2025
Full Year Results

26 February 2026

drax

Presenters

Will Gardiner
Chief Executive Officer

Mark Strafford
Director of IR

Our Purpose

To enable a zero carbon, lower cost energy future

Our Strategy

Create value by investing in the UK energy transition

Our People

Valued members on a winning team with a worthwhile mission

Strong Performance in 2025, Progress on Strategy, Increased Medium-term Visibility

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Strong performance in 2025

Strong operational and underlying financial performance across the Group

- Record levels of renewable generation (6% of UK power, 11% of UK renewables)
- Record levels of pellet production – 5% increase vs. 2024

Low carbon dispatchable CfD contract for Drax Power Station is an inflection point

Progress with strategy and value creation

- Announced acquisition of 260MW BESS portfolio
- Completed £300m share buyback and commenced £450m extension

Existing business expected to provide strong cash flow to support growth

Continue targeting post 2027 Adj. EBITDA of £600-700m pa(1)

- Based on FlexGen, Pellet Production and Biomass Generation

Targeting c.£3bn of free cash flow (2025-2031), £0.5bn delivered in 2025

- >£1bn returns to shareholders
- Up to c.£2bn available for investment in growth(2)

Investment in growth and value creation

Opportunities to invest in energy transition and AI growth

- Drax Power Station: utilisation of 4GW of grid access – options for data centres and system support
- BESS – GW-scale pipeline of BESS identified – physical assets, tolling agreements and optimisation
- Assessing opportunities for further investment in flexible, renewable generation

Maintain disciplined capital allocation policy

- Supports balance sheet strength, growth and returns to shareholders

1) Excludes development expenditure and contribution from new investments.
2) Includes committed investments in BESS – acquisition of Apatura projects, Flexitricity and for tolling agreements – Fidra and Zenobe.

Improved scoring in third-party accreditations and progress with priorities in 2025

CDP A rating for climate and forestry

'A' ratings place Drax in the top 4% of companies who submit disclosures, demonstrating transparency and strong performance on climate and forestry

Sustainability developments

- Launched Sustainability Framework
- Climate Transition Plan published
- Full alignment to TCFD
- Enhanced alignment to TNFD
- SBTi targets to 2040 validated (2026)
- Launched Biomass Tracker tool (2026)

MSCI[(1)] ESG Rating – **A** ISS ESG Rating - **B- prime** Sustainalytics[(2)] Risk Rating - **21/100**

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Cash generation from existing business supports growth, value creation and returns to shareholders

Targeting post 2027 Adj. EBITDA of £600-700m[(1)] pa from current business

Target of c.£3bn of free cash flow (2025 to 2031)

1) Excludes development expenditure and contribution from new investments.

FlexGen – Flexible, Renewable Generation

Pumped storage and hydro

c.1/3 of total UK long duration storage by GWh capacity

- c.60% asset utilisation in 2025 (c.20% in 2019)
- Five-year payback on capital invested on acquisition in 2018

£80m upgrade giving 40MW expansion

- 2 x 20MW expansion of two units
- c.£220m from 15-year CPI-linked Capacity Market agreements

OCGTs – 3 x 299MW units (c.900MW)

Mixed revenue stack aligned with changing system needs

- c.£270m from 15-year CPI-linked Capacity Market agreements
- System support services
- Peak power generation

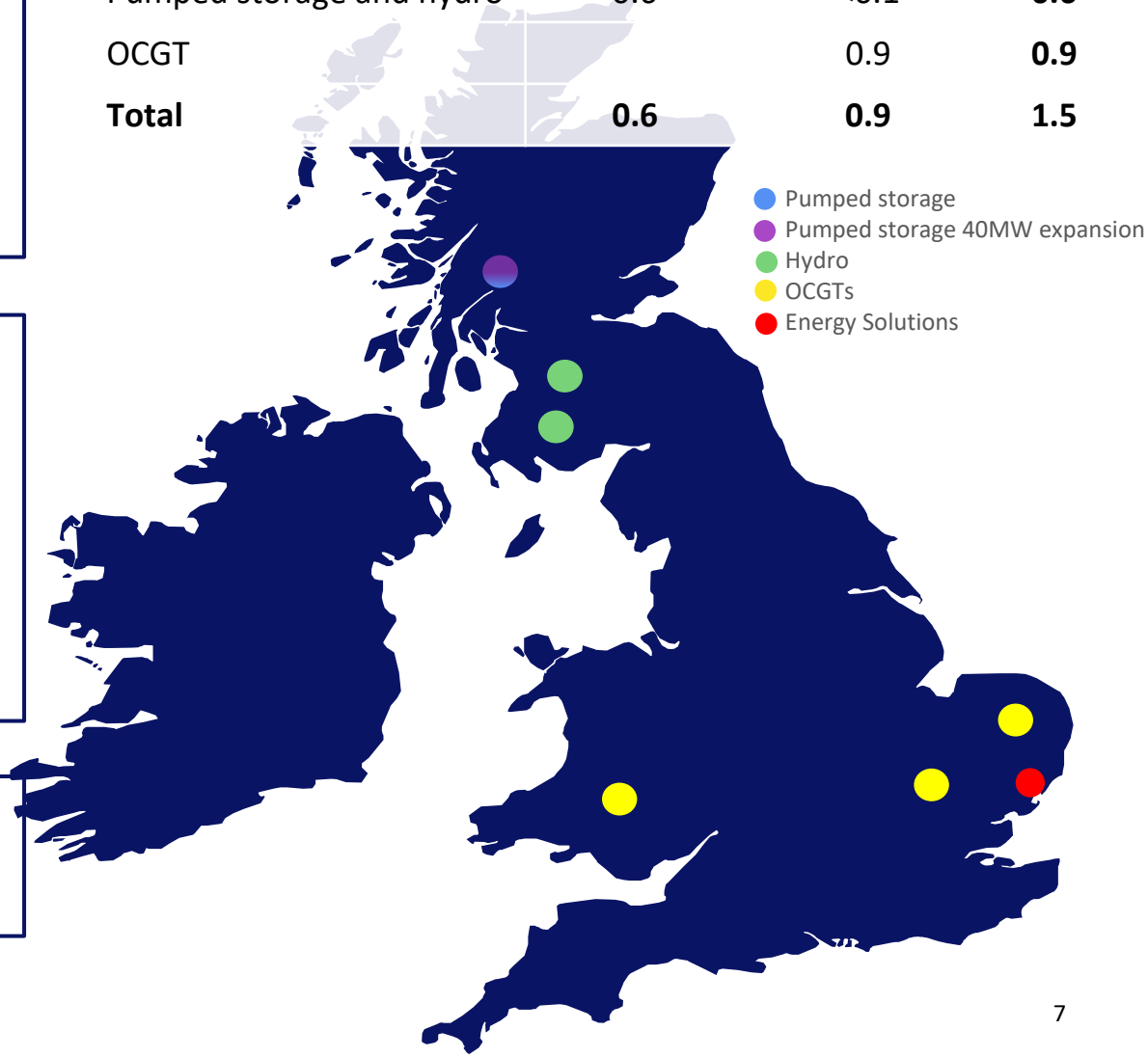
Commissioning delayed primarily due to grid connections – no penalties incurred

- Hirwaun – commissioning from Sept-25, expect commercial control c.Mar-26
- Millbrook and Progress expect to commence commissioning in 2026

Energy Solutions

- Renewable energy, PPA and energy services to I&C and corporate customers
- Established renewable PPA portfolio with 800MW (>2,000 small generators)

MW	Operational	Development	Total
Pumped storage and hydro	0.6	<0.1	**0.6**
OCGT		0.9	**0.9**
Total	**0.6**	**0.9**	**1.5**



Low Carbon Dispatchable CfD for Drax Power Station is an Inflection Point

A CfD that supports energy security, value for money and sustainability

Low carbon dispatchable CfD signed (November 2025)

- Strike price of c.£110/MWh (2012 real)
- Applies to all four biomass units
- c.6TWh pa generation collar with flexible operation to support high and low demand periods
- c.30% load factor across all four units
- Contract period April 2027 to March 2031

Biomass requirements

- c.3Mt pa, of which c.2Mt pa own-use
- FX hedging in place for full four-year term
- Progressing contracting on biomass supply with third-parties
- Logistics predominantly complete

Sustainable Biomass

US pellet business provides strong underpin to value via integrated relationship with Biomass Generation

US South East pellet production
- Integrated model enables capture of full potential of value chain
- Strong underpin to earnings
- c.2Mt pa supplied to Drax Power Station through 2030
- Focus on cost reduction to support increased value to Group

Canadian / US North West pellet production
- Sales to Asia under long-term contracts
- Rising fibre prices vs revenue indexation eroding margins
- Longview project paused and Williams Lake closed
- Evaluating options to deliver improvements and maximise value

Medium-term outlook
- Reduction in UK/European pellet demand in 2020s
- Own-use Drax supply chain provides insulation from market movements through 2020s
- Opportunities for Biomass Generation to access lower cost pellets supporting incremental UK generation
- Minimise capital and development expenditure, maximise optionality over future demand growth

Long-term opportunities linked to energy transition
- Use Elimini to maintain opportunities to support development of carbon markets and future uses of biomass beyond pellets

Financial & operational review

Strong operational and underlying financial performance

Financial Summary

Strong operational and underlying financial performance

Adj. EBITDA[1/2]
£947m
(2024: £1,064m)

Adj. basic earnings per share
137.7 pence
(2024: 128.4 pence)

Net debt[3]
£784m / 0.8x
(2024: £992m / 0.9x)

Total cash and committed facilities
£942m
(2024: £806m)

Expected full year dividend[4]
29.0p/share (c.£99m)
(2024: 26.0p/share, c.£96m)

Share buyback programme
£450m total
(c.£57m complete to date)

£300m programme completed in 2025

1) Earnings before interest, tax, depreciation, amortisation, other gains and losses and impairment of non-current assets, excluding the impact of exceptional items and certain remeasurements, earnings from associates and earnings attributable to non-controlling interests.
2) In January 2023, the UK Government introduced the Electricity Generator Levy (EGL) which runs to 31 March 2028. The EGL applies to the three biomass units operating under the RO scheme and run-of-river hydro operations. It does not apply to the Contract for Difference (CfD) biomass or pumped storage hydro units. EGL is included in Adj. EBITDA and was £nil in 2025 (2024: £161m).
3) Net debt comprised of cash and short-term investments of £302m less borrowings of £979m less impact of hedging instruments within borrowings and non-controlling interest of £8m and lease liabilities of £99m.
4) Final dividend conditional on shareholder approval at the AGM in 2026.

