2025	2	86	(2)	(80)	6

Fair value of financial instruments

Foreign exchange contracts	59	357	(59)	(385)	(28)
At 31 December 2024	59	357	(59)	(385)	(28)

Financial risk management

Refer to note 24 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-25 €'000	31-Dec-24 €'000
Trade and other receivables (excluding prepayments)	160,278	197,424
Cash and cash equivalents - available to group	229,108	121,172
Cash and cash equivalents - restricted deposits	22,602	18,878
Derivative financial instruments	88	416
Total	412,076	337,890

(i) (a) Treasury related credit risk

Refer to note 24 to the Group financial statements for an analysis of the Group's policies in respect of treasury related credit risk. These objectives, policies and processes are also adopted by the Company.

Financial guarantees

Refer to note 24 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 24 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 2025						
Borrowings and other debt	(860,358)	(962,032)	(355,996)	(15,397)	(346,792)	(243,847)
Trade and other payables*	(44,352)	(44,352)	(44,352)	-	-	-
Non-derivative financial liabilities	(904,710)	(1,006,384)	(400,348)	(15,397)	(346,792)	(243,847)
Foreign exchange rate contracts	6	6	6	-	-	-
Net derivative financial liabilities	6	6	6	-	-	-
Net financial liabilities	(904,704)	(1,006,378)	(400,342)	(15,397)	(346,792)	(243,847)
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 assets	(28)	(28)	(28)	-	-	-
Net financial liabilities	(894,489)	(1,017,983)	(55,276)	(356,070)	(46,997)	(559,640)

* 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 24 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 24).

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-25	31-Dec-25	31-Dec-24	31-Dec-24
	€'000	€'000	€'000	€'000
5% Strengthening	(587)	-	(844)	-
5% Weakening	587	-	844	-

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 24 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 24 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

	2025	2024
	€'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	-	-

On 01 June 2024, Gas Networks Ireland issued 100 shares in the following proportions:

- 90 shares to the Minister for Housing, Local Government and Heritage;
- 5 shares to the Minister for Environment, Climate and Communications;
- 5 shares to the Minister for Public Expenditure and Reform.

(b) Share premium

	2025	2024
	€'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

	2025	2024
	€'000	€'000
At 1 January **	396,824	369,947
Transfer from Ervia (note 27)	-	26,877
At 31 December	396,824	396,824

* 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. Further capital contributions were received of €9.1m in 2021 and €26.9m in 2024 as part of the Ervia dissolution process, completed on 01 June 2024.

30O. Related parties

The net related party balances, in respect of the transactions detailed in the relevant sections below, are as follows:

	31-Dec-25	31-Dec-24
	€'000	€'000
Subsidiaries	87,637	124,199
	87,637	124,199

Transactions with Ervia

Refer to Note 27 to the Group financial statements for details of related party transactions with Ervia Parent.

Transactions with subsidiaries

		2025	2024
		€'000	€'000
Transactional and support service agreement costs	(a)	7,165	7,358
Interest income	(b)	4,002	6,097
Transportation supply services	(c)	(63,725)	(55,241)
Dividend received from subsidiary	(d)	(5,000)	-

(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 July 2025, the Board of Gas Networks Ireland (IOM) DAC approved the payment of a special dividend of €5.0 million 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

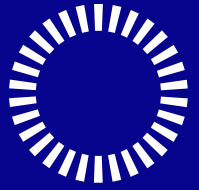
Refer to note 27 to the Group financial statements for details in respect of the Group's key management compensation.

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 28 to the Group financial statements for details of subsequent events.



Gas
Networks
Ireland

The main contact details for
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