Interconnector Limited

Annual Report and Consolidated Financial Statements

for the year ended 31 December 2025

Registered Number: 2989838

Consolidated financial statements for the year ended 31 December 2025

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Company Information

Registered Office	15-16 Buckingham Street London WC2N 6DU UNITED KINGDOM
Country of incorporation	England and Wales
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU UNITED KINGDOM
Directors	Ben De Waele (Board Chairman & Independent Director) Marta Bellagamba (resigned as an alternate Director on 13 February 2026 and appointed as a Director on 24 February 2026) Daniele Capizzi (alternate Director) Gabriele Giordani (appointed as a Director on 11 February 2026) Geert Hermans Livia Napolano (resigned as a Director on 23 February 2026 and appointed as an alternate Director on 24 February 2026) Raoul Raffagli Peter Verhaeghe
Former Directors	Giulia Bianchi (resigned as alternate Director on 21 July 2025) Paolo Ventrella (resigned as a Director on 11 February 2026)
Company Secretary	Mary Harmey

Strategic report

The directors present their Strategic report for the year ended 31 December 2025.

Business review

Interconnector Limited ("the company" or "INT") and its subsidiaries (together, "the group") own and operate a subsea gas pipeline and terminal facilities to provide bi-directional gas transportation services between the United Kingdom ("UK") and continental European energy markets. The system comprises compression terminals at Bacton in the UK and Zeebrugge in Belgium, connected by a 235 kilometre, 40-inch diameter pipeline. It is currently capable of transporting 21.2 billion cubic metres ("bcm") (or 668GWh/d) of gas per annum from Zeebrugge to Bacton ("reverse flow" or "BE-UK") and 20.0 bcm per annum (or 651GWh/d) in the opposite direction ("forward flow" or "UK-BE").

INT competes in the energy flexibility market. The company's strategic objectives are to provide Shippers with cost-effective gas transportation products that support gas supply and trading opportunities.

Q1 2025:

Consistent with previous years, GB was well supplied by Norway, UKCS and LNG, with a minimal role for imports via the gas interconnectors. Despite bookings of c. 415GWh/d in the BE-UK direction for Q1, the average utilisation remained low at 65GWh/d across January and February, with an additional 4 days in GB import flows in March.

In total, Q1 2025 saw 7 flow transitions between import and export mode, and a GB import high of 224GWh on 21st January. January also saw the net highest import flows across 2025 at 2,637GWh (amounting to 2% of total UK January supply).

Summer 2025:

GB exports via INT remained variable until early May when a wider TTF-NBP spread, driven by higher NCS flows into GB and lower LNG deliveries into the EU, pushed utilisation to close to 100%. Summer demand was boosted further by EU storage levels sitting at only 34% post winter. Flows dipped from mid-May to mid-June as spreads narrowed due to LNG send out falling and higher NCS maintenance, before increasing back to near full capacity from mid-June.

In August, lower wind generation and reduced UKCS/NCS flows limited exports, whilst EU storage rose to ~75% which eased demand. In September, NCS maintenance redirected gas from Belgium to GB, increasing export flows again.

Winter 2025

EU storage entered Winter-25 at 83%, supported by stronger supply confidence and more flexible EU filling rules. Increased LNG expectations further softened Winter-25 fundamentals. INT's annual maintenance finished in early October, after which GB exports resumed.

A mild start to November plus high NCS and LNG send-out drove the highest GB exports since Aug-24, and the strongest November exports since 2022 at 474 GWh. In 2025, INT delivered 58,379 GWh of GB exports (7% of GB demand) and 4,080GWh of imports (0.5% of supply to GB).

Open Season and Capacity Rightsizing

Following an Open Season in which INT engaged with the market and with UK and Belgian authorities, INT reduced the GB import capacity to 27.8GW for Gas Year 2025 (from 4th November 2025 onwards).

This adjustment will enable INT to continue delivering efficient and cost-effective transmission services, whilst also enhancing cross-border energy trade and promoting consumer welfare in both Great Britain and the European Union. There will be no change to the GB to Belgium capacity offering and all currently booked capacity remains unaffected. INT's physical bi-directional capability remains available and well placed to provide market participants with flexible and attractive transportation services.

The results of the group for the year ended 31 December 2025 show a profit before taxation of £67.9million (2024: £63.4million) and revenues of £117.1 million (2024: £113.4 million). At 31 December 2025, the group had net assets of £34.4 million (31 December 2024: £31.9 million). Net cash generated from operating activities for the year ended 31 December 2025 was £77.8 million (2024: £85.3 million). Cash in / (outflows) from investing and financing activities were £34.5 million and £(75.1) million respectively (2024: £(15.7) million and £(68.3) million respectively).

Internal Control and Risk Management

The group's operations, to transport high pressure natural gas, involve the control and management of inherent health, safety, security and environmental risks. The group's commercial activities are exposed to certain market, financial, credit and regulatory risks.

The group's risk appetite in relation to all principal risks is set by the Board and appropriate processes are in place to actively identify, manage and mitigate these risks. The effectiveness of the group's risk management is reviewed by the executive leadership, the Audit Committee and the Board regularly, throughout the year.

Risk management activities take place through all levels of INT. Each business area identifies the main risks to company strategy and objectives. Each risk is then assessed by considering the financial, operational and reputational impacts of the risk, and how likely the risk is to materialise. The business areas then identify and implement actions to manage, monitor and mitigate the risks.

Principal risks and uncertainties

Energy Transition

The transition to lower carbon fuels and technologies presents INT with both risks and opportunities. As society grapples with what a low carbon economy looks like, the role of natural gas in the future energy mix is unclear. This may affect future supply of gas from upstream operators, demand for gas transportation services and the behaviour of our customers – all of which could impact the company.

We are studying the ability of our facilities to be repurposed for the transportation of greener energy. During 2025 we have continued our efforts to reframe our commercial and environmental strategies to ensure that they facilitate the review and assessment of net zero opportunities, including the role of INT in promoting green energy hubs and potential participation in hydrogen or carbon capture and storage projects.

We continue to target emissions reductions and focus on our environmental sustainability metrics so that these can better support our environmental strategy, more accurately measure our impact on the environment and track our progress meeting our ambitious emissions targets.

Financial, Commercial and Economic

INT markets its capacity services to its clients as "ship-or-pay" commitments to the company, i.e. irrespective of the actual utilization of the capacity. INT charges a cost reflective commodity charge, in addition to the capacity fee, based on the actual flow nominations made by the shipper using its capacity.

Financial risk management

The main financial risks arising from the group's operations are foreign currency risk, credit risk, liquidity risk and interest rate risk. However, as the debts are at a fixed rate, the exposure from interest rate risk is low. The group's financial risk mitigation strategy is developed in accordance with a Treasury Policy and the treasury activities of the group are conducted in accordance with this policy and are on an entirely non-speculative basis. INT continues to monitor legislative developments relating to emissions allowances to protect value.

Foreign currency risk

The group has several Euro ("€") denominated assets and liabilities and is therefore exposed to foreign currency translation risk. The group aims to minimise the risk of gains or losses by maintaining a natural hedge by matching the value of the Euro assets and liabilities held and in addition where appropriate by transacting currency swaps in line with the Fluxys Group Treasury Policy.

Credit risk

The group's exposure to credit losses arising from non-payment of invoices by customers is managed through the credit criteria required by the transportation agreements. Exposure to treasury counterparties is managed by individual limits and minimum ratings specified in a Treasury Policy. The credit ratings of customers, key suppliers and treasury counterparties are monitored regularly.

Liquidity risk

The group has long term lease obligations that have no obligation to refinance in the near term. There are no significant capital investments identified that require funding from external sources. Liquidity risk is mitigated by detailed cash flow forecasting and flexible working capital management.

Market and Commercial Risk

INT is a source of flexible gas supply and competes with other infrastructure assets such as pipelines, LNG terminals and storage. As such INT is exposed to changes in the gas market and the applicable commercial and regulatory frameworks. We continue to see increasing competition from LNG deliveries to continental Europe, especially in the coming years as new LNG infrastructure comes online in Germany, and from the BBL Company which operates a bi-directional gas pipeline between the UK and continental Europe. Overall, INT operates in a challenging market environment with exposure to global political dynamics, longer term market fundamentals, regulatory changes, and short-term volatility (which may be negative as well as positive).

INT aims for a fair and competitive environment in the markets in which it operates and has adopted strategies to deliver this through the use of innovative products, services and pricing models.

Regulatory risk

A stable and predictable regulatory framework is essential to underpin investment in energy transition and decarbonization projects. INT is a certified transmission system operator, in both the UK and Belgium, and its activities are subject to European, Belgian and UK legislation and regulation. These frameworks are under development and changes to the regulatory regime may affect the group's activities and its commercial and financial opportunity. We actively engage with the regulators Commission de Régulation de l' Électricité et du Gaz ("CREG") and Ofgem, industry associations (ENTSOG) and track developments in the regulatory environment.
As a transmission system operator that connects the UK and Belgian gas grids, we are exposed to regulatory changes that affect capacity, tariffs, liquidity and commercial arrangements and assets in the National Gas Transmission ("NGT") and Fluxys Belgium systems and consequently may impact the commercial opportunities available to our customers. INT continues its engagements with National Gas, Fluxys Belgium, Ofgem, CREG, FPS Economy and the Department for Energy Security and Net Zero ("DESNZ") on the matters that challenge or enhance offerings to customers. INT faces risks associated with increasing legislative compliance, including greater regulatory burden, that draws on human and financial resources.

Operational risk

Our facilities and systems are designed with sufficient back up and are maintained to ensure that we are able to respond to Shippers' nominations. Operations are managed to ensure a high degree of reliability and we continue to manage obsolescence of our systems and equipment through regular campaign maintenance, repair and replacement.

INT is linked to NGT and shares a terminal site with NGT at Bacton. We support NGT in its initiative for asset health investments in its Bacton terminal. We also continue our engagement with Ofgem and DESNZ on the need for investment in this strategic asset (capable of providing approximately 30% of GB's gas supply). Receipt of off-specification gas (containing liquids and/or solids) from upstream operators can cause flow interruptions and/or damage to our equipment. Steps taken to mitigate this risk include liaison with NGT, Ofgem, CREG and UK and BE Governments, highlighting security of supply risks posed to our operations from gas quality excursions.

Cyber and Physical Security

INT works collaboratively with DESNZ, Ofgem and the National Cyber Security Centre in relation to identification and mitigation of key cyber risks. INT is subject to the UK NIS Regulations, and the Belgian NIS2 law for its activities in Belgium. Cyber risk is mitigated through our Cyber Security Management System and a body of control measures appropriate and proportionate to the risks we are exposed to, taking into account our operational context. Our governance framework includes executive level engagement and regular reporting to the Board.

Physical security of our assets is of paramount importance, and we work with numerous agencies in the UK, including the National Protective Security Authority , and in Europe to ensure that appropriate measures are in place to protect the integrity of our facilities. INT regularly reviews and refines its response plans to enable a swift recovery from any incident affecting its assets or the services it provides.

Population and Talent Risks

Demographic change is an issue for society and one which is starting to impact the energy industry and its suppliers. The associated challenges of attracting, integrating and retaining the talent needed at all levels for INT to deliver its strategies and priorities is one which we are monitoring. We support the training and development of future talent. We review critical capabilities needed to ensure delivery against our strategic objectives and rigorous succession planning is undertaken, to include task mapping across all activities

Health, Safety, Security and Environment ("HSSE")

Excellent HSSE performance is critical to the success of the business. INT acts to minimise the HSSE risks associated with its operations by ensuring high standards in equipment design; the application of quality processes and procedures; and working with competent and well-trained staff and contractors. We undertake a comprehensive annual HSSE programme emphasising constant improvement, quality planned maintenance, regular safety audits, inspections and walkthroughs. Regular safety performance and feedback meetings are held to allow staff and contractors to discuss current safety issues and take action. In the long-term, extreme weather events such as severe flooding and storm may surges pose a risk to the integrity of our assets. To address this we have conducted comprehensive climate change risk assessment and conduct regular inspections and maintenance of protection systems to ensure their effectiveness in mitigating risks.

INT's open reporting culture ensures that risks are highlighted, and ideas and observations are encouraged to maintain standards and direct improvements. INT seeks constructive engagement with the Health and Safety Executive and the Environmental Agency in relation to all matters impacting our operations.

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

We are required to explain how we have taken account of stakeholder views in board discussions and decision making the table below explains how:

- the company and (in particular) the board have engaged with key stakeholders; and
- the board has reached key decisions and the likely impact of those decisions, including how it has taken account of the company's stakeholders in doing so.