Strong performance driven by high levels of renewable generation, system support and pellet production

2025 Adj. EBITDA £m	1 Pellet Production	2 Biomass Generation	3 FlexGen	4 Options for Growth	Total
Pellet Production	129	-	-	-	**129**
Biomass Generation	-	725	-	-	**725**
Pumped Storage & Hydro	-	-	111	-	**111**
Energy Solutions – I&C	-	-	54	-	**54**
Energy Solutions – SME	-	-	(5)	-	**(5)**
Elimini	-	-	-	(37)	**(37)**
Innov., Cap. Proj. and Other	-	-	-	(31)	**(31)**
2025 total	**129**	**725**	**160**	**(68)**	**947**
2024 total	***143***	***814***	***188***	***(81)***	***1,064***

Impairment of Canadian business, Longview pellet project and UK BECCS

- £198m – Canadian pellet business – lower expected margins, constrained Canadian fibre market
- £139m – Longview pellet project paused – future demand from Drax Power Station under low carbon, dispatchable CfD supported by existing US Pellet Production business
- £48m – UK BECCS – retain option for long-term development pending appropriate commercial and regulatory support

Strong balance sheet and liquidity

c.0.8x Net debt to Adj. EBITDA

Refinancing activities

- Repayments of over £230m of facilities[1]
- Facilities and extensions
  - £450m RCF extended to 2028 (option to extend to 2029)
  - £171m extension of term-loan facilities
  - New £190m term-loan

Liquidity and working capital

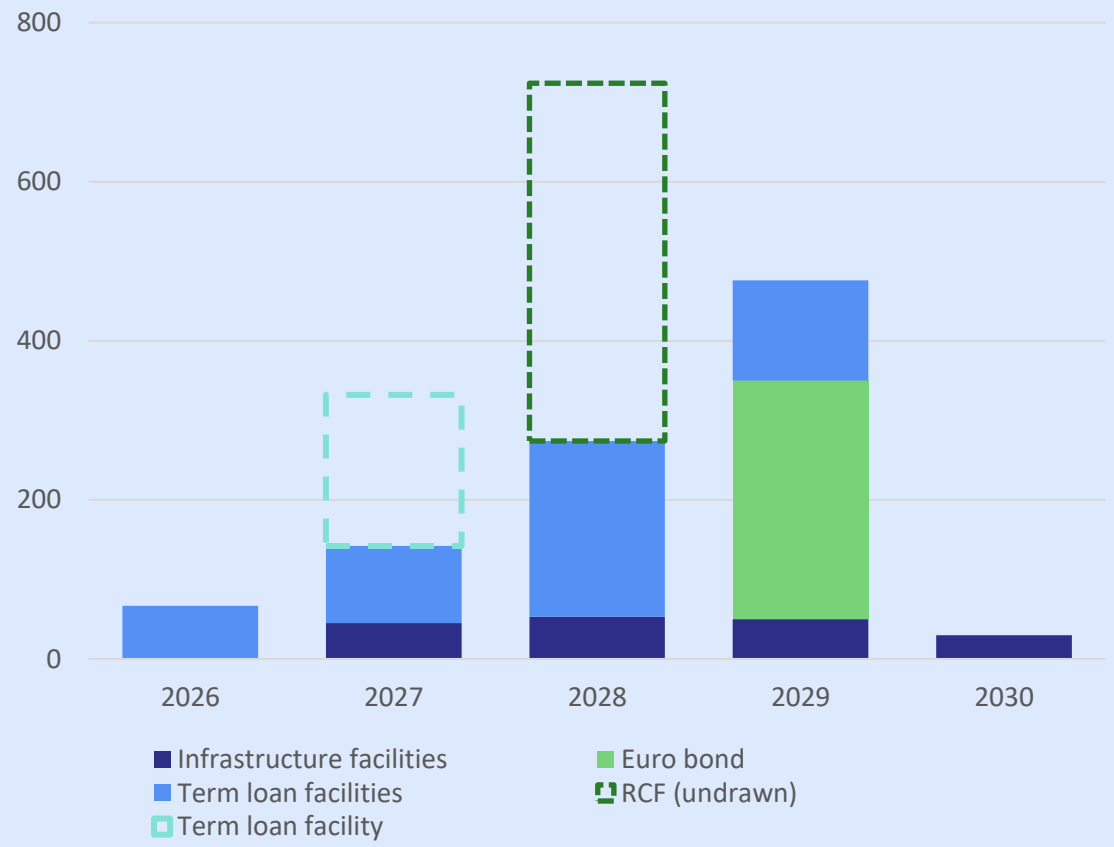
- £942m of cash and committed facilities

Stable crossover credit ratings

Instrument	Maturity	Description
Term-loan facility	2027	£190m (undrawn at YE)
Infrastructure facilities[2]	2026-2030	£245m
Term-loan facilities[3]	2027-2029	£442m
Revolving credit facility (RCF)	2028	£450m (undrawn)
Euro bond	2029	€350m

Balance of maturities weighted to 2029

As at December 2025 (£m)



1) C$200m ESG CAD term-loan and €144m Euro bond.
2) Infrastructure maturities – €70m in 2026, £45m in 2027, £53m in 2028, £50m in 2029 and €32m in 2030.
3) Term-loan maturities – £95m in 2027, €135m and £100m in 2028 and €50m and £80m in 2029.

Capital Investment

Investment in core assets and strategy

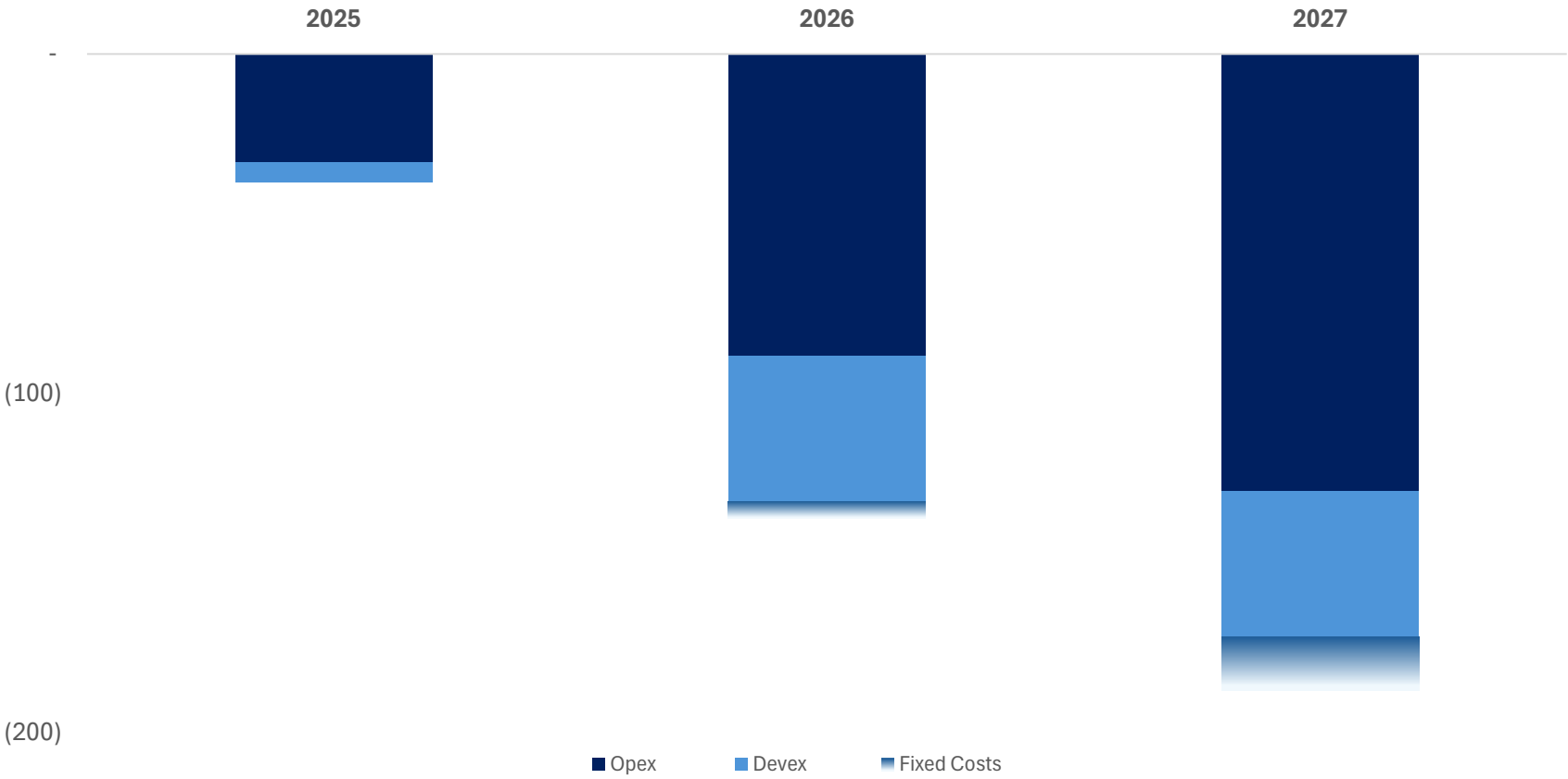
	Key areas	2025 Actual £m	FY-26 Estimate £m
Growth	BESS, Pumped Storage and Hydro, and OCGTs	98	~100
Maintenance	No major planned biomass outage in 2025	72	~100
Other	Health, safety, environment and IT	32	~30
Total		**202**	**210-250**

