centrica

Centrica plc interim results

For the six months ended 30 June 2026

Investor presentation

Centrica will hold its 2026 Interim Results presentation for analysts and institutional investors at 9.30am (UK) on Thursday 23 July 2026. There will be a live webcast of the presentation and slides.

Please register to view the webcast at:
https://secure.emincote.com/clients/centrica/results/2026-interim-results

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Unless otherwise stated, all references to the Company shall mean Centrica plc, and references to the Group shall mean Centrica plc and all of its subsidiary undertakings and equity-accounted associate/joint venture undertakings. This announcement does not offer investment advice, and does contain forward-looking statements. The Disclaimer relating to the Interim results is included on page 73.

Published 7am on 23 July 2026.

BUILDING A STRONGER, HIGHER QUALITY CENTRICA

- Solid H1 performance with EBITDA of £737m and EPS of 6.8p; YoY decline driven predominantly by Spirit Energy asset disposals and production outages.
- Progress building our regulated and contracted Infrastructure portfolio with Severn CCGT acquisition, ongoing ramp-up in the Meter Asset Provider, Sizewell B CfD and nuclear life extensions.
- Transformation programme(i) ramping up, with investment of £92m in H1.
- Interim dividend increased by 9% to 2.0p.
- Long-term targets unchanged - £2.0bn adjusted EBITDA and doubling(ii) EPS by 2030.

"Our journey to create a higher quality, more valuable Centrica continued during the first half of 2026. Our operational foundations are strong, commercial performance is improving, and we continue to progress our transformation programme as we drive efficiency through the organisation.

Volatility across energy markets has created challenges in some parts of our business, and some of our delivery has been slower than we would like. However, we have continued to invest with discipline to strengthen our portfolio and support long-term growth, making progress pivoting the Group towards more stable and predictable earnings. There is still much more to do, and by remaining nimble and bold, we can deliver our ambitious long-term targets."

Chris O'Shea | Group Chief Executive

SOLID FINANCIAL PERFORMANCE

Six months ended 30 June	2026	2025		2026	2025
Adjusted measures (iii)			**Statutory measures**		
EBITDA	**£737m**	£900m			
Operating profit (AOP)	**£497m**	£549m	Operating profit/(loss)	**£710m**	(£69m)
Basic earnings per share (EPS)	**6.8p**	7.0p	Basic earnings per share (EPS)	**11.7p**	(5.1p)
Free cash flow	**(£570m)**	£244m	Net operating cash flow	**£27m**	£294m
Capital investment	**(£698m)**	(£244m)	Net cash from investing activities	**(£512m)**	£13m
Net cash	**£709m**	£2,491m	Interim dividend per share	**2.0p**	1.83p

(i) More information on page 5.
(ii) Versus 2025.
(iii) Adjusted performance measures are non-IFRS, corresponding IFRS measures are also shown to facilitate comparison. See notes 3, 4, 9 10 and 12 to the Financial Statements and pages 68 to 72 for an explanation of the use of adjusted performance measures.

- Adjusted EBITDA of £0.7bn (H1 2025: £0.9bn) and AOP of £0.5bn (H1 2025: £0.5bn), with:
  - Retail adjusted EBITDA of £0.3bn (H1 2025: £0.3bn) reflecting improved commercial performance and favourable price effects partially offset by higher bad debt and transformation investment in Home, and a more normalised Business result.
  - Optimisation adjusted EBITDA of £0.1bn (H1 2025: £0.1bn) reflecting improved Gas and Power Trading performance, offset by limited optimisation opportunities and phasing of revenue in LNG.
  - Infrastructure adjusted EBITDA of £0.4bn (H1 2025: £0.5bn) reflecting the impact of Spirit Energy disposals and outages, and lower realised prices in Nuclear, partly offset by Rough indigenous gas sales, and growing profits from rateable assets.
- Net finance cost of £38m (H1 2025: £26m income) due to lower interest income on cash balances.
- Adjusted basic EPS of 6.8p (H1 2025: 7.0p); interim dividend per share of 2.0p (H1 2025: 1.83p).
- Statutory operating profit of £0.7bn (H1 2025: £0.1bn loss) including £0.2bn (H1 2025: £0.6bn loss) from a net gain on re-measurements of derivative energy contracts and reversal of impairments. Statutory basic EPS of 11.7p profit (H1 2025: 5.1p loss).

- Free cash outflow of £0.6bn (H1 2025: £0.2bn inflow), with capital investment of £0.7bn (H1 2025: £0.2bn), including the acquisition of the Severn Combined Cycle Gas Turbine ("CCGT") and strong capital deployment in the Meter Asset Provider ("MAP").
- Statutory net operating cashflow of £27m (H1 2025: £294m) including £126m of margin cash and collateral inflow (H1 2025: £22m outflow), with total margin cash held of £62m (H1 2025: £61m posted) at 30 June.
- Closing adjusted net cash of £0.7bn (FY 2025: £1.5bn).

STRATEGIC HIGHLIGHTS

We delivered further strategic progress during the first half of 2026. By building a portfolio with more stable earnings and focusing on our strategic value levers - operational excellence, commercial innovation and investing for value - further supported by ongoing ramp-up of our transformation programme, we are creating a fundamentally stronger, higher quality Centrica.

Operational excellence supporting commercial innovation and greater efficiency

- Focus on driving commercial innovation across Retail;
  - Progressing new sales channels, including the digital first British Gas membership scheme, launched in May 2025, now with 1m+ members and 15% conversion to paid products.
  - Focus on value creation from profitable customers; average fixed price margin per UK energy customer up 10% compared to the end of the year, against a slight fall in Retail customers.
- Strong customer satisfaction (Net Promoter Scores ("NPS")) and lower complaints per customer across Retail, supporting an "Excellent" 4.4 star British Gas Trustpilot score (H1 2025: 4.3 stars), and lower inbound customer contact.
- Transformation programme and changing customer behaviour supporting more efficient operations.
  - c.1,300 proposed role reductions underway; c.14% reduction in customer operations workforce.
  - 3% reduction in operating costs excluding bad debt and depreciation.

Investing for value

- Acquisition of the 850MW Severn CCGT for net consideration of £367m completed, adding further large-scale dispatchable power generation to our portfolio, underpinned by contracted capacity market revenues.
- Strong progress in our MAP, with 728k meters installed in H1 2026 (capital investment £133m) and 2.3m meters under management at the end of the period, generating run-rate EBITDA of c.£60m per annum; unrivalled installation pipeline locks in predictable long term growth.
- Sizewell B life extension to 2055 announced in July 2026, supported by a £70.50/MWh Contract for Difference ("CfD") starting in 2035, further pivoting our infrastructure portfolio towards long-term predictable earnings.
- Life extensions were confirmed in July 2026 for the Heysham 1 and Hartlepool nuclear stations from March 2028 to March 2030.
- Rateable Infrastructure portfolio (MAP, Grain LNG and Sizewell C) adjusted EBITDA of £88m in H1 2026. On-track for around £175m for the full year.
- Progressing long-term options including X-energy advanced modular reactors, behind the meter solutions, including potential data centre opportunities, and Morecambe Net Zero.

2026 OUTLOOK

For 2026, subject to the usual uncertainties, we currently expect:

- Retail to be towards the lower end of £500m-£800m adjusted EBITDA guidance range.
- Optimisation to deliver adjusted EBITDA of around £250m.
- Infrastructure to generate adjusted EBITDA of £650m-£750m.
  - MAP, Sizewell C and Grain LNG contribution to be around £175m adjusted EBITDA.
- Net interest expense to be around £100m.
- Group earnings to be weighted to the first half of the year.
- Capital investment to be around £1.1bn.

Adjusted EBITDA summary

(£m)	H1 2026	H1 2025	FY 2025
Retail	**346**	338	574
Optimisation	**87**	93	196
Retail and Optimisation	**433**	431	770
Infrastructure	**355**	505	728
Colleague profit share and MAP consolidation adjustment	(51)	(36)	(81)
Adjusted EBITDA	**737**	900	1,417

A wide range of outcomes is possible for Centrica Energy in 2027, and our planning assumptions at this stage reflect our expected views on market volatility as well as measures taken to reduce some of our exposures. We therefore expect Centrica Energy EBITDA in 2027 to be around the levels delivered in 2025 and our 2026 guidance. This will be kept under review and updated as appropriate. There is no change to the £300-400m medium-term EBITDA guidance range for Centrica Energy which underpins the end-2028 and 2030 Group EBITDA targets.

GROUP OVERVIEW

GROUP PERFORMANCE METRICS

Six months ended 30 June	2026	2025	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.57	0.61	(7%)
Total Retail customers ('000) (closing) (i)	10,291	10,373	(1%)
Group direct headcount (closing)	21,529	21,881	(2%)
Group colleague engagement (ii)	76	79	(3pt)

All 2025 comparators are as at 31 December 2025.

(i) Includes Home Energy Supply and Home Services households and Business customer sites.

(ii) Now expressed as a score out of 100 following change of provider. No change to underlying result (FY 2025 previously reported as 7.9).

Structural trends such as growing electrification, rising grid intermittency and complexity, and increasing consumer engagement are driving demand for low-carbon baseload power, flexible generation, storage, and more innovative, integrated energy solutions. Our unique portfolio is positioned at the intersection of these trends, combining physical assets and customer relationships with leading optimisation capabilities and data-led insight.

Details of business unit performance can be found in the business unit reviews on pages 8 to 13.

Transformation programme ramping up

Our technology-led transformation programme continues to ramp up, with investment of £75m included within adjusted EBITDA and a further £17m included within capital investment in the first half of 2026.

We remain on-track to deliver our ambition to hold operating costs, excluding bad debt and depreciation, broadly flat in nominal terms from 2025 through to the end of the decade, delivering a £0.5bn underlying cost reduction, which will fully absorb inflation and incremental costs supporting top-line growth. We anticipate costs to achieve the programme of around £0.6bn, around £0.4bn of operating costs and £0.2bn of capital investment. Spending in the first half was consistent with our plan. All costs are included within business performance rather than exceptional items, ensuring our colleagues are focused on the value proposition of any transformation initiative.

Streamlining and re-platforming key technology architecture, notably across Retail and in our Group support functions is a focus area. We continue to actively address the root causes of customer contact and simplify journeys, supported by the targeted deployment of AI tools, leading to record levels of customer satisfaction in UK Home Energy Supply, with an NPS of +37, 4pts higher than December 2025. Customer complaints have also fallen 0.4ppts compared with the first half of 2025, and we have seen a further improvement in our Trustpilot score to "Excellent", 4.4 stars (FY 2025: 4.3 stars).

Average contact per customer has fallen by 20% year-on-year, while around 90% of customers are now using digital self-serve channels, up 2ppts compared to last year. In response to these structural changes in customer behaviour, we have been managing resource levels through natural attrition. In addition, we have announced a proposed reduction of around 500 contact-based roles across our customer operations team, alongside additional reductions in offshore outsource support. Combined, these initiatives support a c.14% reduction in our total customer operations workforce. Following a structural reorganisation in 2025, we have also announced proposed role reductions in our Group support functions, as we focus on driving efficiencies. In total, these announcements represent around 1,300 role reductions either delivered, or announced and currently being implemented.

We also continue to focus on driving commercial growth, streamlining our focus on the most valuable customers and market segments and on new product offers and bundles aimed at sustainably growing revenue per customer. More information is included in the Retail business unit review on pages 8 to 9.

Investing for value and building long-term options

We continue to progress our investment programme, targeting assets that deliver (1) attractive returns, (2) regulated and contracted earnings, (3) support the energy system of the future, (4) deliver Group-wide benefits and (5) create future options.

Our MAP now has over 2.3m Centrica-owned smart meters under management, including 0.7m installed in the first half of 2026, running ahead of our target, as we continue to leverage our unrivalled installation pipeline.

In May 2026 we completed the acquisition of the Severn CCGT power station in South Wales from Calon Energy Group for net consideration of £367m. Commissioned in Q4 2010, Severn is one of the most efficient CCGTs in the UK, with its scale and flexibility allowing it to capture a diverse range of revenue streams, including the capacity market, provision of critical system services to the National Energy System Operator and the sale of power to the wholesale market. Severn is strategically located near growing sources of power demand, including data centre developments in South Wales, supporting long-term utilisation and revenue visibility. Severn is expected to deliver average capacity market payments of £35m per annum until 2030, and annual EBITDA of £30m-£60m from 2027, with EPS accretion from the first full year following completion. Since acquisition the station has performed strongly, supported by lower wind generation, reduced nuclear availability and higher electricity demand due to warmer weather.

In Ireland, our two 100MW gas peaking plants in Athlone and Dublin are now in the final stages of preparation for commercial operations, with a total investment of around €380m (Centrica share c.80%). Plans continue to be developed for a 334MW Open Cycle Gas Turbine in Galway, with a 10-year capacity market contract at €56m per annum. The project is subject to planning approvals, with FID expected in early 2027.

In July 2026, we announced a 20-year life extension at Sizewell B supported by a CfD framework. The CfD has a guaranteed strike price of £70.50/MWh from April 2035 to March 2055, based on 2025 prices and indexed to CPI inflation. The CfD supports life extension investment of approximately £800m (100% share, 2023 prices), with investment expected to be funded through operating cash flows, and no requirements for additional equity to be injected by Centrica and EDF Energy.

