23 November 2026

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Drax Group plc

("Drax", "the Group", "Drax Group", "the Company"; Symbol: DRX)

Trading update and CMD with earnings upgrades

Trading update – highlights

- Strong system support and generation performance since September
- Full year 2026 expectations for Adj. EBITDA[(1)] significantly above current consensus[(2)]
- Additional merchant biomass generation added for summer 2027
- €1bn 5.5-year bond issued, Bluefield Solar Income Fund (BSIF) bridging facility repaid
- FID taken on three new solar projects (c.130MW) underpinned by 15-year CfD contracts

Capital Markets Day (CMD) – highlights

- Ambition for double-digit average annual growth rate in earnings and dividends (2027-2031)[(3)]
  - Group Adj. EBITDA of £800-900m in 2029 - existing business and committed developments
  - Group Adj. EBITDA of >£1bn in 2031, inclusive of incremental investment in growth
  - >12% average CAGR in Adj. EBITDA (2027-31) with higher earnings per share growth rate
  - >10% average CAGR in dividend per share (2027-31)
- Targeting >£3bn (2026-2031) of free cash flow[(4)], which combined with balance sheet headroom gives >£3.5bn of capital available to be used for:
  - c.£1.5bn – BSIF acquisition and existing BESS developments
  - >£1bn – available for further investment in Solar & Wind and Flexgen
  - c.£0.8bn – returns to shareholders (2026-2031)
- Moving leverage target to 2.5x Net debt to Adj. EBITDA
  - In line with reduced business risk, and debt capacity available at current credit rating
- Group to become progressively weighted towards Solar & Wind and Flexgen through 2020s
  - Targeting >20% increase in MW under management (6.2GW to 7.6GW) (2026-2029) based on existing portfolio and committed investments
  - Opportunity to invest in additional growth, scaling portfolio to c.9GW by 2031
- Strategic partnership for GW-scale data centre at Drax Power Station
  - Agreement to develop partnership with Radiant, Brookfield and Qai
  - Provisionally values powered land at c.$1 million/MW across all three phases

Drax Group CEO, Will Gardiner said: "The UK needs energy security and routes for decarbonisation which are affordable, whilst at the same time encouraging investment to support economic growth. Demand for power is expected to double by 2040 and as the share of gas generation reduces, there is an increased need for more generation across the board, including solar and wind, and the dispatchable flexible generation to support those and help keep the lights on when the wind isn't blowing and the sun isn't shining.

"Starting from a strong foundation of system critical assets in Drax Power Station and Cruachan Pumped Storage Hydro, the Group is building a scalable portfolio of flexible and renewable generating assets in the UK, designed to benefit from the growth in renewable power and resulting need for flexible assets to support the system.

"The Group is broadening its generation portfolio, resulting in higher earnings quality supported by an integrated trading and optimisation platform designed to capture more value from every megawatt.

"Growth is underpinned by a strong balance sheet and a clear capital allocation policy with a combination of dividend growth and reinvestment at attractive risk-adjusted returns."

Trading Update

Full year expectations

Reflecting a strong system support and power generation performance in September and October, the Group has added in the region of £50 million to its net contracted power position for 2026, with additional benefits from activity in the Balancing Mechanism. Accordingly, Drax now expects full year expectations for 2026 to be significantly above current analyst consensus for 2026. The delivery of this strong performance reflects the dispatchable nature of the Group's portfolio, combined with its trading and optimisation capabilities, which has allowed it to operate flexibly to meet the needs of the power system and support energy security. BSIF, acquired in July 2026, is performing in line with expectations. Full year expectations for the Group remain subject to continued good operational performance.

In 2026 the Group expects Net debt to Adj. EBITDA to be towards 2 times, inclusive of the acquisition of BSIF, before reducing to below 2 times by the end of 2027.

Generation contracted power sales

As at 19 November 2026, Drax had over £1 billion of contracted forward power sales between 2026 and 2028 on its Renewables Obligation (RO) biomass, pumped storage and hydro generation assets, with over £800 million of associated ROCs. Since its last update on 18 September 2026, the Group has added 2.5TWh (net) to its position at an average price of c.£158/MWh between 2026 and 2028. This includes c.2TWh of merchant biomass generation in summer 2027, which reflects additional volume above the level specified in the new low-carbon dispatchable CfD agreement.