2026 outlook

- Growth – BESS, Pumped Storage and Hydro upgrades, and OCGTs
- Maintenance – Major planned biomass outage and US pellet operations

Cost reductions delivering structural savings aligned with post 2027 Adj. EBITDA targets

Structural reductions[1] (£m pa) vs. 2024 base



Continue to invest in growth while driving cost savings and efficiency vs. 2024 base

1) Reductions shown in 2024 real terms, excluding Opus & Daldowie disposals, costs associated with growth for new OCGT assets and major outages.

Disciplined Capital Allocation Supports Growth and Returns to Shareholders

Capital allocation policy remains unchanged

1. **Maintain strong balance sheet and credit rating**
2. **Invest in core business**
3. **Sustainable and growing dividend**
4. **Return surplus capital beyond investment requirements**

Create value by investing in the UK energy transition

Drax Power Station, BESS and other opportunities to invest in flexible, renewable generation

Future Focus – Structuring the Business to Succeed

Supporting the Group's targets and options for growth

Performance, culture and capabilities

Transformation and change

Technology, digital, data

Reduce cost base and focus resource to deliver strategy and best financial returns

Opportunities for Development of Drax Power Station

Evaluating a range of opportunities to utilise 4GW of grid access

	2025-2031	2030s onwards
Power generation	✓	✓
Data centre power supply	✓	✓
Other system support services	✓	✓
Other generation opportunities		✓
Carbon removals		✓

Development of Options for Data Centre at Drax Power Station

Characteristics to support AI data centre and energy security

Physical attributes

Large-scale reliable power supply

- 4GW[(1)] site with 2.6GW[(1)] of active generation capacity to support 24/7 power
- >1,000 acre site
- Water extraction rights and cooling systems
- Secure operational site
- Proximity to UK fibre network
- Fully owned by Drax

Illustrative development schedule

Scalable front of and behind the meter solutions – short, medium, long-term potential[(2)]

- Phase 1: c.100MW front of meter from 2027
- Phase 2: c.500MW behind the meter 2028-2031 (subject to agreement with UK Government)
- Phase 3: c.600MW behind the meter from 2031
- Backed up by 2.6GW[(1)] of active generation capacity
- 1.3GW of additional grid access[(1)] for development

Other attributes

Expertise of Drax Group

- Established work force
- Experience in local planning and consenting

1) TEC – Transmission Entry Capacity.
2) Developing options for 1.2GW-scale data centre with first goal of 100MW from 2027 subject to necessary consents and a full assessment of capital cost and investment case, as well as establishment of the commercial and development structures.

BESS: An Attractive Power Market Opportunity

Renewable deployment expected to result in wider spread of power prices
Opportunities for flexible generators to capture greater value

Growing demand for flexibility on system

- UK requires c.74-87GW of dispatchable generation by 2030[(1)]
- 30GW of storage by 2030 (7GW in 2025)[(1)]

Widening of margins from 2027 onwards

- Optimisation capability is key to maximising value
- Grid access and planning approval is a limiting factor

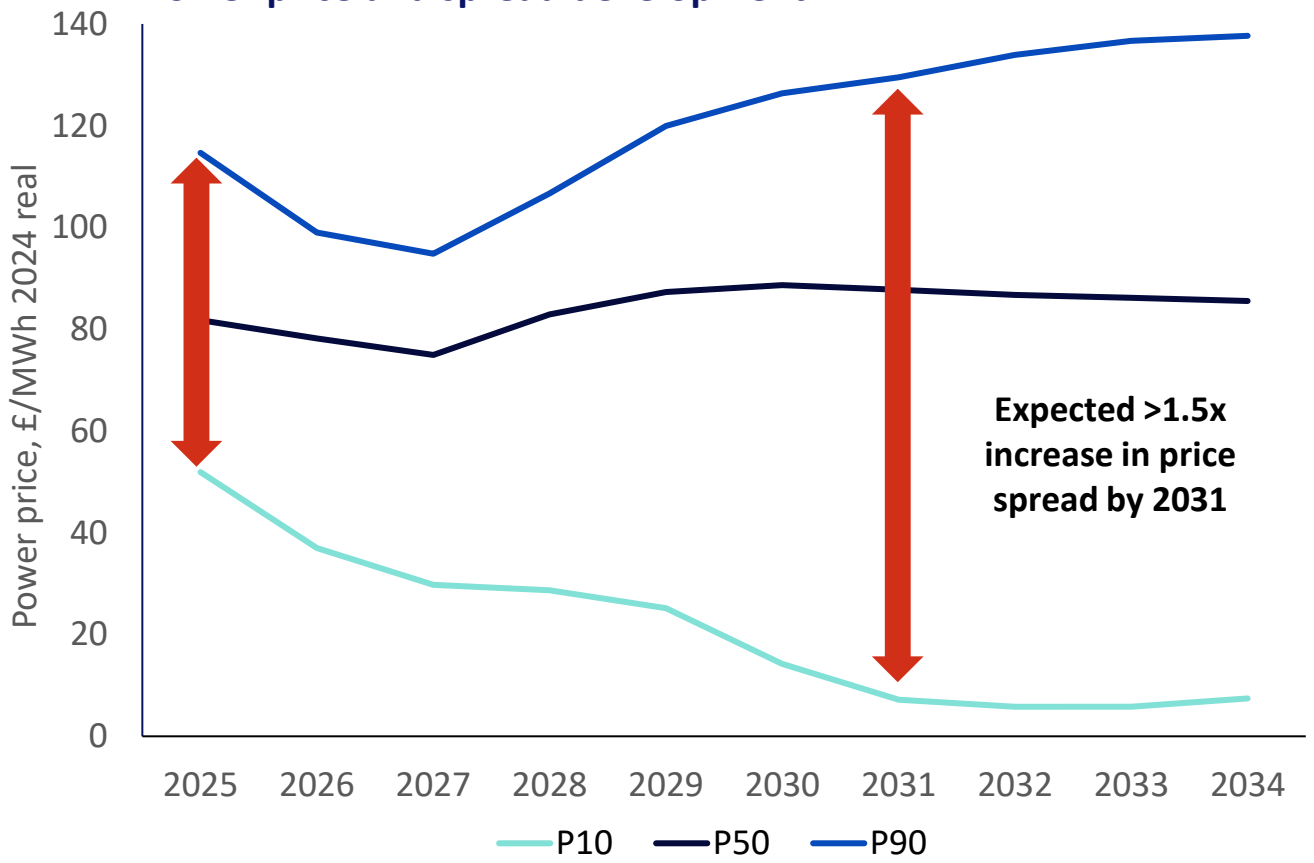
Acquisition models provide faster time to power

- Projects in development with grid access have shorter lead time
- Limited development risk to Drax

Reducing capital cost curve

- Benefits of technology cost savings to be reflected in future repowering of sites

Power price and spread development



1) UK Government Clean power 2030 Action Plan (Dec-24).

Source: Aurora, Drax Analysis

BESS: Targeting a GW-Scale Pipeline of Opportunities

Significant progress made, 710MW of BESS developments added since October 2025

Market development

Growing demand for system flexibility, wider spread of power prices, reduction in capital costs

- UK requires c.74-87GW of dispatchable generation by 2030[1]
- 30GW of storage by 2030 (7GW in 2025)[1]

Acquisition models provide faster time to power and lower risk than self-build

Development models

Two pillars to strategy

Physical ownership

Develop portfolio of owned assets

Tolling

Minimal upfront cost

Utilise tolling agreements to provide additional opportunity from BESS and power market access

Underpinned by trading and optimisation capability

Attractive returns

Targeting returns significantly in excess of WACC

- Utilise existing asset base, trading expertise and balance sheet to deliver incremental value vs. stand-alone BESS

Progress to date

c.£500m of capex and tolling agreements

- 260MW of Drax-owned assets acquired
- 450MW of Drax controlled tolling agreements
- Acquisition of asset optimisation platform (Flexitricity)[2]

GW-scale pipeline of opportunities in development

1) UK Government Clean power 2030 Action Plan (Dec-24).
2) Completion expected Mar-26.