At the neighbouring Sizewell C development project, we contributed £43m in the first half. This takes our total investment to £0.4bn, as part of our capped £1.3bn investment, underpinned by a Regulated Asset Base ("RAB") framework with a 10.8% real allowed return on equity through the full construction period, in turn supporting a 12%+ IRR.

At the Heysham 1 and Hartlepool nuclear power stations we confirmed further life extensions in July 2026. Both stations are now due to close in March 2030, adding approximately 6TWh of expected incremental generation.

We also continue to build our pipeline of long-term organic investment options.

We continue to engage constructively with the UK Government on the future development of Rough. While we remain keen to invest in this nationally important asset, any redevelopment must be supported by a long-term regulated framework which delivers appropriate support. Our current production consent with the North Sea Transition Authority ("NSTA") expires in April 2027, and we do not currently intend to seek an extension.

The announced sales of the majority of Spirit Energy's assets signals the end of our North Sea gas production. The team is now focused on producing the remaining gas at Morecambe safely and efficiently, decommissioning while minimising the environmental impact, and progressing the Morecambe Net Zero ("MNZ") project. In the first half, the NSTA confirmed that Spirit can progress into the 'Assess Phase' of its carbon storage licence which represents a major technical milestone and validation of technical integrity.

The next step is securing a commitment from Government for the project at the next spending review, anticipated in 2027. Both short-term and longer-term support to enable a final investment decision are being requested so the project can plan a clear path to commercial operations.

We signed a Joint Development Agreement with X-energy in September 2025 for the UK's first advanced nuclear fleet and the project continues to make progress. In March 2026 we submitted our application to the Advanced Nuclear Framework ("ANF") process which identifies and supports credible, high-potential advanced nuclear proposals. We are actively engaging with the Department of Energy Security and Net Zero ("DESNZ") on the benefits that can be delivered from a fleet of high temperature advanced gas reactors and are hopeful of a decision by this autumn. Separately, in June 2026, X-energy submitted an application for its Xe-100 High Temperature Gas-cooled Reactor to the UK's Generic Design Assessment process. Subject to acceptance, submission marks a significant milestone in efforts to deploy up to 6GW of new advanced nuclear reactors in the UK, initiating a crucial step in the UK licensing process. The assessment is expected to conclude by the end of 2029.

We have also been building further strategic partnerships supporting high-efficiency, low-carbon, grid independent on-site power through our collaboration with Ceres and Delta Electronics to accelerate deployment of Solid Oxide Fuel Cell solutions to customers. Within the next 12 months, through the partnership with Delta Electronics, we plan to establish a demonstration site in the UK, with a goal of delivering rapidly deployable 'gas-to-power' solutions within the next three to five years.

REGULATORY UPDATE

Centrica continues to engage proactively with governments and regulators to shape frameworks that support investment in energy infrastructure that ensures energy is affordable, secure and clean.

On 16 May 2026, British Gas announced that it had agreed a settlement with Ofgem in relation to Ofgem's investigation of its legacy arrangements for the installation of prepayment meters under warrant. Under the terms of the Alternative Action Agreement, British Gas agreed to pay £20m into Ofgem's Voluntary Redress Fund. In addition, British Gas is undertaking a comprehensive review of its customer records from the relevant period and, where applicable, providing redress and compensation to affected customers during the period 2018-21, in addition to the compensation already paid for the period 2022-23, and writing-off up to £70m in energy debt for vulnerable customers, a proportion of which may be used as compensation for some customers. It remains the case that no impact is expected to 2026 financial guidance as a result of this matter.

Consumer energy debt across the sector is projected to rise to around £7 billion this year (source: Energy UK). Against that backdrop, and pursuant to the settlement agreed with Ofgem, the British Gas Vulnerable Energy Customers Debt Advisory Panel, including independent experts, will support our ambition to develop industry-leading practices in the treatment of vulnerable energy customers in debt and to develop insights to help in the development of future policy in relation to vulnerable customers in debt.

We welcome the Government announcement removing VAT on domestic electricity bills from October 2026, and continue to call on the Government to introduce (1) a targeted support scheme for customers on low incomes, funded by general taxation and (2) data sharing facilities between relevant Government departments and suppliers to enable better targeted support for energy customers. It is crucial that Ofgem now works closely with the Government to ensure that the necessary policy and funding decisions are in place so further support can reach customers before winter and to prevent the build-up of additional debt across the sector.

In LNG and gas markets, our engagement continues to support the UK's attractiveness as a destination for global LNG flows and to reinforce security of supply. The situation in the Middle East is the latest example of gas market disruption which can cause harm to consumers and be costly for government. In this context, Centrica continues to emphasise the need for storage infrastructure to be maintained so it is available to cover disruptions in international gas markets.

We continue to engage with national and EU policy makers to develop more proportionate storage filling frameworks. In Europe, the forthcoming review of security of supply arrangements is expected to consider how gas storage requirements evolve beyond their current expiry in 2027, following on from the relaxation of filling targets last year. There is now increasing focus on moving towards more targeted mechanisms such as strategic reserves rather than relying on mandatory obligations. This reflects increasing concerns around the distortive impact of existing targets and is likely to remain a key driver of gas market dynamics, reinforcing the importance of flexible supply and storage assets.

FINANCIAL SUMMARY

Adjusted EBITDA was £737m (H1 2025: £900m). Adjusted operating profit was £497m (H1 2025: £549m), while statutory operating profit was £710m (H1 2025: £69m loss).

	Adjusted EBITDA		Adjusted operating profit	
Six months ended 30 June (£m)	**2026**	2025	**2026**	2025
Retail	**346**	338	**281**	267
Optimisation	**87**	93	**66**	73
Infrastructure	**355**	505	**198**	245
Colleague profit share (i)	(14)	(16)	(14)	(16)
MAP consolidation adjustment (i)	(37)	(20)	(34)	(20)
Adjusted EBITDA / Adjusted operating profit	**737**	900	**497**	549
Exceptional items and certain re-measurements			**213**	(618)
Group operating profit/(loss) (Statutory)			**710**	(69)

(i) Reconciling items to Group Income statement.

More details on business unit performance and the Group's financial performance can be found on pages 8 to 13 and 14 to 19 respectively.

The use of adjusted non-IFRS measures provides additional useful information on business performance and underlying trends. For more information see note 3(d).

RETAIL

Retail consists of our leading brands serving customers across the UK and Ireland in Home and Business, including British Gas, Bord Gáis and Hive.

Six months ended 30 June	**2026**	2025	Change
Operational			
Home Energy Supply customers ('000) (closing) (i)	**7,900**	7,956	(1)%
Home Services customers ('000) (closing) (i)	**2,899**	2,939	(1)%
Business customer sites ('000) (closing) (i)	**732**	742	(1)%
Home Energy Supply UK Touchpoint NPS (i) (ii)	**37**	33	4pt
Home Services UK Touchpoint NPS (i) (ii)	**45**	43	2pt
Business UK Touchpoint NPS (i) (ii)	**30**	37	(7)pt
Home Energy Supply complaints per UK customer (%) (iii)	**3.7%**	4.1%	(0.4)ppt
Home Services complaints per UK customer (%) (iii)	**2.1%**	2.5%	(0.4)ppt
Business complaints per UK site (%) (iii)	**2.5%**	2.5%	0.0ppt
Financial			
Adjusted EBITDA (£m)	**346**	338	2%
Adjusted operating profit (£m)	**281**	267	5%
Adjusted operating profit margin (%)	**3.3%**	3.1%	0.2 ppt

All 2026 metrics and 2025 comparators are for the 6 months ended 30 June unless otherwise stated.
(i) 2025 comparator at 31 December 2025.
(ii) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following contact.
(iii) Measured as a percentage of average customers over the period.

Operational Performance

We continue to build on the strong operational performance delivered across Retail in 2025. Customer satisfaction improved further, reflected in strong NPS scores, including a record high in UK Home Energy Supply of 37 (FY 2025: 33), and lower levels of complaints. British Gas achieved an “Excellent” Trustpilot score of 4.4 stars, up from 4.3 stars at the end of 2025.

These improvements were supported by our focus on addressing the root causes of customer contact and investing in, and simplifying, customer journeys, supporting efficiencies in our customer operations function. For more information please see page 5.

We have also continued to progress the migration of our broader customer base onto the Ignition platform, with 50% of our UK SME customers now migrated, up 6ppts in the period, While Business NPS was lower than the prior year, we saw good customer satisfaction during a period of significant operational transformation and platform migration.

Having grown customers across Retail in 2025, our focus remains on pricing efficiently and sustainably, to drive long-term value. Home Energy Supply customer numbers of 7.9m at 30 June 2026 fell slightly in the period, and included 7.45m UK energy customers (FY 2025: 7.50m), although retention remained high at 91% (FY 2025: 91%). Home Services customer numbers were 2.9m at the end of the period (FY 2025: 2.9m), with customer retention also remaining strong at 87% (FY 2025: 87%), In Business, customer sites fell by 1%, against a backdrop of competitive pricing dynamics in the first half, although our focus remains on sustainably growing our Small and Medium Enterprise customer portfolio.

We continue to build and refine sales channels and expand our product suite to drive deeper customer relationships. Our British Gas membership scheme is growing quickly, with over 1m members, leading to stronger customer engagement and lead generation, with conversion of around 15% to paid products. On-demand jobs continue to grow, increasing 19% in the period compared to last year, and in April we launched nationwide air conditioning installations, alongside an in-store partnership with Currys. Following optimisation of end-to-end customer journeys driven by our transformation programme, and proactively moving away from a purely seasonal focus, boiler sales increased by 11% in the period compared to 2025. This comfortably outperformed the market which contracted by 4% and included growth of 20% year on year in the warmest June on record.

Financial Performance

Retail adjusted EBITDA increased to £346m and adjusted operating profit increased to £281m (H1 2025: £338m and £267m respectively). Within this, there were a number of offsetting factors. Performance also included transformation investment, supporting future growth.

Home Energy Supply delivered improved performance in the half. Weather was warmer than normal, as it was in the first half of 2025, partially offset by the sale of excess commodity into a higher-priced environment. The period also saw a £43m phasing benefit of regulatory costs following the cessation of the ECO scheme, having seen a similar sized benefit last year as a result of the final reconciliations of the Energy Price Guarantee scheme. While the shape of the commodity curve was not a headwind in the first half of 2026 like it was in the first half of 2025, we currently expect an under-recovery of commodity costs in the second half of 2026 given the current backwardation of the price curve, with recovery allowable in future periods under the price cap. We are also being more commercial in our pricing, with average fixed price margin per UK energy customer up 10% in the half compared to the rate at the end of 2025.

Our UK residential bad debt charge of over 4% of revenue - £216m in the first half (H1 2025: £159m) - remains elevated versus historic levels. We are focussed on steps we can take to improve performance, and we continue to press Ofgem to take more proactive steps to address the non-payment of energy bills by those who are able to pay but choose not to.

Business supply performance remains solid, supported by improved bad debt collection support processes, although profitability was more normalised year-on-year, as 2025 benefited from one-off procurement optimisation and pricing benefits.

Home Services delivered a solid performance, with revenue growth of 5%, supported by higher smart installations and growing boiler installs.

As normal, Retail adjusted EBITDA will be weighted towards the first half of the year, reflecting higher energy consumption in H1, and impacts from the shape of the commodity curve.

OPTIMISATION

Centrica Energy

Six months ended 30 June	2026	2025	Change
Operational			
Renewable and flexible capacity under management (GW) (i)	**18.9**	16.8	13%
Financial			
Adjusted EBITDA (£m)	**87**	93	(6%)
Adjusted operating profit (£m)	**66**	73	(10%)
Adjusted operating profit margin (%)	**2.2%**	2.4%	(0.2ppt)

All 2026 metrics and 2025 comparators are for the 6 months ended 30 June.

(i) Including assets that have signed contracts but are not yet operational. Comparator of H1 2025 used to reflect seasonality of contracts.

Operational Performance

Centrica Energy continues to build a diverse portfolio of contracted physical positions, while leveraging its risk management and optimisation capabilities to add further value across the Group.

Renewable Energy Trading and Optimisation ("RET&O") renewable and flexible capacity under management increased 13% year-on-year to 18.9GW, including increased battery capacity. This growth reflects continued investment in skills and technology, enabling partners to access ancillary services markets that would otherwise be unavailable to them.

Gas and Power Trading delivered an improved performance in the first half, capturing value from structural volatility across asset-backed and growing algorithmic trading strategies. However, non-fundamental volatility, driven by news flow, remains a challenge and as a result we continue to manage value at risk prudently. Gas storage volumes also remain lower than historic levels given uneconomic seasonal price spreads.

LNG was impacted by the Middle East crisis limiting diversion strategies and causing severe disruption to global shipping and insurance markets. In addition, we consciously delayed delivery of cargoes into the second half of 2026 to maximise value.

Despite these challenges, we have continued to execute new long-term LNG deals to grow and de-risk the portfolio. In May, we expanded our offtake commitment from the first Delfin Floating LNG project for Free on Board ("FOB") LNG by 17% to 1.05mtpa. Delfin announced in June that the project had reached final investment decision, with scheduled start-up in 2030, and we have also announced an agreement to offtake 0.25mtpa on a FOB basis from Delfin's second planned floating LNG project.

