BritNed Development Limited

Annual Report

and Financial Statements

For the year ended 31 December 2025

Company registration number: 04251409

BritNed Development Limited
Strategic Report
for the year ended 31 December 2025

The Directors present their strategic report on BritNed Development Limited ('the Company', 'BritNed') for the year ended 31 December 2025.

The Company is a single entity, incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is:

1-3 Strand
London
WC2N 5EH

Review of the business

The Company's principal activity is the operation of a sub-sea interconnector link between the electricity networks of Great Britain and the Netherlands. The interconnector is a high voltage land and subsea cable connecting the electrical systems of the two countries. It enables surplus energy to be traded between countries supporting any surges in demand.

Macro-Economic Climate

The revenue of the Company is generated based on the power price spread between the UK and the Netherlands. This is a particularly volatile market where prices fluctuate on an hourly basis in each country dependent on weather, generation (nuclear, solar, gas, wind etc.), and geo-political factors. This volatility presents one of the Company's principal risks as when the price spread between the two countries converges, the revenue will decrease.

2025 was a year of continued growth in clean power and electrification for GB. Electricity demand grew for the second consecutive year by 5%, owing to improving efficiencies and structural shifts in the economy. Renewable capacity growth and favourable weather conditions resulted in 35% increase in solar output (19TWh) and 3% increased wind output (86TWh). Battery storage capacity grew 41% from 2024 to 7GW. GB saw strong renewables output in the second half of the year. However, extreme weather and nuclear outages meant greater gas generation was needed, especially in the first half of the year.

In the Dutch power system, 2025 was a year of slower renewables build. Capacity additions were limited with no offshore wind coming online in 2025. Solar and wind accounted for 46.2% of Dutch electricity generation, broadly in line with the 45.3% share recorded in 2024. Negative prices persisted, rising to 584 hours in 2025 compared to 458 hours in 2024. Q1 2025 saw extended cold windless weather in the Netherlands and the additional load and lower wind generation was filled by higher gas and coal production.

The first half of the year saw higher gas prices than the first half of 2024, with geopolitical risks and competition for LNG creating tightness in the market. Higher gas prices exerted a stronger upward influence on GB power prices than on those in the Netherlands. This widened GB-NL spreads compared to the first half of 2024. GB was a net importer of power. However, low Dutch renewables output limited the opportunities for cross-border trading.

By Q4 2025, GB became a net exporter of power to the Netherlands, with GB prices falling below Dutch prices from September 2025. This was driven by GB's strong renewables output in the second half of the year.

Capacity Market

The Capacity Market was established under the Energy Market Reform programme to safeguard the long-term security of the UK's electricity supply. In exchange for Capacity Market revenues, BritNed is required to make capacity available during periods of system stress. Each delivery year runs from 1 October to 30 September.

Capacity Market revenues increased in 2025 from the prior year primarily because of an increase in de-rating factors to 61% (36% in 2019 T-4 Auction) in the 2020 T-4 Auction. The clearing price in the 2020 T-4 Auction also increased from the prior year to £18.00/kW (£15.97/kW in 2019 T-4 Auction).

Empire Allocation & Nomination Platform

Throughout the year, BritNed has added new and innovative functionality to the award-winning Empire nomination and allocation platform, supporting the platform to continuously develop and improve. These advancements have been informed by feedback from BritNed's customers, helping to ensure the platform meets their evolving needs.

New features launched in 2025 include a re-work of the Intraday Buy Now auction functionality. This was implemented to allow customers easier allocation through the ad hoc Intraday product. Close cooperation and a dedicated interface with GOPACS, a Dutch collaboration platform to resolve grid congestion, allowed re-enabling of BritNed on the GOPACS platform to help with congestion in the Dutch grid.

Operational Risk

The principal risk facing the Company remains the failure of the cable resulting in an unplanned outage where no flow would be possible and no revenue would be generated. An asset management and replacement plan are in place to mitigate the risk of this occurring. The business continues to take out property damage and business interruption insurance to enable the business to recover any financial losses in this eventuality.

Asset availability for the year was reported at 89.6% and Dynamic rating availability at 92.3% (2024: 81 and 82%). A cable fault occurred onshore in the Netherlands on 6th December 2024, with the interconnector returning to commercial service on 27th January 2025. The faulted section of cable was recovered during a later planned outage to carry out analysis on the root cause of the fault.

The BritNed management team continue to monitor the condition of the asset and are reviewing the need for additional cable monitoring features.

Post Balance Sheet Event

There are no subsequent events after the reporting period that require recognition or disclosure

Results

The profit for the financial year was €93.8m (2024: €55.4m).

Financial position

The financial position of the Company is presented in the balance sheet. Total equity funds as at 31 December 2025 were €375.8m (2024: €407.1m) comprising total non-current assets of €402.9m (2024: €429.5m), other non-current liabilities of €1.4m (2024: €1.4m), the lease liability based on IFRS 16 of €38.4m (2024: €38.9m), the estimation of the decommissioning provision in 2025 of €33.2m (2024: €47.9m), deferred tax liabilities of €4.0m (2024: €7.4m) and net current assets of €48.6m (2024: €72.0m). The reduction in net assets is mainly driven by dividends distributed to shareholders.

Financial Performance

Revenues increased in the year by €34m compared to 2024 (2024: €130.9m) which was an increase of 26%. This increase was driven by increased market spreads compared to 2024, coupled with higher capacity market revenue due to an increase in auction clearing price and de-rating factors.

Progress against objectives 2025

The BritNed Management Team, along with the Board, continuously review our Key Performance Indicators, with a primary focus on Safety, Operational Availability, Employee Engagement, Customer and Financial Performance.

Safety

The safety of our employees is paramount. Each year we undertake a safety survey with our employees to gauge attitudes to safety; how effective our safety culture is and where employees believe we can improve. The score for 2025 was 80.0% (2024: 82.0%)

We also measure safety using the Lost Time Injury Frequency Rate metric. This industry standard approach measures the number of lost time injuries occurring for every 100,000 hours worked.
During 2024 BritNed celebrated 5000 days without a Lost Time Injury (LTI) on our operational sites. 2025 was another exceptional year completed without incurring any LTIs.

Availability

During 2025, BritNed experienced 1 short monopole unplanned outage with the issue that caused the outage being quickly resolved. During the year we had two planned maintenance periods in May and September, with the second period extended to enable the recovery of the damaged cable (December 2024 cable fault)

This led to asset availability for the year of 89.6% (92.3% with Dynamic) (81% and 82% in 2024).

In addition, BritNed provided 250,797MWh of dynamic overload capability to the market when conditions on the asset allowed.

As a measure of our reliability, there was only 1 unplanned outage in 2025 presenting a significant improvement on prior year (2024: 9).

Employee Engagement

Our employees are our most valuable asset and serve as the foremost advocates for our organisation and our objectives. They are integral to all our endeavours, making it imperative for us to remain cognisant of their perspectives on various facets of our business, such as their experiences working with us, our areas of excellence, and areas where we can improve.

In 2025, our employee engagement score dropped marginally by one point to 83% (2024: 84%) compared to the previous year. This slight decrease highlights the importance of maintaining a continuous focus on engagement and addressing areas where improvement is needed.

The management, in collaboration with the wellbeing team at BritNed, remains dedicated to continually improving our employee engagement. This is achieved through ongoing team and individual dialogues, ensuring that every employee can share their views and contribute to the success and positive culture of our organisation.

Customer

In 2025 we updated our communication strategy to tailor communication for customers to improve their engagement with BritNed. We have also started to use data to provide us with better customer insights and help us improve how we engage with customers to improve their experience with us. We continue to monitor the experience of customers through the different touchpoints they have with BritNed and regularly ask for feedback so that their views can inform the development of our systems and processes.