BESS: Developing a Portfolio of Drax-owned Assets

Initial investment in 260MW of assets principally located across England/Scotland transmission constraint

c.£157m investment in 260MW, 2-hour duration BESS across three sites

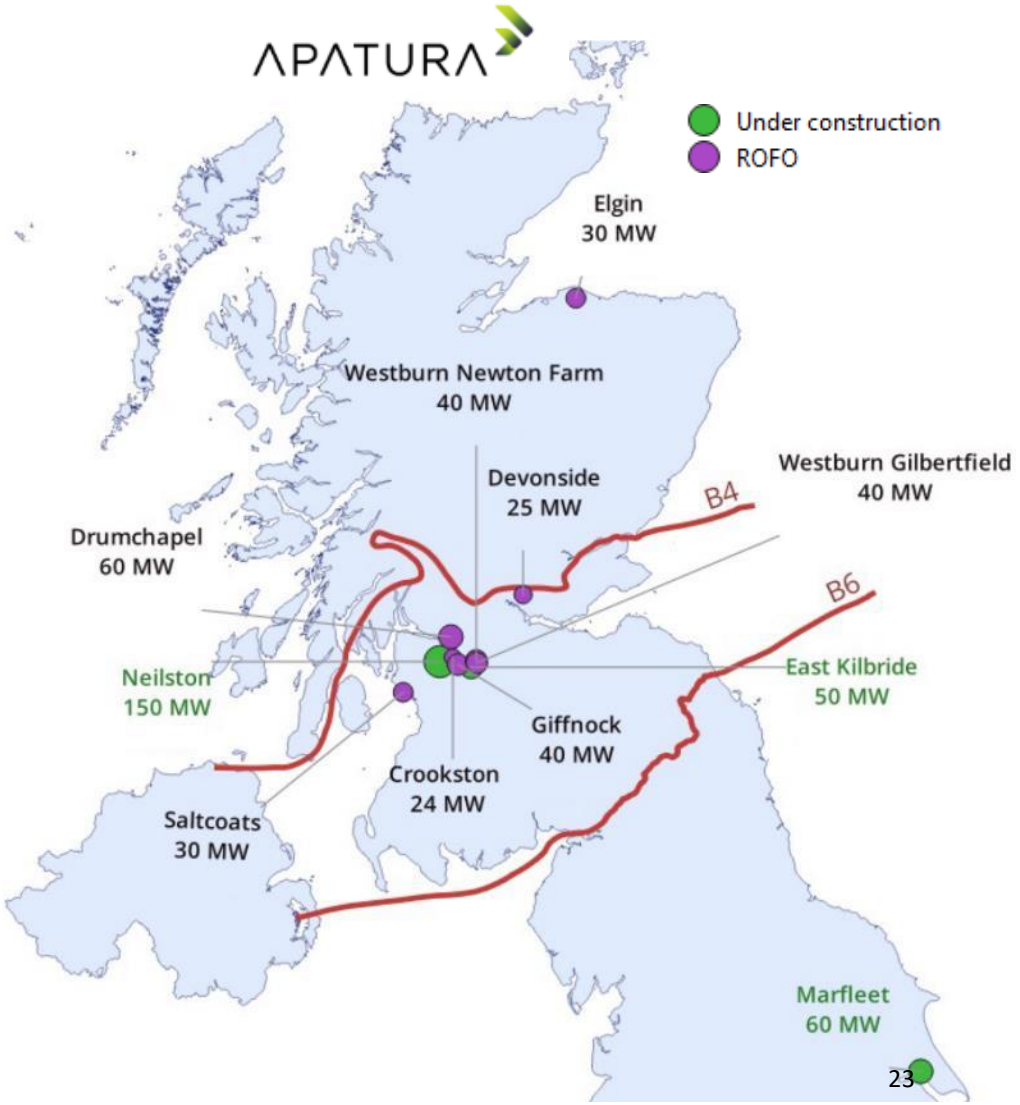
- Staged payments through 2028, linked to construction milestones
- Contractual protections for cost overruns and delays
- First site expected to be operational in 2027

Right of First Offer (ROFO) on additional developments

- 289MW across eight additional sites

Benefits

- Adds complementary technology to existing FlexGen portfolio
- Time to power benefit from projects already in development
- Locations targeted to provide benefits to the system and enabling renewable generation
- Falling costs of BESS to be captured in future repowering



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BESS: Developing a Portfolio of Tolling Products for BESS Owners

Agreements in place for 450MW (1.3GWh) of tolling rights

Tolling agreements signed with Fidra and Zenobe[1]

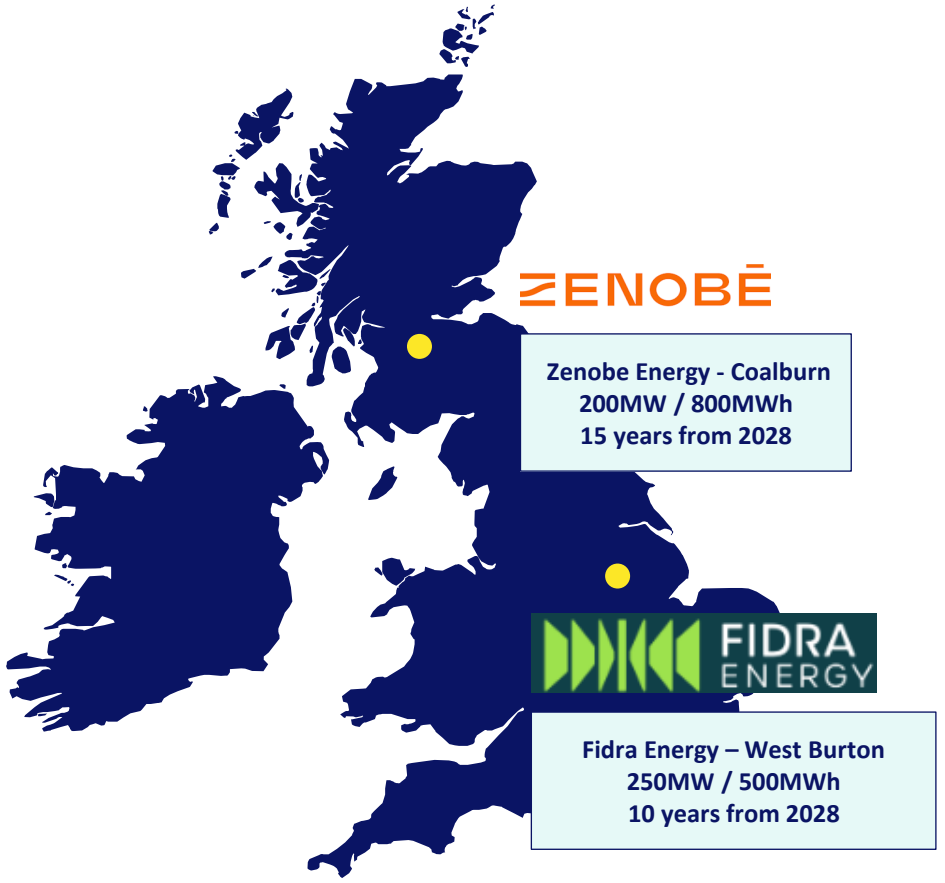
- 2 and 4-hour duration BESS
- 10 and 15-year tolling agreements
- No upfront capital requirement or ongoing maintenance cost
- Total tolling commitments of c.£300m
- Protected grid connection, targeting a Commercial Operation Date (COD) in 2028

Large market with appetite for structured products

- Infrastructure funds investing in BESS lack trading capability
- Infrastructure funds prefer tolling agreements over merchant exposure

Benefits

- Long-term cost visibility
- Time to power benefit from projects already in development
- Leverages Drax trading and FlexGen expertise
- Contracting with proven counterparties
- Complements physical ownership model and Flexitricity acquisition



1) Agreements signed with Fidra and Zenobe in Jan-26/Feb-26 but remain subject to FID by Fidra and Zenobe, expected H1-26.

BESS: Acquisition of Asset Optimiser (Flexitricity)

Flexitricity platform supports GW-scale growth in BESS and optimisation of existing asset base

Acquisition of Flexitricity for c.£36m, provides tech platform to grow BESS business

- Front-of and behind-the-meter solutions for grid scale assets and demand response
- Existing customer base of >0.9GW of operational assets
- Expected completion Mar-2026