In June, we also signed a 10-year agreement with Peyto Exploration and Development Corporation for the purchase of the equivalent to five LNG cargoes of natural gas annually to Centrica Energy, with deliveries made at the AECO hub, and priced against European TTF, starting in 2029.

Financial Performance

Adjusted EBITDA was £87m and adjusted operating profit was £66m (H1 2025: £93m and £73m respectively). Within this, Gas and Power Trading had an improved first half, RET&O delivered a solid result, while LNG performance was lower than H1 2025, reflecting lower realised prices and the timing of cargo deliveries between the first and second halves of 2026.

With good visibility on LNG cargo deliveries and expected performance in our other businesses, we remain confident of delivering the 2026 EBITDA guidance of around £250m.

INFRASTRUCTURE

Infrastructure consists of our Power, Gas and Customer Asset businesses: Power includes our investments in the UK's current operational nuclear fleet and Sizewell C, our Irish power assets, Severn CCGT, and other flexible and renewable assets; Gas includes our 50% ownership of Grain LNG, Centrica Energy Storage+ ("CES+") which is the operator of Rough, and our 69% ownership in Spirit Energy; Customer Assets is our MAP.

Six months ended 30 June	2026	2025	Change
Operational			
Power			
Nuclear generation (TWh)	**3.2**	3.6	(11)%
Nuclear achieved power price (£/MWh)	**78**	95	(18)%
Whitegate power generation (TWh)	**1.2**	1.0	20 %
Assets in operation (GW)	**2.8**	1.9	47%
Spirit Energy			
Total production volumes (mmboe)	**2.9**	6.8	(57)%
Of which: Retained production volumes (mmboe)	***1.2***	*2.3*	*(48) %*
Average achieved gas sales prices (p/therm)	**113**	111	2 %
Centrica Energy Storage+ ("CES+")			
Volume in Rough reservoir (bcf) (ii)	**11**	16	(31)%
Customer Assets			
Centrica smart meters under management ('000) (iii)	**2,348**	1,620	45%
Financial			
Adjusted EBITDA (£m)	**355**	505	(30)%
Adjusted operating profit (£m)	**198**	245	(19)%
Capital investment (£m)	**(691)**	(219)	216 %

All 2026 metrics and 2025 comparators are for the 6 months ended 30 June unless otherwise stated.

(i) Lifting and other cash production costs are total operating costs and cost of sales excluding depreciation and amortisation, dry hole costs, exploration costs and profit on disposal.

(ii) Includes 11bcf (H1 2025: 13bcf) of indigenous gas, representing the remaining volume we are permitted to produce under our NSTA consent limit.

(iii) 2025 comparator at 31 December 2025.

Operational Performance

Power

Nuclear generation volumes were 11% lower than H1 2025, driven by planned outages and higher levels of unplanned outages. Longer-term nuclear generation volumes have been supported by life extensions at three of our assets, with more information available on page 6.

Sizewell C is progressing well, with activity increasing across the site, and in March 2026 we injected a further £43m into the project. Our total investment to date in the project is £419m. As at the last audited accounts for the year to March 2026, Sizewell C's gross RAB was £8.4bn (100% basis), with our 15% share equating to £1.3bn.

We continue to progress our longer-term advanced nuclear reactors development JV with X-energy, with more information available on page 7.

The 850MW Severn CCGT power station has performed strongly since the acquisition completed in May 2026. Both units were active in the balancing market and performance was supported by lower wind generation, reduced nuclear availability and higher electricity demand due to warmer weather. In Ireland, our 445MW Whitegate CCGT also delivered a strong performance in the period, generating 1.2TWh with 99% availability. More information on the acquisition of the Severn CCGT can be found on page 6.

Our two 100MW flexible natural gas peaking plants in Athlone and Dublin (Profile Park) are now in the final stages of preparation for commercial operations, with both plants expecting to have first fire in August. This is an important step towards full commercial operations, and we expect to commence revenue generation from our capacity market contracts and merchant running in Q3 of this year. We have secured an extension to the start date of the 10-year capacity market contracts to mitigate potential losses from the delays on these projects.

<u>Gas</u>

Total Spirit Energy production volumes decreased by 57% in the first half of 2026, primarily driven by the disposal of 46.25% of Spirit's interest in the Cygnus gas field in October 2025 and by outages at Morecambe which have since been resolved. We continue to work towards completion of the disposals announced in December 2025, expected in the second half of 2026, subject to regulatory approvals. More information on the disposal can be found in note 11(c).

Longer-term, the focus is on progressing the exciting opportunity to transform Morecambe into a carbon storage facility through the Morecambe Net Zero project. More information can be found on page 6.

At Rough, gas storage operations remained paused following suspension in 2025 due to uneconomic seasonal price spreads, and as we await further clarity on the UK Government's consultation on gas security which concluded in February 2026. Recent volatility in global energy markets continue to reinforce the importance of resilient, secure domestic gas supply infrastructure. Indigenous gas production at the asset continued in the first half with 8bcf produced and 11bcf of indigenous gas remaining at the end of June 2026 for production (H1 2025: 13bcf), following an increase in the NSTA consent limit.

Working alongside our JV partner, ECP, Grain LNG has successfully brought its terminal expansion into operation, reinforcing its position as Europe's largest LNG import terminal, while accelerating its transition to a standalone business with key separation milestones delivered ahead of plan. Grain LNG is also progressing development opportunities across the site, including evaluating data centres and developing behind-the-meter power generation, to support future growth and long-term value creation.

<u>Customer Assets</u>

In H1 2026 the MAP financed a further 0.7m smart meters, leveraging our unrivalled growth pipeline, bringing total smart meters under management to 2.3m, up 45% from December 2025.

Financial Performance

Total Infrastructure adjusted EBITDA was £355m, with adjusted operating profit of £198m (H1 2025: £505m and £245m respectively), reflecting disposals in Spirit Energy and lower achieved prices and outages in power assets, principally within Nuclear.

Nuclear adjusted EBITDA was £123m (H1 2025: £193m), with adjusted operating profit of £60m (H1 2025: £107m), predominantly driven by lower achieved prices given our rateable hedging strategy, and lower generation volumes.

Sizewell C adjusted EBITDA and adjusted operating profit was £15m (H1 2025: £nil).

Spirit Energy adjusted EBITDA was £72m (H1 2025: £310m), with adjusted operating profit of £55m (H1 2025: £150m), predominantly reflecting lower production as a result of the part-disposal of the Cygnus gas field.

Rough delivered £57m of adjusted EBITDA and adjusted operating profit (H1 2025: £25m loss and £26m loss respectively) with strong operational reliability through the period supporting unhedged indigenous gas production volumes, allowing the capture of higher commodity prices, alongside optimisation of commercial contracts and a continued focus on cost efficiency measures.

Our share of Grain LNG's adjusted EBITDA was £46m and adjusted operating profit was £8m (H1 2025: £nil).

MAP generated adjusted EBITDA of £27m and adjusted operating profit of £10m (H1 2025: £9m and £3m respectively), as the business continues to scale rapidly. Our current portfolio of 2.3m meters generates run rate EBITDA of around £60m per annum, which will increase further in-line with investment.

Details of our forward hedging positions for Nuclear and Spirit Energy are outlined below:

	H2 2026	2027
Nuclear		
Volume hedged (TWh)	**3.2**	**4.1**
Average hedged price (£/MWh)	**79**	**73**
Production volume (i) (TWh)	**6.4 - 7.0**	

(i) FY 2026 forecast generation volume.

	H2 2026	2027
Spirit Energy		
Volume hedged (mmths)	**72**	**83**
Average hedged price (p/th)	**98**	**86**
Production volume (i) (mmths)	**340 - 365**	

(i) FY 2026 forecast production volume includes c.140-150mmths relating to assets held for sale.

GROUP FINANCIAL REVIEW

REVENUE

Total Group revenue included in business performance, which includes revenue arising on contracts in the scope of IFRS 9 (see note 4(b) for further details), decreased by 12% to £10,529m (H1 2025: £11,925m). This was largely driven by lower Infrastructure revenue due to lower production and generation volumes, and lower Optimisation revenue as more gas volumes were sold internally to the downstream businesses rather than to the external market.

Gross segment revenue, which includes revenue generated from the sale of products and services between segments, decreased by 5% to £12,342m (H1 2025: £12,950m). Group statutory revenue decreased by 1% to £10,181m (H1 2025: £10,124m).

A table reconciling revenue measures is included in note 4(b) of the accounts.

ADJUSTED EBITDA, OPERATING PROFIT, EARNINGS AND DIVIDEND

		2026			2025		
Six months ended 30 June (£m)	Notes	**Business performance**	**Exceptional items and certain re-measurements**	**Results for the period**	Business performance	Exceptional items and certain re-measurements	Results for the period
Adjusted EBITDA	4	**737**			900		
Depreciation, amortisation and impairments of property, plant and equipment, and intangibles	4	(139)			(265)		
Share of depreciation and amortisation of joint ventures and associates	5	(59)			(50)		
Share of interest and taxation of joint ventures and associates	5	(42)			(36)		
Group operating profit/(loss)	4	**497**	**213**	**710**	549	(618)	(69)
Net finance (cost)/income	7	(38)	-	(38)	26	-	26
Taxation on profit/(loss)	8	(144)	6	(138)	(213)	(3)	(216)
Profit/(loss) for the period		**315**	**219**	**534**	362	(621)	(259)
Less: (Profit)/loss attributable to non-controlling interests		(8)	6	(2)	(15)	23	8
Earnings attributable to shareholders		**307**	**225**	**532**	347	(598)	(251)
Basic earnings per share	9	**6.8p**	**4.9p**	**11.7p**	7.0p	(12.1)p	(5.1)p
Interim dividend per share	10			**2.0p**			1.83p

Adjusted EBITDA decreased to £737m (H1 2025: £900m), and adjusted operating profit decreased to £497m (H1 2025: £549m). More detail on business unit performance is provided in the Group Overview on pages 8 to 13.

Statutory operating profit was £710m (H1 2025: loss of £69m), with the difference between the two measures of profit relating to a net gain on exceptional items and certain re-measurements of £213m (H1 2025: loss of £618m).

Exceptional items and certain re-measurements included within operating profit

Six months ended 30 June (£m)	**2026**	2025
Certain re-measurements	142	(432)
Exceptional items	71	(186)
Exceptional items and certain re-measurements	**213**	(618)

Group operating profit in the statutory results includes a net pre-tax profit of £142m (H1 2025: £432m loss) relating to re-measurements, largely comprising of a net gain of £145m on the re-measurement of derivative energy contracts due to:

- The unwind of prior year derivative financial liabilities as contracts mature, resulting in a net gain of £223m (H1 2025: £296m loss).
- Net unrealised mark-to-market derivative losses of £78m (H1 2025: £161m loss) from market price movements on existing and new contracts.

Further details can be found in note 6(a) to the accounts.

An exceptional pre-tax income of £71m was recognised within the statutory Group operating profit in the first half of 2026 (H1 2025: £186m loss), comprising:

- A £38m write-back (H1 2025: £125m impairment) to our power assets, predominantly driven by higher forecasted power prices.
- A £33m write-back (H1 2025: £78m impairment) of gas field assets relating to the Morecambe field as a result of an increase to near-term forecasted gas prices.

Further details on exceptional items, including the impairment accounting policy, process and sensitivities can be found in notes 6(b) and 6(c) to the accounts.

Net finance cost

Net finance cost was £38m (H1 2025: £26m income), principally reflecting lower investment income as a result of lower average cash balances and lower interest rates.

Taxation and adjusted effective tax rate

Business performance taxation on profit decreased to £144m (H1 2025: £213m). After taking account of our share of tax on joint ventures and associates, the adjusted tax charge was £166m (H1 2025: £246m). The resultant adjusted effective tax rate for the Group was 35% (H1 2025: 40%), reflecting the changing profit mix, with a lower share of profits from the highly taxed Spirit Energy.

The adjusted effective tax rate calculation is shown below:

Six months ended 30 June (£m)	**2026**	2025
Adjusted operating profit	**497**	549
Add: JV/associate taxation included in adjusted operating profit	**22**	33
Net finance (cost)/income	**(38)**	26
Adjusted profit before taxation	**481**	608
Taxation on profit	**(144)**	(213)
Share of JV/associate taxation	**(22)**	(33)
Adjusted tax charge	**(166)**	(246)
Adjusted effective tax rate (including JV/associate)	**35%**	40%

There was no Electricity Generator Levy included in the first half results (H1 2025: £18m) due to achieved electricity prices in Nuclear being below the benchmark. To the end of period, since coming into effect on 1 January 2023, a total charge of £511m has been recognised in the Group's cost of sales and in our share of the operating profits of joint venture and associates relating to the Electricity Generator Levy. See note 3(e) for more details.

Total exceptional items and certain re-measurements generated a taxation credit of £6m (H1 2025: £3m charge), principally driven by movements in deferred taxation on the Energy Profits Levy. When included with taxation on business performance, the total taxation charge for the period was £138m (H1 2025: £216m).

See notes 6 and 8 for more details.