Our stakeholder engagement activities, supporting our s.172(1) statement are set out in the following table:

Stakeholder	Why is this stakeholder important	How we engaged with this stakeholder	How this stakeholder influenced the Board agenda and decision making
Customers	Our customers undertake a range of activities within the energy market including trading energy products, producing natural gas and providing energy services to industrial and retail customers. By delivering capacity services which our customers need and dealing with them in a transparent and responsive manner, our customers trust us to deliver services of value to them.	Regular one to one meetings were held with Customers throughout the year which included feedback on our operations and invited views on our business development initiatives. Shipper meetings which all our customers are invited to attend have been held which consider market issues and our operational performance. We have had ad hoc meetings and calls with customers to address any specific issues that occurred during the course of the year. INT attended industry conferences and used these opportunities to engage with current and prospective customers. During 2025 INT ran an open season process to gauge market interest in our Belgium to Great Britain capacity products.	During the year the Board received feedback from engagement with customers. The feedback received was incorporated into a review of our commercial strategy, shaping our commercial offering and business development activities.
Shareholders	We earn financial returns from our contracts with customers. We are incentivized by shareholders to invest in safe, reliable infrastructure in an efficient and economic manner.	We have had regular meetings with our Shareholders' subject matter specialists on routine matters. Ad hoc meetings with subject matter specialists have been held on a range of issues arising during course of year. Reporting and review of KPIs. Shareholder involvement in Commercial, Technical, Finance and Sustainability workshops.	Shareholders have helped shape the Board agenda throughout the course of the year, suggesting items and topics for consideration. Shareholder representatives influenced the further development of our commercial strategy and have been key to framing our environmental strategy. The Board comprises shareholder nominees, which enables the company to

Stakeholder	Why is this stakeholder important	How we engaged with this stakeholder	How this stakeholder influenced the Board agenda and decision making
		Responses to statutory consultations were coordinated with Shareholders to ensure regulatory alignment and targeting of key messages.	receive regular feedback on shareholder perceptions and opinions about the Company.
Employees	We have a culture where our people can make a positive contribution, develop their careers and reach their potential.	Engagement with our people takes many forms, from town hall meetings, site meetings and visits and meetings with site safety representatives. We also reach out via various anonymous surveys.	Our HSSE agenda is influenced by employee feedback - through observations from our teams and comments and feedback from our safety representatives. The company's safety and security agenda is influenced by the feedback we receive from employees. The Board incentivises Senior management to engage regularly with employees to discuss and receive feedback on issues ranging from objectives , benefits packages, appraisals and personal development. Issues are considered at regular HR Committee Meetings and escalated to the Board via the reporting of the Remuneration Committee.
Suppliers	Provide us with goods and services we rely on to deliver for our customers. They range from substantial multinational companies to small-scale local businesses.	INT is a lean organization that relies heavily on outsourcing. During 2025 we further strengthened strategic relationships and further developed mutual understanding of the context in which we operate and our expectations of how we will work together to achieve our strategic objectives. Rigorous due diligence is routinely undertaken on suppliers to ensure that supply chain risk is mitigated.	The Board is informed of issues in the supply chain and proactively monitors the performance of key CAPEX programmes. A Technical Advisory Group comprising technical representatives and Board members considers issues related to key projects and facilitates resolution of supply chain issues. Our payment practices are reported to Audit Committee. The Board continues to consider issues related to the quality of gas delivered into our system. The Board considered issues related to the procurement processes and strategic commitments during the course of the year. We also include service provider personnel in our Safety KPI counts and statistics, and they participate in our regular feedback meetings.

Stakeholder	Why is this stakeholder important	How we engaged with this stakeholder	How this stakeholder influenced the Board agenda and decision making
Regulators	In the UK, Ofgem regulates our gas transmission business and cyber activities. In Belgium CREG regulates our gas transmission business. We are also regulated by the HSE and the Environment Agency in the UK. During 2025 we engaged with the National Energy System Operator in relation to its work to understand and support UK energy markets and security of supply.	We have conducted regular interactions with all regulators on strategic issues. Ad hoc interactions have taken place with regulators on issues arising during the course of day-to-day business. During 2025 we continued to engage with Ofgem in connection with our ongoing work in the sphere of cyber security.	We report interactions with our Regulators to the Board and this influences the Company's strategy and direction. Key business decisions require approval of regulators. Feedback from regulators has influenced our commercial and environmental strategies, including our commitments to emissions reduction. Early engagement around plans and decisions helps ensure we maintain a good working relationship and an ongoing dialogue with all relevant regulators.
Governments	We help formulate and deliver energy policies at a regional and national level. We contribute to international trade, market functioning and security of supply.	Liaison Interaction with the British and Belgian ministries with competence for energy, the Belgian and GB embassies and politicians in the UK and BE in connection with legislation and government policy. We also provide governments with information on how Interconnector and its clients contribute to the realization of UK and BE (EU's) energy mix, international trade, security of supply and consumer welfare.	Governments set out legislation and policies that affect our business environment, on energy policy, trade, taxation, employment, decarbonization etc. We have included these in our business strategy and operational processes. We have adopted an environmental strategy to specifically address issues connected with the energy transition.
Communities	We pay taxes which fund essential public services. We have a role to play enabling the transition to a low-carbon future.	We have discussed aspects of our operations with the local communities where we operate. We have liaised with land owners and wider communities in relation to our activities, safety and planning issues.	Local communities are focused on the energy transition. We are aware that our operations may impact on local communities and have considered issues affecting the local and global environment as part of our strategic decision making.

Key performance indicators

Financial KPIs, being revenue and the profit before tax, are discussed in the "Business Review" section above.

The company continued to provide reliable operations in the UK and Belgium. Its performance against key operational targets is summarised below:

	2025	2024	Description
Lost capacity rebates	Two: One in relation to additional maintenance carried out between 09 Jan 2025 and 29 Jan 2025, and one in relation to additional maintenance carried out between 16 December 2025 and 19 December 2025	One ((in relation to additional maintenance carried out between 09:00 – 19:00 CET on 31 Jan 2024)	In accordance with defined service delivery targets in the transportation agreements, lost capacity rebates are made to customers when the company is unable to satisfy its gas transportation obligations.
Injurious accidents	Zero	Two	There were zero work-related Lost Time Incidents in 2025
Reportable emission events	One	Zero	September 2025, an unplanned blowdown vent at IZT. In 2025 all emissions of natural gas and CO2 were within permitted levels at IBT.

On behalf of the Board of Directors

DocuSigned by:
Ben De Waele
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Ben De Waele
Director
12 March 2026

DIRECTORS' REPORT

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

Results and dividends

The group's profit after tax for the year was £57.3 million (2024: £49.1 million). Interim dividends of £4.245 (2024: £3.825) per ordinary share amounting to £50 million (2024: £45.1 million) were declared and paid during the year. The directors have proposed a final dividend for the year ended 31 December 2025 of £0.425 per ordinary share (totalling £5 million) (2024: £5 million at £0.425). This has not been recognised in these financial statements as it had not been approved by the shareholders at the balance sheet date. The aggregate dividends on the ordinary shares recognised during the year amount to £55 million (2024: £50.1million).

Future developments and financial risk management

Likely future developments in the group's business and financial risk management policies have been included in the Strategic report.

Post balance sheet events

There are no events subsequent to the balance sheet date that require disclosure or adjustment in the financial statements. The directors have proposed a final dividend for the year ended 31 December 2025 of £0.425 per ordinary share (totalling £5 million) (2024: £5 million at £0.425. This has not been recognised in these financial statements as it had not been approved by the shareholders at the balance sheet date.

Going concern

The company sells capacity in a short-term market as a "merchant" asset. Demand for capacity, and therefore revenues, is usually seasonal in nature and is volatile. There may be periods of low demands from time to time.

The company's modelling confirms that the company should generate sufficient cashflow to meet the group's obligations during the next 12 months from signing date, which is the usual horizon to evaluate a company's going concern.

The directors are confident that, there will be sufficient demand for capacity to generate sufficient revenues to maintain the group as a going concern. Therefore, the directors believe that the group is well placed to manage its business risks successfully.

The group and the company are showing net assets of £34.4 million and £26.7 million respectively (2024 Group £31.9 million and Company £25.2 million). The Board of directors approved a mid-term view of revenues for the group based on the current supply/demand and pricing situation on the market. The plan generates sufficient cashflows to be able to meet the group's obligations in the next 12 months.

Interconnector Limited

The company performed a reverse stress test to identify the level of revenues required to generate sufficient cashflows to be able to meet group's obligations in the next 12 months. The required level of revenues has already been achieved through confirmed capacity bookings.

The directors, having assessed the principal risks facing the company and giving due consideration to the profitability of the business and the cash flow required to meet its ongoing obligations, consider it appropriate to prepare the financial statements on a going concern basis.

Business relationships

Details of how the directors have fostered business relationships with suppliers, customers and others, and the effects of this, including on the principal decisions taken by the company during the financial year are disclosed in the Strategic report on pages 8 -10.

Streamlined Energy and Carbon Reporting

In the period covered by the report the Company has reviewed opportunities for efficiency improvements:

- INT continues to work with Fluxys in defining policies and procedures associated with the new European methane mitigation regulations.
- Photovoltaic panels were installed at our Zeebrugge terminal ("IZT") and are awaiting final approval from the grid operator. This is in line with incoming Flemish legislation.
- Seal gas detector isolation valves at our Bacton terminal ("IBT"), allowing intervention on the instrument (maintenance and calibration) without venting the compressors. This is an ongoing project with modifications made to one of four compressor trains in 2025. The remaining three will be installed during 2026 shutdown.
- As part of our continued Leak Detection and Repair program we engage with vendors to provide more advanced fugitive emissions monitoring, detection, and reporting methods this includes a joint study using site and source level measurements.
- INT reviewed, engineering study opportunities to advance Methane Reduction improvement projects.
- INT continues to develop an ESG reporting framework aligned with Fluxys ESRS (European Sustainability Reporting Standards)

Methodology used to calculate emissions

Our scope 1 and 2 footprint reflect our operational control at the Bacton terminal, Zeebrugge terminal and the London office. Market-based emissions for grid electricity have been used to calculate total emissions. The scope 3 footprint includes emissions that INT does not control but can influence. Such emissions include upstream transportation and distribution; and business travel.

The company is part of UK ETS scheme where the number of emissions is metered and is externally verified. The company is regulated by the Environmental Agency and operates through an Environmental Permit at the Bacton facility. We use data from external sources to report on total GHG emissions wherever possible. Where such data is not available a reasonable estimate is used. Total energy consumed for the year ended 31 December 2025 was 433,920 MWh (31 December 2024: 351,481 MWh).

Interconnector Limited
Emissions 2025 (Consolidated INT figures for IBT and IZT)

		GHG emissions and energy use data for period 1 January to 31 December 2025		**Comparison reporting year 2024**	
		UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Environmental Emission Type		Tonnes CO2 Equivalent	Tonnes CO2 Equivalent	Tonnes CO2 Equivalent	Tonnes CO2 Equivalent
Scope 1	Carbon Dioxide (CO_2) Annual Cumulative (tCO_2)	81,423	147	64,695	113
Scope 1	Methane (CH_4) Annual Cumulative (tCO_2)e	7,170 (Note 1)	2,242	8,310 (Note 1)	5,545
Scope 2	Electricity Annual Cumulative (MWh)	0 (Note 2)	0	0 (Note 2)	0
Scope 3	Business Travel (tCO_2)e	54 (Note 3)	0	14 (Note 3)	0
Scope 3	Upstream transportation and distribution (tCO_2)e	6,423 (Note 4)	0	0 (Note 4)	0
Total Emissions (tCO_2)e		**95,070**	**2,389**	**73,019**	**5,658**

Note 1 – 2023 CO_2 equivalent for methane is taken from the 6th IPCC Assessment Report, 1te methane equates to 29.8te CO2 eq.

Note 2 - At Bacton we have a Renewable Energy Guarantees of Origin (REGO) backed contract with our electricity provider. This specifies that their electricity demand is matched with electricity generated from renewable wind sources. In Zeebrugge, green certificates are included in the power supply agreement.

Note 3 –Scope 3 -Business travel estimates flights, hotel stays, vehicle and rail.
Note 4 - Scope 3 Upstream transportation and distribution, the pro-rated daily emissions from CO2 emissions from upstream fuel gas usage and upstream CH4 emissions from compressors whilst pressurised, running, vented or sitting idle when pressurised.

Intensity Ratio

Direct emissions and consumption of energy depend on utilisation of equipment which varies depending on market demand and use of the company's services.
For comparison purposes the group uses intensity ratio as CO_2e (carbon footprint) over Energy Transported GWh. The ratio is 1.56 for the year ended 31 December 2025 (year ending 31 December 2024 was 1.67).

Plan 2026

- IBT shutdown recompression, to minimise methane venting at the start of the annual maintenance outage.
- Implement IZT flaring specific Risk Assessment & Risk mitigations procedure to cover Belgium requirement, hence further reduce emissions from venting.

Interconnector Limited

Directors

The directors who held office during the year and up to the date of signing the financial statements are as follows:

Ben De Waele (INT Board Chairman & Independent director)

Shareholder-appointed non-executive directors:

Marta Bellagamba (resigned as an alternate Director on 23 February 2026 and was appointed as a Director on 24 February 2026)
Daniele Capizzi (alternate)
Gabriele Giordani (appointed as a Director on 11 February 2026)
Geert Hermans
Livia Napolano (resigned as a Director on 23 February 2026 and was appointed as an alternate Director on 24 February 2026)
Raoul Raffagli
Peter Verhaeghe

Former Directors:

Giulia Bianchi (resigned as alternate Director on 21 July 2025)
Paolo Ventrella (resigned as a Director on 11 February 2026)

Directors' remuneration is shown in note 5.

Directors' indemnities

Fluxys SA, INTs parent company, maintains liability insurance for its directors and officers and for the directors and officers of all its subsidiaries. INT provides an indemnity for its directors, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. The qualifying third-party indemnity was in place during the year ended 31 December 2025 and as at the date of the approval of these financial statements.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act, 2006. 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 group and company and of profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable International Standards on Auditing (UK) (ISAs UK) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, the directors who held office at the date of approval of the Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has 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.

On behalf of the Board of Directors

DocuSigned by:
Ben De Waele
Ben De Waele
Director
12 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCONNECTOR LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs 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 UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Interconnector Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2025 which comprise Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company statement of financial position, Company statement of changes in equity, Company cash flow statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law UK adopted international accounting standards, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group or Parent 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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of Directors

As explained more fully in the Directors Responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, those charged with governance and internal legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and

we considered the significant laws and regulations to be applicable accounting framework, the Companies Act 2006, tax legislation and industry regulation from Ofgem and CREG.