Contracted power sales as at 19 November 2026	2026	2027	2028	Total
Merchant (TWh)[5]	*11.4*	*4.8*	*0.4*	***16.6***
Average achieved £ per MWh[6]	*90.8*	*106.3*	*116.3*	***95.9***
Contract for Difference (CfD) (TWh)[7/8]	*3.9*	*1.8*[9]	*-*	***5.7***

Balance sheet

In October 2026, Drax completed a £0.3 billion five-year term-loan facility and in November 2026, the Group issued a €1 billion five-and-a-half-year euro denominated bond, which extends the Group's maturity profile to 2032. The proceeds from these facilities have been used to repay a bridging facility used to fund the acquisition of BSIF, and other term-loan facilities.

Other

In November 2026, Drax agreed the acquisition of Bluefield Services Limited, which provides asset management, operations and maintenance, construction management and pipeline development services to BSIF and its subsidiaries.

The acquisition will expand Drax's operations, maintenance and pipeline development expertise.

Capital Markets Day

Drax is hosting a CMD today for analysts and investors. Will Gardiner, CEO, and Frank Lemmink, CFO, will provide an update on the Group's strategy, plans for growth and development projects.

Webcast and presentation material

The event will be webcast from 2pm (UK) and the material made available on the Group's website at that time. Joining instructions for the webcast and presentation are included in the links below.

Drax Group Capital Markets Day | SparkLive | LSEG

Results, Reports & Presentations - Drax Global

Development of a larger and broader UK focused generation portfolio
The Group aims to grow its MW under management and create value by using its broad and deep portfolio of asset-backed generation with differentiated trading and optimisation capabilities.

Drax has a broad portfolio of UK-focused flexible and renewable generation assets, of which biomass remains an important but smaller part of the Group. Between 2025 and 2026 the Group increased its MW under management from 4.0GW to 6.2GW with the acquisitions of BSIF and Flexitricity, and the commissioning of the first of three OCGTs, moving from 4 to over 200 generation assets across the UK. Between 2026 and 2029 the Group plans to increase its MW under management by over 20%, from 6.2GW to 7.6GW, based on existing investment commitments in OCGTs, BESS and solar, which are expected to enter service between 2027 and 2028.

Beyond its existing plans for 7.6GW in 2029, the Group is developing a pipeline of further opportunities for growth, as well as assessing inorganic opportunities. The Group expects to support the delivery of its growth plans with cash generated from the existing business and the funding capacity available within its capital allocation policy. The Group believes that this could lead to a portfolio of around 9GW in 2031, with an associated increase in earnings and free cash flow, predominantly from its Solar & Wind and Flexgen businesses.

Upgraded medium-term financial targets
Reflecting a growing demand for power and system support services, the Group has an ambition for Adj. EBITDA of £800-900 million in 2029 based on its existing portfolio and committed investments, rising to >£1 billion in 2031, inclusive of incremental investment in Solar & Wind and Flexgen. Both Adj. EBITDA numbers are inclusive of development expenditure.

This represents an expected average, non-linear CAGR for Adj. EBITDA of >12% pa between 2027[(3)] and 2031 and an expected higher rate of earnings per share growth over the same period.

Drax aims to grow its dividend per share sustainably by over 10% pa between 2027[(3)] and 2031.

Improving earnings quality
In 2025, over 80% of the Group's Adj. EBITDA was derived from Biomass Operations. By 2029, the Group expects that Solar & Wind and Flexgen will represent the majority of Group Adj. EBITDA. Drax aims to continue this transition through 2031, leading to a more balanced earnings mix, with a greater proportion of contracted revenue and reduced risk, whilst retaining exposure to the upside that comes from volatility in merchant power prices.