Group earnings

Profit for the period from business performance after taxation was £315m (H1 2025: £362m). After adjusting for non-controlling interests relating to Spirit Energy, adjusted earnings were £307m (H1 2025: £347m). Adjusted basic EPS for the period was 6.8p (H1 2025: 7.0p).

After including exceptional items and certain re-measurements, the statutory profit attributable to shareholders for the period was £532m (H1 2025: £251m loss). The Group reported a statutory basic EPS of 11.7p (H1 2025: 5.1p loss).

Dividend

The declared interim dividend is 2.0p per share (H1 2025: 1.83p per share). In the period, cash paid to Centrica shareholders in dividends was £169m (H1 2025: £150m), consisting of the 3.67p per share final 2025 dividend, which was paid on 14 May 2026.

GROUP CASH FLOW, NET CASH AND BALANCE SHEET

Group cash flow

Free cash flow ("FCF") is the Group's primary measure of cash flow as management believes it provides relevant information to show the cash generation of the business, after taking account of the need to maintain the Group's capital asset base. FCF was an outflow of £570m in the period (H1 2025: £244m inflow). See explanatory note on page 68 for further details and a reconciliation between statutory cash flow from operating and investing activities and free cash flow.

Six months ended 30 June (£m)	2026	2025
Adjusted EBITDA (excluding share of EBITDA from joint ventures and associates)	**554**	722
Dividends received	**40**	95
Tax paid	**(108)**	(201)
Working capital	**(375)**	(97)
Decommissioning	**(59)**	(28)
Capital investment (i)	**(698)**	(244)
Disposals	**76**	-
Exceptional cash flows	**-**	(3)
Free cash flow	**(570)**	244
Net interest	**(20)**	49
Pension deficit payments	**(111)**	(77)
Movements in margin cash	**126**	(22)
Share buyback programme	**(14)**	(374)
Dividends - Centrica shareholders	**(169)**	(150)
Other cash flows affecting net debt	**(11)**	(3)
Adjusted cash flow affecting net cash	**(769)**	(333)
Opening adjusted net cash (as at 1 January)	**1,487**	2,858
Adjusted cash flow movements	**(769)**	(333)
Non-cash movements (ii)	**(9)**	(34)
Closing adjusted net cash	**709**	2,491

(i) Capital expenditure (including small acquisitions). See page 17 for more detail.
(ii) Non-cash movements includes a £12m reduction relating to new leases and the re-measurements of existing leases.

Working capital was a net outflow of £375m (H1 2025: £97m outflow), principally driven by a £342m outflow in Retail with usual seasonality leading to both a lower commodity payable at half year compared to the end of December, and lower cash collection from customers compared to their consumption. There was also no repeat of the inventory withdrawal working capital benefit at Rough, with storage operations having ceased. Collateral and margin cash was a £126m inflow (H1 2025: £22m outflow).

Net investment

Net investment outflow for the period was £622m (H1 2025: £244m). Within this, capital investment of £698m (H1 2025: £244m) was driven by investments in Infrastructure, principally the acquisition of the Severn CCGT, further payments for Sizewell C and our Irish peaking plants, and ongoing progress in the MAP.

Disposal proceeds of £76m (H1 2025: £nil) relate to the sale of Centrica Business Solutions Italia Srl and Centrica Business Solutions B.V. to Joules B.V which completed in February 2026.

The table below provides a summary of total Group net investment by operating segment, which management uses to assess performance from a cash perspective, and a reconciliation of this measure to capital expenditure disclosed in note 4(e).

Six months ended 30 June (£m)	2026	2025
Retail	**(18)**	(26)
Optimisation	**(5)**	(3)
Infrastructure	**(691)**	(219)
MAP consolidation adjustment (i)	**36**	20
Other	**(20)**	(16)
Capital investment (ii)	**(698)**	(244)
Disposals	**76**	–
Total Group net investment	**(622)**	(244)
Add back:		
Capitalised borrowing costs	**(13)**	(8)
Capitalised depreciation	**(3)**	–
Inception of new leases and movements in payables and prepayments related to capital expenditure	**5**	(44)
Purchases of emissions allowances and renewable obligation certificates	**(269)**	(328)
Capital expenditure cash outflow subsequent to transfer to held for sale	**15**	–
Deduct:		
Net disposals	**(76)**	–
Purchase of businesses, net of cash acquired	**367**	6
Investment in joint ventures and associates	**43**	3
Net purchase of other investments (ii)	**12**	5
Total Group capital expenditure (per note 4(e))	**(541)**	(610)

(i) The MAP consolidation adjustment reduces the capital investment recognised in the MAP for the internal margin and indirect costs on smart meter installation across the Group.
(ii) Capital expenditure (including small acquisitions).

Group adjusted net cash

The Group's adjusted net cash position as at 30 June 2026 was £709m, compared to £1,487m at 31 December 2025. The breakdown of net cash is shown below:

(£m)	As at 30 June 2026	As at 31 December 2025
Current and non-current borrowings, leases and interest accruals	**(2,783)**	(2,821)
Derivatives	**(74)**	(71)
Gross debt	**(2,857)**	(2,892)
Cash and cash equivalents, net of bank overdrafts	**3,454**	4,272
Current and non-current securities	**112**	107
Adjusted net cash	**709**	1,487

Further details on the Group's sources of finance and net cash are included in note 12(b).

Statutory cash flow

Six months ended 30 June (£m)	2026	2025
Statutory cash flow from operating activities	**27**	294
Statutory cash flow from investing activities	**(512)**	13
Statutory cash flow from financing activities	**(334)**	(648)
Net decrease in cash and cash equivalents	**(819)**	(341)

Net cash flow from operating activities decreased to a £27m inflow (H1 2025: £294m inflow), reflecting the impact of lower adjusted EBITDA and a working capital outflow in the period, partially offset by lower tax paid.

Net cash outflow from investing activities increased to £512m (H1 2025: £13m inflow). Within this, total Group net investment outflows increased to £622m (H1 2025: £244m) as outlined on the previous page. Interest received decreased to £73m (H1 2025: £129m), reflecting lower average cash balances and a lower interest rate environment, while dividends received from our Nuclear associate were £40m (H1 2025: £95m).

Net cash outflow from financing activities was £334m (H1 2025: £648m). Within this, cash distributions to shareholders included the 2025 final dividend payment of £169m (H1 2025: £150m) and the final payment of the Group's £2bn share buyback programme which completed in January 2026 of £14m (H1 2025: £374m). Financing interest paid increased slightly to £93m (H1 2025: £80m), while the outflow on capital lease payments was broadly flat at £50m (H1 2025: £48m).

Pension deficit

The Group's IAS19 net pension deficit decreased to £252m as at 30 June 2026 compared with a £295m deficit at 31 December 2025, driven by deficit payments and the effect of increased credit spreads on AA-rated corporate bonds more than offsetting a higher inflation experience and a lower return on scheme assets than projected.

The technical provisions deficit is used to determine the agreed level of cash contributions into the schemes. In February 2025, we reached agreement with the pension trustees on a March 2024 technical provisions deficit of £504m, with annual deficit contributions of around £150m in 2026 and £140m in 2027. On a roll-forward basis using the same methodology, consequent assumptions and contributions paid, the technical provision deficit would be around £300m at 30 June 2026 (31 December 2025: £300m).

Further details on post-retirement benefits are included in note 13.

Decommissioning liabilities

The decommissioning provision of £1,270m (31 December 2025: £1,302m) is predominantly the estimated pre-tax net present cost of decommissioning gas production facilities at the end of their useful lives, based on 2P reserves, price levels, and technology at the balance sheet date. As at 30 June 2026 the provision balance was £924m for Spirit Energy, £319m in relation to the Rough field and £27m in the remainder of the business.

The provisions are held gross of tax, with a corresponding deferred tax asset of £534m (31 December 2025: £536m).

Further details on the decommissioning provision are included in note 16.

Balance sheet

Net assets increased to £3,784m (31 December 2025: £3,496m), predominantly driven by items reported directly in equity including the statutory gain in the period of £534m, partially offset by a £169m reduction from the 2025 final dividend.

Acquisitions, disposals and disposal groups classified as held for sale

On 7 May 2026 the Group acquired 100% of the issued share capital of Severn Power Limited, which owns the Severn Combined-Cycle Gas Turbine power station, from the Calon Energy Group for net consideration of £367m. More details can be found at www.centrica.com/severn.

On 16 December 2025 the Group announced that it has agreed to sell the remaining 15% of Spirit Energy's interest in the Cygnus gas field and all other gas producing assets in the Greater Markham Area and Southern North Sea to Serica Energy plc. The sale has a commercial effective date of 1 January 2025 with a headline consideration of £57m and the transfer of £44m of decommissioning liabilities. The Group has retained £159m of decommissioning liabilities in relation to the disposal group at the year-end date. The sale is expected to complete in the second half of 2026.

On 23 December 2025 the Group signed a sale and purchase agreement to dispose of Centrica Business Solutions Italia Srl and Centrica Business Solutions B.V. to Joulz B.V. for a headline consideration of £83m. Legal completion occurred on 6 February 2026.

Further details on assets purchased, acquisitions and disposals are included in note 11.

EVENTS AFTER BALANCE SHEET DATE

Details of events after the balance sheet date are described in note 18.

RISKS AND CAPITAL MANAGEMENT

The Group maintains a robust risk management framework, including the monitoring of key risk indicators and risk evolution against risk appetites.

The external environment deteriorated in early 2026, as escalation in the Middle East placed significant pressure on global energy markets. Iran's closure of the Strait of Hormuz and wider regional disruption drove sharp increases in oil, gas and LNG prices. Prices have subsequently been volatile, and the Group has utilised the tools and processes developed during the 2022 Ukraine crisis to navigate the period of volatility and at times elevated market, credit and liquidity risk.

Overall group liquidity remains strong with access to c.£6bn of short-term liquidity to manage energy market price shocks. Centrica also continues to strengthen its supplier risk management to mitigate the impacts of an increasingly destabilised geopolitical landscape.

Economic headwinds, exacerbated by the Middle East crisis, continue to apply pressure on disposable incomes and customer purchasing behaviour, challenging customer retention and pushing sector-wide customer debt to record highs. In the face of these headwinds, our Home and Business organisational units within Retail are further increasing their focus on supporting customers. The Group is enhancing mitigation strategies to support vulnerable customers and ensure regulatory compliance, while accelerating technology transformation. Investments in AI and a Single Customer View platform are improving customer experience and strengthening cyber resilience amid increasingly sophisticated threats.

Details of how the Group has managed financial risks such as liquidity and credit risk are set out in note 20. Details of the Group's capital management processes are provided under sources of finance in note 12.

ACCOUNTING POLICIES

The Group's accounting policies and specific accounting measures, including changes of accounting presentation and selected key sources of estimation uncertainty, are explained in notes 1, 2 and 3.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Results for the six month period ended 30 June 2026 in accordance with applicable law, regulations and accounting standards. In preparing the condensed interim Financial Statements, the Directors are responsible for ensuring that they give a true and fair view of the state of affairs of the Group at the end of the period and the profit or loss of the Group for that period.

The Directors confirm that the condensed interim Financial Statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting", and that the Interim Results includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of the important events that have occurred during the first six months and their impact on the condensed interim Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the year and any material changes in the related party transactions described in the last annual report.

A list of current Directors is maintained on the Centrica plc website which can be found at www.centrica.com.

On behalf of the Board on 22 July 2026

Chris O'Shea	**Russell O'Brien**
Group Chief Executive	**Group Chief Financial Officer**

Independent Review Report to Centrica plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Cash Flow Statement and related notes 1 to 21.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

London, United Kingdom

22 July 2026

Group Income Statement

Six months ended 30 June	Notes	2026 Business performance £m	2026 Exceptional items and certain re-measurements £m	2026 Results for the period £m	2025 Business performance £m	2025 Exceptional items and certain re-measurements £m	2025 Results for the period £m
Group revenue	4,6	**10,135**	**(348)**	**9,787**	11,530	(1,801)	9,729
Insurance revenue	4	**394**	**—**	**394**	395	—	395
Total Group revenue		**10,529**	**(348)**	**10,181**	11,925	(1,801)	10,124
Cost of sales before insurance service expenses (i)	6	**(8,580)**	**2,566**	**(6,014)**	(9,959)	4,560	(5,399)
Insurance service expenses recognised in cost of sales		**(246)**	**—**	**(246)**	(235)	—	(235)
Re-measurement and settlement of derivative energy contracts	6	**—**	**(2,076)**	**(2,076)**	—	(3,191)	(3,191)
Gross profit/(loss)	4,6	**1,703**	**142**	**1,845**	1,731	(432)	1,299
Operating costs before insurance service expenses, credit losses on financial assets and exceptional items		**(864)**	**—**	**(864)**	(902)	—	(902)
Insurance service expenses recognised in operating costs		**(141)**	**—**	**(141)**	(141)	—	(141)
Credit losses on financial assets	14	**(283)**	**—**	**(283)**	(231)	—	(231)
Exceptional items	6	**—**	**71**	**71**	—	(186)	(186)
Operating costs		**(1,288)**	**71**	**(1,217)**	(1,274)	(186)	(1,460)
Results relating to joint ventures and associates, net of interest and taxation	5	**82**	**—**	**82**	92	—	92
Group operating profit/(loss)	4	**497**	**213**	**710**	549	(618)	(69)
Financing costs	7	**(109)**	**—**	**(109)**	(120)	—	(120)
Investment income	7	**71**	**—**	**71**	146	—	146
Net finance (cost)/income	7	**(38)**	**—**	**(38)**	26	—	26
Profit/(loss) before taxation		**459**	**213**	**672**	575	(618)	(43)
Taxation on profit/(loss)	6,8	**(144)**	**6**	**(138)**	(213)	(3)	(216)
Profit/(loss) for the period		**315**	**219**	**534**	362	(621)	(259)
Attributable to:							
Owners of the parent		**307**	**225**	**532**	347	(598)	(251)
Non-controlling interests		**8**	**(6)**	**2**	15	(23)	(8)

Earnings per ordinary share	Notes	**2026 Pence**	2025 Pence
Basic	9	**11.7**	(5.1)
Diluted	9	**11.5**	(5.1)
Prior year final dividend per ordinary share	10	**3.67**	3.00
Dividend proposed per ordinary share	10	**2.00**	1.83

(i) Cost of sales includes a £3 million debit (2025: £25 million credit) relating to movements in onerous contracts provisions within the certain re-measurements column. See note 6.