Interconnector Limited

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety at Work etc. Act 1974 and employment law.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of correspondence with OFGEM and CREG and discussion with inhouse legal counsel;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Enquiries of management, those charged with governance and those responsible for legal and compliance procedures regarding correspondence with relevant regulators.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and improper revenue recognition due to cut-off.

Interconnector Limited

Our procedures in respect of the above included:

- Understanding the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those processes and controls;

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to underlying supporting documents;

- Testing a sample of journal entries throughout the year, that did not meet the above mentioned risk-based criteria, to confirm the appropriateness of audit team's risk assessment over journals entries;

- Assessing significant estimates made by management for bias and challenging underlying assumptions for these estimates, including valuation of property, plant and equipment and intangibles, accounting for the CREG liability and the decommissioning obligation;

- For a sample of revenue transactions, agreeing to underlying supporting documents to ensure they are recorded in the correct period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Interconnector Limited

Use of our report

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

DocuSigned by:
Rida Rahmani
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Rida Rahmani (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

12/03/2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Interconnector Limited

Consolidated income statement

	Note	**For the year ended 31 December 2025**	For the year ended 31 December 2024
		£'000	£'000
Continuing Operations			
Revenue	3	**117,149**	113,440
Operating expenses		**(47,214)**	(48,297)
Operating profit	4	**69,935**	65,143
Finance income	7	**8,578**	10,639
Finance costs	8	**(10,566)**	(12,345)
Profit before taxation		**67,947**	63,437
Tax expense	9	**(10,621)**	(14,336)
Profit for the year		**57,326**	49,101
Profit for the year attributable to:			
Owners of the parent		**57,181**	48,987
Non-controlling interests		**145**	114
Consolidated profit for the year		**57,326**	49,101

The notes on pages 34 to 94 are an integral part of these consolidated financial statements.

Interconnector Limited
Consolidated statement of comprehensive income

	Note	**For the year ended 31 December 2025**	For the year ended 31 December 2024
		£'000	£'000
Profit for the year		**57,326**	**49,101**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		**296**	**(297)**
Items that will not be reclassified to profit and loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income		**-**	**-**
Other comprehensive (loss) / income for the year		**296**	(297)
Total comprehensive income for the year		**57,622**	48,804
Total comprehensive income for the year attributable to:			
Owners of the parent		**57,477**	48,690
Non-controlling interests		**145**	114
Total comprehensive income for the year		**57,622**	48,804

The notes on pages 34 to 94 are an integral part of these consolidated financial statements.

Interconnector Limited

Consolidated statement of financial position

	Note	31 December 2025	31 December 2024
Assets		**£'000**	£'000
Non-current assets			
Property, plant, and equipment	11	**75,190**	77,403
Intangible assets	12	**21,133**	19,174
		96,323	96,577
Current assets			
Inventory	18	**1,412**	1,980
Financial assets at amortised cost	15	**-**	17,634
Current tax asset		**9,089**	2,145
Trade and other receivables	17	**17,442**	18,104
Cash and cash equivalents	33	**195,222**	158,533
Derivative financial instruments	22	**6**	-
Intangible assets	12	**5,461**	-
Short term Investment	35	**-**	25,000
		228,632	223,396
Total assets		**324,955**	319,973
Liabilities			
Non-current liabilities			
Lease liabilities	19	**(13,175)**	(14,929)
Deferred income tax liabilities	20	**(1,227)**	(3,009)
Regulatory liabilities	30	**(227,681)**	(195,837)
		(242,083)	(213,775)
Current liabilities			
Lease liabilities	19	**(2,367)**	(17,522)
Trade and other payables	23	**(31,506)**	(40,292)
Derivative financial instruments	22	**-**	(47)
Provision for other liabilities and charge	34	**(5,079)**	(5,000)
Regulatory liabilities	30	**(9,450)**	(11,450)
		(48,402)	(74,311)
Total liabilities		**(290,485)**	(288,086)
Net assets		**34,470**	31,887

Interconnector Limited

Consolidated statement of financial position (continued)

	Note	31 December 2025	31 December 2024
		£'000	£'000
Equity attributable to:			
Owners of the parent			
Share capital	24	**12,755**	12,755
Other reserves	25	**229**	(92)
Retained earnings		**19,973**	17,856
		32,957	30,519
Non-controlling interests		**1,513**	1,368
Total equity		**34,470**	31,887

The notes on pages 34 to 94 are an integral part of these consolidated financial statements.

The financial statements on pages 24 to 94 were approved by the Board of Directors on 12 March 2026 and were signed on its behalf by:

DocuSigned by:
Ben De Waele
585BC411C79A4BF...

Ben De Waele
Director
12 March 2026

Company Registration Number: **2989838**

Interconnector Limited

Consolidated statement of changes in equity

	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000
1 January 2024	**12,755**	**205**	**18,958**	**1,254**	**33,172**
Profit for the period	-	-	48,987	114	49,101
Other comprehensive income for the period	-	(297)	-	-	(297)
Total comprehensive income for the period	-	(297)	48,987	114	48,804
Distributions to owners					
Dividends (note 10)	-	-	(50,089)	-	(50,089)
31 December 2024	**12,755**	**(92)**	**17,856**	**1,368**	**31,887**
Profit for the year	-	-	57,181	145	57,326
Other comprehensive income for the year	-	321	(25)	-	296
Total comprehensive income for the year	-	321	57,156	145	57,622
Distributions to owners					
Dividends (note 10)	-	-	(55,039)	-	(55,039)
31 December 2025	**12,755**	**229**	**19,973**	**1,513**	**34,470**

Interconnector Limited

Consolidated statement of cash flows

	Note	For the year ended 31 December 2025	For the year ended 31 December 2024
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations	26	**96,814**	102,901
Income taxes		**(18,996)**	(17,582)
Net cash generated from operating activities		**77,818**	85,319
Cash flows from investing activities			
Interest received		**8,850**	10,365
Purchase of property, plant, and equipment		**(17,623)**	(16,954)
Purchase of intangible assets		**(317)**	(59)
Short Term Investments	35	**25,000**	(25,000)
Repayment of other financial assets at amortised cost		**18,557**	15,927
Dividend income		**31**	32
Net cash used in / (generated from) investing activities		**34,498**	(15,689)
Cash flows from financing activities			
Equity dividends paid	10	**(55,039)**	(50,089)
Capital element of finance lease		**(18,456)**	(16,034)
Interest element of finance lease		**(1,614)**	(2,182)
Interest paid		**(33)**	(42)
Net cash used in financing activities		**(75,142)**	(68,347)
Net increase / (decrease) in cash and cash equivalents		**37,174**	1,283
Cash and cash equivalents at beginning of the year		**158,533**	156,801
Exchange gains / (losses) on cash and cash equivalents		**(485)**	449
Cash and cash equivalents at end of the year		**195,222**	158,533

Interconnector Limited
Company statement of financial position

	Note	31 December 2025	31 December 2024
Assets		**£'000**	£'000
Non-current assets			
Property, plant, and equipment	11	**68,905**	71,430
Intangible assets	12	**21,133**	19,174
Financial assets at fair value through other comprehensive income	13	**-**	-
Investments in subsidiaries	14	**49**	49
Financial assets at amortised cost	15	**-**	1,056
		90,087	91,709
Current assets			
Inventory	18	**1,412**	1,980
Financial assets at amortised cost	15	**5,590**	21,754
Current tax asset		**9,095**	2,183
Trade and other receivables	17	**13,020**	13,984
Intangible assets	12	**5,461**	
Cash and cash equivalents	33	**193,918**	158,379
Derivative financial instrument	22	**6**	-
Short term Investment	35	**-**	25,000
		228,502	223,280
Total assets		**318,589**	314,989
Liabilities			
Non-current liabilities			
Obligations under finance leases	19	**(13,175)**	(14,929)
Deferred income tax liabilities	20	**(1,227)**	(3,021)
Regulatory liabilities	30	**(227,681)**	(195,837)
		(242,083)	(213,787)
Current liabilities			
Obligations under finance leases	19	**(2,367)**	(17,522)
Trade and other payables	23	**(32,871)**	(41,978)
Derivative financial instruments	22	**-**	(47)
Provision for other liabilities and charge	34	**(5,079)**	(5,000)
Regulatory liabilities	30	**(9,450)**	(11,450)
		(49,767)	(75,997)
Total liabilities		**(291,850)**	(289,784)
Net assets		**26,739**	25,205

Interconnector Limited
Company statement of financial position (continued)

	Note	31 December 2025	31 December 2024
		£'000	£'000
Equity			
Share capital	24	**12,755**	12,755
Other reserves	25	**(197)**	(198)
Retained earnings			
At beginning of the year		**12,648**	14,313
Profit for the year attributable to the owners		**56,572**	48,424
Other changes in retained earnings		**(55,039)**	(50,089)
At end of the year		**14,181**	12,648
Total Equity		**26,739**	25,205

As permitted by Section 408 of the Companies Act 2006, the company's income statement has not been presented separately in these financial statements. The results of the company for the year ended 31 December 2025 show a profit for the year £55.0 million (2024: £48.4 million)

The notes on pages 34 to 94 are an integral part of these consolidated financial statements.

The financial statements on pages 24 to 94 were approved by the Board of Directors on 12 March 2026 and were signed on its behalf by:

Ben De Waele
Director
12 March 2026

DocuSigned by:
Ben De Waele
585BC411C79A4BE

Company Registration Number: **2989838**

Interconnector Limited

Company statement of changes in equity

	Share capital	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
1 January 2024	**12,755**	**(169)**	**14,313**	**26,899**
Profit for the period	-	-	48,424	48,424
Other comprehensive income for the period	-	(29)	-	(29)
Total comprehensive income for the period	-	(29)	48,424	48,395
Distributions to owners				
Dividends (note 10)	-	-	(50,089)	(50,089)
31 December 2024	**12,755**	**(198)**	**12,648**	**25,205**
Profit for the year	-	-	56,572	56,572
Other comprehensive income for the year	-	1	-	1
Total comprehensive income for the year	-	1	56,572	56,573
Distributions to owners				
Dividends (note 10)	-	-	(55,039)	(55,039)
31 December 2025	**12,755**	**(197)**	**14,181**	**26,739**

Interconnector Limited

Company statement of cash flows

	Note	For the year ended 31 December 2025	For the year ended 31 December 2024
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations	26	**95,347**	102,968
Income taxes		**(18,700)**	(17,400)
Net cash generated from operating activities		**76,647**	85,568
Cash flows from investing activities			
Dividends from subsidiaries & associates		**31**	32
Interest received		**8,804**	10,331
Purchase of property, plant, and equipment		**(17,623)**	(16,954)
Purchase of intangible assets		**(317)**	(59)
Short Term Investment	35	**25,000**	(25,000)
Repayment of other financial assets at amortised cost		**18,609**	16,023
Net cash used in / (generated from) investing activities		**34,504**	(15,627)
Cash flows from financing activities			
Equity dividends paid	10	**(55,039)**	(50,089)
Capital element of finance lease		**(18,456)**	(16,034)
Interest element of finance lease		**(1,614)**	(2,182)
Interest paid		**(34)**	(42)
Net cash used in financing activities		**(75,143)**	(68,347)
Net increase / (decrease) in cash and cash equivalents		**36,008**	1,594
Cash and cash equivalents at beginning of the year		**158,379**	156,334
Exchange gains / (losses) on cash and cash equivalents		**(469)**	451
Cash and cash equivalents at end of the year		**193,918**	158,379

Interconnector Limited
Notes to the financial statements

1 General information

Interconnector Limited ("the company") and its subsidiaries (together, "the group") operate a subsea gas pipeline and terminal facilities to provide bi-directional gas transportation and ancillary services between the UK and continental European energy markets.

The company is a private company limited by shares, registered, and domiciled in England & Wales. The address of its registered office is 15-16 Buckingham Street, London, WC2N 6DU, United Kingdom.

2 Accounting policies

Basis of preparation

The consolidated financial statements of the group and the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards UK ("IFRS UK") and IFRS Interpretations Committee interpretations and in conformity with the requirements of the Companies Act 2006. The consolidated and separate financial statements have been prepared under the historical cost convention, except for the measurement of certain financial assets and liabilities (including derivative instruments) which have been measured at fair value.

Interconnector Leasing Company Limited (registered number 02426011), a subsidiary of INT, is exempt from preparing individual accounts under section 394A of the Companies Act 2006 and from filing individual accounts under section 448A of the Companies Act 2006.

The Company has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to publish the individual income statement and related notes.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

New standards, amendments, and interpretations

The following standards and amendments are effective for annual periods beginning after 1 January 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange rates

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to affect the current or future periods.

Interconnector Limited
Notes to the financial statements
2 Accounting policies (continued)

New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods or have not been endorsed by the UK. Accordingly the Group has not adopted these pronouncements.

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments – effective 1 January 2026;
- Annual improvements to IFRS – Volume 11 – effective 1 January 2026;
- Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity – effective 1 January 2026;
- IFRS 19 Subsidiaries without Public Accountability – Disclosures – effective 1 January 2027;
- IFRS18 Presentation and Disclosure in Financial Statements of which replaces IAS 1 effective 1 January 2027

The impact of these standards will be assessed closer to the date of initial application.

Going concern

The company sells capacity in a short-term market as a "merchant" asset. Demand for capacity, and therefore revenues, is usually seasonal in nature and is volatile. There may be periods of low demands from time to time.

The company's modelling confirms that the company should generate sufficient cashflow to meet the group's obligations during the next 12 months from signing date, which is the usual horizon to evaluate a company's Going concern.

The directors are confident that due to the strategic importance of the asset, and the unique function that it performs for the market, there will be sufficient demand for capacity to generate sufficient revenues to maintain the group as a going concern. Therefore, the directors believe that the group is well placed to manage its business risks successfully.