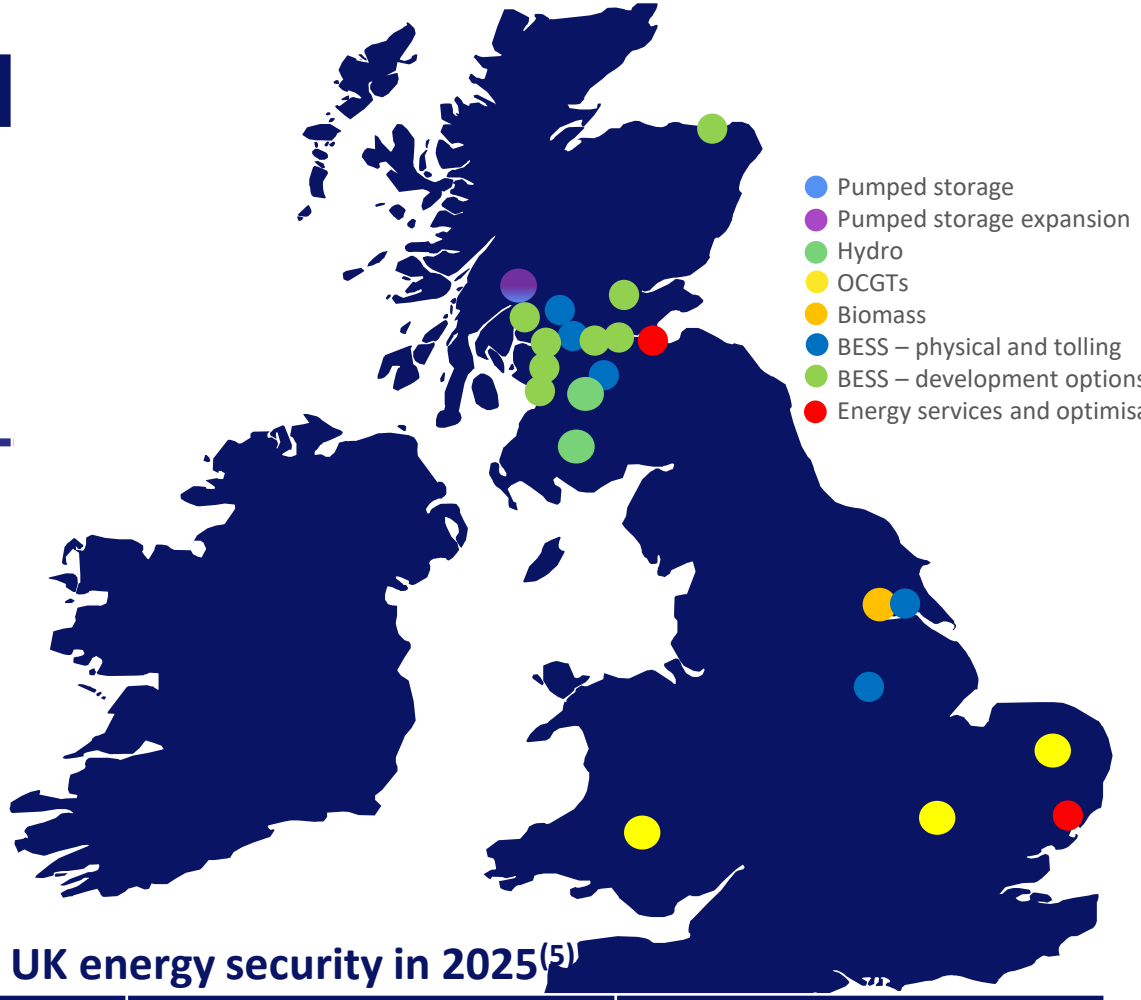
Supports scaling of BESS and optimisation of existing portfolio

Summary and outlook

Growing a Balanced UK Portfolio

Flexible, renewable portfolio with options for growth in energy security, energy transition and AI growth

GW	Operational	Development	Options	Total
Drax Power Station	2.6		1.4	**4.0**
Pumped Storage and hydro	0.6			**0.6**
OCGT		0.9		**0.9**
BESS[1]		0.7	0.3	**1.0**
Total	**3.2**	**1.6**	**1.7[2]**	**6.5**



Additional route-to-market services and demand-side response, provided to c.1.7GW across Drax Energy Solutions[3] and Flexitricity[4]

1) Apatura, Fidra and Zenobe developments, plus ROFO.
2) Additional 600MW capacity permitted at Cruachan Power Station.
3) Drax Energy Solutions has established renewable PPA portfolio with 800MW (>2,000 small generators).
4) Flexitricity has agreements for c.900MW route-to-market services.
5) Measured by output Q4 2024 to Q3 2025. Source: Drax and Elexon.

Key contribution to UK energy security in 2025[5]

2nd largest producer of renewable power	3rd largest producer of dispatchable power	6th largest producer of power

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Appendices

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Generation – Forward Power Sales

Strong forward power sales through end of current renewable schemes

Contracted power sales (24 Feb 2026)	2026	2027	2028
Net RO, hydro and gas (TWh)[1]	10.9	2.1	0.2
Average achieved £ per MWh[2]	77.8	79.5	71.3
CfD (TWh)[3]	2.4	-	-

Forward power sales underpin earnings through Q1-27

- c.£1.0bn of forward power sales
- 13.3TWh at an average price of £78.0/MWh[1/2]
- RO generation – fully hedged in 2026 and substantially hedged to Mar-27

Other sources of value

- System support services

Working capital inflow in 2027

- c.£0.5bn from end of RO scheme at Drax Power Station

New low carbon dispatchable CfD scheme commences Q2-27

1) Includes de minimis structured power sales in 2026, 2027 and 2028 (forward gas sales as a proxy for forward power), transacted for the purpose of accessing additional liquidity for forward sales and highly correlated to forward power prices.
2) Presented net of cost of closing out gas positions at maturity and replacing with forward power sales.
3) CfD strike price, c.£142/MWh (Apr-25 to Mar-26).

Group Income Statement

In £m	2025 Adj. Results	2025 Adjustments[1]	2025 Total Results	2024 Adj. Results	2024 Adjustments[1]	2024 Total Results
Revenue	5,355	35	5,391	6,081	81	6,163
Cost of sales	(3,794)	(84)	(3,878)	(4,130)	5	(4,125)
Electricity Generator Levy	-	-	-	(161)	-	(161)
Gross profit	**1,562**	**(49)**	**1,513**	**1,790**	**86**	**1,877**
Operating expenses	(614)	(27)	(641)	(726)	(35)	(761)
Adj. EBITDA	**947**	**n/a**	**n/a**	**1,064**	**n/a**	**n/a**
Depreciation and amortisation	(243)	-	(243)	(242)	-	(242)
Impairments	(27)	(351)	(378)	-	-	-
Other	(6)	(4)	(10)	(23)	(1)	(24)
Operating profit	**671**	**(430)**	**241**	**800**	**50**	**850**
Foreign exchange gains/(losses)	8	(2)	6	(9)	-	(9)
Net interest charge	(56)	(2)	(58)	(87)	(1)	(88)
Profit before tax	**623**	**(434)**	**190**	**704**	**49**	**753**
Tax (charge)/credit	(138)	16	(121)	(213)	(15)	(228)
Profit after tax	**486**	**(418)**	**68**	**491**	**35**	**526**

1) Exceptional items and certain remeasurements.

Group Adj. EBITDA by Business Unit

In £m	2025	2024
Pellet Production	129	143
Biomass Generation	725	814
Pumped Storage and Hydro	*111*	*138*
Energy Solutions – I&C	*54*	*81*
Energy Solutions – SME	*(5)*	*(30)*
Flexible Generation and Energy Solutions (FlexGen)	160	188
Elimini	(37)	(47)
Innovation, Capital Projects and Other	(31)	(34)
Group	**947**	**1,064**

Generation – FlexGen and Biomass Generation

In £m	2025	2024
Revenue		
Power sales	3,190	3,869
System support and optimisation	96	197
Renewable certificate sales	941	747
CfD income	187	144
Capacity Market income	17	12
Gas sales to Energy Solutions business	27	63
Fuel sales and other income	120	112
	4,578	**5,144**
Cost of sales		
Generation fuel costs	(1,648)	(1,706)
System support and optimisation	(26)	(55)
ROC value from generation	712	612
REGO value from generation	6	47
Carbon certificates	(6)	(5)
Renewable certificates sold or utilised	(895)	(762)
Cost of power purchases	(1,525)	(1,767)
Fuel sold	(77)	(73)
Grid charges	(19)	(23)
EGL	-	(161)
	(3,478)	**(3,892)**
Gross profit	**1,100**	**1,251**
Operating costs	(264)	(300)
Adj. EBITDA	**836**	**951**

	2025	2024
Generation Adj. EBITDA (£m)	**836**	**951**
Biomass	725	814
Pumped storage and hydro	111	138
Generation (TWh)	**15.7**	**15.4**
Biomass	15.0	14.6
Pumped storage and hydro[1]	0.7	0.8
Average achieved power price		
Gross power sales (£m)	3,190	3,869
Cost of power purchases (£m)	(1,525)	(1,767)
Net power sales (£m)	**1,665**	**2,102**
Net power sales (TWh)	15.7	15.4
Average achieved price (£/MWh)	**106.1**	**136.5**

1) Gross output from pumped storage and hydro schemes.