The notes on pages 27 to 67 form part of these condensed interim Financial Statements.

Group Statement of Comprehensive Income

Six months ended 30 June	2026 £m	2025 £m
Profit/(loss) for the period	**534**	(259)
Other comprehensive income		
Items that will be or have been reclassified to the Group Income Statement:		
Impact of cash flow hedging, net of taxation	**1**	(5)
Exchange differences on translation of foreign operations (i)	**(12)**	(7)
Share of other comprehensive income of joint ventures related to cash flow hedging, net of taxation	**9**	—
Items that will not be reclassified to the Group Income Statement:		
Net actuarial losses on defined benefit pension schemes, net of taxation	**(40)**	(284)
Gains on revaluation of equity instruments measured at fair value through other comprehensive income, net of taxation	**1**	4
Share of other comprehensive loss of associates relating to defined benefit pension schemes, net of taxation	**(26)**	(2)
Other comprehensive loss, net of taxation	**(67)**	(294)
Total comprehensive income/(loss) for the period	**467**	(553)
Attributable to:		
Owners of the parent	**465**	(545)
Non-controlling interests	**2**	(8)

(i) Exchange differences on translation of foreign operations includes £12 million (2025: £7 million) of losses attributable to the equity holders of the parent, and £nil (2025: £nil) of losses attributable to non-controlling interests.

The notes on pages 27 to 67 form part of these condensed interim Financial Statements.

Group Statement of Changes in Equity

	Share capital £m	Share premium £m	Retained earnings £m	Other equity £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
1 January 2026	313	2,394	2,977	(2,599)	**3,085**	411	**3,496**
Profit for the period	—	—	532	—	**532**	2	**534**
Other comprehensive loss	—	—	—	(67)	**(67)**	—	**(67)**
Total comprehensive income/(loss)	—	—	532	(67)	**465**	2	**467**
Employee share schemes and other share transactions	—	—	(2)	22	**20**	—	**20**
Transfer of cumulative fair value reserve on disposal of investments	—	—	16	(16)	**—**	—	**—**
Dividends paid to equity holders (note 10)	—	—	(169)	—	**(169)**	—	**(169)**
Distributions payable to non-controlling interests	—	—	—	—	**—**	(30)	**(30)**
30 June 2026	**313**	**2,394**	**3,354**	**(2,660)**	**3,401**	**383**	**3,784**

	Share capital £m	Share premium £m	Retained earnings £m	Other equity £m	Total £m	Non-controlling interests £m	Total equity £m
1 January 2025	344	2,394	3,979	(2,295)	4,422	390	4,812
Loss for the period	—	—	(251)	—	(251)	(8)	(259)
Other comprehensive loss	—	—	—	(294)	(294)	—	(294)
Total comprehensive loss	—	—	(251)	(294)	(545)	(8)	(553)
Employee share schemes and other share transactions	—	—	(9)	38	29	—	29
Share buyback programme	—	—	—	(453)	(453)	—	(453)
Shares cancelled in the period	(14)	—	(326)	340	—	—	—
Dividends paid to equity holders (note 10)	—	—	(150)	—	(150)	—	(150)
30 June 2025	330	2,394	3,243	(2,664)	3,303	382	3,685

The notes on pages 27 to 67 form part of these condensed interim Financial Statements.

Group Balance Sheet

	Notes	30 June 2026 £m	31 December 2025 £m
Non-current assets			
Property, plant and equipment		**2,031**	1,488
Interests in joint ventures and associates	5	**1,272**	1,171
Other intangible assets		**351**	318
Goodwill		**501**	504
Deferred tax assets		**630**	659
Trade and other receivables, and contract-related assets	14	**234**	254
Derivative financial instruments	15	**224**	276
Retirement benefit assets	13	**13**	12
Other investments		**136**	121
Securities	12	**109**	105
		5,501	4,908
Current assets			
Trade and other receivables, and contract-related assets	14	**4,652**	4,675
Other intangible assets		**473**	256
Inventories		**396**	339
Derivative financial instruments	15	**840**	600
Current tax assets		**85**	90
Securities	12	**3**	2
Cash and cash equivalents	12	**3,474**	4,307
		9,923	10,269
Assets of disposal groups classified as held for sale	11	**191**	238
		10,114	10,507
Total assets		**15,615**	15,415
Current liabilities			
Derivative financial instruments	15	**(840)**	(693)
Trade and other payables, and contract-related liabilities		**(5,278)**	(5,581)
Insurance contract liabilities		**(132)**	(122)
Current tax liabilities		**(81)**	(113)
Provisions for other liabilities	16	**(297)**	(318)
Bank overdrafts, loans and other borrowings	12	**(279)**	(232)
		(6,907)	(7,059)
Liabilities of disposal groups classified as held for sale	11	**(163)**	(175)
		(7,070)	(7,234)
Non-current liabilities			
Deferred tax liabilities		**(2)**	(2)
Derivative financial instruments	15	**(421)**	(343)
Trade and other payables, and contract-related liabilities		**(322)**	(138)
Provisions for other liabilities	16	**(1,227)**	(1,271)
Retirement benefit obligations	13	**(265)**	(307)
Bank loans and other borrowings	12	**(2,524)**	(2,624)
		(4,761)	(4,685)
Total liabilities		**(11,831)**	(11,919)
Net assets		**3,784**	3,496
Share capital		**313**	313
Share premium		**2,394**	2,394
Retained earnings		**3,354**	2,977
Other equity		**(2,660)**	(2,599)
Total shareholders' equity		**3,401**	3,085
Non-controlling interests		**383**	411
Total shareholders' equity and non-controlling interests		**3,784**	3,496

The notes on pages 27 to 67 form part of these condensed interim Financial Statements.

Group Cash Flow Statement

Six months ended 30 June	Notes	2026 £m	2025 £m
Group operating profit/(loss) including results relating to joint ventures and associates		**710**	(69)
Deduct results relating to joint ventures and associates, net of interest and taxation	5	**(82)**	(92)
Group operating profit/(loss) before results relating to joint ventures and associates		**628**	(161)
Add back/(deduct):			
Depreciation and amortisation	4	**126**	254
(Write-backs)/impairments	4,6	**(58)**	214
Gain on disposals	11	**(19)**	—
Decrease in provisions		**(87)**	(106)
Cash contributions to defined benefit schemes in excess of service cost income statement charge		**(102)**	(83)
Employee share scheme costs		**28**	28
Unrealised losses arising from re-measurement of energy contracts		**39**	468
Operating cash flows before movements in working capital relating to business performance and payments relating to taxes, exceptional charges and operating interest		**555**	614
(Increase)/decrease in inventories		**(60)**	441
Decrease in trade and other receivables and contract-related assets relating to business performance		**21**	622
Decrease in trade and other payables and contract-related liabilities relating to business performance		**(373)**	(1,169)
Operating cash flows before payments relating to taxes, exceptional charges and operating interest		**143**	508
Taxes paid		**(108)**	(201)
Operating interest paid	7	**(8)**	(10)
Payments relating to exceptional charges in operating costs	6	**—**	(3)
Net cash flow from operating activities		**27**	294
Purchase of businesses and assets, net of cash acquired	11	**(367)**	(6)
Sale of businesses	11	**76**	—
Purchase of property, plant and equipment and intangible assets	4	**(276)**	(230)
Investments in joint ventures and associates	5	**(43)**	(3)
Dividends received from joint ventures and associates	5	**40**	95
Interest received		**73**	129
Net purchase of other investments		**(12)**	(5)
Settlement of securities	12	**—**	40
Purchase of securities	12	**(3)**	(7)
Net cash flow from investing activities		**(512)**	13
Payments for own shares		**(11)**	(3)
Share buyback programme		**(14)**	(374)
Cash inflow from borrowings	12	**3**	7
Financing interest paid	12	**(93)**	(80)
Cash outflow from repayment of borrowings and capital element of leases	12	**(50)**	(48)
Equity dividends paid	10	**(169)**	(150)
Net cash flow from financing activities		**(334)**	(648)
Net decrease in cash and cash equivalents		**(819)**	(341)
Cash and cash equivalents including overdrafts as at 1 January		**4,272**	5,693
Effect of foreign exchange rate changes	12	**1**	(59)
Cash and cash equivalents including overdrafts at 30 June	12	**3,454**	5,293
Included in the following line of the Group Balance Sheet:			
Cash and cash equivalents	12	**3,474**	5,378
Overdrafts included within current bank overdrafts, loans and other borrowings	12	**(20)**	(85)

The notes on pages 27 to 67 form part of these condensed interim Financial Statements.

Notes to the condensed interim Financial Statements

Notes to the condensed interim Financial Statements provide additional information required by statute, accounting standards or Listing Rules to explain a particular feature of the condensed interim Financial Statements. These condensed interim Financial Statements should be read in conjunction with the information that was released in the Group's consolidated Financial Statements for the year ended 31 December 2025.

1. General information

Centrica plc (the 'Company') is a public company limited by shares, domiciled and incorporated in the UK, and registered in England and Wales. The address of the registered office is Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD. The Company has its listing on the London Stock Exchange. The Company, together with its subsidiaries, comprise the 'Group'.

The condensed interim Financial Statements for the six months ended 30 June 2026 included in this announcement were authorised for issue in accordance with a resolution of the Board of Directors on 22 July 2026.

These condensed interim Financial Statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2025 were approved by the Board of Directors on 18 February 2026 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006. The financial information contained in these condensed interim Financial Statements is unaudited. The Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Cash Flow Statement for the interim period to 30 June 2026, the Group Balance Sheet as at 30 June 2026, and the related notes have been reviewed by the auditor and their report to the Company is set out on page 21.

2. Basis of preparation

These condensed interim Financial Statements for the six months ended 30 June 2026 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34: 'Interim financial reporting', as adopted by the United Kingdom.

These condensed interim Financial Statements should be read in conjunction with the Group's consolidated Financial Statements for the year ended 31 December 2025, which were prepared in accordance with United Kingdom adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006. The Group's consolidated Financial Statements for the year ending 31 December 2026 will be prepared in accordance with the United Kingdom adopted International Accounting Standards.

Preparation of condensed interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates. In preparing these condensed interim Financial Statements, the significant judgements, estimates and assumptions made by management in applying the Group's accounting policies were consistent with those applied in the Group's consolidated Financial Statements for the year ended 31 December 2025, unless amended by the application of new accounting policies, standards or interpretations, or as a result of changes in estimation uncertainty or judgements as described in note 3.

Taxes on income in the interim period are accrued using tax rates that would be applicable to expected total annual earnings for each relevant source of income.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, which reflects a period of twelve months from the date of approval of the accounts, with modelled analysis extending to 31 December 2027.

The going concern assessment has considered the financial impact on the Group's credit and liquidity headroom of different stress scenarios relating to the Group's Principal Risks. Severe but plausible combinations of risks have been assessed including the impact of a low commodity price environment, significant adverse weather events, geopolitical tensions, increased bad debt charges, production losses in the Group's Infrastructure business, trading and hedging underperformance and regulatory and industrial risk.

The Group's strong liquidity position, coupled with its ability to deploy effective mitigating actions, ensures resilience against a volatile external risk environment. The assessment proves that the Group is able to maintain sufficient headroom under all stress-scenarios tested, underpinned by the level of undrawn committed bank facilities and available cash resources. As such, the Directors continue to believe it is appropriate to adopt the going concern basis of accounting in preparing the condensed interim Financial Statements.

Further information on the Group's strong liquidity position, including its indebtedness and available committed facilities, is provided in notes 12 and 20.

3. Accounting policies

This section details new accounting policies, standards, amendments and interpretations, whether these are effective in 2026 or later years, and if and how these are expected to impact the financial position and performance of the Group. In addition, this section sets out the Group's specific accounting measures applied in the preparation of the condensed interim Financial Statements.

The accounting policies applied in these condensed interim Financial Statements are consistent with those used in the preparation of the Group's consolidated Financial Statements for the year ended 31 December 2025, as described in those annual Financial Statements, with the exception of policies, standards, amendments and interpretations effective as of 1 January 2026 and other changes detailed below.