The group and the company are showing net assets of £34.4 million and £26.7 million respectively (2024 Group £31.9 million and Company £25.2 million). The Board of directors approved a mid-term view of revenues for the group based on the current supply/demand and pricing situation on the market. The plan generates sufficient cashflows to be able to meet the group's obligations in the next 12 months.

The group has also prepared reasonable downside scenarios to identify the level of revenues required to generate sufficient cashflows to be able to meet group's obligations in the next 12 months. The required level of revenues has already been achieved.

The directors, having assessed the principal risks facing the company and giving due consideration to the profitability of the business and the cash flow required to meet its ongoing obligations, consider it appropriate to prepare the financial statements on a going concern basis.

Notes to the financial statements

2 Accounting policies (continued)

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all its subsidiary undertakings. Subsidiaries are all entities over which the group has control. The group controls an entity 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. The consolidation stops from the date that control ceases. The consolidation is based on uniform accounting policies across all group companies in all material respects, and the elimination of intra-group transactions.

Non-controlling interests

The group applies the acquisition method to account for business combinations. Non-controlling interests are recognised on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Critical accounting estimates and judgements

The group prepares its consolidated financial statements in accordance with UK adopted IFRS, the application of which often requires judgements to be made by management when formulating the group's financial position and results. Under IFRS, the directors are required to adopt those accounting policies most appropriate to the group's circumstances for the purpose of presenting fairly the group's financial position, financial performance, and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the group; it may later be determined that a different choice would have been more appropriate.

A discussion of the critical accounting estimates is provided below and should be read in conjunction with the disclosure of the group's significant IFRS accounting policies provided in the notes to the consolidated financial statements.

Estimation of the useful life of the UK and the Belgian terminals

The useful life used to depreciate property, plant and equipment relates to management's estimate of the period over which economic benefit will be derived from the asset. Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, the assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful life for the UK and the Belgian terminals was 20 years to 2025 based on the initial contractual lease terms.

Critical accounting estimates and judgements (continued)

Estimation of the useful life of the UK and the Belgian terminals (continued)
In 2025 the Group exercised an extension option for the lease of its Belgian terminal assets, extending the lease term to 2030. The useful life of the related assets is estimated to run until 2030, consistent with the lease term.
Management will continue to reassess useful economic life of the assets every year.

Carrying values of property, plant, and equipment
Management consider that the group's assets comprise a single, integrated, cash generating unit as the cash inflows generated by the group's assets are interdependent. The recoverable amount of the integrated unit is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the integrated unit) and fair value less cost of disposal. The value in use calculation uses cash flow projections based on revenues from the provision of gas capacity.

Consolidation of structured entities
The group holds a 25% interest in FL Zeebrugge NV ("FLZ"), a structured entity which leases certain assets at the Belgian terminal to the group company Interconnector Zeebrugge Terminal BV ("IZT"). The group holds bonds issued by FLZ ("FLZ bond") to finance construction of the leased assets. These bonds have now been fully settled.

Management has concluded that FLZ is a structured entity which the group does not have control over and does not have sufficient exposure to variable returns, via its interest in FLZ, to be able to consolidate this entity. Further disclosures are given in note 16.

Decommissioning obligation
The company has potential obligations under UK and Belgian legislation to decommission the pipeline and terminal assets at the end of their service life which is currently estimated to be in 2098. Estimating the future cost of decommissioning requires significant management judgement. Given the length of time before these costs are anticipated to be incurred, there is considerable uncertainty over the nature of the regulations that will prevail, and the cost of the resources required. Accordingly, a contingent liability has been disclosed as at 31 December 2025 for the potential obligation. Further disclosures are given in note 29.

2 Accounting policies (continued)

Critical accounting estimates and judgements (continued)

Regulatory liability

The group has a regulatory liability, which is further explained in the accounting policies and Note 30 to the financial statements. In the absence of a specific IFRS for regulatory liabilities, management has exercised judgment to develop an appropriate accounting policy, as described in these financial statements.

CREG issued a decision in July 2023 permitting 50% of annual CAPEX to be applied to unwind the regulatory liability. Based on the Board-approved CAPEX plan, the portion of the liability expected to unwind within the next 12 months has been classified as current. The remaining balance continues to be presented as non-current, reflecting the expected timing of utilisation and the requirements of the financial control framework (B) 1654/1 decision dated 21 December 2017.

Critical accounting estimates and judgements

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquiree. Goodwill arising on acquisition of subsidiaries is capitalised as an intangible asset.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment would be recognised immediately as an expense and is not subsequently reversed.

Emissions allowances

Emissions allowances are recognised as intangible assets. Purchased emissions allowances are initially recognised at cost. Emissions allowances granted are initially recognised at the market price of the allowances on the date of receipt, with a corresponding recognition of deferred income. All emissions allowances are periodically tested for impairment. Deferred income is amortised on the basis of the volume of actual emissions. A liability, corresponding with the obligation to surrender allowances, is recognised based on actual measured emissions valued at the carrying amount of the emissions allowances held, or the current

Interconnector Limited
Notes to the financial statements
2 Accounting policies (continued)

Emissions allowances (continued)

market price for any shortfall. The liability is discharged on the annual surrender of emissions allowances.

The portion of the asset expected to be surrendered within the next 12 months is classified as a current asset, with the remaining balance presented within non-current assets.

Even though no longer part of the EU Emissions Trading System (EU ETS). The company still holds some EU ETS allowances. There is an active market for these, and the market price at balance sheet date was higher than cost. Hence, there are no indicators for impairment.

The UK government implemented its UK emission scheme from 1 January 2021. The company receives a limited amount of allocation annually and has an obligation to surrender allowances based on the actual measured emissions. The company follows the same accounting policy for UK emissions scheme as it did for the EU scheme.

Intangible assets

Computer software and IT development costs

Costs associated with maintaining software programmes are recognised as an expense as incurred. An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and if the cost of the asset can be measured reliably. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Computer software and IT development costs are amortised on a straight-line basis over their useful lives.

The expected life for this purpose is:	**Years**
Computer software and IT development costs	3

Property, Plant, and equipment

The subsea pipeline and the compression terminal assets in Bacton in the UK and in Zeebrugge in Belgium are stated at historical cost, net of accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended useful life.

The group capitalises subsequent expenditure on property, plant, and equipment if it meets the capitalisation accounting criteria per IAS16 paragraph 7:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant, and equipment (continued)

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

With the exception of freehold land (which is not depreciated), depreciation for assets in use is calculated so as to write off their cost, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned.

The expected lives for this purpose are:

	Years
UK terminal and pipeline	25-50
Belgium terminal	25
Other UK infrastructure assets	3-25
Other assets	3-10

The expected useful lives of property, plant and equipment are reviewed on an annual basis.

Assets under construction

Expenditure on the construction, installation, or completion of infrastructure assets such as replacement of parts of the plant or major overhauls is capitalised within property, plant and equipment and intangible assets as asset under construction according to nature. When development / installation is completed, it is transferred to a relevant category of assets within Property, Plant and Equipment or Intangible assets. Assets in the course of construction are not depreciated until they are available for use.

Spare parts inventory

Spare parts inventory is held at the Bacton and Zeebrugge terminals. As the group's spare parts inventory have a long shelf life and are expected to be used during more than one year, they are recognised within property, plant, and equipment as part of other assets. They are valued at cost which is expensed when the parts are installed.

Static gas

Static gas is the minimum volume of gas that has to be kept in the pipeline for it to operate, which cannot be extracted out. The static gas is accounted for as a fixed asset and is depreciated over 50 years.

Impairment

The Group assesses at each reporting date whether there are indicators of impairment and, as the Group operates a single cash-generating unit, determines recoverable amount at the CGU level. Recoverable amount is the higher of fair value less costs of disposal and value in use, with value in use calculated by discounting forecast cash flows using the Group's weighted average cost of capital (WACC). Any excess of carrying amount over recoverable amount is recognised immediately as an impairment loss.

Inventory

The volume of pipeline gas in excess of the minimum gas volume (static gas) is treated as operating inventory and is classified as inventory within current assets - gas inventory. It is necessary to maintain gas inventory above the minimum level in order to achieve fuel efficiency. Operating gas inventory is also used to cover gas shrinkage / gains and as a compressor fuel.

Additions to operating inventory are accounted for at purchase price and usage is accounted at weighted average price. If the gas market price falls below the weighted average price, an impairment is recorded to bring the weighted average price to match the market price. The impairment is reversed to the extent of a previously recorded impairment i.e. gas inventory will be valued at the lower of cost and market price.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Additionally, cash pooling arrangements that meet the criteria for cash and cash equivalents—where balances are legally and practically available for use by the group without restriction—are presented as part of cash and cash equivalents. These arrangements typically involve centrally managed group cash balances, where funds can be freely transferred among participating entities to optimise liquidity.

The IAA contract outlines credit rating requirements for all customers. If not fulfilled, customers must provide a cash deposit for three months of estimated capacity purchases. Customer deposits are restricted and are included in the company's and group's cash flows. A corresponding liability is recognised within trade and other payables.

Interconnector Limited
Notes to the financial statements
2 Accounting policies (continued)

Investments and other financial assets

Classification
The group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing financial assets and the contractual terms of the cash flows.

Investments and other financial assets (continued)

Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition & derecognition
Regular way purchases and sales of financial assets are recognised on trade-date, that is, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value though profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Investments and other financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. The group's only equity investment is its investment in FLZ, which it has elected to classify as an asset measured at FVOCI. Equity investments in subsidiaries in the company financial statements are accounted for in accordance with the policy "Investments in subsidiaries".

Interconnector Limited
Notes to the financial statements
2 Accounting policies (continued)

Investments and other financial assets (continued)
Impairment
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Regulatory liability
The company is regulated by Ofgem in the UK and CREG in Belgium. In December 2017 CREG adopted a tariff methodology to be used by the company whereby two ceilings are defined in relation to net profit after tax: cumulatively over the regulatory period, the net profit after tax must not exceed the higher ceiling, and a system of profit sharing is provided for the part of the net result that exceeds the lower ceiling. It is a multi-annual system which ensures that any surpluses will be entered to the balance sheet so that they are not distributed to shareholders except to the extent that the net result after tax does not exceed the lower ceiling. However, any deficits cannot be recovered except to the extent that the lower ceiling is exceeded.

In the absence on an IFRS standard which specifically applies to the treatment of these regulatory deferral accounts, management referred to the requirements of IFRSA 14 and the Conceptual Framework for Financial Reporting alongside the latest changes in the IASB project on Rate-regulated Activities to develop the following accounting policy which is also in line with parent company, Fluxys:

- The equalisation account is positive when the net result exceeds the regulatory threshold. In that case, a liability is recognised in the statement of financial position with respect to the group's obligation to deduct an amount from the tariffs to be charged to customers in future periods because the total allowed compensation for goods or services already supplied is lower than the amount from already charged to customers, or excess revenue has been generated due to higher volumes than initially estimated (regulatory liability). The opposite debit entry to this adjustment is a non-IFRS 15 adjustment to revenue which is presented within note 3 to these financial statements.

  The regulatory liability is released to the income statement in subsequent periods as a non-IFRS 15 adjustment to revenue where the unwind of the liability relates to reductions in tariffs. In accordance with the financial control framework set by CREG, the regulatory liability may also be released, at the decision of CREG, for the group to invest in qualifying capital expenditure. If the decision is made by CREG to release the company from some or all of the liability to enable it to invest in capital expenditure, the Group has followed the guidance in IAS 20 Government Grants to

2 Accounting policies (continued)

Investments and other financial assets (continued)

offset the amount of the liability the group has been released from directly against the assets acquired i.e. the value of the additions to property, plant and equipment will be net of the amount CREG has decided to release the group from the regulatory liability.

- The equalisation account is negative when cumulative net result from the beginning of the 4-year regulatory period is below the regulatory threshold. In that case, no adjustment is recognised in the accounts as it would constitute a receivable which cannot be recovered.

The amount in the regulatory deferral accounts is reported on an annual basis and assessed by the regulator. Further disclosures are given in note 30.

Investments in subsidiaries

In the company statement of financial position, investments in subsidiaries are stated individually at cost less a provision for any permanent diminution in value.

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired from suppliers in the ordinary course of business. Trade and other payables are recognised at payment or settlement amounts, which are not materially different from their fair value.

Derivative financial instruments and hedging activities

The group uses derivative financial instruments to hedge its exposure to exchange rate and interest rate risks.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity is less than 12 months.

The group does not trade in derivatives.

Leases

The group leases plant, equipment, and an office.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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 are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Finance costs

Finance costs are recognised in profit or loss in the period in which they are incurred. Interest on lease liabilities is classified as a financing cash flow in the statement of cash flows.

Interconnector Limited
Notes to the financial statements
2 Accounting policies (continued)

Impairment of non-financial assets

An impairment loss is recognised when the carrying amount of a non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use.

Revenue recognition

The group operates the transportation system and has an obligation to give access to the transportation services to customers who sign contracts with it. All group customers must sign a contract prior to transacting with the group. The group uses one type of contract, standard for all customers: the Interconnector Access Agreement (IAA). Customers get an allocated capacity in a period they booked capacity for, in return for a 'ship-or-pay' payment obligation. A share of the pipeline capacity is identified in volume and is not physically distinct.

Revenue is measured at the fair value of the consideration received or receivable. IAA revenue represents amounts receivable in accordance with contractual terms based on the provision of pipeline capacity based on standard tariffs. The price of the capacity products sold to the IAA customers is defined at the capacity auctions, for which the base (minimum) prices are published on INT's website, as well as via its alternative sales channel by means of implicit allocation.