Renewable power and energy solutions

I&C

- Margin similar to 2024, some reduction in volume

SME

- Sale of majority of Opus Energy's meter points completed Sep-24
- Remaining meter points sold May-25
- Wind down of SME substantially complete

In £m	2025	2024
Revenue	**2,633**	**3,786**
Cost of sales		
Cost of power and gas purchases	(1,325)	(2,084)
Grid charges	(614)	(760)
Other costs	(586)	(781)
	(2,525)	**(3,625)**
Gross profit	**109**	**161**
Operating costs	(60)	(110)
Adj. EBITDA	**49**	**51**
-I&C	***54***	***81***
-SME	***(5)***	***(30)***

Record production levels and lower production costs

Good progress in 2025

- Record levels of production
- Reduction in production costs vs. 2024
  - Improved throughput
  - Cost management
  - Operational efficiencies

US Pellet Production

- Focused on own-use requirements of Biomass Generation business
- Cost-plus transfer pricing basis
- Reduction in costs = reduction in revenues
- Overall impact is lower Pellet Production EBITDA, but lower biomass costs for Biomass Generation, a net benefit to the Group

Canadian Pellet Production

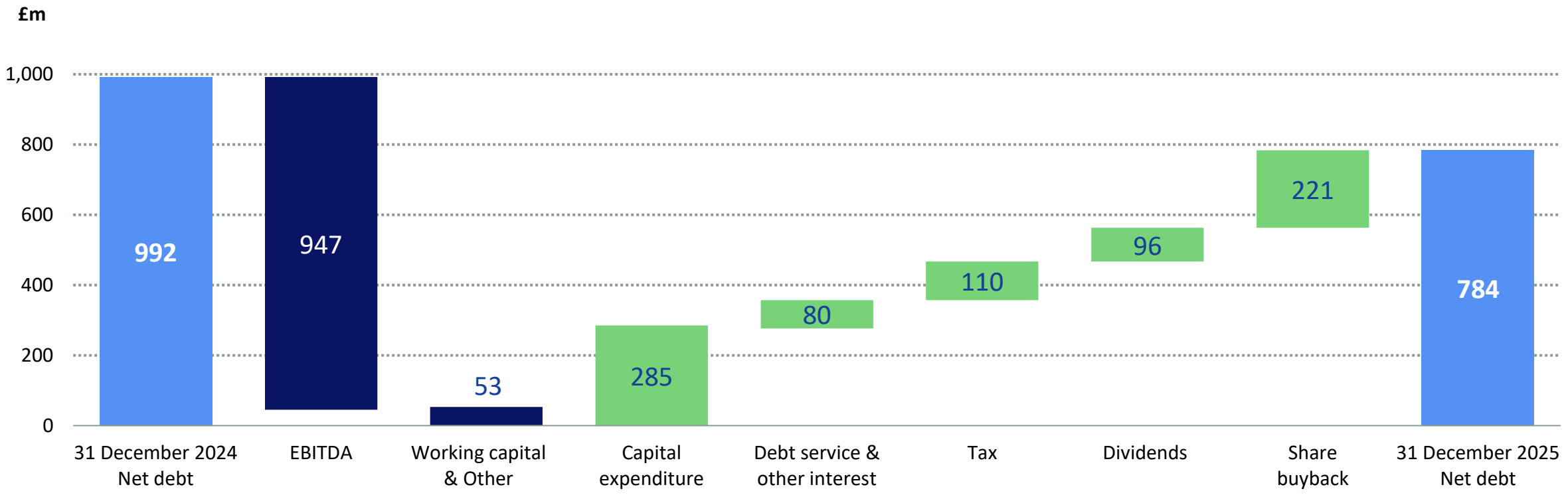
- Increase in fibre costs vs revenue indexation, lower margins

In £m	2025	2024
Revenue	**903**	**942**
Cost of sales	(551)	(562)
Gross profit	**352**	**380**
Operating costs	(222)	(237)
Adj. EBITDA	**129**	**143**
Production (Mt)	**4.2**	**4.0**

Group Cash Flow Statement

In £m	2025	2024
Adj. EBITDA	**947**	**1,064**
Working capital	86	122
Other	(33)	(51)
Cash generated from operations	**1,000**	**1,135**
Debt service and other interest	(80)	(82)
Corporation tax	(110)	(194)
Net cash from operating activities	**810**	**860**
Capital investment	(285)	(388)
Net financing	(238)	(249)
Equity dividends paid	(96)	(94)
Repurchase of own shares	(221)	(115)
Other	(26)	(36)
Net decrease in cash and cash equivalents	**(56)**	**(22)**
Cash and cash equivalents at the beginning of the period	356	380
Net cash flow	(56)	(22)
Effect of changes in foreign exchange rates	2	(2)
Cash and cash equivalents at the end of the period	**302**	**356**

Group Net debt



Working Capital Inflow in 2027

c.£0.5bn benefit from end of Renewables Obligation scheme at Drax Power Station in 2027

Renewables Obligation (RO)

- RO – requirement for energy suppliers to source a proportion of their energy from a renewable source
- Renewables Obligation Certificates (ROCs) issued to generators
- ROCs bought by suppliers to show they have fulfilled the RO
- RO compliance period April-March
- 1 ROC is c.£67 (plus RPI) (2025/26)

ROCs at Drax

- Drax generates c.10m ROCs per compliance period
- ROCs held on balance sheet until a sale is agreed – typically at the end of the RO compliance period in the following calendar year
- RO scheme ends for Drax Power Station in March 2027
- ROCs generated between Apr-26 and Mar-27 will be sold and cash received in 2027
- Working capital inflow of c.£0.5bn

Illustrative Generation cash flow from ROCs

	2026	2027
ROCs (m)		
Opening	7	7
Earned	10	3
Sold	(10)	(10)
Closing	**7**	**-**
Balance sheet (£bn)		
Opening	0.5	0.5
Earned	0.7	0.2
Sold	(0.7)	(0.7)
Closing	**0.5**	**-**
Cash inflow (£bn)	**0.7**	**0.7**
Decrease in w/cap (£bn)	**-**	**0.5**

Capacity Market agreements provide strong underpin for FlexGen earnings

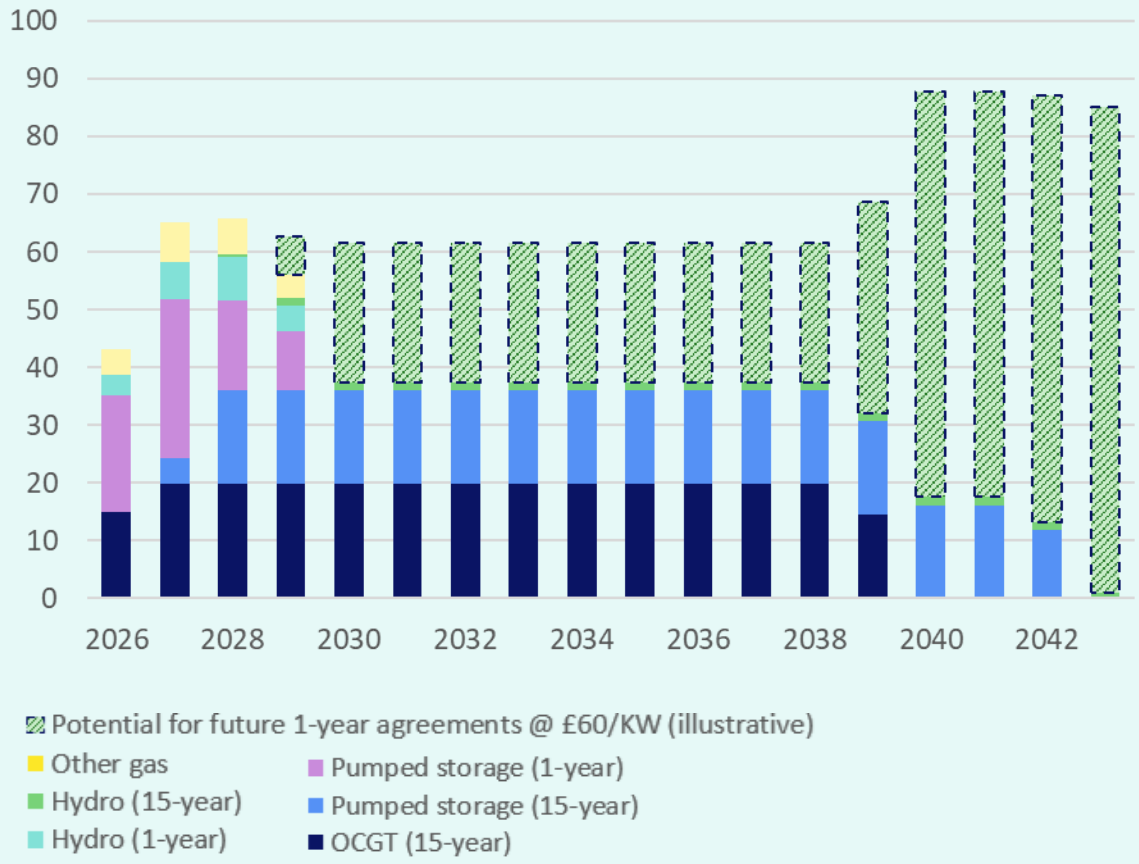
c.£650m[1] of agreements in place

Asset	Payment period	Value £m
Pumped storage	1-year agreements (2026-2029)	74
Pumped storage	15-year agreements (2027-2042)	242
Hydro	1-year agreements (2026-2029)	22
Hydro	15-year agreements (2028-2043)	21
OCGTs	15-year agreements (2026-2039)	268
Other gas	1-year agreements (2026-2029)	21
Total existing capacity agreements		**648**
Potential future agreements at c.£60/KW[2]		c.560
Illustrative Capacity Market Income 2026-2043		**c.1,200**

Opportunities from future auctions

- Next T-4 auction March 2026
- Existing assets remain eligible for one-year contracts in future auctions
- Illustrative only – c.£60/KW[2] – clearing price in last auction

Capacity Market agreements profile and illustration (£m)



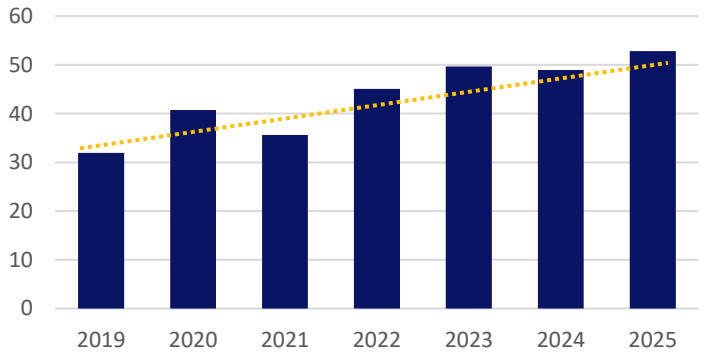
1) Real values, 2025, no additional inflation assumed.
2) Clearing price in 2025 T-4 auction.