(a) New accounting policies, standards, amendments and interpretations effective or adopted in 2026

From 1 January 2026, the following amendments became effective in the Group's consolidated Financial Statements:

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Amendments to the Classification and Measurement of Financial Instruments, effective from 1 January 2026;
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity, effective from 1 January 2026;
- Annual improvements to IFRS: Amendments to IFRS 1 'First-time Adoption of IFRS', IFRS 7, IFRS 9, IFRS 10 'Consolidated Financial Statements' and IAS 7 'Statement of Cash Flows', effective from 1 January 2026;

These amendments did not materially impact the Group's consolidated Financial Statements.

(b) Standards and amendments that are issued but not yet applied by the Group

The following standards and amendments have been issued and will be applied to the Group in future periods, subject to UK endorsement:

- IFRS 18 'Presentation and Disclosure in Financial Statements', effective from 1 January 2027;
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective from 1 January 2027; and
- IFRS 20 'Regulatory Assets and Regulatory Liabilities',effective from 1 January 2029.

The potential impact of IFRS 18 'Presentation and Disclosure in Financial Statements', and IFRS 20 'Regulatory Assets and Regulatory Liabilities are given below. The Group does not expect IFRS 19 to have an impact on the Group's consolidated Financial Statements.

IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 will replace IAS 1 'Presentation of Financial Statements' and become effective on 1 January 2027. IFRS 18 will introduce new requirements on presentation and disclosure in the financial statements, with a focus on the income statement and reporting of financial performance. Income and expenses in the income statement will be classified into five categories – operating, investing, financing, income taxes and discontinued operations. Two new subtotals will be presented: 'Operating profit or loss' and 'Profit or loss before financing and income tax'.

IFRS 18 will also require disclosures about management-defined performance measures in the financial statements and disclosure of information based on enhanced general requirements on aggregation and disaggregation. The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

The Group has assessed the impact of IFRS 18 and notes that the presentation of the Group's results relating to joint ventures and associates is expected to be shown within investing activities, rather than Group operating profit or loss. Additionally, the Group's investment income is expected to also be shown within investing activities, rather than Group net finance income/cost. The Group currently intends to present foreign exchange differences on intercompany balances within operating activities in line with recent IFRIC guidance. Certain other reclassifications have been identified; these are not expected to be material to the Group's financial statements (with the potential exception of the 'certain re-measurement' assessment noted below).

The Group has considered the IFRS 18 guidance on aggregated and disaggregated information and is not anticipating any changes to the Group Balance Sheet. The Group is also evaluating its use of existing non-GAAP measures and their presentation within the Group Income Statement to ensure compliance with the requirements of IFRS 18. In particular, the Group is reviewing whether its current Group Income Statement presentation of 'certain re-measurements' of financial instruments in a separate column, adheres with the IFRS 18 requirement for any additional subtotals presented to be recognised and measured in accordance with IFRS. In the event that the current presentation is not compliant, the Group Income Statement will revert to a single column ('Results for Period'), with the additional 'Exceptional items and certain re-measurements' column information provided in a separate note. The Group's IFRS 18 assessment is not yet final and further changes upon its implementation may be required.

3. Accounting policies

IFRS 20 'Regulatory Assets and Regulatory Liabilities'

In May 2026, the IASB issued IFRS 20 'Regulatory Assets and Regulatory Liabilities', a new accounting standard addressing the financial reporting of entities subject to specified types of rate regulation. IFRS 20 introduces a comprehensive framework for recognising, measuring, presenting and disclosing regulatory assets and regulatory liabilities arising from regulatory agreements. The Standard is designed to address timing differences between when goods or services are supplied and when the related compensation is included in regulated customer rates. It supplements existing standards, including IFRS 15, by requiring entities to reflect the total allowed compensation for regulated goods and services in the period in which they are delivered.

IFRS 20 is effective for annual reporting periods beginning on or after 1 January 2029, with early adoption permitted, and replaces IFRS 14 'Regulatory Deferral Accounts'. The Group is currently assessing the potential impact of IFRS 20 on its financial statements, including the applicability of the Standard to its existing and emerging regulated activities, and will consider any required changes to accounting policies and disclosures in due course.

Management does not currently expect the other issued but not effective amendments or standards, or standards not discussed above to have a material impact on the consolidated Financial Statements other than IFRS 18.

(c) Restatements

The Group re-evaluated its operating and reportable segments during the second half of 2025 following a change in the way the business is organised and financial information is reported. Reportable and operating segments are defined as:

- Retail;
- Optimisation; and
- Infrastructure

These revised segments reflect the way the Group's operating results are reported to, and regularly reviewed by, the Board to make decisions about resources to be allocated to the segments and assess their performance. Further information on the reportable segments of the Group is shown in note 4.

3. Accounting policies

(d) Centrica specific accounting measures

This section sets out the Group's specific accounting measures applied in the preparation of the condensed interim Financial Statements. These measures enable the users of the accounts to understand the Group's underlying and statutory business performance separately.

Use of adjusted performance measures

The Directors believe that reporting adjusted measures (revenue, margin, profit, earnings before interest, taxation, depreciation and amortisation (EBITDA), earnings per share and net cash/(debt)) provides additional useful information on business performance and underlying trends. These measures are used for internal performance purposes, are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies.

Management uses adjusted revenue, adjusted gross margin, adjusted operating profit and adjusted EBITDA to evaluate segment performance. They are defined as revenue/gross margin/operating profit/EBITDA before:

- Exceptional items; and
- Certain re-measurements.

Exceptional items and certain re-measurements are excluded to enable the Directors to convey to the users an enhanced understanding of the Group's business performance. Segmental adjusted gross margin, adjusted operating profit and adjusted EBITDA exclude the impact of the colleague profit share because management considers it unrelated to segmental business performance. Similarly, because Segmental adjusted gross margin, adjusted operating profit and adjusted EBITDA are presented as managed by the Board, the elimination on consolidation of the internal margin and indirect costs on smart meter installation recognised in Retail and subsequently capitalised and depreciated in the meter asset provider business within Infrastructure is also excluded. See note 4 for segmental disclosures.

Adjusted earnings is defined as earnings before:

- Exceptional items net of taxation; and
- Certain re-measurements net of taxation.

A reconciliation of adjusted earnings and adjusted earnings per share is provided in note 9.

Adjusted net cash/(debt) is used by management to assess the underlying indebtedness of the Group. Adjusted net cash/(debt) is defined as cash and cash equivalents, net of bank overdrafts, current and non-current securities, borrowings, leases, interest accruals and related derivatives.

3. Accounting policies

Exceptional items and certain re-measurements

The Group reflects its underlying financial results in the business performance column of the Group Income Statement. To be able to provide users with this clear and consistent presentation, the effects of 'certain re-measurements' of financial instruments, and 'exceptional items', are reported in a different column in the Group Income Statement.

The Group is an integrated energy business. This means that it utilises its knowledge and experience across the gas and power (and related commodity) value chains to make profits across the core markets in which it operates. As part of this strategy, the Group enters into a number of forward energy trades to protect and optimise the value of its underlying production, generation, storage and transportation assets and contracts (and similar capacity or offtake arrangements including Liquefied Natural Gas (LNG)), as well as to meet the future needs of its customers (downstream demand). These trades are designed to reduce the risk of holding such assets, contracts or downstream demand and are subject to strict risk limits and controls.

Primarily because some of these trades include terms that permit net settlement, they are prohibited from being designated as 'own use' and so IFRS 9 'Financial Instruments' requires them to be individually fair valued.

Fair value movements on these commodity derivative trades do not reflect the underlying performance of the business because they are economically related to the Group's Infrastructure assets, capacity/offtake contracts or downstream demand, which are typically not fair valued. Similarly, where downstream customer supply contracts or LNG procurement contracts have become onerous as a result of significant market price movements (and the fact any associated commodity hedges have separately been recognised at fair value under IFRS 9 and therefore the onerous supply/LNG contract assessment must reflect the reversal of those gains in subsequent periods), movements in the required provision are also reflected as a certain re-measurement in the 'Cost of sales' line item and separately disclosed in note 6.

Movements in this provision do not reflect the underlying performance of the business because they are economically related to both the hedges as well as forecast future profitability of the portfolio as a whole, in the case of the supply/LNG procurement contracts. Therefore, these certain re-measurements are reported separately and are subsequently reflected in business performance when realised, which is generally when the underlying transaction or asset impacts profit or loss. This enables the Group to convey the performance of the business both with and without the impact of such items.

The effects of these certain re-measurements and onerous contracts are presented within either revenue or cost of sales when recognised in business performance depending on the nature of the contract. They are managed separately from proprietary energy trading activities where trades are entered into speculatively for the purpose of making profits in their own right. These proprietary trades are included in revenue in the business performance column of the Group Income Statement.

The Group's result for the period presents both realised and unrealised fair value movements on all derivative energy contracts within the 'Re-measurement and settlement of derivative energy contracts' line item.

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Again, to ensure the business performance column reflects the underlying results of the Group, these exceptional items are also reported in the separate column in the Group Income Statement. Items that may be considered exceptional in nature include disposals of businesses or significant assets, significant one-off business restructuring, debt repurchase/refinancing costs, legacy contract costs associated with business activities that have ceased, certain pension past service credits/costs, asset impairments/write-backs, and the tax effects of these items. Also tax impacts associated with legislative changes or as a result of commodity price movements may be considered as exceptional.

The Group distinguishes between business performance asset impairments/write-backs and exceptional impairments/write-backs on the basis of the underlying driver of the impairment/write-back, as well as the magnitude of the impairment/write-back. Drivers that are deemed to be outside of the control of the Group (e.g. commodity price changes) give rise to exceptional impairments/write-backs. Additionally, write-backs or impairment charges that are of a one-off nature (e.g. reserve downgrades or one-time change in intended use of an asset) and significant enough value to distort the underlying results of the business are considered to be exceptional. Other impairments/write-backs that would be expected in the normal course of business are reflected in business performance.

3. Accounting policies

(e) Critical accounting judgements and key sources of estimation uncertainty

With the exception of the items noted below which have been updated during the reporting period, key areas of critical accounting judgement and estimation uncertainty that have the most significant effect on the consolidated Group Financial Statements remain as disclosed in note 3(a) and 3(b) of the Annual Report and Accounts for the year ended 31 December 2025.

Critical accounting judgements

Liquefied Natural Gas (LNG) contracts

The Group is active in the LNG market, both procuring long-term LNG supply arrangements and transacting in shorter-term LNG cargoes. As part of its operations in the market, the Group optimises its contractual positions in order to meet customer demand for physical commodity. In response to the continuing development of the global LNG market which, consistent with prior years, is not considered to be active, the Group has reviewed its portfolio of LNG transactions and contracts. It has judged that its activities are carried out for the purpose of receipt or delivery of physical commodity in accordance with its expected purchase and sale requirements. As a result, the Group's contracts to buy and sell LNG meet the 'own-use' exemption and are outside the scope of IFRS 9 and accounted for on an accruals basis. Purchase contracts are accounted for as executory contracts under IAS 37 and sales contracts are accounted for under IFRS 15. As a consequence of this judgement, the LNG contracts are also assessed as to whether they may be onerous.

The Group considers it a critical judgement as to whether any onerous contract costs arising should be presented as a certain re-measurement until such time that the physical cargoes are delivered, or within business performance. The same judgement applies to the recognition, and timing, of unrealised hedging gains or losses relating to those contracts.

The onerous contract assessment ignores the portfolio of hedges associated with the LNG contracts because the hedges are separately marked to market. See notes 3(d) and 6(a) for further details on the accounting treatment of LNG onerous contracts and hedging derivatives within certain re-measurements. During the period, an additional £29 million was recognised in respect of new onerous LNG contract provisions (30 June 2025: £31 million) and a total of £26 million was utilised/reversed during the period (30 June 2025: £63 million utilisation). See note 6 for further details.

Key sources of estimation uncertainty

Electricity Generator Levy

At the end of 2022, the Government announced the implementation of the Electricity Generator Levy (EGL), a new, temporary levy applicable to receipts that the Group realises from electricity generation in the UK from nuclear and renewable sources in the period from 1 January 2023 to 31 March 2028. It was legislated in the Finance (No 2) Act 2023. The levy applies a 45% charge on receipts generated from the production of wholesale electricity sold at an average price in excess of £75/MWh (adjusted for inflation prospectively), exceeding an annual threshold of £10 million. This levy rate will increase to 55% from 1 July 2026 and the government has indicated it intends to extend the levy application period beyond 31 March 2028. The benchmark rate for the 12 months to 31 March 2027 is £82.61/MWh. It applies to generators whose generation exceeds 50GWh annually, as well as offtake arrangements with significant minority shareholders in such generators.

As at 30 June 2026, the Group's share of its Nuclear (excluding Sizewell C) associate's EGL liabilities amounted to £nil (31 December 2025: £9 million) and has also made payments on account to HMRC of £nil (31 December 2025: £10 million) in relation to its own estimated EGL liabilities for its minority shareholder Nuclear (excluding Sizewell C) offtake arrangements during the period.