The group believes that presenting a disaggregation of revenue based on the timing of transfer of goods or services (i.e. at a point in time or over time) provides users of the financial statements with useful information as to the nature and timing of revenue from contracts with customers.

Revenue arising from the group's capacity contracts is recognised in the accounting period in which pipeline capacity is provided to customers (recognised over time). Commodity and other revenue are recognised based on the provision of services (recognised at point in time). Different components of revenue are clearly identifiable and are invoiced separately to customers.

Revenue recognition for each component of the INT revenue is summarised below.

Under the IAA, revenue is recognised in respect of:

- IAA access fee: A fixed monthly fee which grants the shipper the right to use the interconnector in that particular month. Revenue is recognised on a monthly basis in line with the access granted.
- Sale of capacity: Recognised on a monthly basis in respect of the capacity purchased by each shipper for that particular month at an agreed price. The revenue varies depending on the amount of capacity purchased and is earned regardless of whether the shipper uses the capacity or not.
- Commodity charges: Recognised monthly based on capacity utilisation, priced at the current commodity tariff.

2 Accounting policies (continued)

Revenue recognition (continued)

Financing components
The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Interest income
Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Foreign currencies

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Pounds Sterling ("£" or "Sterling"), which is the group's presentation currency and rounded to the nearest thousand.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or costs".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the

2 Accounting policies (continued)

Foreign currencies (continues)

fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value though other comprehensive income are included in other comprehensive income.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the year-end.
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Repairs and maintenance

Repairs and maintenance costs are charged to profit or loss when incurred.

Pension scheme

The company has a defined contribution scheme with pensions provided by a third-party provider. Contributions payable by the company are charged to profit or loss as they accrue.

Employee termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle that obligation and a reliable estimate can be made of the amount of that obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at year-end, taking into account the risks and uncertainties surrounding the obligation.

2 Accounting policies (continued)

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes.

INT is part of the Fluxys Group, which meets the consolidated revenue threshold for the OECD Pillar Two Global Anti-Base Erosion (GloBE) rules. INT's results are included within the Fluxys Group Pillar Two reporting. INT operates solely in the UK and Belgium and has no activities in low-tax jurisdictions; accordingly, although Pillar Two legislation has been enacted, no top-tax is expected to arise in respect of the group.

3 Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Note	For the year ended 31 December 2025 £'000	For the year ended 31 December 2024 £'000
Timing of revenue recognition			
Recognised over time		**98,727**	95,964
Recognised at a point in time		**18,422**	17,476
Total revenue from contracts with customers		**117,149**	113,440
Type of service			
Sale of capacity		**129,257**	132,158
Changes in regulatory liabilities (non IFRS-15)	**30**	**(30,531)**	(36,194)
Commodity revenue		**13,729**	11,640
Other revenues		**4,694**	5,836
Total revenue from contracts with customers		**117,149**	113,440

There are no contractual assets or liabilities relating to contracts with customers.

4 Operating profit

Operating profit is stated after charging:

	For the year ended 31 December 2025	For the year ended 31 December 2024
	£'000	£'000
Employee costs (see note 6)	**10,418**	9,757
Depreciation of property, plant, and equipment:		
– owned	**6,646**	4,568
– leased	**5,282**	4,649
Total depreciation and amortisation	**11,928**	9,217
Depreciation of intangible assets:		
– owned	**38**	97
(Reversal)/Impairment of intangible	**8,181**	(309)
Fees payable to company auditors and their associates for:		
– the audit of the company and consolidated financial statements	**182**	165
– the audit of the company's subsidiaries	**7**	7
Total fees payable to company auditors and associates	**189**	172

5 Key management personnel remuneration

None of the company directors were its employees during the year ended 31 December 2025 nor 2024.

The Management remuneration is made up of two components:

1. Short term Employment benefits: GBP 1,587,000 (2024: GBP 1,259,000)
2. Service fee related to secondment agreements: GPB 371,000 (2024: GBP 346,000)

Interconnector Limited
Notes to the financial statements

6 Employee information

The average monthly number of persons employed by the company and the group during the year is set out below. The subsidiary companies had no employees during the year.

	For the year ended 31 December 2025	For the year ended 31 December 2024
	Average Number	Average Number
By activity:		
Physical operations	**48**	48
Commercial operations	**11**	11
Administration	**27**	26
Total average number of employees	**86**	85

Employee costs:	**For the year ended 31 December 2025**	For the year ended 31 December 2024
	£'000	£'000
Wages and salaries	**6,484**	6,506
Social security costs	**918**	822
Other pension costs	**1,429**	1,170
Termination costs	**-**	-
Key management personnel remuneration, including other pension costs (see note 5)	**1,587**	1,259
Total employee costs	**10,418**	9,757

Interconnector Limited
Notes to the financial statements

7 Finance income

	For the year ended 31 December 2025	For the year ended 31 December 2024
	£'000	£'000
Bond interest receivable	**823**	1,839
Interest receivable on bank balances	**7,603**	8,795
Income from shares in investments	**31**	32
Other income	**121**	(27)
Total finance income	**8,578**	10,639

8 Finance costs

	For the year ended 31 December 2025	For the year ended 31 December 2024
	£'000	£'000
Interest and finance charges on lease liabilities	**1,517**	2,314
Net exchange differences on foreign currency debt and deposits	**364**	18
Other interest payable	**8,685**	10,013
Total finance costs	**10,566**	12,345

Other interest payable relates mainly to interest accrued on regulatory liabilities (note 30).

9 Tax expense

	For the year ended 31 December 2025	For the year ended 31 December 2024
	£'000	£'000
Current tax:		
UK corporation tax on profits for the year	**11,790**	16,127
Foreign tax on profits for the year	**258**	191
Current tax on profits for the year	**12,048**	16,318
Adjustments in respect of prior years	**357**	-
Total current tax	**12,405**	16,318
Deferred tax:		
Origination and reversal of timing differences	**(1,784)**	(1,982)
Deferred tax credit relating to change in timing assumptions	**-**	-
Total deferred tax (see note 20)	**(1,784)**	(1,982)
Tax expense	**10,621**	14,336

The UK corporation tax rate applicable for the year was 25% (2024: 25%). Deferred tax balances at the balance sheet date have been measured using this rate.

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes.

INT is part of the Fluxys Group, which meets the consolidated revenue threshold for the OECD Pillar Two Global Anti-Base Erosion (GloBE) rules. INT's results are included within the Fluxys Group Pillar Two reporting. INT operates solely in the UK and Belgium and has no activities in low-tax jurisdictions; accordingly, although Pillar Two legislation has been enacted, no top-tax is expected to arise in respect of the group.

The tax assessed for the year at the standard rate of corporation taxation in the UK for the period (25%) (2024: 25%). The differences are explained below:

Notes to the financial statements

9 Tax expense (continued)

	For the year ended 31 December 2025	For the year ended 31 December 2024
	£'000	£'000
Profit before taxation	**67,947**	63,437
Profit before taxation multiplied by standard rate in the UK 25% (2024: 25%)	**16,987**	15,859
Effects of:		
Expenses not deductible for tax purposes	**824**	1,250
Income not chargeable for tax purposes	**(721)**	(526)
Deferred tax relating to change in timing assumptions	**-**	-
Other timing differences	**(584)**	(40)
Other	**-**	(312)
Deferred Tax Adjustment (PYA)	**-**	(1,895)
Adjustments in respect of prior years	**(5,885)**	-
Tax expense	**10,621**	14,336

Uncertain tax position

The legislation in relation to bringing into account net foreign exchange losses on leases denominated in foreign currencies for corporation tax purposes allows the application of different methods. Historically, the lease related FX gains and losses have been disallowed in the tax computation. Following a due diligence and advice from the external tax consultants it was determined that FX gains and losses arising on the actual lease payments each year should be taxable / deductible in the tax computations of INT.

INT has made a claim for relief for overpaid tax under section 51 Schedule 18 FA 1998 in relation to the corporation tax treatment of net foreign exchange losses on leases denominated in euros. HMRC has challenged this approach.

In February 2026 HMRC issued its response, rejecting the group's overpayment relief claim for the 2014–2015 periods, however the inquiries into the 2016–2023 corporation tax returns were closed without amendments. As a result, the group has recognised £5.2 million of tax previously unrecognised as an adjustment in respect of prior periods in the tax expense.

At 31 December 2025, no tax receivable remains unrecognised in relation to this matter (31 December 2024: £5.6 million).

10 Dividends on equity shares

	For the year ended 31 December 2025	For the year ended 31 December 2024
	£'000	£'000
Equity – Ordinary		
Final paid: £0.425 (2024 - Interim £0.425) per £1 ordinary share	**5,009**	5,009
Interim paid: £4.245 (2024 - £3.825) per £1 ordinary share	**50,030**	45,080
Total dividends	**55,039**	50,089

The directors have proposed a final dividend for the year ended 31 December 2025 of £0.425 per ordinary share (totalling £5.0 million). This has not been recognised in these financial statements as it had not been approved by the shareholders at the balance sheet date.

Note 24 sets out details regarding preference dividends.

Interconnector Limited
Notes to the financial statements

11 Property, plant, and equipment

Group	Freehold land	UK terminal & pipeline	Belgian terminal	Other UK infrastructure assets	Other assets	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2024	**5,874**	**430,901**	**147,793**	**27,087**	**16,743**	**6,408**	**634,806**
Additions	1,042	9,170	5,195		3,001	4,365	22,773
Transfers		3,389	1,631	-	80	(5,100)	-
Disposals		(8,837)	(3,087)	-	(1,928)	-	(13,852)
Release of Regulatory Liability		(4,585)	(2,597)		(23)	(2,032)	(9,237)
Foreign exchange adjustments	99	-	-	-	-	-	99
At 31 December 2024	**7,015**	**430,038**	**148,935**	**27,087**	**17,873**	**3,641**	**634,589**
Additions	-	8,263	3,860		1,827	6,318	20,268
Transfers	1	3,480	(1,077)	-	3,199	(5,603)	-
Disposals	-	(5,952)	(1,986)	-	(1,477)	-	(9,415)
Release of Regulatory Liability	-	(6,166)	(2,195)	-	(43)	(833)	(9,237)
Foreign exchange adjustments	309	-	-	-	-	-	309
At 31 December 2025	**7,325**	**429,663**	**147,537**	**27,087**	**21,379**	**3,523**	**636,514**
Accumulated depreciation							
At 1 January 2024	**-**	**(405,317)**	**(117,285)**	**(27,087)**	**(11,055)**	**-**	**(560,744)**
Depreciation charge	-	(4,469)	(4,393)	-	(355)		(9,217)
Disposals	-	8,835	2,767	-	1,173	-	12,775
At 31 December 2024	**-**	**(400,951)**	**(118,911)**	**(27,087)**	**(10,237)**	**-**	**(557,186)**
Depreciation charge	-	(6,599)	(4,981)	-	(348)		(11,928)
Transfer	-	286	45	-	(235)	-	96
Disposals	-	5,862	1,832	-	-	-	7,694
At 31 December 2025	**-**	**(401,402)**	**(122,015)**	**(27,087)**	**(10,820)**	**-**	**(561,324)**

Interconnector Limited

Net book value							
At 31 December 2025	**7,325**	**28,261**	**25,522**	**-**	**10,559**	**3,523**	**75,190**
At 31 December 2024	7,015	29,087	30,024	-	7,636	3,641	77,403

Interconnector Limited
Notes to the financial statements

11 Property, plant and equipment (continued)

Company	Freehold land	UK terminal & pipeline	Belgian terminal	Other UK infrastructure assets	Other assets	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2024	**1,041**	**430,901**	**147,793**	**27,087**	**16,743**	**6,408**	**629,973**
Additions	-	9,170	5,195	-	5,888	4,365	24,618
Transfers	-	3,389	1,631	-	80	(5,100)	-
Disposals	-	(8,837)	(3,087)	-	(4,814)	-	(16,738)
Release of Regulatory Liability	-	(4,585)	(2,597)	-	(23)	(2,032)	(9,237)
At 31 December 2024	**1,041**	**430,038**	**148,935**	**27,087**	**17,874**	**3,641**	**628,616**
Additions	-	8,263	3,860	-	1,827	6,318	20,268
Transfers	1	3,480	(1,077)	-	3,199	(5,603)	-
Disposals	-	(5,952)	(1,986)	-	(1,477)	-	(9,415)
Release of Regulatory Liability	-	(6,166)	(2,195)	-	(43)	(833)	(9,237)
Asset Reclass	-	-	-	-	-	-	-
At 31 December 2025	**1,042**	**429,663**	**147,537**	**27,087**	**21,380**	**3,523**	**630,232**
Accumulated depreciation							
At 1 January 2024	**-**	**(405,317)**	**(117,285)**	**(27,087)**	**(11,055)**	**-**	**(560,744)**
Depreciation charge	-	(4,469)	(4,392)	-	(356)	-	(9,217)
Disposals	-	8,837	2,765	-	1,173	-	12,775
At 31 December 2024	**-**	**(400,949)**	**(118,912)**	**(27,087)**	**(10,238)**	**-**	**(557,186)**
Depreciation charge	-	(6,599)	(4,981)	-	(348)	-	(11,928)
Transfers	-	284	45	-	(236)		93
Disposals	-	5,862	1,832	-	-	-	7,694
At 31 December 2025	**-**	**(401,402)**	**(122,016)**	**(27,087)**	**(10,822)**	**-**	**(561,327)**

Interconnector Limited

Net book value							
At 31 December 2025	**1,042**	**28,261**	**25,521**	**-**	**10,558**	**3,523**	**68,905**
At 31 December 2024	1,041	29,089	30,023	-	7,636	3,641	71,430

Notes to the financial statements

11 Property, Plant and equipment (continued)

Freehold land

The freehold land relates to land at a cost of £1.0 million at Bacton (UK) and £5.9 million (€7.2 million) at Zeebrugge (Belgium) terminals.