Leverage target
In 2017, the Group set out a long-term leverage target of around 2x Net debt[(10)] to Adj. EBITDA, which would work alongside its single site merchant generation model. Today, the Group is a multi-site, multi-technology portfolio with higher quality earnings. Accordingly, Drax will now target long-term leverage of around 2.5x Net debt to Adj. EBITDA, inclusive of leases, provided that additional debt is used to support further growth. Drax believes that this level remains consistent with the Group current credit ratings.

Cashflow
Between 2026 and 2031 the Group expects to generate over £3 billion of free cash flow[(4)] from its existing portfolio and committed investments. Taken together with a long-term target of 2.5x Net debt to Adj. EBITDA, the Group is targeting >£3.5 billion of capacity to support investment and returns to shareholders.

The Group expects to return c.£0.8 billion to shareholders between 2026 and 2031 through the continuation of its sustainable and growing dividend policy. Taken together with over £0.3 billion returned in 2025 via dividends and share buybacks, the Group expects to return >£1 billion to shareholders between 2025 and 2031, in line with previous guidance.

With attractive opportunities to invest in Solar & Wind and Flexgen, Drax expects its share buyback programme to remain paused.

Of the remainder of the >£3.5 billion, c.£1.5 billion was used in the acquisition of BSIF and existing BESS developments, leaving >£1 billion for further investment in growth (included in the Group's ambition for Adj. EBITDA of >£1 billion by 2031).

Hurdle rates
Drax will continue to appraise its investment opportunities, against technology-specific hurdle rates based on WACC plus a risk premium.

A GW-scale pipeline of development opportunities to support continued growth
The Group has a GW-scale pipeline of development opportunities in Solar & Wind and BESS, including floors and tolls, which it will assess in line with its capital allocation policy.

In October 2026, Drax made a final investment decision on three new solar projects in northern England, representing c.130MW and an investment of c.£120 million. These developments, which are expected to enter service in 2028, are underpinned by 15-year CfD agreements, providing high-quality earnings into the 2040s.

Drax also remains alert to other inorganic sector opportunities.

Biomass operations
Reflecting the integrated nature of its operations in the US South and biomass generation at Drax Power Station, the Group is combining these activities into a Biomass Operations reporting segment. This segment also includes the Group's Canadian operations, which are currently under a strategic review.

The Drax Power Station estate – which is located centrally in the UK and next to one of the country's largest substations – comprises over 1,000 acres and has c.4GW of grid access, with 2.6GW of active dispatchable generation, cooling systems, and proximity to the UK fibre network, making it ideal for the development of a potential data centre, alongside power generation.

Drax believes that the size, flexibility, and location of the site make it an important long-term part of the UK energy system and the Group is focused on options to maximise value from the site. In addition to an AI data centre, Drax is exploring long-term options to utilise multiple generation technologies, including dispatchable power, in addition to its existing biomass generation, which can support UK energy security. As a part the development of long-term options for the site, the Group has formally requested 1.2GW of import capacity from the system operator.

Drax is also developing an option to provide non-generation stability services at Drax Power Station to the electricity grid, from two units that do not currently operate. Historically, stability services, including inertia, were provided by large rotating plant but with a reduction in these types of assets and the rollout of intermittent renewables, the electricity grid has an increasing need for stability assets. Drax expects to continue to develop this option through 2027.

<u>Data centre</u>
In 2026, Drax signed an agreement to develop a strategic partnership with Brookfield and Radiant, Brookfield's UK-headquartered AI infrastructure platform, to jointly develop, deliver and operate an AI data centre on the Drax Power Station estate.

The partnership will combine Radiant's AI infrastructure expertise with Drax's powered land and generation capabilities, with investment capital and operating capabilities provided through a Brookfield-Qai AI infrastructure joint venture.

In aggregate, across three development phases, the project has the potential to deliver GW-scale data centre capacity at Drax Power Station.

The agreement provisionally values powered land across all three phases of the project at c.$1 million/MW.

Drax understands that, during 2026, Radiant, as the project's commercial partner, has been discussing commercial arrangements and requirements with potential tenants for the first phase of the project. These discussions are ongoing.