The Group continues to determine that the accounting for the levy falls within the scope of IAS 37 'Provisions, contingent liabilities, and contingent assets' and IFRIC 21 'Levies' on the basis that the levy represents a legislative liability imposed by the Government, calculated with reference to revenue generated. The Group recognises the levy progressively over time, as the related electricity is sold. The Group also considered the applicability of IAS 12 'Income Taxes', however the EGL is based on revenue generated, and not taxable profit and is therefore outside the scope of IAS 12.

The interpretation and application of the EGL legislation is unclear in respect of the Group's minority shareholding in the Nuclear (excluding Sizewell C) offtake arrangements. As such, the extent of the levy that will ultimately be due in this regard is not yet certain, and a lower amount may eventually be determined. If this were the case, a tax deposit asset would be recorded on the Group Balance Sheet, and as a credit within cost of sales in the Group Income Statement, when it became probable that the asset would be recoverable, in accordance with the 2019 IFRIC Agenda decision on deposits relating to taxes other than income taxes. Given the current stage of discussions there is not yet sufficient evidence to support the probability of recovery and therefore no asset has been recorded at the balance sheet date.

There is a key source of estimation uncertainty in relation to the amount of levy the Group owes across 2023 to 2026 of up to £155 million, related to the assessment of the proportion of generation that can be ascribed to a wholesale purchase and therefore whether a related tax deposit asset should be recorded for the recovery of payments on account made to HMRC of up to £155 million. Whilst a material change in the accounting could occur in the next financial period, ultimate resolution of this uncertainty may take a number of years. (Note that since its inception Centrica has paid over £500 million of EGL either directly or through its share of the Nuclear (excluding Sizewell C) associate's payments.)

3. Accounting policies

Credit provisions for trade and other receivables

The commodity price environment during the first half of 2026 trended upwards due to geopolitical tensions between the US and Iran. Macroeconomic conditions remain challenging, with higher unemployment and low growth forecasts reducing the prospect of interest rate reductions during the second half of 2026. These impacts have been partially mitigated by the upscaling of certain field activities, although warrant activity remains suspended, adversely affecting debt performance for affected cohorts of customers.

These factors result in the assessment and adequacy of credit provisions for trade and other receivables to continue to be a key source of estimation uncertainty given the resultant increase in default probability and overall loss allowance.

The Group utilises a range of factors, including both internal and external, historic and forward-looking, to assess the adequacy of the Group's credit provisions. Whilst the Group utilises a matrix output model to record provision coverage, management recognises that the model does not always adequately capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic challenges. In the current period, the Group has continued to assess the model and has recorded a macroeconomic credit provision of £14 million (31 December 2025: £11 million) primarily reflecting that the ability of customers to pay may not be fully reflected in the model. The assumptions included in the macroeconomic provision include the continued cost-of-living challenges and the fact that certain enforcement activity remains suspended. This results in a total credit provision for trade and other receivables at 30 June 2026 of £2,067 million (31 December 2025: £1,818 million). See note 14.

Impairment of long-lived assets

The Group makes judgements in considering whether the carrying amounts of its long-lived assets (principally gas field production assets, Nuclear (excluding Sizewell C) investment (20% economic interest accounted for as an investment in associate), Sizewell C investment (15% economic interest accounted for as an investment in associate), Grain LNG investment (50% economic interest accounted for as an investment in joint venture), Batteries, Solar assets, Gas power stations/peakers and Goodwill) or cash-generating units (CGUs) are recoverable and estimates their recoverable amounts. See note 6(b) for details.

A key assumption in a number of these judgements is forecast future commodity prices. For the first four years, observable market prices are used and thereafter an estimation of longer-term prices is required and is based on third-party median price curves most closely aligned to our long-term view. The Nuclear investment (excluding Sizewell C) is the main asset where the recoverable amount, predominantly determined by forecast future commodity prices, is a key source of estimation uncertainty.

The recoverable amount of the Nuclear investment (excluding Sizewell C) is based on the value of the existing UK nuclear fleet operated by EDF. The existing fleet value is calculated by discounting pre-tax cash flows derived from the stations based on forecast power generation and power prices, whilst taking account of outages and the likely operational lives of the stations. During the period, the recoverable amount has increased, predominantly due to an increase in forecast power prices. This has resulted in a pre and post-tax impairment reversal of £34 million.

The key sources of estimation uncertainty are power price forecasts, station lives, outage assumptions and the discount rate. Other input assumptions include production levels, application of the EGL and capital and operating expenditure assumptions. Further details of these uncertainties, together with the methodology, assumptions and impairment booked during the period are provided in note 6, together with related sensitivities.

4. Segmental analysis

The Group's reporting segments are those used internally by management to run the business and make decisions. The Group's segments are based on products and services as well as the major factors that influence the performance of these products and services across the geographical locations in which the Group operates.

(a) Segmental structure

During the second half of 2025, the Group's reportable operating segments were redefined to reflect the way the Board makes decisions about resources to be allocated to the segments and assess their performance. See note 3(c) for further details.

The types of products and services from which each reportable segment derived its income during the period are detailed below. Income sources are reflected in total Group revenue unless otherwise stated:

Segment (i)	Description
Retail	• The supply of gas and electricity to residential and business customers in the UK and the Republic of Ireland (ii); • the installation, repair and maintenance of central heating and related appliances (including smart meters), to residential and business customers in the UK, and the Republic of Ireland; • the supply of energy services and solutions to large organisations in the UK, the Republic of Ireland and North America; • the provision of fixed-fee maintenance/breakdown services and insurance contracts in the UK; and • the supply of new technologies and energy efficiency solutions in the UK.
Optimisation	• The procurement, trading and optimisation of energy predominantly in the UK and Europe (ii); and • the global procurement and sale of LNG.
Infrastructure	• The production and processing of gas and liquids principally within Spirit Energy (ii); • the development and operation of power assets, and sale of power generated (including from nuclear assets), in the UK and Europe; • gas and LNG storage in the UK; and • the smart meter asset provider business in the UK.

(i) Segments have been redefined during the second half of 2025 from British Gas Services & Solutions, British Gas Energy, Bord Gáis Energy, Centrica Business Solutions, Centrica Energy and Upstream. See note 3(c) for further details.
(ii) Where income is generated from contracts in the scope of IFRS 9, this is included in re-measurement and settlement of derivative energy contracts.

4. Segmental analysis

(b) Revenue

Gross segment revenue includes revenue generated from the sale of products and services to other reportable segments of the Group. Total Group revenue reflects only the sale of products and services to third parties. Sales between reportable segments are conducted on an arm's length basis.

	2026			2025 (restated) [i]		
Six months ended 30 June	Gross segment revenue £m	Less inter-segment revenue £m	Total Group revenue £m	Gross segment revenue £m	Less inter-segment revenue £m	Total Group revenue £m
Retail	**8,448**	**(135)**	**8,313**	8,632	(90)	8,542
Optimisation	**3,065**	**(995)**	**2,070**	3,083	(219)	2,864
Infrastructure	**829**	**(683)**	**146**	1,235	(716)	519
Total Group revenue included in business performance	**12,342**	**(1,813)**	**10,529**	12,950	(1,025)	11,925
Less: revenue arising on contracts in scope of IFRS 9 included in business performance			**(348)**			(1,801)
Total Group revenue			**10,181**			10,124

(i) Segmental revenues have been restated to reflect the new operating structure of the Group. See note 3(c) for further details.

4. Segmental analysis

The tables below show the total Group revenue arising from contracts with customers, and therefore in the scope of IFRS 15, and revenue arising from contracts in the scope of other standards. The key economic factors impacting the nature, timing and uncertainty of revenue and cash flows are considered to be driven by the type and broad geographical location of the customer. The analysis of IFRS 15 revenue below reflects these factors.

	2026				
Six months ended 30 June	**Revenue from contracts with customers in scope of IFRS 15 (i)** £m	**Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16** £m	**Total Group revenue** £m	**Revenue in business performance arising from contracts in scope of IFRS 9** £m	**Total Group revenue included in business performance** £m
Energy supply and services	**7,851**				
Retail	**7,851**	**394**	**8,245**	**68**	**8,313**
Energy sales to trading and energy procurement counterparties	**1,813**				
Optimisation	**1,813**	**1**	**1,814**	**256**	**2,070**
Power generation	**44**				
Gas and liquid production	**78**				
Infrastructure	**122**	**—**	**122**	**24**	**146**
	9,786	**395**	**10,181**	**348**	**10,529**

(i) As part of the finalisation process of the government support schemes, no further revenue has been recognised during the period (2025: £42 million) in relation to the Energy Price Guarantee scheme for domestic customers in the Retail segment.

	2025 (restated) (i)				
Six months ended 30 June	Revenue from contracts with customers in scope of IFRS 15 £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy supply and services	8,004				
Retail	8,004	395	8,399	143	8,542
Energy sales to trading and energy procurement counterparties	1,635				
Optimisation	1,635	1	1,636	1,228	2,864
Power generation	—				
Gas and liquid production	89				
Infrastructure	89	—	89	430	519
	9,728	396	10,124	1,801	11,925

(i) Segmental revenues have been restated to reflect the new operating structure of the Group. See note 3(c) for further details.

4. Segmental analysis

(c) Adjusted gross margin, adjusted EBITDA, and adjusted operating profit

The Group uses adjusted gross margin, adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) and adjusted operating profit to assess segmental performance.

Adjusted gross margin is stated before exceptional items and certain re-measurements. Adjusted operating profit is also presented before exceptional items and certain re-measurements and includes the Group's share of the business performance results of joint ventures and associates.

Adjusted EBITDA is adjusted operating profit before depreciation and amortisation and includes the Group's share of business performance EBITDA of joint ventures and associates.

All measures are reconciled to their statutory equivalents.

	Adjusted gross margin		Adjusted EBITDA		Adjusted operating profit	
Six months ended 30 June	**2026 £m**	2025 (restated) [(i)] £m	**2026 £m**	2025 (restated) [(i)] £m	**2026 £m**	2025 (restated) [(i)] £m
Retail	**1,364**	1,315	**346**	338	**281**	267
Optimisation	**192**	209	**87**	93	**66**	73
Infrastructure	**194**	233	**355**	505	**198**	245
Segmental adjusted gross margin/EBITDA/adjusted operating profit	**1,750**	1,757	**788**	936	**545**	585
Reconciling items to Group Income Statement:						
Colleague profit share [(ii)]	**(4)**	(6)	**(14)**	(16)	**(14)**	(16)
Meter asset provider consolidation adjustment [(iii)]	**(43)**	(20)	**(37)**	(20)	**(34)**	(20)
Total Group adjusted gross margin/EBITDA/adjusted operating profit	**1,703**	1,731	**737**	900	**497**	549
Reconciling items to adjusted operating profit:						
Depreciation and impairments of property, plant and equipment (note 4(d))			**(105)**	(220)		
Amortisation and impairments of intangibles (note 4(d))			**(34)**	(45)		
Share of interest, taxation, depreciation and amortisation of joint ventures and associates (note 5)			**(101)**	(86)		
Total Group adjusted operating profit			**497**	549		
Certain re-measurements (note 6):						
Onerous energy supply/LNG contract provision movement	**(3)**	25	**(3)**	25		
Derivative contracts	**145**	(457)	**145**	(457)		
Gross profit	**1,845**	1,299				
Exceptional items			**71**	(186)		
Operating profit/(loss) after exceptional items and certain re-measurements			**710**	(69)		

(i) Segmental results have been restated to reflect the new operating structure of the Group. See note 3(c) for further details. Segmental results have also been restated to allocate depreciation, amortisation and impairments previously reported within the Other segment to the relevant operating segments. In addition, the Group has presented the reconciliation of adjusted EBITDA to its statutory equivalent as the measure is used more prominently by management to assess segmental performance. Comparative amounts for this disclosure have been presented on a consistent basis with the new operating structure of the Group.

(ii) The impact of the colleague profit share is excluded because management considers it unrelated to segmental business performance.

(iii) In accordance with IFRS 8, Segmental adjusted gross margin, adjusted EBITDA and adjusted operating profit are presented as managed by the Board and accordingly the internal margin and indirect costs on smart meter installation recognised by Retail and subsequently capitalised and depreciated in the meter asset provider business within Infrastructure, are eliminated on consolidation and reported as a reconciling item to the Group Income Statement. The Group Income Statement reflects the capitalisation of costs based on their nature as incurred by Retail.

4. Segmental analysis

(d) Included within adjusted operating profit

Presented below are certain items included within adjusted operating profit, including a summary of impairments of property, plant and equipment and intangibles.

Six months ended 30 June	Depreciation and impairments of property, plant and equipment 2026 £m	Depreciation and impairments of property, plant and equipment 2025 (restated) (i) £m	Amortisation and impairments of intangibles 2026 £m	Amortisation and impairments of intangibles 2025 (restated) (i) £m
Retail	**(35)**	(30)	**(30)**	(41)
Optimisation	**(17)**	(16)	**(4)**	(4)
Infrastructure	**(56)**	(174)	**—**	—
Meter asset provider consolidation adjustment (ii)	**3**	—	**—**	—
	(105)	(220)	**(34)**	(45)

(i) Segmental results have been restated to reflect the new operating structure of the Group. See note 3(c) for further details. Segmental results have also been restated to allocate depreciation, amortisation and impairments previously reported within the Other segment to the relevant operating segments.