Strong performance since 2019 underpinned by renewables driving growing need for system support services, with opportunity for further future value

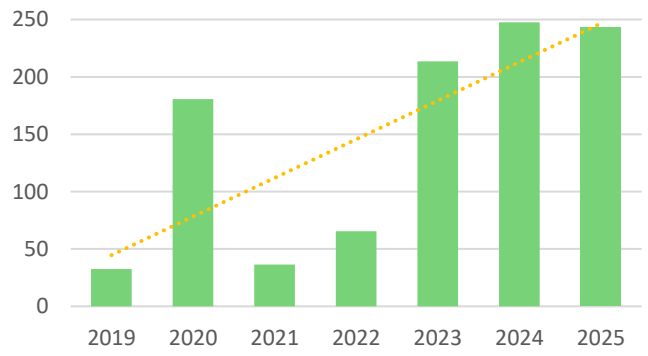
Changing power system:
Increased levels of intermittent renewables and volatility over last 6 years, creating greater demand for flexible generation services

(1) c.50% increase in offshore wind
(2) c.500% increase in hours of negative pricing
(3) Increase in renewables and system management action has led to a doubling of system costs
(4) Cruachan is operating over twice as much as in 2019

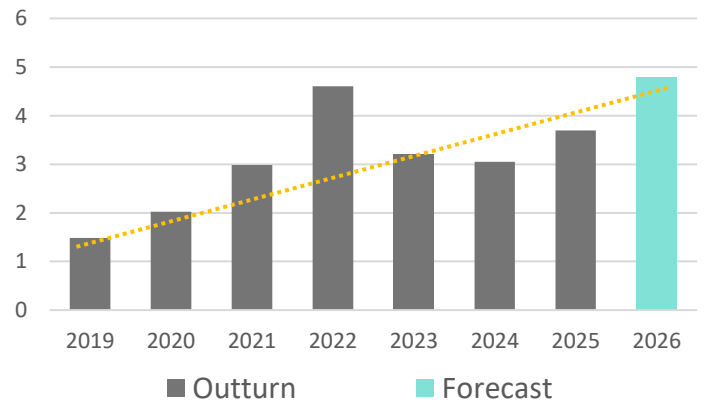
(1) Offshore Wind (TWh)



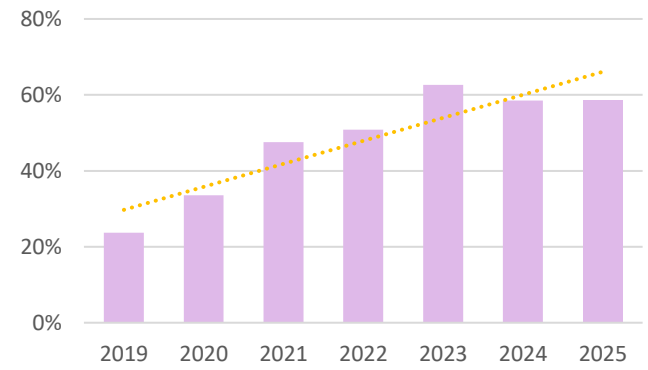
(2) Hours of negative pricing



(3) System cost (£bn)



(4) Cruachan hours of operation (%)[1]

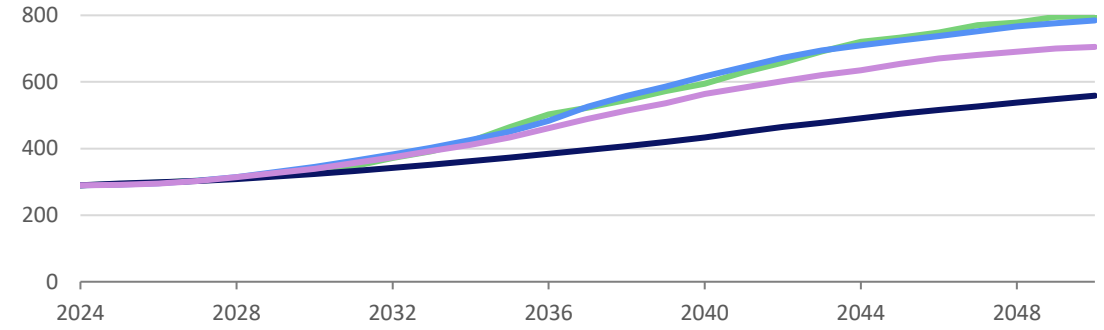


Source: NESO

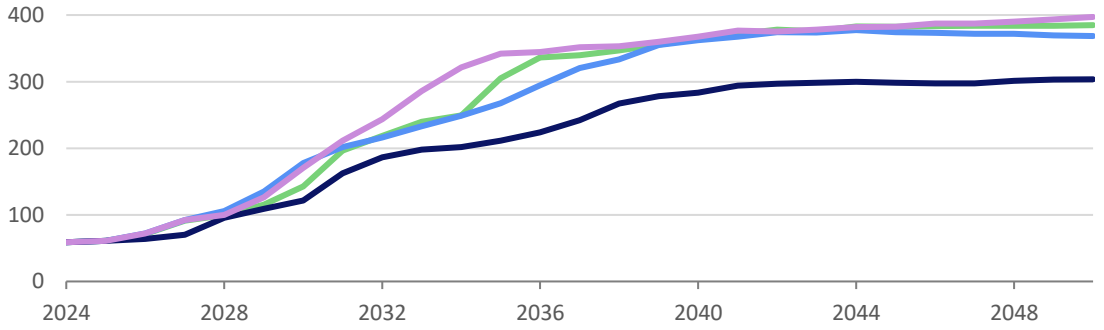
1) 2025 adjusted for planned outage programme

UK Gov. net zero targets require major increase in renewables, system support and carbon removals
Long-term value opportunity for FlexGen and Biomass Generation

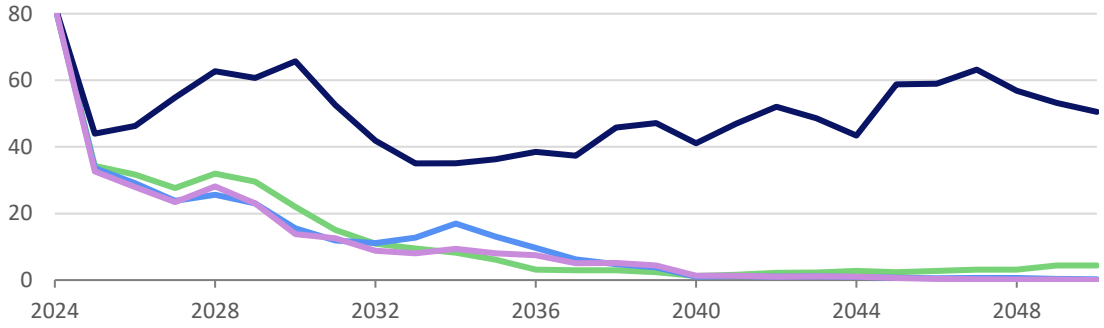
At least 2x increase in demand for power (TWh)
- Targets to decarbonise heating and transportation, new demand from data centres



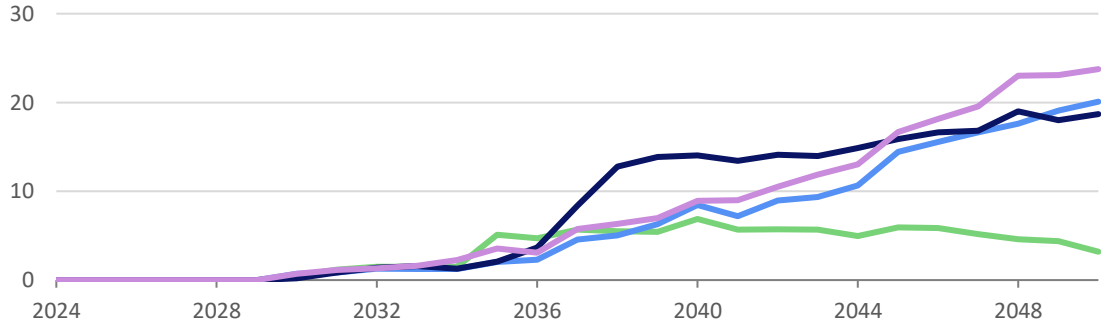
Significant increase in offshore wind (TWh)
- >3x increase in production (TWh)
- Likely to drive increased volatility due to low marginal cost and intermittency



Reduction in flexible CCGT generation (TWh)
- Decarbonisation driving removal of flexible CCGTs and replacement with intermittent renewables



Up to 24TWh of offshore wind curtailment pa (TWh)
- Excess supply in certain periods leads to negative pricing and curtailment of wind to create space for flexible assets which can turn up and down and support the system