BritNed Development Limited
Strategic Report (continued)
for the year ended 31 December 2025

Key Performance Indicators

The following key performance indicators are noted:

	2025	2024	Analysis
Revenue (€m) Increase / (Decrease) in Revenue (%)	€164.9 26%	€130.9 (62)%	Year on year sales increased expressed as a percentage. The year-on-year increase in revenue has been driven by increased market spreads vs 2024
Profit After Tax / (Decrease) / Increase in PAT (€m / %)	€93.8 / 69%	€55.4 / (77)%	Largely driven by higher revenues as a result of increased market spreads vs 2024.
Number of unplanned outages Bipole / Monopole	0 / 1	5 / 4	There was only 1 unplanned monopole outage across the 2025 annual year, which was under an hour in duration
Safety, Health, Environment & Security (SHES) Lost time injuries (LTIs)	0	1	There were no reportable Lost Time Injuries in 2025. In line with our proactive organisational safety culture focused on continuous improvement, fifty-eight hazards were identified and addressed and eight low-level incidents were reported

Strategic Review

Our people

Our people are central to BritNed's performance and the delivery of our long-term ambitions. Continued success depends on our ability to consistently attract, develop, retain, motivate and engage talented individuals across the organisation.

Diversity, Equity and Inclusion (DEI)

We take pride in having a diverse workforce made up of people from a wide range of backgrounds, nationalities, genders and cultures. We actively value this diversity by encouraging individuals to share their experiences and what is important to them. The management team continually look for ways to ensure the team can be proud of who they are and bring their whole selves to work.

Wellbeing

Employee mental and physical wellbeing is vital for our business. The wellbeing team in the organisation continued to meet regularly to help raise awareness of topics, facilitate campaigns and cascade key messages across the business. In 2025, two Step Challenges were organised to promote staying active.

In addition, a new weekly wellbeing poll provides valuable feedback on various topics. Survey results demonstrated that 92% of respondents reported being happy working for BritNed. This high percentage reflects a generally positive sentiment among employees regarding their work environment and overall job satisfaction.

Two employees received training as Mental Health First Aiders, enabling them to serve as initial points of contact and offer support for colleagues facing mental health concerns.

BritNed Development Limited
Strategic Report (continued)
for the year ended 31 December 2025

Our commitment to being a responsible business

The environment

We will play our part in the energy transition and reduce our own CO2 impact. We measure our scope 1 and scope 2 emissions of the six primary Kyoto greenhouse gases.

Scope 1 emissions are direct emissions owned or controlled by the Company. For BritNed, scope 1 greenhouse gas emissions for 2025 equate to 114 tonnes (2024: 208 tonnes) of carbon dioxide which is based on SF6 leakage at our convertor stations in Grain, UK and Maasvlakte, NL.

Scope 2 emissions are indirect emissions owned or controlled by the Company. For BritNed, scope 2 emissions equate to 1033 tonnes (2024: 963 tonnes) which is based on electrical energy use of 6,388,090 kWh (2024: 5,953,181 kWh) at both convertor sites and from the offices in Warwick and Arnhem.

The 2025 kWh electrical energy usage per €m revenue equates to 38,379 / €m (2024:45,479 / €m)

This is a total of 1146 tonnes (2024: 1171 tonnes) of carbon dioxide equivalent for Scope 1 and 2 emissions. Our emissions expressed in carbon prices reflect 0.06% of our revenues (2024: 0.08%), the decrease is explained by higher revenues in 2025 and reduced emissions.

In addition, we have measured a baseline of scope 3 emissions which are indirect emissions not covered in scope 1 or 2. For BritNed this is based on employees travel to our place of work or for work related travel to other locations either nationally or internationally. This was 34 tonnes of carbon dioxide for 2025 (2024: 18 tonnes), this increase is a due to more travelling of employees.

In 2025 BritNed reduced emissions by 1.0% compared to 2024. This was mainly contributed by a decrease in SF6 leakage at our Converter Station on the Isle of Grain.

Our target is to continue to reduce our own emissions by 1.5% in 2026, and a further 1.5% in 2027 (relative to 2025 emissions).

This data results from scope 1 and and scope 2 emissions and complies with the methodologies from UK government's Streamlined Energy and Carbon Reporting (SECR) requirements. Emissions have been calculated using the UK Government GHG Conversion Factors for Company Reporting. The report covers all operations over which the company has direct operational control.

Our communities

2025 saw a continuation of our policy on community engagement, with events and donations in both the UK and The Netherlands.

Charity Donations were nominated by BritNed team members in both regional jurisdictions. This resulted in over €75,000 being donated to community causes in the year.

Charity	Donation	Charity	Donation
Alzheimer's Society	£2,000	Stichting KiKa	€10,000
Mountain Rescue	£500	Stichting MS	€10,000
Dean Heritage Centre	£2,500	Arnhem Airborne	€10,000
My Shining Star Children's Cancer Charity	£5,000	KN Royal Netherlands Sea Rescue Institution	€8,000
Kent, Surrey & Sussex Air Ambulance	£10,000	Stichting Schone Straat en Groene Buurt Arnhem	€4,000
Refuge (domestic abuse charity)	£5,000	Stichting Armoedefonds	€8,000

In addition to these donations, in July 2025 BritNed held a charity golf day to raise money for We Are Beams, a local charity dedicated to supporting disabled children and their families in Kent & Medway.

The total amount raised on the day was £6,951.40, which was then matched funded through National Grid resulting in a total amount raised of £13,902.80.

In September 2025, the team also volunteered at the Isle of Grain Beach car park to clear down overgrown foliage. This helped to improve safety, visibility, and the overall look of the area and was supported by 8 members of the Operational team.

Future developments

For the foreseeable future the Directors believe the Company will continue its principal activity of the operation of a sub-sea interconnector link between the electricity networks of Great Britain and the Netherlands.

LionLink

National Grid and TenneT are working together to develop an Offshore Hybrid Asset to connect offshore wind between Great Britain and the Netherlands known as LionLink. LionLink will support decarbonisation, energy independence and strengthen British, Dutch and European security of supply. Great Britain and the Netherlands power markets will gain access to additional offshore wind generation, putting downward pressure on power prices as a greater volume of close to zero short run marginal renewables feeds into both markets.

The additional cross border capacity provided by LionLink is expected to impact BritNed's revenues from 2032 onwards.

Regulatory Developments

Carbon Border Adjustment Mechanism (CBAM)
The EU Carbon Border Adjustment mechanism came into effect from 1st January 2026, with CBAM tariffs due to be implemented on exports from GB to NL from 1st January 2027. The CBAM tariffs are a variable charge linked to the carbon emissions embedded in the imported electricity with pricing aligned to the EU Emissions Trading Scheme. We have had ongoing engagement with policy makers in the EU, to ask for clarity how these tariffs will be implemented with continued uncertainty on what the tariffs will be for the customers of BritNed. Within our remit, BritNed aims to provide as much clarity to customers as possible.

Market Surveillance
BritNed optimised the Market Surveillance activities to monitor market behaviour of Participants in line with our REMIT Persons Professionally Arranging Transactions (PPAT) responsibility.

Review of Electricity Market Arrangements (UK)
The UK Government is working towards a Review of the Electricity Markets Arrangements to facilitate the committed Net Zero targets. BritNed are closely monitoring these developments and inputting into various consultations as this framework is being defined.

Trade and Cooperation Agreement (TCA)
The Trade and Cooperation Agreement between the UK and EU on Energy includes the option to explore the possibility of the Multi-Region Loose Volume Coupling (MRLVC). The Specialised Committee of Energy (SCE) tasked Transmission System Operators and Nominated Electricity Market Operators to undertake a validation study, which concluded that implementation of MRLVC is complex, with UK rejoining the Internal EU Energy market a viable alternative.