UK terminal and pipeline and Belgian terminal

The UK terminal was subject to a lease which expired in 2023 following the exercise of the option to purchase. The UK terminal and pipeline are owned assets as at 31 December 2023.

The Belgian terminal includes assets that were historically subject to two separate leases. Following the exercise of the purchase option in December 2023, certain assets are now owned. The remaining assets continue to be leased. See Note 19 for further details.

Other UK infrastructure assets

These are capital contributions of £27.1 million made in 1997 and 1998 for assets within the UK, which enable the company to operate a grid-to-grid gas transportation facility between the UK and Belgium.

Other assets

Other assets include furniture, fixtures and fittings, computer equipment, project set-up costs. Strategic spare parts inventory held at both Bacton and Zeebrugge terminals is included in other assets, totalling £6.2 million (31 December 2024: £5.8 million). The expense is recognised in the income statement when spares are used.

As at 31 December 2025, management undertook an assessment for impairment indicators and did not identify any. This assessment included a review of the economic model which continues to demonstrate sufficient head room based on the secured capacity sales for future years.

Note 4 summarises the depreciation charge on leased and own assets.

Assets under construction

Assets under construction include costs of capital projects relating to terminal assets and the pipeline.

Right-of-use assets

Right-of-use assets are included in Property, plant and equipment in the same categories as if they were owned. Additional information on right-of-use assets is presented in note 19.

Notes to the financial statements

12 Intangible assets

Group	Good will	Emissions allowances	Computer software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2024	**2,552**	**39,710**	**3,332**	**45,594**
Additions	-	2,282	59	2,341
Disposals	-	(5,207)	-	(5,207)
At 31 December 2024	**2,552**	**36,785**	**3,391**	**42,728**
Additions in the year	-	1,863	317	2,180
Release of Regulatory Liability	-	-	(159)	(159)
Disposals/transfers	-	(2,668)	(76)	(2,744)
At 31 December 2025	**2,552**	**35,980**	**3,473**	**42,005**
Accumulated impairment				
At 1 January 2024	**(2,552)**	**(18,064)**	**(3,150)**	**(23,766)**
Reversal of impairment in the year	-	309	-	309
Amortisation charge	-	-	(97)	(97)
At 31 December 2024	**(2,552)**	**(17,755)**	**(3,247)**	**(23,554)**
Amortisation charge in the year	-	-	(38)	(38)
Reversal of impairment in the year	-	8,181	-	8,181
At 31 December 2025	**(2,552)**	**(9,574)**	**(3,285)**	**(15,411)**
Net book value				
At 31 December 2025	**-**	**26,406**	**188**	**26,594**
At 31 December 2024	-	19,030	144	19,174

Goodwill

This asset is the goodwill on consolidation relating to the acquisition of ILC, a wholly owned subsidiary, in 2002. The only activity of ILC was to lease property and equipment to INT. The lease was fully re-paid by INT in 2018 and the lease assets were fully depreciated. As a result, the goodwill was impaired in 2018.

Notes to the financial statements

Emissions allowances (continued)

This asset is emissions allowances received under the EU emissions trading scheme until 31 December 2020 and under the UK scheme from 1 January 2021.

12 Intangible assets

Company	Emissions allowances	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 January 2024	**39,710**	**3,332**	**43,042**
Additions in the period	2,282	59	2,341
Disposals / transfers	(5,207)	-	(5,207)
At 31 December 2024	**36,785**	**3,391**	**40,176**
Additions in the year	1,863	317	2,180
Release of Regulatory Liability	-	(159)	(159)
Disposals/transfers	(2,669)	(76)	(2,745)
At 31 December 2025	**35,979**	**3,473**	**39,452**
Accumulated impairment			
At 1 January 2024	**(18,064)**	**(3,150)**	**(21,214)**
Amortisation charge in the year	-	(97)	(97)
Reversal of impairment in the year	309	-	309
At 31 December 2024	**(17,755)**	**(3,247)**	**(21,002)**
Amortisation charge in the year	-	(38)	(38)
Reversal of impairment in the year	8,182	-	8,182
At 31 December 2025	**(9,573)**	**(3,285)**	**(12,858)**
Net book value			
At 31 December 2025	**26,406**	**188**	**26,594**
At 31 December 2024	19,030	144	19,174

Notes to the financial statements

13 Financial assets at fair value through other comprehensive income

Group and Company	Investments in unlisted shares
	£'000
Cost	
At 1 January 2024, 31 December 2024 and 31 December 2025	**425**
Accumulated impairment	
At 1 January 2024	(401)
Charge for the period	(24)
At 31 December 2024	**(425)**
Charge for the year	-
At 31 December 2025	**(425)**
Net book value	
At 31 December 2025	**-**
At 31 December 2024	**-**
At 31 December 2023	24

The investment in unlisted shares relates to shares in FLZ. Further details regarding this investment are disclosed in note 16.

Notes to the financial statements

14 Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2024, 31 December 2024 and 31 December 2025	**7,173**
Accumulated impairment	
At 1 January 2024, 31 December 2024 and 31 December 2025	**(7,124)**
Net book value	
At 1 January 2024, 31 December 2024 and 31 December 2025	**49**

The directors believe that the carrying values of the investments in the company and the group are supported by the underlying net assets and / or the present value of the estimated future cash flows.

Impairment of investments in subsidiary undertakings relates to shares in ILC. The only activity of ILC was to lease property and equipment to INT. The lease was fully re-paid by INT in 2018, the extension was at a "peppercorn" rental. As a result, the value of investment was impaired. The assets were transferred to INT in 2021.

Subsidiaries

Name of undertaking	Registered address	Description of shares held	Proportion of nominal value of issued shares held by: Group %	Company %
Interconnector Zeebrugge Terminal BV ("IZT")	Rue Guimard 4, BE – 1040 Brussels, Belgium	Ordinary €1,239 shares	49 (2024: 49)	48 (2024: 48)
Interconnector Leasing Company Limited ("ILC")	15-16 Buckingham Street, London WC2N 6DU, UK	Ordinary £1 shares	100 (2024: 100)	100 (2024: 100)

All subsidiary undertakings have been included in the consolidation. With the exception of IZT, the voting rights in the subsidiary undertakings are in proportion to the number of shares held. IZT is consolidated as a subsidiary as the group exercises control over IZT. Although the group owns 49% of the shares of IZT, it is entitled to majority votes at shareholders' meetings and receives 80% of reserves distributed.

Notes to the financial statements

14 Investments in subsidiaries (continued)

The principal activities of the company's subsidiaries are as follows:

- IZT – the operation and maintenance of gas terminal facilities at Zeebrugge, Belgium.
- ILC – a dormant company

The group leases assets at the Belgian terminal from FLZ, a Belgian-registered subsidiary of BNP Paribas Fortis, through a funded lease structure. The group holds 25% of the shares in FLZ (see note 16).

15 Financial assets at amortised cost

Group	FLZ bond £'000
At 31 December 2025	
Amounts receivable in less than one year	-
Amounts receivable after one year	-
	-
At 31 December 2024	
Amounts receivable in less than one year	17,634
Amounts receivable after one year	-
	17,634

The FLZ bond was Euro-denominated, unsecured, repayable in instalments and bared interest at a fixed rate. The loan was fully repaid in November 2025.

Notes to the financial statements

15 Financial assets at amortised cost (continued)

Company	FLZ bond	IZT loan	Total
	£'000	£'000	£'000
At 31 December 2025			
Amounts receivable in less than one year	-	4,107	**4,107**
Amounts receivable after one year	-	1,483	**1,483**
Total	**-**	**5,590**	**5,590**
At 31 December 2024			
Amounts receivable in less than one year	17,683	4,071	**21,754**
Amounts receivable after one year	-	1,056	**1,056**
Total	**17,683**	**5,127**	**22,810**

The loan to IZT is an unsecured, Euro-denominated loan. It is repayable on demand and bears interest at a variable rate linked to the Euro Interbank Offered Rate ("EURIBOR").

An additional loan of EUR 1.7 million was granted to IZT as an unsecured, fixed-rate Euro-denominated loan, bearing interest at 4.28% per annum and repayable over four years, with the final maturity on 12 December 2027.

16 Unconsolidated structured entities

FLZ is a structured entity, in which the group has a 25% equity stake. It was set up for the purpose of financing certain assets at the Belgium terminal and leasing these assets to the group (see note 19). The construction of the assets by FLZ was funded by an issue of bonds, which are now held by the company (see note 15). The balance of the construction costs was funded by a loan from an affiliate of BNP Paribas Fortis, who own the remaining 75% equity stake. Under the leasing arrangements with FLZ, the company extended the lease until 2030.

As detailed in note 2, the group does not have control over FLZ and does not have sufficient exposure to variable returns, via its interest in FLZ, to be able to consolidate this entity. Further, the group does not have significant influence over FLZ and therefore equity accounting is not applied.

Notes to the financial statements

16 Unconsolidated structured entities (continued)

Although FLZ is not consolidated by the group, the leased assets are recognised on the group's statement of financial position as right-of-use assets, with an associated lease liability. The group has not offset the bond assets with the related lease liabilities, as it does not have a legally enforceable right to offset payments in the normal course of business.

The investment in FLZ is held by the group as an equity investment at fair value through other comprehensive income.

The group does not have any current intentions to provide financial or other support to FLZ. The maximum exposure to loss from the group's interest in FLZ is the net liability arising from the unwind of the related financing arrangements, as shown in the table below.

The carrying amounts of the assets and liabilities recognised in the group's financial statements relating to its interests in FLZ are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Assets		
Financial assets at amortised cost – FLZ bond	-	17,633
Equity investments at fair value though OCI	-	(4)
Interest receivable	-	142
Liabilities		
Lease liabilities	(11,095)	(27,770)
Interest payable	(30)	(127)
Net liability in relation to financing arrangements	(11,125)	(10,126)
Assets – Property, plant and equipment	**23,763**	**26,458**

Notes to the financial statements

17 Trade receivables and other financial assets at amortised cost

	Group	Group	**Company**	Company
	31 December 2025	31 December 2024	**31 December 2025**	31 December 2024
	£'000	£'000	**£'000**	£'000
Trade receivables	**-**	-	**148**	118
Accrued income	**10,434**	11,257	**10,287**	11,139
Other interest receivable	**759**	1,062	**825**	991
Prepayments	**1,738**	1,703	**1,738**	1,703
Other taxes receivable	**4,505**	4,076	**16**	28
Other receivables	**6**	6	**6**	5
	17,442	18,104	**13,020**	13,984

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 14 days and therefore are all classified as current.

The IAA contract outlines credit rating requirements for all customers. If not fulfilled, customers must provide a cash deposit for three months of estimated capacity purchases. Expected loss allowance for trade receivables is £nil (2024: £nil).

Other financial assets at amortised cost represent amounts falling due within one year. The other interest receivable primarily relates to accrued interest on short-term cash deposits.

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

Included in the above is an amount of £4.4m (€5.1m) which is VAT receivable by subsidiaries.

Notes to the financial statements

18 Inventory

Group and Company	31 December 2025 £'000	31 December 2024 £'000
Current assets		
Gas inventory	**1,412**	1,980
	1,412	1,980

The value of consumed inventory recognised as an expense during the year, and included in "operating expenses" amounted to £4.8 million (2024: £5.1 million).

19 Leases

UK terminal and pipeline and Belgian terminal

Some of the Belgium terminal's equipment is leased from FLZ. The primary period of FLZ lease expired in September 2025, IZT has a fixed price purchase option to acquire the leased assets, and alternatively, a subsequent rent option. IZT has already requested for the lease to be extended for another 5 years starting from December 2025.

The Belgian terminal equipment cost covered by the lease is £137.3 million, with a net book value of £11.5 million at 31 December 2025 (2024: £17.1 million).

Other leases

Other leases relate to London office and the right to lay and maintain the pipeline on or under the foreshore and seabed in Bacton, Norfolk. These leases do not have a purchase option.

Notes to the financial statements

19 Leases (continued)

Right-of-use assets

Additional information on the right-of-use assets by class of assets is as follows:

Group and Company	Carrying amount	Additions	Depreciation charge
	£'000	£'000	£'000
Office building	726	-	(185)
UK terminal & pipeline – land access	3,472	-	(109)
Belgian terminal	25,363	1,881	(3,147)
	29,561	**1,881**	**(3,441)**

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

Group and company	31 December 2025	31 December 2024
	£'000	£'000
Current	2,367	17,522
Non-current	13,175	14,929
	15,542	32,451

The lease liabilities are secured by the related underlying assets.

20 Deferred income tax (assets) / liabilities

The analysis of deferred tax (assets) / liabilities is as follows:

	Group	Group	**Company**	Company
	31 December 2025	31 December 2024	**31 December 2025**	31 December 2024
	£'000	£'000	**£'000**	£'000
Deferred tax (assets) /				
Accelerated tax	**1,227**	3,009	**1,227**	3,021
Deferred tax at year end	**1,227**	3,009	**1,227**	3,021

Notes to the financial statements

20 Deferred income tax (assets) / liabilities (continued)

	Group	Group	**Company**	Company
	31 December 2025 £'000	31 December 2024 £'000	**31 December 2025 £'000**	31 December 2024 £'000
Deferred tax (assets) / liabilities:				
Provision at beginning of the period	**3,009**	4,967	**3,021**	5,003
Deferred tax charge in the income statement	**(1,784)**	(1,958)	**(1,794)**	(1,982)
At 31 December	**1,225**	3,009	**1,227**	3,021

	Group	Group	**Company**	Company
Deferred tax (assets) / liabilities:	**31 December 2025 £'000**	31 December 2024 £'000	**31 December 2025 £'000**	31 December 2024 £'000
Deferred tax (assets) / liabilities due within 12 months	**-**	**-**	**-**	-
Deferred tax (assets) / liabilities due after more than 12 months	**1,225**	**3,009**	**1,227**	3,021
At 31 December	**1,225**	**3,009**	**1,227**	3,021

The majority of the deferred tax liabilities relate to the capital allowances in INT.