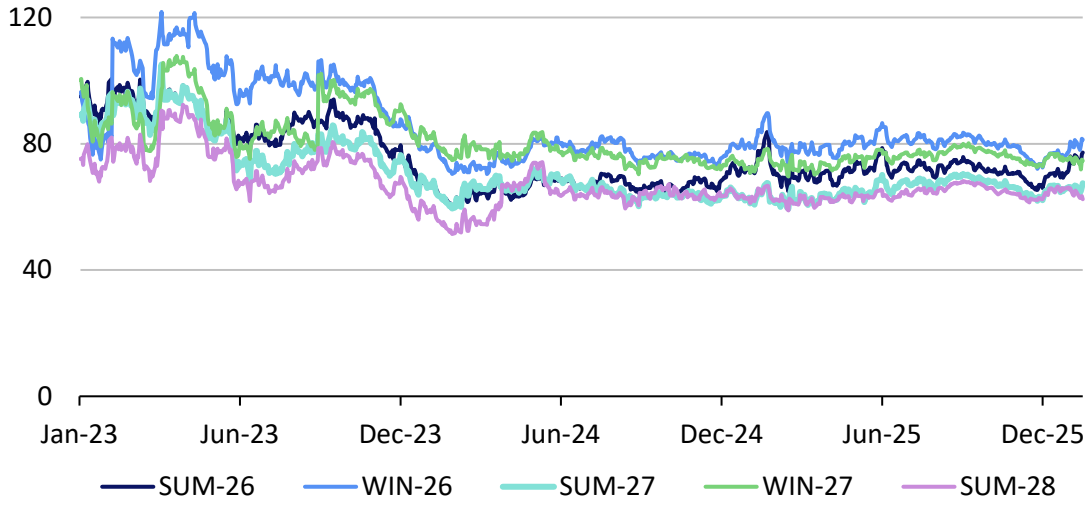


Electric Engagement Holistic Transition Hydrogen Evolution Falling Short

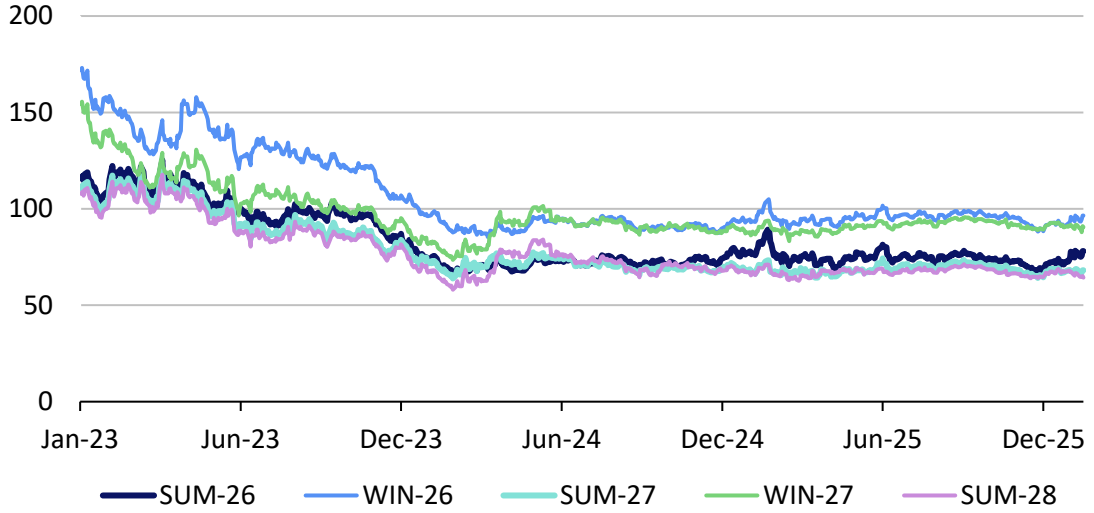
Source: NESO Future Energy Scenarios 2025

Merchant Forward Commodity Prices

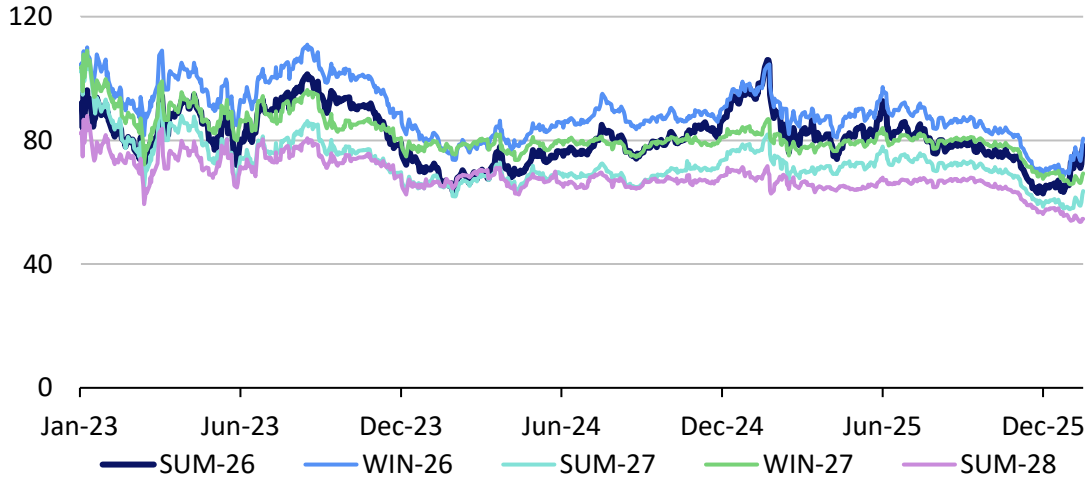
Baseload Power Price (£/MWh)



Peak Power Price (£/MWh)



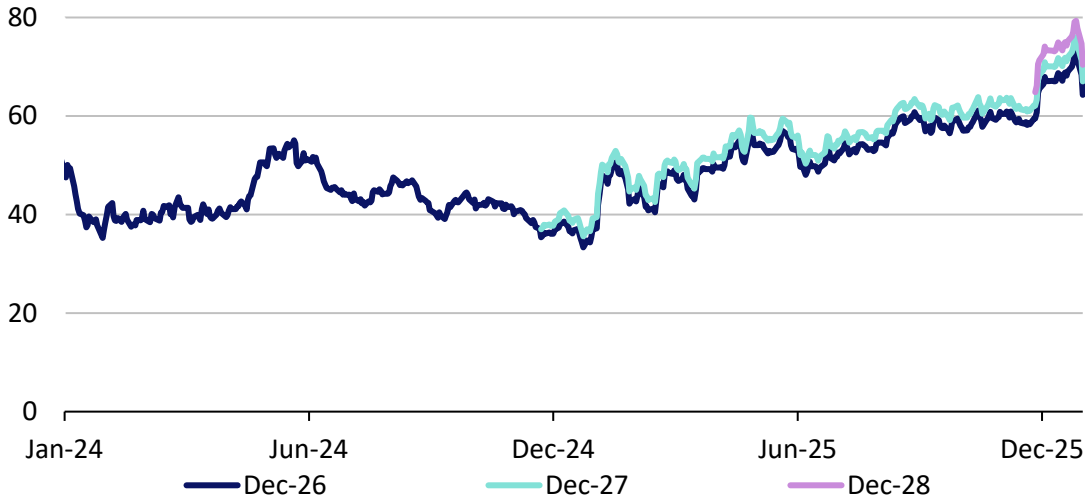
NBP Gas Price (p/therm)



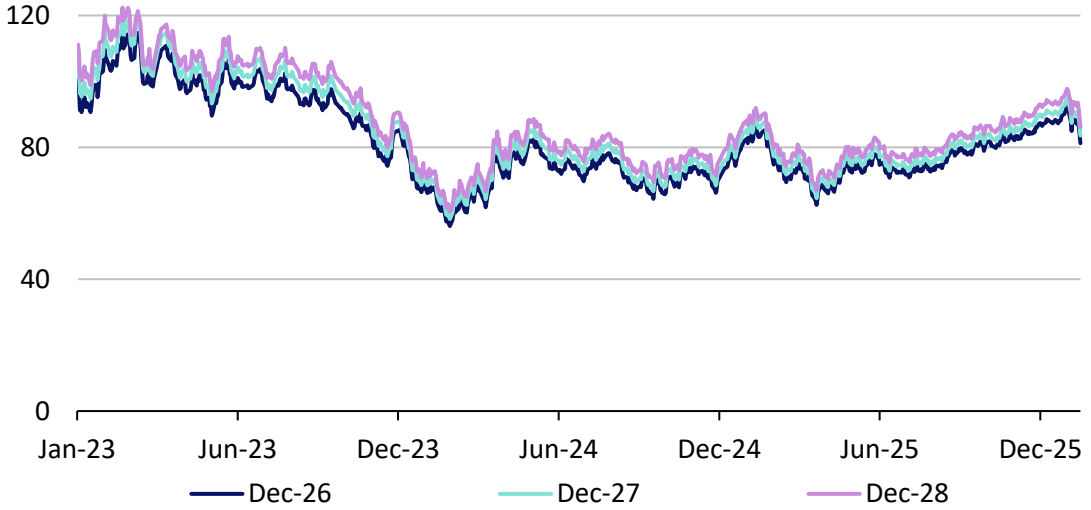
Source: ICE

Merchant Carbon Prices

UKA Carbon (£/t)



EU ETS Carbon (€/t)



Source: ICE

2025
Full Year Results

26 February 2026

drax