UK to rejoin the Internal Electricity Market
The UK government and the European Commission have concluded exploratory talks on the UK's participation in the EU's Internal Electricity Market and are moving toward formal negotiations. This has the potential to facilitate BritNed's participation in implicit trading options instead of the current explicit trading options.

Security and Cyber

During 2025 BritNed continued to take proactive steps in line with the requirements and changes in the geopolitical environment to protect itself from Cyber and Physical threats.

Physical Security

During the year BritNed successfully tendered for an upgrade on our physical security across both the UK and NL. Works have commenced in the UK with completion of both sites on track for delivery by the end of 2026. Enhancements include but are not limited to perimeter reinforcement, extended CCTV coverage and robust access controls.

Cyber

As mentioned in the 2024 annual report BritNed achieved NIS Basic Profile compliance. This was recently audited and we continue to maintain compliance as well as the completion of relevant requirements to meet Enhanced Profile. Within The Netherlands, BritNed continues to implement mirroring controls across the border in anticipation of the NIS2 regulation coming into effect in the near future.

BritNed is working towards ISO 270001 Certification in both the UK and NL and expects to be compliant with this standard in Q2 2026.

S172 Statement

The Directors of the Company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006.

The Board ensures that the Directors have acted both individually and collectively in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of all its members.

The Board sets the tone for monitoring and upholding the standards, values and culture of the Company to ensure that the obligations to our shareholders, stakeholders and wider society are met. The Board delegates day to day management and decision making to the Management Team. Both the Board and the Management Team comprise an equal mix of personnel from the parent companies. Each year a review of the Company's strategy and business plan for the following three years is undertaken by the Management Team for challenge, review and approval by the Board. This plan includes the medium to long-term direction for the Company taking account of the internal and external environment, as well as setting the performance targets for the three years ahead. Once approved by the Board, this plan underpins the day-to-day operation of the business actively managed through embedded governance structures. Outside of the formal Board meetings the Directors maintain oversight of the Company's performance through the receipt of monthly performance reports to ensure management is acting in accordance with the strategy and plans agreed by the Board, and its delegated authorities.

The Board operates a forward agenda of standing items appropriate to the Company's operating reporting cycles and commensurate with the operational challenges facing the business. Items requiring approval by the Board are clearly defined within the Joint Venture Agreement.

Impact of Our Operations on the Community and the Environment

Directors recognise that the operation of critical national infrastructure carries responsibilities to the communities in which we operate and to the environment. Our approach is focused on acting responsibly, limiting adverse impacts arising from our activities, and contributing positively where opportunities arise.

Environmental impact
BritNed plays an important role in supporting the energy transition by facilitating the efficient exchange of electricity between Great Britain and the Netherlands, contributing to system resilience and the integration of renewable generation. While the Company's operational footprint is relatively limited, The Board actively monitor and manage the environmental impacts associated with our activities.

Environmental performance is measured and reported in line with the UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements. This includes the measurement of Scope 1 and Scope 2 greenhouse gas emissions, together with a baseline assessment of Scope 3 emissions relating primarily to employee travel. Emissions from the Company's operations arise predominantly from electrical energy consumption at converter stations and offices, and from SF_6 leakage associated with high-voltage equipment.

During the year, the Directors continued to prioritise improvements in asset maintenance and operational practices aimed at reducing emissions, particularly through enhanced monitoring and prompt response to SF6 leakage. Targets have been set to further reduce operational emissions in future years, and progress against these targets is monitored as part of business planning and performance reporting.

Community impact
The Company seeks to maintain positive relationships with local communities in both the UK and the Netherlands. Given the nature of its operations, direct community impacts are limited; however, community engagement is supported through corporate giving and volunteering.

Employees are encouraged to support charitable and community initiatives, including through a matched giving programme and participation in volunteering activities. During the year, financial donations were made to a range of charities nominated by employees, and members of the team contributed time and expertise to educational, heritage, and not-for-profit organisations.

Engaging with stakeholders to deliver long-term success is achieved by:

Engaging with our employees
The wellbeing and safety of our employees from the parent companies is a primary consideration in how we do business. To do this we ensure the Company has one set of values to inform and guide behaviour so we can achieve the goals of the Company in the right way. A focus on people has been included in the Company performance framework and will be actively managed / reported as a result. All team members within BritNed are involved in the periodic refresh of those values.

Business Relationships
The Board members regularly promote the benefits of interconnection within industry and government. As an example, members recently collaborated with the Transmission System Operators of the North Sea countries to form a joint view of the future of offshore grids and presented the findings to the countries' Energy Ministers.

Shareholders
The Directors also understand the importance of the need to act fairly between the shareholders of the Company with fair representation from each parent company.

The Directors are of the opinion that the remaining details of how they meet their duty is in line with those reflected by the Directors of National Grid plc in their Annual Report. Please refer to pages 22-24 of the National Grid plc Annual Report and Accounts (available at: www.nationalgrid.com/investors) for more information on how the Group Directors meet their duty.

This data complies with the UK government's Streamlined Energy and Carbon Reporting (SECR) requirements.

The Strategic Report was approved by the Board and signed by its order by

Katie Hollis

Signed by:
Katie Hollis
436F5B10D90A442...

Company Secretary
11th May 2026

BritNed Development Limited
Directors' Report
for the year ended 31 December 2025

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

Future developments

Details of future developments have been included within the Strategic Report on page 7.

Dividends

The Directors approved and paid dividends of €125.1m (2024: €62.6m) during the year.

Financial risk management

The management of the Company and the execution of the Company's strategy are subject to a number of risks. The Directors have identified the need to manage the Company's material financial risks, including liquidity, credit and foreign exchange risks.

Liquidity risk

The Company finances its operations through a combination of retained profits and cash generated by the business to ensure that the Company has sufficient funds available for current operations and future activities.

Credit risk

Credit risk is defined as the risk that a counterparty will not meet its obligations, leading to a financial loss for the Company. The credit risk on trade receivables is very limited as all material credit risks are secured by means of Letters of Credit or cash deposits in business accounts.

Foreign exchange risk

To the extent that the Company enters into transactions in currencies different to that of the Company's functional currency, there is an exposure to movement in exchange rates. The Company does not participate in economic hedging but does perform currency swaps with National Grid Holdings One plc, an entity wholly owned by National Grid plc (referred to as National Grid).

Directors

The Directors of the Company during the year and up to the date of signing of the financial statements were:

Jan-Paul Dijckmans
Rebecca Sedler
Clara Semal
Richard Gort (Appointed 1st January 2025. Resigned 1st August 2025)
Frank Woessink (Appointed 1st August 2025)

Directors' indemnities and insurance

National Grid has arranged, in accordance with the Companies Act 2006 and the Articles of Association, qualifying third party indemnities against financial exposure that National Grid Directors may incur in the course of their professional duties. Alongside these indemnities, National Grid places Directors' and Officers' liability insurance for each National Grid Director.

Qualifying third party indemnity was in force during the financial year and at the date of approval of the financial statements.

TenneT's Directors & Officers (D&O) policy contains a so-called Outside Directorship Liability (ODL) coverage. The ODL is applicable for persons which are explicitly appointed by TenneT as a director/officer of 'outside' entities, such as BritNed. This ODL cover shall be excess of any indemnification provided by the 'outside' entity and any valid and collectible D&O insurance where such payment is made in respect of the 'outside' entity.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom adopted international accounting standards.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BritNed Development Limited
Directors' Report (continued)
for the year ended 31 December 2025

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006; and

- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern

The Directors of BritNed are not aware of any material uncertainties related to events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further guidance on the Going Concern assessment can be found in Note 1(b) of the Notes to the Financial Statements.