Notes to the financial statements

21 Financial Instruments

Principal financial instruments

The principal financial instruments used by the group for the purposes of financing investments, risk management and carrying out its trade, from which financial risks arise, are as follows:

- Trade and other receivables.
- Cash and cash equivalents.
- Trade and other payables.
- Borrowings and leases.
- Financial assets at amortised cost – FLZ bond.
- Financial assets at fair value through other comprehensive; and
- Derivative financial instruments.

The main risks associated with the financial instruments are:

- Market risks:
    - Foreign exchange risk.
    - Fair value and cash flow interest rate risk.
- Credit risk; and
- Liquidity risk.

This note describes the group's objectives, policies and processes for managing these risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the group's risk management objectives and policies. The group's management of financial instruments is governed by a Treasury Policy. The objective of the policy is to identify, mitigate and hedge treasury related financial risks to a level deemed acceptable by the Board. The policy precludes speculative use of financial instruments. External forward foreign exchange transactions may only be entered into with financial institutions that satisfy minimum credit rating requirements.

Market risk

Market risk arises from the group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (foreign exchange risk) or interest rates (interest rate risk).

Foreign exchange risk

The group has foreign currency denominated assets and liabilities. Exposures to exchange rate fluctuations therefore arise. The group aims to minimise the risk of gains or losses by maintaining a natural hedge by matching the value of the Euro assets and liabilities held. The effect of 20% strengthening of the EUR rate against GBP at the reporting date would, all other variables held constant, have resulted in an increase in

Notes to the financial statements

Foreign exchange risk (continued)

profit after tax for the year and an increase in net assets for the group of £0.15 million (2024: a decrease of £0.5 million).

21 Financial Instruments (continued)

The carrying amount of the group's and company's foreign currency denominated monetary assets and liabilities are shown below in the group's functional currency.

Financial assets and liabilities held in Euros – group	**31 December 2025**	31 December 2024
	£'000	£'000
Trade and other payables	**(2,641)**	(2,803)
Other receivables	**4,484**	4,147
Cash at bank	**10,038**	9,110
Financial assets at amortised cost – FLZ bond	**-**	33,560
Borrowings – net obligations under finance leases	**(11,126)**	(27,897)
Total	**755**	16,117

Financial assets and liabilities held in Euros – company	**31 December 2025**	31 December 2024
	£'000	£'000
Trade and other receivables	**1,708**	769
Cash at bank	**8,734**	8,955
Financial assets at amortised cost – FLZ bond	**-**	17,683
Borrowings – net obligations under finance leases	**(11,126)**	(27,897)
Total	**(684)**	(490)

Cash flow and fair value interest rate risk

The group's cash flow interest rate risk arises on borrowings at variable interest rates. Borrowings or investments at variable rates expose the group to interest rate risk.

All of the group's lease obligations and the FLZ bond receivable carry a fixed rate of interest. Therefore, the group does not have a material exposure to interest rate risk.

At 31 December 2025, if interest rates on Sterling-denominated borrowings had been 100 basis points higher / lower with all other variables held constant, profit after tax for the year would not have been affected as all the borrowings are at fixed interest rate.

Notes to the financial statements

21 Financial Instruments (continued)

Valuation techniques and assumptions applied for the purposes of measuring fair value

Financial instruments that are measured at fair value are classified by the following fair value measurement hierarchy:

- Level 1: valued using trading prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: valued using inputs that are observable for the asset or liability, either directly (that is as prices), or indirectly (that are derived from prices); and
- Level 3: valued using inputs that are not observable for the asset or liability.

Financial instruments measured at fair value in these financial statements comprise the foreign currency forward contract and foreign currency swap (note 22). These are valued using a Level 1 measurement procedure, using the forward rates at the balance sheet date available on the market for the same instruments.

The fair values of other financial instruments, which are not measured at fair value in these financial statements, are shown for comparison purposes in the following table. The fair values have been determined in accordance with generally accepted pricing models based on undiscounted cash flow based on maturity date.

Except as disclosed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	31 December 2025		**31 December 2024**	
	Carrying amount **£'000**	Fair value **£'000**	Carrying amount £'000	Fair value £'000
Group				
Financial assets				
Financial assets at amortised – bond (note 15) and accrued interest (note 17)	**-**	**-**	17,775	18,445
Financial liabilities				
Financial liabilities measured at amortised cost – net obligations under leases including accrued interest (note 19)	**(15,542)**	**(18,170)**	(32,451)	(33,855)

Notes to the financial statements

21 Financial Instruments (continued)

	31 December 2025		**31 December 2024**	
	Carrying amount	Fair value	Carrying amount	Fair value
Company	**£'000**	**£'000**	£'000	£'000
Financial assets				
Financial assets at amortised cost – bond (note 15) and accrued interest (note 17)	**-**	**-**	17,753	18,401
Financial liabilities				
Financial liabilities measured at amortised cost – net obligations under leases including accrued interest (note 19)	**(15,542)**	**(18,170)**	(32,451)	(33,855)

Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables, and derivative financial instruments (note 22).

Credit risk on cash and cash equivalents is the risk that treasury counterparties fail to repay their obligation on demand or at maturity. This risk is managed through counterparty limits and minimum counterparty credit rating criteria set out in a Treasury Policy. There has been no history of default.

Credit risk on trade and other receivables relates mainly to receivables due from customers and is the risk that a customer fails to repay its obligation in respect of the amounts owed under the capacity contracts. This risk is managed through the minimum credit standard required in the standard capacity contracts. If the credit rating falls below the minimum requirement, INT has a right to ask for a cash deposit or a guarantee. There has been no history of customers failing to pay the amounts due.

Credit risk on the forward currency contract and the currency swap is the risk that the counterparty fails to settle its obligations under that contract when due. This risk is minimal for the Interconnector group as the counter party to the contracts is the parent company of the group, Fluxys SA who bears credit risk with external parties.

Notes to the financial statements

21 Financial Instruments (continued)

Capital risk management

The capital structure of the group consists of net debt, which includes leases disclosed in note 19 after deducting cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The group's objectives when managing its capital are to safeguard the ability of the entities in the group to continue as going concerns, while maximising the return to shareholders, as earned from the capacity contracts, through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from the prior year. The most appropriate measure of the borrowing capacity of the group is the ratio of net debt to earnings before interest, tax, depreciation and amortisation (including impairment) ("EBITDA").

The ratio of the group's net debt to EBITDA is as follows:

	31 December 2025	31 December 2024
	£'000	£'000
Lease obligations	15,541	32,451
Less: Cash and cash equivalents	(195,222)	(158,534)
Net debt	(179,681)	(126,083)
EBITDA for the year ended	75,087	73,442
Ratio of net debt to EBITDA	**(2.39)**	(1.72)

Notes to the financial statements

21 Financial Instruments (continued)

Capital risk management (continued)
Financial instruments by class and by category – group

Financial assets at amortised cost

	31 December 2025 £'000	31 December 2024 £'000
Current financial assets		
Loans receivable – FLZ Bond	-	17,634
Trade and other receivables	11,200	18,104
Cash and cash equivalents	195,222	158,534
Short term investments	-	25,000
Total financial assets	**206,422**	219,272

Financial assets at fair value through OCI

	31 December 2025 £'000	31 December 2024 £'000
Non-current financial assets		
Investment – Shares	425	425
Less: Accumulated impairment	(425)	(425)
Total financial assets	**-**	**-**

Financial liabilities measured at amortised cost

	31 December 2025 £'000	31 December 2024 £'000
Current financial liabilities		
Lease obligations	(2,367)	(17,522)
Trade and other payables	(12,466)	(13,773)
Non- current financial liabilities		
Lease obligations	(13,175)	(14,929)
Total financial liabilities measured at amortised cost	**(28,008)**	(46,224)

Financial instruments measured at fair value through profit and loss

	31 December 2025 £'000	31 December 2024 £'000
Current financial assets		
Derivative financial instruments (level 1)	6	-
Current financial liabilities		
Derivative financial instruments (level 1)	-	(47)
Total derivative financial instruments	**6**	(47)

Notes to the financial statements

21 Financial Instruments (continued)

Capital risk management (continued)
Financial instruments by class and by category – company

Financial assets at amortised cost

	31 December 2025 £'000	31 December 2024 £'000
Non-current financial assets		
Loans receivable	1,483	1,056
Current financial assets		
Loans receivable	4,107	21,754
Trade and other receivables	13,021	13,984
Cash and cash equivalents	193,918	158,379
Short term investments	-	25,000
Total financial assets	**212,529**	220,173

Financial assets at fair value through OCI

	31 December 2025 £'000	31 December 2024 £'000
Non-current financial assets		
Investment – Shares	425	425
Less: Accumulated impairment	(425)	(425)
Total financial assets	**-**	-

Financial liabilities measured at amortised cost

	31 December 2025 £'000	31 December 2024 £'000
Current financial liabilities		
Lease obligations	(2,367)	(17,522)
Trade and other payables	(13,830)	(15,461)
Non- current financial liabilities		
Obligations under finance leases	(13,175)	(14,929)
Total financial liabilities measured at amortised cost	**(29,372)**	(47,912)

Financial instruments measured at fair value through profit and loss

	31 December 2025 £'000	31 December 2024 £'000
Current financial assets		
Derivative financial instruments (level 1)	6	-
Current financial liabilities		
Derivative financial instruments (level 1)	-	(47)
Total derivative financial instruments	**6**	(47)

Notes to the financial statements

22 Derivative financial instruments

Group and company	31 December 2025 £'000	31 December 2024 £'000
Currency swap	(50)	(47)
Currency forward purchase	56	-
Derivative financial instruments (level 1)	**6**	(47)

Financial instruments measured at fair value through profit and loss

Currency swap relates to contracts to fix euro rate for the payment to a supplier and subsequent receipt of VAT for €4.7 million (2024: €4.47 million). Currency forward purchase covers highly probable payments to suppliers in euro for €13.7 million (2024: nil). The group has elected not to apply hedge accounting to these contracts but to account for them at fair value through the profit and loss statement using forward rates for the contracts with the same terms at the balance sheet date.

23 Trade and other payables

	Group 31 December 2025 £'000	Group 31 December 2024 £'000	Company 31 December 2025 £'000	Company 31 December 2024 £'000
Customer deposits	**16,415**	25,500	**16,415**	25,500
Accruals and other payables	**12,759**	12,184	**12,870**	12,214
Other taxes including social security	**1,653**	1,019	**1,653**	1,019
Trade payables	**343**	1,084	**1,597**	2,740
Amounts owed to parent company	**336**	505	**336**	505
Trade and other payables - current	**31,506**	40,292	**32,871**	41,978

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Deposits and amounts owed to the parent company are included within trade and other payables; these balances are interest-free, repayable on demand, and therefore also carried at amounts that approximate their fair values.

Notes to the financial statements

24 Share capital

Authorised, issued and fully paid	**31 December 2025 £'000**	31 December 2024 £'000
11,785,680 (2024: 11,785,680) ordinary shares of £1 each	**11,786**	11,786
969,000 (2024: 969,000) non-redeemable preference shares of £1 each	**969**	969
	12,755	12,755

A summary of rights and restrictions attached to the preference shares is as follows:

- For each dividend paid on a particular class of share in IZT, the holders of the preference shares in the company shall have the right to receive (in priority to any payment of dividend to the holders of ordinary shares in the company) a cumulative preferential dividend based on the dividend paid on the said class of IZT share;
- The preference shares shall not entitle the holders of such shares to receive notice of, attend, or vote at any general meeting of the company; and
- In the event of a return of capital on a winding up or other return of capital, each preference share shall confer on the holder thereof the right to receive a payment equal to any arrears, or accruals, of any cumulative preferential dividend and a repayment in full of the capital paid up on such preference shares.

A summary of the rights and restrictions attached to the Ordinary Shares is as follows:

- On a reduction or return of capital of the company (other than a conversion, redemption or purchase by the company of its own shares), after payment of the costs, charges and expenses of such reduction or return of capital any sums which the company may determine to pay to its Shareholders in respect of such reduction or return of capital will be distributed amongst the Shareholders in respect of such reduction or return of capital pari passu in proportion to the number of Ordinary Shares held by them.
- On a winding up of the company, the assets and retained profits of the company remaining after payment of its debts and liabilities and the costs, charges and expenses of such winding-up, shall be distributed amongst the Shareholders pari passu in proportion to the number of Ordinary Shares held by them.
- The profits of the company available for distribution and resolved to be distributed in respect of any financial year shall be distributed among the Shareholders. Every dividend shall be distributed to the Shareholders pro rata as nearly as may be according to the number of Ordinary Shares held by them respectively.

Notes to the financial statements

24 Share capital (continued)

Subject to any special rights, privileges and restrictions attached to any Shares:

- On a vote at a general meeting on a show of hands, every Shareholder who is present in person (including, in the case of a corporation, by representative) or by proxy shall have one vote:
- On a vote at a general meeting on a poll, every Shareholder who is present in person (including, in the case of a corporation, by representative) or by proxy shall have one vote for every Ordinary Share in respect of which he is the Holder or in respect of which his appointment as a proxy has been made; and
- On a vote on a written resolution, every Shareholder shall have one vote for every Ordinary Share of which he is the Holder.

No dividends have been declared on the IZT shares in the year and consequently, no dividend attaches to the preference shares.