Progression of the first phase of the project is subject to the necessary planning approvals, as well as receiving the required regulatory and network approvals from Government and the relevant agencies, in addition to securing an acceptable tenant for the project, negotiation of necessary commercial agreements and each party taking a final investment decision.

Notes:

(1) Earnings before interest, tax, depreciation, amortisation, excluding the impact of exceptional items and certain remeasurements. Adj. EBITDA includes the Group's share of Adj. EBITDA from associates.
(2) As of 17 November 2026, analyst consensus for 2026 Adj. EBITDA was £721 million, with a range of £710 – £736 million. The details of this consensus are displayed on the Group's website.
Consensus - Drax Global
(3) 2027 is referenced against company collected consensus as of 17 November 2026.
(4) Free cash flow pre-dividend, includes company Adj. EBITDA ambitions, c.£0.5bn working capital inflow from end of RO scheme, committed and maintenance capex, interest and taxes.
(5) Includes biomass generation under ROC scheme until March 2027, pumped storage, hydro and gas generation sales, and merchant generation sold during the low-carbon dispatchable CfD contract period from April 2027. Presented net of closing out gas positions at maturity and replacing with forward power sales.
(6) Includes c.0.7TWh of structured power sales in 2026 and 2027 (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.
(7) CfD strike price, c.£147/MWh (Apr-26 to Mar-27).
(8) Low-carbon dispatchable CfD strike price, c.£163/MWh (Apr-27 to Mar-28).
(9) Of the 1.8TWh of CfD generation in 2027, 1.3TWh relates to the current scheme and 0.5TWh relates to the new low-carbon dispatchable CfD.
(10) In 2017 Net debt was defined as total borrowings excluding lease liabilities, less cash and cash equivalents.
In 2026 Net is defined as total borrowings adjusted for associated hedging instruments and lease liabilities, less cash and cash equivalents.

Enquiries:
Drax Investor Relations:
Mark Strafford
mark.strafford@drax.com
+44 (0) 7730 763 949

Chris Simpson
Chris.Simpson@drax.com
+44 (0) 7923 257 815

Media:
Drax External Communications:
Chris Mostyn
chris.mostyn@drax.com
+44 (0) 7743 963 483

Andy Low
andrew.low@drax.com
+44 (0) 7841 068 415

Website: www.Drax.com

LEI: 549300YPSNTXR4ZHSR98

Market Abuse Regulation

The information contained within this announcement is considered to constitute inside information as stipulated under Article 7 of the Market Abuse Regulations (EU) No.596/2014 as incorporated into UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via a regulatory information service, this inside information will be considered to be in the public domain.

The person responsible for arranging the release of this announcement on behalf of Drax Group plc is Rebecca Dunn, Company Secretary

Forward Looking Statements

This announcement may contain certain statements, expectations, statistics, projections, and other information that are, or may be, forward looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans, beliefs, and objectives for the management of future operations of Drax Group plc ("Drax") and its subsidiaries (the "Group"), are not warranted or guaranteed. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. Although Drax believes that the statements, expectations, statistics and projections and other information reflected in such statements are reasonable, they reflect Drax's current view and no assurance can be given that they will prove to be correct. Such events and statements involve risks and uncertainties. Actual results and outcomes may differ materially from those expressed or implied by those forward-looking statements. There are a number of factors, many of which are beyond the control of the Group, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These include, but are not limited to, factors such as: delays in the process for finalising the proposed agreement with the UK Government for Drax Power Station, future revenues being lower than expected; increasing competitive pressures in the industry; uncertainty as to future investment and support achieved in enabling the realisation of strategic aims and objectives; and/or general economic conditions or conditions affecting the relevant industry, both domestically and internationally, being less favourable than expected, including the impact of prevailing economic and political uncertainty, the impact of conflict including those in the Middle East and Ukraine, the impact of cyber attacks on IT and systems infrastructure (whether operated directly by Drax or through third parties), the impact of strikes, the impact of adverse weather conditions or events such as wildfires, changes to the regulatory and compliance environment within which the Group operates. We do not intend to publicly update or revise these projections or other forward-looking statements to reflect events or circumstances after the date hereof, and we do not assume any responsibility for doing so.

END