Statement on engagement with suppliers, customers and others in a business relationship with the company

Details of stakeholder engagement have been included within the Strategic Report on page 4.

Independent Auditors

During the year, the Board of BritNed Development Limited appointed Deloitte LLP as its auditors who are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

The Directors' Report was approved by the Board and signed by its order by:

Katie Hollis

Signed by:
Katie Hollis
436F5B10D90A442...

Company Secretary
11th May 2026

Registered Office
1-3 Strand
London
WC2N 5EH

BritNed Development Limited
Independent auditors' report to the members of BritNed Development Limited
Report on the audit of the financial statements

Opinion
In our opinion the financial statements of BritNed Development Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BritNed Development Limited
Independent auditors' report to the members of BritNed Development Limited
Report on the audit of the financial statements (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence and environmental regulations.

We discussed among the audit engagement team including internal IT specialist regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Victor Nicolaou-Garcia, ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

Signed by:
Victor Nicolaou-Garcia
6523256BB2DD456...

London, United Kingdom
11th May 2026

BritNed Development Limited
Income statement
for the year ended 31 December 2025

	Note	2025 (€m)	2024 (€m)
Revenue	4	**164.9**	130.9
Administrative expenses	5.1	**(41.1)**	(53.4)
Operating profit		**123.8**	77.5
Finance expenses	5.3	**(3.6)**	(2.7)
Finance income	5.3	**1.2**	0.6
Profit before tax		**121.4**	75.4
Tax expense	6	**(27.6)**	(20.0)
Profit for the year		**93.8**	55.4

The results reported above relate to continuing activities.

There is no other comprehensive income for the financial years. Accordingly, no separate statement of comprehensive income is presented.

The notes on pages 20 to 40 form part of these financial statements.

BritNed Development Limited
Balance Sheet
as at 31 December 2025

	Note	2025 (€m)	2024 (€m)
Assets			
Non-current assets			
Property, plant and equipment	7	**365.3**	389.9
Right of use assets	14	**33.9**	35.1
Intangible assets	8	**3.7**	4.5
		402.9	429.5
Current assets			
Trade and other receivables	9	**23.0**	18.3
Cash and cash equivalents		**42.0**	76.4
Cash collateral held for trade receivables	18	**42.8**	40.7
		107.8	135.4
Total assets		**510.7**	564.9
Equity and liabilities			
Non-current liabilities			
Other non-current liabilities	11	**1.4**	1.4
Lease liabilities	14	**37.1**	37.7
Provisions	16	**33.2**	47.9
Deferred tax liabilities	12	**4.0**	7.4
		75.7	94.4
Current liabilities			
Trade and other payables	10	**8.0**	21.5
Current tax liabilities	10	**7.1**	-
Liabilities for cash collateral	18	**42.8**	40.7
Lease liabilities	14	**1.3**	1.2
		59.2	63.4
Total liabilities		**134.9**	157.8
Equity			
Share capital	13	**113.8**	113.8
Retained earnings	13	**262.0**	293.3
Total equity		**375.8**	407.1
Total equity and liabilities		**510.7**	564.9

The notes on pages 20 to 40 form part of these financial statements.

The financial statements on pages 16 to 40 were approved by the Board of Directors on 11th May 2026 and signed on its behalf by:

Clara Semal

DocuSigned by:

Clara Semal

FEDA2FB0CC7141F...

11th May 2026
BritNed Development Limited
Company registration number: 04251409

Frank Woessink

Signed by:

Frank Woessink

75333415BA9C471...

11th May 2026
BritNed Development Limited
Company registration number: 04251409

BritNed Development Limited
Statement of changes in equity
for the year ended 31 December 2025

				2025 (€m)			2024 (€m)
	Note	**Share capital**	**Retained earnings**	**Total Equity**	**Share capital**	**Retained earnings**	**Total Equity**
Balance as at 1 January	13	113.8	293.3	**407.1**	113.8	300.5	414.3
Profit for the year			93.8	**93.8**	-	55.4	55.4
Dividends	13		(125.1)	**(125.1)**	-	(62.6)	(62.6)
Balance as at 31 December		**113.8**	**262.0**	**375.8**	**113.8**	**293.3**	**407.1**

Retained earnings represent the accumulated profits and losses of the Company after dividends paid.

The notes on pages 21 – 42 form part of these financial statements.

BritNed Development Limited
Cash flow statement
for the year ended 31 December 2025

	Note(s)	2025 (€m)		2024 (€m)	
Cash flows from operating activities					
Profit before tax			**121.4**		**75.4**
Adjustment for:					
Depreciation and amortisation of assets	7,8,14	**18.1**		**18.7**	
Loss on disposal of fixed asset	5.1	**-**		**0.6**	
Interest expense	5.3	**2.4**		**2.1**	
Changes in working capital:					
(Increase)/Decrease in trade and other receivables	9	**(4.7)**		**0.6**	
Increase/(Decrease) in trade and other payables	10	**(13.5)**		**9.4**	
Cash generated from operations			**123.7**		**106.8**
Tax paid			**(23.9)**		**(20.8)**
Net cash generated from operating activities			**99.8**		**86.0**
Cash flows from investment activities					
Purchase of tangible fixed assets	7	**(9.0)**		**(7.8)**	
Interest received	5.3	**1.2**		**0.6**	
Net cash flows used in investing activities			**(7.8)**		**(7.2)**
Cash flows from finance activities					
Dividends paid to equity holders of the company	13	**(125.1)**		**(62.6)**	
Cash payments for the principal portion of the lease liability	14	**(1.3)**		**(1.2)**	
Net cash flows used in financing activities			**(126.4)**		**(63.8)**
Net increase/decrease in cash and cash equivalents			**(34.4)**		**15.0**
Cash and cash equivalents at beginning of year			**76.4**		**61.4**
Cash and cash equivalents at end of year			**42.0**		**76.4**

The notes on pages 20 – 40 form part of these financial statements. Cash and cash equivalents are cash on hand and on demand deposits.

1 Accounting policies

a) Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared on a historical cost basis and are presented in Euros and rounded to the nearest million with 1 decimal point, except when otherwise indicated. The Euro is the currency of the primary economic environment in which the Company operates. Accounting policies have been applied consistently.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements requires management to make accounting estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The Company is a private company, limited by shares, domiciled, and incorporated in the UK and registered in England and Wales. The address of the registered office is:

1-3 Strand
London
WC2N 5EH

b) Going concern

The going concern basis presumes that the Company has adequate resources to remain in operation and that the Directors intend it to do so. Whilst the economic and geo-political situation in Europe create uncertainty, the Company continues to perform well and the Directors confirm that to the best of their knowledge, the Company has adequate resources to remain in operation and consequently the financial statements have been prepared on a going concern basis.

The Company meets its day-to-day working capital requirements through its bank facilities and the Company's forecasts and projection. Taking account of reasonable possible changes in trading performance including severe but plausible downside, the Company should be able to operate within the level of its current facilities for at least 12 months from the date of signing these financial statements. The Directors review the Cash flow forecast regularly which is prepared for Dividend distribution purposes and take immediate action to mitigate possible liquidity risks.

1 Accounting policies (continued)

c) Revenue recognition

Revenue comprises the value of interconnector capacity sold excluding value added tax and other sales taxes. It largely comprises explicit revenue net of curtailment amounts and implicit revenues net of use it or sell it compensations. Implicit revenue is also shown as the net of sales and purchases of energy as the Company is deemed to be acting as an agent rather than principal. Other revenue reflects the value of the frequency response service, participation in the GB Capacity Market and other minor ancillary services such as Intertrip services excluding value added tax and other sales taxes.