25 Other reserves

	Group			Company	
	Translation reserve	Fair value reserve of financial assets at FVOCI	Total	Fair value reserve of financial assets at FVOCI	Total
	£'000	£'000	£'000	£'000	£'000
1 January 2024	**369**	**(164)**	**205**	**(169)**	**(169)**
Exchange differences arising on translation of foreign operations	(297)	-	(297)	-	-
Fair value loss on debt instruments at FVOCI	-	-	-	(29)	(29)
At 31 December 2024	**72**	**(164)**	**(92)**	**(198)**	**(198)**
Exchange differences arising on translation of foreign operations	354	(33)	321	1	1
Fair value loss on debt instruments at FVOCI	-	-	-	-	
At 31 December 2025	**426**	**(197)**	**229**	**(197)**	**(197)**

Notes to the financial statements

25 Other reserves (continued)

Nature and purpose of other reserves

Financial assets at FVOCI

The group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in note 13. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

26 Cash generated from operations

Group		**For the year ended 31 December 2025**	For the year ended 31 December 2024
		£'000	£'000
Profit before income tax		**67,947**	63,437
Adjustments for:			
Depreciation and impairment		**4,909**	8,218
Finance costs - net		**1,987**	1,705
Movement in regulatory liability	**30**	**30,530**	36,194
Other non-cash items in the income statement		**(816)**	(1,567)
Changes in working capital:			
Decrease in debtors		**358**	3,609
(Decrease) in creditors		**(8,748)**	(13,388)
Increase in provision		**79**	5,000
Decrease / (Increase) in Inventory		**568**	(307)
Cash generated from operations		**96,814**	102,901

Notes to the financial statements

26 Cash generated from operations (continued)

Company		For the year ended 31 December 2025	For the year ended 31 December 2024
		£'000	£'000
Profit before income tax		**66,926**	62,514
Adjustments for:			
Depreciation and impairment		**4,909**	8,218
Finance income – net		**1,985**	1,805
Movement in regulatory liability	**30**	**30,530**	36,194
Other non-cash items in the income statement		**(1,375)**	(1,529)
Changes in working capital:			
Decrease in debtors		**800**	3,573
(Decrease) in creditors		**(9,075)**	(12,500)
Increase in provision		**79**	5,000
Decrease / (Increase)in inventory		**568**	(307)
Cash generated from operations		**95,347**	102,968

Notes to the financial statements

27 Net debt reconciliation

Group	For the year ended 31 December 2025 £'000	For the year ended 31 December 2024 £'000
Cash and cash equivalents	195,222	158,534
Lease liabilities – repayable within one year	(2,367)	(17,522)
Lease liabilities – repayable after one year	(13,175)	(14,929)
Net debt	**179,680**	126,083
Cash and cash equivalents	195,222	158,534
Gross debt – fixed interest rates	(15,542)	(32,451)
Net debt	**179,680**	126,083

Group	Cash £'000	Leases due within 1 year £'000	Leases due after 1 year £'000	Total £'000
Net debt as at 1 January 2024	**156,801**	**(16,524)**	**(31,754)**	**108,523**
Cash flows	1,282	16,034	-	17,316
Foreign exchange adjustment	451	(2,838)	2,771	384
Other non-cash movements	-	(14,195)	14,055	(140)
Net debt as at 31 December 2024	**158,534**	**(17,523)**	**(14,928)**	**126,083**
Cash flows	36,704	18,239	-	54,943
Foreign exchange adjustment	(15)	(7,071)	5,914	(1,172)
Other non-cash movements	(1)	3,987	(4,160)	(174)
Net debt as at 31 December 2025	**195,222**	**(2,368)**	**(13,174)**	**179,680**

Notes to the financial statements

27 Net debt reconciliation (continued)

Company	**For the year ended 31 December 2025 £'000**	For the year ended 31 December 2024 £'000
Cash and cash equivalents	193,918	158,379
Lease liabilities – repayable within one year	(2,367)	(17,522)
Lease liabilities – repayable after one year	(13,175)	(14,929)
Net debt	**178,376**	125,928
Cash and cash equivalents	193,918	158,379
Gross debt – fixed interest rates	(15,542)	(32,451)
Net debt	**178,376**	125,928

Company	**Cash £'000**	**Leases due within 1 year £'000**	**Leases due after 1 year £'000**	**Total £'000**
Net debt as at 1 January 2024	**156,334**	**(16,523)**	**(31,755)**	**108,056**
Cash flows	1,593	16,034	-	17,627
Foreign exchange adjustment	451	(2,846)	2,771	376
Other non-cash movements	1	(14,187)	14,055	(131)
Net debt as at 31 December 2024	**158,379**	**(17,522)**	**(14,928)**	**125,927**
Cash flows	35,554	18,239	-	53,793
Foreign exchange adjustment	(15)	(7,071)	5,913	(1,173)
Other non-cash movements	-	3,988	(4,160)	(172)
Net debt as at 31 December 2025	**193,918**	**(2,366)**	**(13,175)**	**178,375**

28 Commitments

The company has granted guarantees to FLZ, guaranteeing the performance by IZT of all its obligations relating to the lease (note 19).

Notes to the financial statements

29 Contingent liabilities

Decommissioning

The company has potential obligations under UK and Belgian legislation to decommission the pipeline and terminal assets at the end of their service life. The service life of the Interconnector system is limited by the service life of the pipeline which, in its current condition, extends for at least 72 years. When it was laid, the Interconnector pipeline was trenched to a depth of one metre along its length and buried in the busy shipping lane areas. However tidal conditions can expose the pipeline in some areas. Current UK regulatory guidelines require the removal of the pipe in areas prone to exposure. The company periodically surveys the offshore pipeline and past results have shown an area extending over 10km of the route where short sections of the pipeline have been exposed. The current costs of removing the pipeline in such areas would be approximately £1.7 million per kilometre removed. The estimated present value of removing a section of 10 kilometres is £5.5 million (2024: £3.6m), if discounted to the end of the service life of the pipeline.

Under current Belgian legislation, full removal of the pipeline is required. The decommissioning cost estimate for the Belgian section is based on calculations performed by an external expert in 2025, which estimated the total cost of removal at £57.6 million. When inflated at 2% and discounted at 3.55%, the present value of this obligation in 2025 is estimated to be £19.2 million (2024: 21.2m). These figures reflect the latest available estimates and will be reviewed periodically in line with regulatory updates and financial reporting requirements. The scope of the offshore decommissioning will depend on the legislative requirements and the seabed conditions at the point of decommissioning. These circumstances cannot be reliably predicted so far in advance.

The service life of the terminals, if constantly maintained, can be extended to the end of the service life of the pipeline. The terminals have a current decommissioning cost of approximately £10 million (2024: £8.6m). The estimated present value of this obligation is £3.2 million (2024: £3m), if discounted to the end of the expected service life of the pipeline.

Given the length of time before these costs are anticipated to be incurred, there is considerable uncertainty over the nature of the regulations that will prevail, and the cost of the resources required. Accordingly, a contingent liability has been disclosed as at 31 December 2025 for the potential obligation.

30 Regulatory reporting

As part of INT's certification, CREG's established a tariff methodology defining the principles for determining tariffs and the related procedures incl. a statement of actual costs and revenues in respect of the previous tariff period. The methodology establishes profit caps and requires a maintenance of an equalisation account which is adjusted for the amounts over/under the regulatory profit thresholds.

Notes to the financial statements

30 Regulatory reporting (continued)

Group and Company	**2025**	**2024**
	£'000	**£'000**
Opening balance as at 1 January	**207,287**	171,163
Additions	30,530	36,194
Release of liability	(9,395)	(9,237)
Interest	8,709	9,167
At 31 December	**237,131**	207,287

SONIA interest rate is used to calculate the interest accrued on the liability. The interest charge on regulatory liability is accounted for in finance costs.

Regulatory Reporting Reconciliation

Group and Company	**2025**	**2024**
	£'000	**£'000**
Current	9,450	11,450
Non-Current	227,681	195,837
At 31 December	**237,131**	207,287

CREG issued a decision in July 2023 permitting 50% of annual CAPEX to be applied to unwind the regulatory liability. Based on the Board-approved CAPEX plan, the portion of the liability expected to unwind within the next 12 months has been classified as current. The remaining balance continues to be presented as non-current, reflecting the expected timing of utilisation and the requirements of the financial control framework (B) 1654/1 decision dated 21 December 2017.

31 Related party transactions

Group

The ultimate parent undertaking and the largest group to consolidate these financial statements is Publigas SA, whose registered office is Galerie Ravenstein 4, 1000 Brussels, Belgium. Consolidated financial statements for Publigas SA are available at its registered address. The group's controlling party is Fluxys SA, a company incorporated in Belgium, which owns 76.32% (2023: 76.32%) of the company's shares. The immediate parent undertaking is Fluxys UK Limited.

Notes to the financial statements

31 Related party transactions (continued)

The group's operating expenses for the year ended 31 December 2025 included related party transactions in relation to maintenance and operation of the Zeebrugge terminal, IT support services, commercial dispatching, and management services paid to Fluxys SA, Fluxys Belgium SA and Fluxys Europe SA, which are subsidiaries of Fluxys SA, the group's ultimate parent company. The group also incurred costs for capital projects including the development of IT software as summarised below.

Snam International B.V., a subsidiary of Snam S.p.A. owns the remaining 23.68% of the company. During the year ended 31 December 2025, the group incurred costs for management services and equipment upgrade projects payable to Snam S.p.A.

Transactions with related parties:

	2025	2024
	£'000	£'000
Fluxys and associated companies:		
Operating expenses	**7,581**	7,770
Capital costs	**832**	416
Dividends paid	**42,004**	38,225
Snam and associated companies:		
Operating expenses	**370**	346
Capital costs	**1,317**	4,931
Dividends paid	**13,036**	11,863

Amounts outstanding at year end:

	2025	2024
	£'000	£'000
Fluxys and associated companies	**366**	2,393
Snam and associated companies	**(4,954)**	2,559

The group participates in a corporation tax group settlement arrangement, whereby the company settles corporation tax liabilities on behalf of other subsidiaries of the Fluxys group in the UK. The corporation tax liability is included in the amounts outstanding at year-end, as disclosed in the table above.

Company

As mentioned in note 14, IZT is a partly owned subsidiary of the company. Details of transactions and balances with IZT, which fully eliminate on consolidation in the group financial statements, are set out below.

The company's cost of sales for the year ended 31 December 2025 include purchases from IZT, in accordance with the Service Agreement between the company and IZT. The company also capitalised some costs recharged from IZT. In addition, lease rentals for the Belgian terminal (see note 19) were recharged by IZT to the company.

Notes to the financial statements

31 Related party transactions (continued)

Transactions with subsidiary undertakings:

	2025	2024
	£'000	£'000
IZT:		
Operating expenses	**25,877**	6,059
Capital costs	**7,632**	5,727
Lease rentals (note 19)	**18,486**	17,512

The company had the following balances outstanding at 31 December (to)/from subsidiary undertakings:

	31 December 2025	31 December 2024
Related party	**£'000**	£'000
IZT - purchases	**1,289**	-
IZT – loan (note 15)	**5,590**	5,127

Commitments and guarantees

See note 28 for details of the company's commitments in respect of related parties.

Key Management Personnel remuneration

See note 5 for further details.

32 Post balance sheet events

The directors have proposed a final dividend for the year ended 31 December 2025 of £0.425 per ordinary share (totalling £5 million). This has not been recognised in these financial statements as it had not been approved by the shareholders at the balance sheet date.

There are no other events subsequent to the balance sheet date that require disclosure or adjustment in the financial statements.

Notes to the financial statements

33 Cash and cash equivalents

Restricted Cash
Group

	2025 £'000	2024 £'000
Customer deposits	16,415	25,500
Total Deposits	16,415	25,500

Non-Restricted Cash
Group

	2025 £'000	2024 £'000
Bank Balances and Short-Term Deposits	178,807	133,033
Total Non-Restricted Cash	178,807	133,033
Total Cash and Cash Equivalents	195,222	158,533

Restricted Cash
Company

	2025 £'000	2024 £'000
Customer deposits	16,415	25,500
Total Deposits	16,415	25,500

Notes to the financial statements

33 Cash and cash equivalents (continued)

Non-Restricted Cash
Company

	2025	2024
	£'000	£'000
Bank Balances and Short-Term Deposits	**177,503**	**132,879**
Total Non-Restricted Cash	**177,503**	132,879
Total Cash and Cash Equivalents	**193,918**	158,379

The IAA contract outlines credit rating requirements for all customers. If not fulfilled, customers must provide a cash deposit for three months of estimated capacity purchases. Customer deposits are restricted and are included in the company's and group's cash flows. A corresponding liability is recognised within trade and other payables.

34 Provision

Group and Company

	2025	2024
	£'000	£'000
Regulatory penalties	**5,079**	5,000
Total	**5,079**	5,000

In 2024 The group recognised a provision in relation to an ongoing regulatory matter. Management has submitted representations as part of the regulatory process, and the provision reflects the max amount of the potential obligation at the reporting date.

Additions during the year relate to recognised office dilapidation costs required to restore the leased premises to their original condition.

Notes to the financial statements

35 Short Term Investment

Group and Company

	2025	2024
	£'000	£'000
Short Term Investment	**-**	25,000
Total	**-**	25,000

Interconnector Limited places short-term investments from time to time to optimise cash management and ensure liquidity while safeguarding capital. These investments, which have maturities of less than 12 months, are made in highly liquid, low-risk instruments that align with the company's Treasury Policy. The primary objective is to generate a return on surplus cash while maintaining flexibility to meet operational and financial commitments. The selection of investment instruments follows strict credit rating criteria, as outlined in the Treasury Policy, to mitigate counterparty risk.