BritNed provides capacity to flow electricity capacity between the Netherlands and the UK. This is a distinct service and the customer benefits from the capacity provided, allowing flows between the UK and the Netherlands. No other service or goods are provided with the capacity. The price is set through an auction and sold per MWH, therefore there is no variable consideration, and no adjustment would be made to the price sold through the auction.

Multi Day Products
Explicit Auction Revenue is recognised for annual/quarterly/monthly/multi-day/weekend auctions for the period when the capacity is delivered.

Day Ahead Products
Explicit Auction Revenue includes the day ahead revenue and is recognised on the day it is sold for delivery.

Intraday Products
Explicit Auction Revenue is also sold for intraday products which is also recognised on the day it is sold for delivery.

Capacity Mechanism
The Capacity Mechanism is a yearly agreement that BritNed enters into, to provide capacity in any stress event during that year. The revenue from this agreement is recognised through the annual delivery period to which it relates.

d) Property, plant and equipment and depreciation

Property, plant and equipment are included in the balance sheet at cost less accumulated depreciation and impairment. Cost includes payroll and other costs incurred which are directly attributable to the construction of tangible fixed assets including an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

No depreciation is provided on assets in the course of construction. Property, plant and equipment are depreciated on a straight-line basis at the rate estimated to write off the book value over the estimated useful economic life, which is reviewed on a regular basis. Estimated useful economic lives are between 15 and 40 years for plant and machinery, 3 years for fixtures and fittings and 40 years for freehold property.

e) Intangible fixed assets and amortisation

Intangible assets are included in the balance sheet at cost less accumulated amortisation and impairment. Intangible assets include software and work in progress expenditure, with the latter being held here until the project it relates to is considered ready for use.

Software consists of capitalised development expenditure being an internally generated intangible asset. Development expenditure is recognised as an intangible fixed asset where the project is considered to be technically and commercially viable, resources exist to complete the development and the recovery of project costs is reasonably assured. Such development

1 Accounting policies (continued)

Intangible fixed assets and amortisation (continued)

expenditure is amortised on a straight-line basis over the expected period of benefit commencing from when the development is brought into use. The amortisation period for development assets is 7 years.

Work in Progress includes costs deriving from projects which are not considered completed until the reporting date and are held in intangible assets without being amortised.

f) Impairment of Financial Assets

The Company recognises allowances for expected credit losses (ECLs) on financial assets that are carried at amortised cost.

For trade receivables and contract assets, loss allowances are measured on a lifetime ECL basis.

In assessing whether there has been a significant increase in credit risk since initial recognition and in estimating ECLs, the Company uses reasonable and supportable information that is available without undue cost or effort. This assessment incorporates both quantitative and qualitative factors, drawing on the Company's historical experience and informed credit judgement, and includes consideration of forward-looking information.

g) Impairment of Non-Financial Assets

At each reporting date, the Company assesses the carrying values of its non-financial assets to determine whether there are any indications that an asset may be impaired. Where such indicators are identified, the recoverable amount of the relevant asset is calculated

The recoverable amount of an asset or cash-generating unit is determined as the higher of its value in use and its fair value less costs of disposal. In calculating value in use, projected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing purposes, assets that cannot be assessed individually are allocated to the smallest group of assets that generates largely independent cash inflows from ongoing use.

An impairment loss is recognised in profit or loss when the carrying value of an asset exceeds its recoverable amount. Impairment losses recognised in prior periods are reviewed at each reporting date to assess whether there is any indication that the loss has reduced or no longer exists. Where such indications are present, impairment losses are reversed if, and only if, there has been a change in the assumptions used to estimate the recoverable amount, and the reversal is limited so that the revised carrying amount does not exceed the amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

h) Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to ensure the Company continues to operate with no debt.

The Company manages cash as capital and can adjust the capital structure by adjusting the amount of dividends paid to shareholders.

The Company monitors capital on the basis of retained cash. During the year the Company's strategy is to maintain a consistent level of cash to meet its obligations. This strategy has remained unchanged from prior years.

1 Accounting policies (continued)

i) Collateral

Cash and cash equivalents include cash deposits held at call with banks.

In the balance sheet, cash collateral held by BritNed for trade receivable purposes is shown within other amounts receivable in current assets and the same amount is shown within other liabilities as Liabilities for cash collaterals in current liabilities.

With consideration of the contractual restrictions and that BritNed does not utilise these deposit balances for liquidity purposes, it has been determined to present these deposits as a separate line on the balance sheet, facilitating a better understanding of BritNed's financial position. This approach is consistent with the TenneT Group Accounting Manual.

j) Foreign currencies

Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign exchange currencies are retranslated at closing exchange rates. Gains and losses arising on retranslation of monetary assets and liabilities are included in the income statement.

k) European Union Grant Funding

The Company received project funding from the European Union during the construction phase of the interconnector. European Union grant funding that relates to specific capital expenditure is treated as deferred income which is then credited to the income statement over the useful life of the interconnector.

l) Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

a. Decommissioning

Provision for decommissioning costs is based on the estimated costs of dismantling and removing a fixed asset and restoring the site on which it is located. For the computation of the decommissioning present cost, liabilities and provision, the expected inflation to the time of actual decommissioning the asset and a discount rate have been considered. The provision is recognised at a present value of these costs are discounted, given the time horizon of the useful file of the asset. In addition, unwinding of discount is presented as finance costs.

1 Accounting policies (continued)

m) Taxation

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided for using the balance sheet liability method and is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised on all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business combination) that affects neither the accounting nor the taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

n) New and amended standards adopted by the company

Material new and amended IFRS Accounting Standards adopted by BritNed

- Amendments to IAS 21: The effect of changes in foreign exchange rates

The issued changes to IFRS Accounting Standards do not have a material impact on the financial statements.

IFRS Accounting Standards issued but not effective and adopted by the Company.

- IFRS 18: Presentation and Disclosure in Financial Statements

BritNed Development Limited has not early adopted this standard. The Company is currently assessing the impact of these standards on its financial statements and it is expected to significantly affect presentation and disclosure.

o) Financial Instruments

Financial instruments comprise investments in trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables
Trade and other receivables are recognised initially at fair value. After initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables
Trade and other payables are recognised initially at fair value. After initial recognition they are measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

o) Financial Instruments (Continued)

Cash and cash equivalents
Cash and cash equivalents comprise of cash at bank and short-term Treasury deposits. Short-term Treasury deposits have a maturity of less than three months from the date at which the investment is acquired. In the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents, as defined above.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

a) Critical judgements

There are no critical accounting judgements that would have a significant effect on the amounts recognised in these financial statements.

b) Key accounting estimates

<u>Capped return on investment</u>

The Company is subject to a capped return on its investment in the interconnector asset in relation to the exemption from article 6(6) of the EC regulation 1228/2003. BritNed's amended exemption order imposed a cap of 11.8% IRR, with profits exceeding this either being reinvested to increase the interconnector's capacity or returned to the regulated asset bases of GB and NL. The amendment also provided for a review of such after 10 years of operation.

Volatility in the Internal rate of return is largely driven by Auction Revenue variability through the 25 year period of the regulatory framework.

In 2021, after 10 years of operation BritNed submitted a financial report, providing the National Regulatory Authorities (NRAs) with a forecast of the company's return on investment. The NRAs concluded that profits are below the capped level and did not exceed the maximum allowed return in the future.

In 2025, the management team carried out its annual internal review of the investment returns considering recent changes in market conditions, and future forecasts. The revenue forecast that formed part of this assessment was carried out by an independent third-party consultant considering multiple variables that may impact the BritNed market position.

This assessment concluded that profits remain below the capped level and are not currently forecast to exceed the maximum allowed return in the future. In conclusion it was determined that at this time, as no present obligation exists and there is no certainty surrounding a future obligation, no adjustments have been made.

Sensitivity Analysis on Capped Return on Investment

Sensitivity analysis has been carried out on the Capped Return on Investment to consider future revenue variability through to the end of the 25 year framework in 2036.

Should total revenues exceed those of the independent third party study by approximately 20-25% through until 2036, the Internal Rate of Return would exceed the capped return of 11.8%. This assumes that post-tax operating cashflows scale proportionally with revenue and costs

b) Key accounting estimates (continued)

remain unchanged. Note that this is intended as a directional estimate only given that IRR is not linear in revenue.

This judgemental area will continue to be reviewed and updated on a periodic basis.

2 Critical accounting judgements and key sources of estimation uncertainty (Continued)

b) Key accounting estimates (continued)

Useful economic life

Depreciation is calculated using the straight-line depreciation method to allocate costs to the assets' residual values over their estimated useful lives. The depreciation of the cable is calculated over a 40-year useful economic life.

Depreciation of Right-of-use assets is calculated based on the most realistic point at which the lease may end. This can the end of the life of the longest depreciating asset (the cable over 40 years to 2051) or a different date the business is expected to exist until. Considering the above factors, the following lease end dates have been considered as the end of useful economic lives with the commencement date on 01/01/2019:

Lease	Proposed end date for IFRS16
Land at Maas	2051 (in line with end cable depreciation period)
Land at Isle of Grain	2055 (first possible break after end of cable depreciation period)
Rent & Services MCE Building	2051 (in line with end cable depreciation period)
Isle of Grain car	2023 (end of the fixed term contract)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any changes is accounted for prospectively.

Note that the Isle of Grain car has now been fully depreciated, with the final cost being accounted for in 2023.

Decommissioning Provision

Decommissioning is classified as a key accounting estimate because the recognised provision is highly sensitive to judgement-based assumptions about uncertain future events, and small changes in those assumptions can have a material impact on the financial statements

BritNed has amended the decommissioning estimate for year-end 31 December 2025. In fiscal year 2025, the discount rate was revised from 1.0% to 2.85%, resulting in a €17.5m adjustment to the decommissioning provision. This change was recognized in accordance with IFRIC 1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities', with a corresponding adjustment to the related decommissioning asset.

The decommissioning provision as at 31 December 2025 is €33.2m and the asset amount is €16.78m which will be depreciated over the remaining useful life of the assets. The remaining expected cable lifespan is 27 years i.e. until the decommissioning obligations are expected to crystallise. The provision includes all the associated costs relating to any obligation of the company to decommission the physical assets present in the future.

This cost is being discounted using a risk-free rate of 2.85% and the long-term expected RPI which is used for the calculation of the provision value is 3.0%.

3 Directors and employees

The emoluments of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other National Grid or TenneT group undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements.

There were no direct employees of the Company during 2025 (2024: none). All staff were external contractors or seconded to BritNed Development Limited from the joint venture partners National Grid plc and TenneT Holding B.V.

4 Revenue and other income

	2025 (€m)	2024 (€m)
Net explicit revenue	**138.6**	115.5
Other revenue	**26.3**	15.4
Total Revenue	**164.9**	130.9

Other revenue comprises of the following elements:

	2025 (€m)	2024 (€m)
Capacity Market revenue	**25.9**	13.3
Ancillary services	**0.3**	2.0
Deferred Grant Income	**0.1**	0.1
Total Other Revenue	**26.3**	15.4

5 Administrative expenses

5.1 Expenses by nature

Administrative expenses can be broken down as follows:

	Note	2025 (€m)	2024 (€m)
Depreciation – Decommissioning provision	7	**0.6**	1.3
Depreciation	7	**15.5**	15.6
Amortisation	8	**0.8**	0.6
Personnel costs		**9.2**	7.4
General rates and taxes		**2.6**	1.1
Foreign exchange losses/(gains)		**0.1**	(0.1)
Insurance		**12.2**	12.0
Depreciation - IFRS16	14	**1.2**	1.2
Loss on disposal of fixed asset		**-**	0.6
Other costs		**(1.1)**	13.7
Total Administrative Expenses		**41.1**	53.4

Personnel costs relate to recharges from the parent companies for the services provided through the personnel seconded to the company as there are no employees in the company.

Other costs includes imbalance cost or income. In 2024 other costs incurred largely relates to maintenance costs at our operational sites in the Isle of Grain and Maasvlakte.

5.2 Auditors' remuneration

During the year the Company obtained the following services from the independent auditors:

	2025 (€'000)	2024 (€'000)
Audit of the financial statements	**89.5**	87.5
Non-audit services - tax compliance	**11.6**	15.3
Total auditors' remuneration	**101.1**	102.8

BritNed Development Limited
Notes to the financial statements (continued)
for the year ended 31 December 2025

5.3 Finance Income and Expenses

	2025 (€m)	2024 (€m)
Interest paid/payable for lease liabilities	**(0.8)**	(0.8)
Interest unwind on decommissioning provision	**(2.8)**	(1.9)
Interest receivable and similar income	**1.2**	0.6
Net finance expense	**(2.4)**	(2.1)

6 Tax Expense

	2025 (€m)	2024 (€m)
Current tax:		
UK corporation tax	**15.2**	10.0
UK corporation tax adjustment in respect of prior years	**0.1**	0.7
Overseas corporation tax	**15.7**	9.5
Total current tax	**31.0**	20.2
Deferred tax:		
UK deferred tax	**(1.4)**	(0.3)
UK deferred tax adjustment in respect of prior years	**(2.0)**	0.1
Total deferred tax (note 12)	**(3.4)**	(0.2)
Total Tax charge	**27.6**	20.0

The tax charge for the year is lower (2024: higher) than the standard rate of corporation tax in the UK for the year of 25% (2024: 25%).

	2025 (€m)	2024 (€m)
Profit before income tax	**121.4**	75.4
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 25.0% for 2025 (2024: 25.0%)	**30.3**	18.9
Effect of:		
Permanent items	**0.7**	0.7
Unrelieved foreign tax	**(1.5)**	(0.3)
Adjustments in respect of prior years	**(1.9)**	0.7
Total tax charge for the year	**27.6**	20.0

The closing deferred tax balance has been calculated using the 25% tax rate in 2025 (2024:25%).

BritNed Development Limited
Notes to the financial statements (continued)
for the year ended 31 December 2025

7 Property, plant and equipment

	Freehold property (€m)	Plant and Machinery (€m)	Fixtures and fittings (€m)	Work in Progress (€m)	Total (€m)
Cost					
At 1 January 2025	74.6	522.5	0.2	4.9	602.2
Reclassification	-	2.2	-	(2.2)	-
Additions	-	-	-	9.0	9.0
Decommissioning - Remeasurement Adjustment	-	(17.5)	-	-	(17.5)
At 31 December 2025	**74.6**	**507.2**	**0.2**	**11.7**	**593.7**
Accumulated Depreciation					
At 1 January 2024	25.4	186.8	0.1	-	212.3
Depreciation for the year	1.9	14.2	-	-	16.1
At 31 December 2025	**27.3**	**201.0**	**0.1**	**-**	**228.4**
Net Book value:					
At 31 December 2024	49.2	335.7	0.1	4.9	389.9
At 31 December 2025	**47.3**	**306.2**	**0.1**	**11.7**	**365.3**

A new section has been added in 2025 in Tangible assets to reflect the Work in Progress figures.

8 Intangible assets

	Software (€m)	Total (€m)
Cost:		
At 1 January 2025	9.8	9.8
At 31 December 2025	**9.8**	**9.8**
Accumulated Amortisation		
At 1 January 2025	5.3	5.3
Amortisation for the year	0.8	0.8
At 31 December 2025	**6.1**	**6.1**
Net Book value:		
At 31 December 2024	4.5	4.5
At 31 December 2025	3.7	3.7

Work in Progress balances have been reclassified from Intangible to Tangible Assets to better reflect the underlying nature of the Assets.

9 Trade and other receivables

Trade and other receivables can be broken down as follows:

	2025 (€m)	2024 (€m)
Trade receivables	**-**	0.3
Amounts owed by group undertakings	**7.3**	7.1
Other amounts receivable	**2.5**	2.7
Prepayments and accrued income	**13.2**	8.2
Total	**23.0**	18.3

Amounts owed by group undertakings are unsecured, interest free and due on demand.

Included within Prepayments and accrued income is €9.0m (2024: €4.3m) of contract assets relating to services delivered in the year.

10 Trade and other payables

Trade and other payables can be broken down as follows:

	2025 (€m)	2024 (€m)
Trade payables	**1.3**	1.6
Amounts owed to group undertakings	**0.7**	1.8
Corporation tax payable	**7.1**	-
Other taxes payable	**(0.6)**	(0.2)
Accruals and deferred income	**6.6**	18.3
Total	**15.2**	21.5

Amounts owed to group undertakings are unsecured, interest free and due on demand.

Included within Accruals and deferred income is €6.3m (2024: €6.4m) of contract liabilities relating to services to be delivered in the next financial year.

BritNed Development Limited
Notes to the financial statements (continued)
for the year ended 31 December 2025

11 Other non-current liabilities

	2025 (€m)	2024 (€m)
Deferred grant income	1.4	1.4
Total	1.4	1.4

The Company received project funding from the European Union during the construction phase of the interconnector. European Union grant funding that relates to specific capital expenditure is treated as deferred income which is then credited to the income statement over the useful life of the interconnector.

12 Deferred tax liabilities

	Accelerated tax depreciation 2025 (€m)	**Accelerated tax depreciation 2024 (€m)**
Deferred tax liabilities		
Deferred tax liabilities at 1 January	**7.4**	7.6
Credited to income statement	**(3.4)**	(0.2)
At 31 December	**4.0**	7.4

13 Equity attributable to owners of the Company

	2025 (€m)	2024 (€m)
Called up and fully paid		
1 (2023: 1) "A" share of £1	**-**	-
1 (2023: 1) "B" share of £1	**-**	-
284,500,000 (2023: 284,500,000) "C" shares of 0.2 euro each	**56.9**	56.9
284,500,000 (2023: 284,500,000) "D" shares of 0.2 euro each	**56.9**	56.9
	113.8	113.8
Retained earnings		
Reserves	**168.2**	237.9
Profit for the year	**93.8**	55.4
	262.0	293.3
	375.8	407.1

The A and B shares are equity shares and rank pari passu in all respects. The C and D shares are also equity shares and rank pari passu in all respects.

13 Equity attributable to owners of the Company (continued)

Dividend distribution

In 2025, the Company distributed a €125.1 million common dividend (€0.12 per share) to its ordinary shareholders. This is a dividend payout ratio of 1.33 over a net income of €93.8 million (2024: ratio of 1.13 over a net income of €55.4 million).

	2025	2024
Dividend (€m)	**125.1**	62.6
Dividend Per Share (€)	**0.22**	0.11

14 Lease commitments

a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	**as at 31/12/25 (€m)**	as at 31/12/24 (€m)
Buildings	33.9	35.1
Total	33.9	35.1
Lease Liabilities		
Current	1.3	1.2
Non-current	37.1	37.7
Total	**38.4**	38.9

Current liabilities in 2024 adjusted to reflect the interest portion of the lease payments.

b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts related to leases:

Depreciation charge of right of use assets	**2025 (€m)**	2024 (€m)
Buildings	1.2	1.2
Total	**1.2**	1.2
Interest cost (on lease liabilities)	0.8	0.8
Total	**0.8**	0.8

The total cash outflow for leases in 2025 was €1.3m (2024: €1.4m).

c) Maturity Analysis – contractual undiscounted cash flows

Maturity analysis - contractual undiscounted cash flows	**2025 (€m)**	2024 (€m)
Less than 1 year	1.3	1.3
One to five years	7.1	7.0
More than 5 years	47.3	48.7
Total	**55.7**	57.0

Prior year analysis has been updated to reflect the model calculation for 2024.

15 Financial assets and financial liabilities

Financial assets at amortised cost	2025 (€m)	2024 (€m)
Trade and other receivables excluding prepayments	**18.8**	14.4
Cash and cash equivalents	**42.0**	76.4
Cash Collateral held for trade receivables	**42.8**	40.7
Total	**103.6**	131.5

Liabilities at amortised cost	2025 (€m)	2024 (€m)
Trade and other payables excluding non-financial liabilities	**9.3**	15.3
Discounted future lease payments	**38.4**	38.9
Liabilities for Cash Collateral	**42.8**	40.7
Total	**90.5**	94.9

a) Trade and other receivables

Trade receivables and other receivables are amounts due from customers for services performed in the normal course of business including accrued income. Amounts of prior years have been adjusted accordingly to include accrued income and display the respective amounts.

Due to the short-term nature of the trade receivables, their carrying amount is assumed to be the same as their fair value.

b) Trade and other payables

Trade payables are unsecured, interest free and due on demand including accrued expenses.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

c) Lease liabilities

After the implementation of IFRS 16 as from 1st January 2019, the company recognises current and non-current Lease liabilities which reflect discounted future lease payments.

BritNed Development Limited
Notes to the financial statements (continued)
for the year ended 31 December 2025

15 Financial assets and financial liabilities (Continued)

Foreign Exchange Risk:

Exposure to Currency Risk

The Company's exposure to Foreign currency risk is derived from the sterling balances at year end as follows;

	For the year ended 31 December 2025 **(€m)**	For the year ended 31 December 2025 **(£m)**
Financial Assets	12.3	10.2
Financial Liabilities	27.4	22.7
	39.7	32.9

Sensitivity Analysis

If the foreign currency fluctuates by 10% the impact on Euro against the pound sterling at 31 December 2025 would have increased/(decreased) net assets by the amounts shown below. This calculation assumes that the changed occurred at the balance sheet date and had been applied to risk exposures at that date.

The analysis assumes that all other variables remain constant. The table below shows the impact of a 10% strengthening of the Euro against the pound sterling at 31 December 2025. A 10% weakening of the Euro would have the equal and opposite effect on the amounts detailed below, assuming all over variables remain constant.

Net Assets & Liabilities	**2025 (€m)**	2024 (€m)
(Increase) / Decrease in Financial Assets	**1.4**	1.2
Increase / (Decrease) in Financial Liabilities	**(2.4)**	(2.6)
Profit/Loss		
Increase / (Decrease) in Financial Expense	**(1.0)**	(1.4)

15 Financial assets and financial liabilities (Continued)

Credit Risk:

Credit Risk Management

BritNed is exposed to credit risk primarily through trade and other receivables which is mitigated through the requirement for customers to provide collateral in advance of participation in capacity auctions, with trading limits set in line with the collateral provided.
This policy aligns with contractual arrangements detailed in the BritNed Access Rules agreed with respective National Regulatory Authorities.

In line with The BritNed Access Rules, Trade and Other Receivables are due within 10 Business days. The aging profile of trade receivables as at 31st December 2025 was as follows:

Aging Profile	**As At 31st Dec 2025 (€m)**
Not Past Due	0.0
Past due less than 30 days	0.0
Past due 30–90 days	0.0
Past due more than 90 days	0.0

Receivables that are past due are reviewed individually on a monthly basis to assess recoverability. No receivables were impaired at the reporting date. Management consider credit risk to be low.

Liquidity Risk

Liquidity Risk Management

BritNed manages liquidity risk by forecasting cash flows on a regular basis and maintaining sufficient cash and cash equivalents,. The BritNed Dividend Policy ensures that due consideration is given to cash retention within the business, ahead of declaration of dividends to avoid the need for shareholder support.

Liquidity requirements are monitored through rolling cash flow forecasts, with due consideration given to forecast operating cash flows and capital expenditure.

Assessment of Liquidity Risk

BritNed considers liquidity risk to be low as it has predictable operating cash flows and maintains adequate liquidity headroom at all times, including in the event of a sustained operational outage. BritNed has not experienced any liquidity shortfalls during the year and expects to be able to meet its obligations as they fall due for at least the next 12 months.

Maturity Analysis of Financial Liabilities

The table below summarises the contractual, undiscounted cash flows of BritNed's financial liabilities as at 31st Dec 2025 by maturity:

Aging Profile (€m)	**Trade Payables**	**Group Undertakings**	**Corporation Tax**	**Other Taxes Payable**	**Accruals and Deferred Income**
Overdue	0.0	0.0	0.0	0.0	0.0
Payable within 30 days	1.3	0.0	0.0	0.0	0.0
Payable within 30 – 90 days	0.0	0.7	0.0	(0.5)	0.3
Payable within 12 months	0.0	0.0	7.1	0.0	0.0

BritNed Development Limited
Notes to the financial statements (continued)
for the year ended 31 December 2025

16 Provision

a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to decommissioning provision:

Balance Sheet Decommissioning - Liability	**2025 (€m)**	2024 (€m)
Carrying amount as at 1 January	**47.9**	53.1
Interest on the provision	**2.8**	1.9
Remeasurement Adjustment	**(17.5)**	(7.1)
Carrying amount as at 31 December	**33.2**	47.9

The decommissioning provision represents the present value of the estimated future costs that the BritNed is obligated to incur to decommission and remove its physical interconnector assets at the end of their operational life, discounted using an appropriate risk-free rate and adjusted for long-term inflation.

BritNed has amended the decommissioning estimate for year-end 31 December 2025. In fiscal year 2025, the discount rate was revised from 1.0% to 2.85%, resulting in a €17.5m adjustment to the decommissioning provision. This change was recognized in accordance with IFRIC 1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities', with a corresponding adjustment to the related decommissioning asset.

The decommissioning provision as at 31 December 2025 is €33.2m and the asset amount is €16.8m which will be depreciated over the remaining useful life of the assets. The remaining expected cable lifespan is 27 years i.e. until the decommissioning obligations are expected to crystallise. The provision includes all the associated costs relating to any obligation of the company to decommission the physical assets present in the future.

This cost is being discounted using a risk-free rate of 2.85% and the long-term expected RPI which is used for the calculation of the provision value is 3.0%.

Sensitivity Analysis has been carried out on the Decommissioning Provision to assess the impact of an above CPIH increase in costs of 10%. This has been applied to the costs of removal of the HV Equipment, Convertor Station Demolition Costs, as well as the vessel mobilisation rates for the offshore cable. In this scenario the Closing Balance of the Provision as at 31st December 2025 would have increased by €2.7m.

Balance Sheet Decommissioning – Asset	**2025 (€m)**	2024 (€m)
Carrying amount as at 1 January	**34.9**	43.3
Depreciation in the year	**(0.6)**	(1.3)
Remeasurement Adjustment	**(17.5)**	(7.1)
Carrying amount as at 31 December	**16.8**	34.9

16 Provision (continued)

b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts related to decommissioning provision:

Profit or Loss

Depreciation charge of Asset	2025 (€m)	2024 (€m)
Decommissioning – Asset	0.6	1.3
	0.6	1.3

Finance cost - Interest Expense	2025 (€m)	2024 (€m)
Decommissioning – Liability	2.8	1.9
	2.8	1.9

17 Contingent Assets

The Company has identified a potential insurance claim arising from the cable fault that occurred in December 2024. The estimated maximum value of any potential claim is between €10-12 million.

At the reporting date, there remains uncertainty regarding the nature, timing and outcome of the claim, including the extent to which any insurance proceeds may ultimately be recoverable. In addition, the Company's internal processes and governance arrangements relating to the assessment, approval and submission of any claim have not yet been completed.

Accordingly, no asset has been recognised in respect of this matter, as the realisation of any economic benefit is not considered to be virtually certain at the reporting date.

18 Cash Collaterals

BritNed recognises the collaterals provided by customers in form of bank deposit in the balance sheet as Cash Collaterals held for the trade receivable in current assets and the same amount as Liabilities for Cash Collateral in the current Liabilities. These accounts offset each other, and the figures are reported in separate lines on the balance sheet for transparency purposes.

BritNed Development Limited
Notes to the financial statements (continued)
for the year ended 31 December 2025

19 Related parties

The Company has the following related parties:

Parent Companies
During the year, the Company was a joint venture between National Grid Interconnector Holdings Limited and NLink International B.V. with each party holding 50% of the issued share capital.

The ultimate parent undertaking of National Grid Interconnector Holdings Limited is National Grid plc which is incorporated in England and Wales, and the ultimate parent undertaking of NLink International B.V. is TenneT Holding B.V. which is incorporated in the Netherlands.
Balances with related parties at 31 December 2025, together with the aggregate recharge made to and from related parties during the year are shown in the table below.

	Recharged in the year to 31/12/25	**Amounts payable at the year-end 31/12/25**	**Amounts receivable at the year-end 31/12/25**	**Outstanding balances at 31/12/25 in respect of lease liability**
	€m	**€m**	**€m**	**€m**
Recharged from National Grid Electricity Transmission plc	6.5	1.1	-	-
Recharged from Thamesport Interchange Limited	0.5	-	-	-
Recharged from TenneT TSO B.V.	2.0	(0.4)	7.3	12.4
Total	**9.0**	**0.7**	**7.3**	**12.4**
	Recharged in the year to 31/12/24	**Amounts payable at the year-end 31/12/24**	**Amounts receivable at the year-end 31/12/24**	**Outstanding balances at 31/12/24 in respect of lease liability**
	€m	**€m**	**€m**	**€m**
Recharged from National Grid Electricity Transmission plc	2.0	1.0	-	-
Recharged from Thamesport Interchange Limited	1.3	-	-	26.2
Recharged from TenneT TSO B.V.	2.9	0.9	7.1	12.7
Total	**6.2**	**1.9**	**7.1**	**38.9**

Thamesport Interchange separated from National Grid Group on 28th November 2025 and is no longer classified as related party from this date onwards.

20 Ultimate parent undertaking and controlling party

Copies of the consolidated financial statements which include the results of BritNed Development Limited can be obtained from the Company Secretary, National Grid plc, 1-3 Strand, London WC2N 5EH and TenneT Holding B.V., Utrechtseweg 310, PO Box 718, NL6800 AS Arnhem, the Netherlands. BritNed Development Limited is owned in equal shares by National Grid Interconnector Holdings Limited and NLink International B.V.

The ultimate parent and controlling Companies are National Grid plc and TenneT Holding B.V.. The immediate parent Companies are National Grid Interconnector Holdings Limited and NLink International B.V.

BritNed's registered office address is in London, UK and its head office is located in Arnhem, Netherlands. It has a further office branch in Warwick, UK and operates out of the Isle of Grain, UK and Maasvlakte, Netherlands.

The largest and smallest groups which include the Company and for which consolidated financial statements are prepared are headed by National Grid plc which is registered at 1-3 Strand, London WC2N 5EH, England and TenneT Holding B.V. and NLink International B.V. which are registered in the Netherlands.

21 Post Balance Sheet Event

There are no subsequent events after the reporting period that require recognition or disclosure.