(ii) In accordance with IFRS 8, Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board and accordingly the internal margin and indirect costs on smart meter installation recognised by Retail and subsequently capitalised and depreciated in the meter asset provider business within Infrastructure, are eliminated on consolidation and reported as a reconciling item to the Group Income Statement.

Impairments of property, plant and equipment

During 2026, £13 million of impairments of property, plant and equipment (2025: £8 million) were recognised within business performance.

Impairments of intangible assets

During 2026, £nil of impairments of other intangible assets (2025: £3 million) were recognised within business performance.

4. Segmental analysis

(e) Capital expenditure

Capital expenditure represents additions, other than assets acquired as part of business combinations or asset purchase agreements, to property, plant and equipment and intangible assets. Capital expenditure has been reconciled to the related cash outflow.

	Capital expenditure on property, plant and equipment		Capital expenditure on intangible assets other than goodwill	
Six months ended 30 June	**2026 £m**	2025 (restated) (i) £m	**2026 £m**	2025 (restated) (i) £m
Retail	**11**	15	**282**	323
Optimisation	**—**	—	**5**	5
Infrastructure	**250**	251	**4**	18
Other (ii)	**25**	18	**—**	—
Segmental capital expenditure	**286**	284	**291**	346
Meter asset provider consolidation adjustment (iii)	**(36)**	(20)	**—**	—
Total Group capital expenditure	**250**	264	**291**	346
Capitalised borrowing costs (note 7)	**(13)**	(8)	**—**	—
Capitalised depreciation	**(3)**	—	**—**	—
Inception of new leases and movements in payables and prepayments related to capital expenditure	**5**	(44)	**—**	—
Capital expenditure cash outflow subsequent to transfer to held for sale	**15**	—	**—**	—
Purchases of emissions allowances and renewable obligation certificates (iv)	**—**	—	**(269)**	(328)
Net cash outflow	**254**	212	**22**	18

(i) Segmental results have been restated to reflect the new operating structure of the Group. See note 3(c) for further details.
(ii) Other includes corporate functions.
(iii) In accordance with IFRS8. Segmental capital expenditure is presented as managed by the Board and accordingly the internal margin and indirect costs on smart meter installation recognised by Retail and subsequently capitalised in the meter asset provider business within Infrastructure, is eliminated on consolidation and reported as a reconciling item to Total Group capital expenditure.
(iv) Purchases of emissions allowances and renewable obligation certificates of £265 million (2025: £310 million) in Retail and £4 million (2025: £18 million) in Infrastructure.

5. Joint ventures and associates

Results relating to joint ventures and associates represent the results of businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%.

Interests in joint ventures and associates represent businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%.

(a) Results relating to joint ventures and associates

The Group's results relating to joint ventures and associates during the period principally arise from its interests in the following entities, all of which are reported within the Infrastructure segment:

- Garden Topco Limited ('Grain LNG') - joint venture
- Lake Acquisitions Limited ('Lake') - associate
- Sizewell C (Holding) Limited ('Sizewell C') - associate

	2026				2025(i)
Six months ended 30 June	Grain LNG £m	Lake £m	Sizewell C £m	Total £m	Total £m
Income	81	257	—	338	315
Expenses before depreciation, amortisation, exceptional items and certain re-measurements	(35)	(135)	—	(170)	(137)
Depreciation and amortisation	(17)	(42)	—	(59)	(50)
Operating profit	29	80	—	109	128
Interest cost	(19)	(1)	—	(20)	(3)
Taxation excluding taxation on exceptional items and certain re-measurements	(2)	(20)	—	(22)	(33)
Share of post-taxation results of joint ventures and associates(ii)	8	59	—	67	92
Interest income on shareholder loans (ii)	—	—	15	15	—
Results relating to joint ventures and associates	8	59	15	82	92

(i) 2025 results relating to joint ventures and associates pertain solely to Lake.
(ii) Interest income on shareholder loans relates to interest accrued on loans provided to Sizewell C.

(b) Interests in joint ventures and associates

	2026			2025		
Six months ended 30 June	Investments in joint ventures and associates £m	Shareholder loans £m	Total £m	Investments in joint ventures and associates £m	Shareholder loans £m	Total £m
1 January	828	343	1,171	794	—	794
Additions	4	39	43	11	—	11
Interest accrued on shareholder loans	—	16	16	—	—	—
Interest elimination (i)	(1)	—	(1)	—	—	—
Write-backs/(impairments) (ii)	34	—	34	(123)	—	(123)
Share of profits for the period	67	—	67	92	—	92
Share of net other comprehensive loss	(17)	—	(17)	(2)	—	(2)
Dividends (iii)	(40)	—	(40)	(95)	—	(95)
Other movements	(1)	—	(1)	1	—	1
30 June (iv)	874	398	1,272	678	—	678

(i) Under the requirements of IAS 28 'Investments in Joint Ventures and Associates' the Group eliminates its 15% equity share of the gains realised on the Sizewell C shareholder loan, being the 9% interest earned, less the cost of providing the funding to the investee.
(ii) The £34 million write-back in 2026 relates to the Lake investment (2025: £123 million impairment).
(iii) The cash flows recorded as dividends received from joint ventures and associates during the period of £40 million (2025: £95 million) in the Group Cash Flow Statement relate to dividends received from Lake Acquisitions Limited.
(iv) Interests in joint ventures and associates closing balance at 30 June 2026 included £202 million (2025: £nil) relating to Grain LNG, £604 million (2025: £673 million) relating to Lake and £451 million (2025: £nil) relating to Sizewell C, of which £398 million (2025: £nil) related to shareholder loans.

6. Exceptional items and certain re-measurements

(a) Certain re-measurements

Certain re-measurements are the fair value movements on energy contracts entered into to meet the future needs of our customers or to sell the energy produced from our Infrastructure assets. These contracts are economically related to our Infrastructure assets, capacity/offtake contracts or downstream demand, which are typically not fair valued, and are therefore separately identified in the current period and reflected in business performance in future periods when the underlying transaction or asset impacts the Group Income Statement.

If the future costs to fulfil customer supply contracts, including the mark-to-market reversal of any energy hedging contracts entered into to meet this demand, exceed the charges recoverable from customers, an onerous contract provision will be recognised. Similarly, if the future revenues from LNG procurement contracts, including the mark-to-market reversals of hedging contracts entered into related to these purchases, do not exceed the purchase cost, an onerous contract provision will be recognised. Because the associated unrealised hedging gains or losses will be recognised in certain re-measurements, the movements in these onerous contract provisions will also be recognised in certain re-measurements.

Six months ended 30 June	2026 £m	2025 £m
Certain re-measurements recognised in relation to energy contracts:		
Net gains/(losses) arising on delivery of contracts	223	(296)
Net losses arising on market price movements and new contracts	(78)	(161)
Net re-measurements included within gross profit before onerous supply contract provision	145	(457)
Onerous energy supply and LNG contracts provision movement (i)	(3)	25
Net re-measurements included within Group operating profit	142	(432)
Taxation on certain re-measurements (note 8) (ii)	33	26
Certain re-measurements after taxation	175	(406)

(i) The onerous LNG contracts provision movement amounted to a £3 million debit (2025: £32 million credit) and the onerous energy supply contract entry is £nil (2025: £7 million debit). Cumulatively over time the onerous energy supply and LNG contracts provision movement will net to £nil. See note 3 for further details.

(ii) Taxation on onerous energy supply and LNG contracts provision movement amounted to a £1 million credit (2025: £6 million debit) and taxation on other certain re-measurements amounted to a £32 million credit (2025: £32 million credit).

Six months ended 30 June	2026 £m	2025 £m
Total re-measurement and settlement of derivative energy contracts	(2,076)	(3,191)
Excluding:		
IFRS 9 business performance revenue	(348)	(1,801)
IFRS 9 business performance cost of sales	2,569	4,535
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	145	(457)
Onerous contract provision movement (cost of sales)	(3)	25
Total certain re-measurements	142	(432)

The table below reflects the certain re-measurement derivative movements by operating segment:

Six months ended 30 June	2026 £m	2025 (restated) (i) £m
Retail (Energy Supply)	650	(631)
Infrastructure and Optimisation	(505)	174
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	145	(457)

(i) 2025 has been restated to reflect the new operating structure of the Group. See note 3(c) for further details.

6. Exceptional items and certain re-measurements

(b) Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Items which may be considered exceptional in nature include disposals of businesses or significant assets, significant one-off business restructuring, debt repurchase/refinancing costs, legacy contract costs associated with business activities that have ceased, certain pension past service credits/costs and asset impairments/write-backs.

Six months ended 30 June	2026 £m	2025 £m
Write-back/(impairment) of power assets (i)	38	(125)
Write-back/(impairment) of gas field assets (ii)	33	(78)
Legacy contract cost provision movement (iii)	–	17
Exceptional items included within Group operating profit (iv)	71	(186)
Net exceptional item taxation (note 8) (iii)	(27)	(29)
Total exceptional items recognised after taxation	44	(215)

(i) In the Infrastructure segment, a write-back of the Nuclear investment (excluding Sizewell C) of £34 million (post-tax: £34 million) (2025: impairment of £(123) million (post-tax: £(123) million)) has been recorded predominantly as a result of the increase in near-term forecast baseload power prices. Also in the Infrastructure segment, a write-back of £4 million (post-tax: £3 million) (2025: impairment of £(6) million (post-tax: £(5) million) has been recorded related to Solar assets, following higher forecast power price capture. The 2025 half-year impairment also included a net write-back of £4 million (post-tax: £1 million) related to Batteries and Gas peaker assets.

(ii) In the Infrastructure segment, a write-back of the retained gas fields of £33 million (post-tax £7 million) (2025: impairment of £(78) million (post-tax: £(17) million)) has been recorded related to the Morecambe field as a result of an increase in near-term forecast gas prices.

(iii) In the prior period, legacy contracts associated with business activity that ceased a number of years ago, predominantly related to construction services, led to a decrease in provisions of £17 million (post-tax: £14 million). Also in the prior period, exceptional item taxation included a debit of £85 million associated with deferred tax in upstream gas assets, in the Upstream segment, as a result of changes in forecast production profiles and commodity prices, but unrelated to the other exceptional items.

(iv) The cash flows recorded as payments relating to exceptional charges in operating costs of £nil (2025: £3 million) in the Group Cash Flow Statement relate to previous periods exceptional restructuring costs.

6. Exceptional items and certain re-measurements

(c) Impairment accounting policy, process and sensitivities

The information provided below relates to the assets and CGUs (or groups of CGUs) that have been subject to exceptional item impairment during the period and/or whose recoverable amount is a key source of estimation uncertainty. See note 3(e).

Exceptional impairment/write-back assessments of assets measured on a value-in-use (VIU) basis

Segment	Asset/CGU	Basis for impairment assessment	Recoverable amount £m	Write-back £m
Infrastructure	Power - Nuclear (i)	Increase in near-term forecast baseload power prices	604	34

(i) The Nuclear CGU relates to the Investment in the Lake Acquisitions Limited group (which holds the existing UK Nuclear fleet) and therefore excludes the investment in Sizewell C.

Nuclear

A VIU calculation has been used to determine the recoverable amount of the Group's investment in Nuclear. The cash flows incorporated in the valuation are based on detailed business forecasts in the short term, extrapolated to future years to account for the expected generation profile of the fleet for its remaining life. Assumptions include forward commodity prices (including capacity rates), station lives, outage assumptions, discount rate, production levels, the application of the Electricity Generator Levy (EGL) and operating and capital expenditure requirements. Price assumptions are based on liquid market prices for mid-2026 to mid-2030 which are then blended over a one-year period to long-term price forecasts. The methodology for deriving long-term price assumptions remains consistent with the prior year-end (with the exception of Sizewell B Contracts for Difference (CfD) mechanism below), using a single third-party curve provider which most aligns to Centrica's beliefs around the evolution of commodity markets, as a basis for the longer-term commodity price forecast. For the Sizewell B station, the recently announced CfD mechanism, which guarantees a strike price of £70.50/MWh from April 2035 to March 2055 (based on 2025 prices and indexed to CPI inflation), has been used during at the period-end for cashflow forecasts for 2035 to 2055. Compared with prior year, this was broadly neutral from a valuation perspective but significantly reduces sensitivity to commodity price movements for that time period.

The EGL, applying a 55% tax rate to revenues generated over £82.61/MWh (adjusted for inflation prospectively) until 31 March 2028, has also been considered in the assessment, but based on the above price assumptions currently has no significant impact.

The VIU calculation assumes that the Sizewell B station operates until 2055, reflecting a 20-year extension beyond its original design life. The discounted forecast future cash flows from 2035 to 2055 contribute £157 million to the valuation of the Group's investment. All other stations' life assumptions are aligned to lifetime closure dates announced by the operator (being between March 2028 and March 2030) by the balance sheet date.

The VIU calculation is also sensitive to changes in outage assumptions, and the base level generation volumes assumed for the fleet were decreased during the year based on a review of historic unplanned outages. An increase or reduction of 3% in the unplanned outage rate applied to volumes across the nuclear fleet would lead to an impairment/write-back of £70 million.

The future pre-tax cash flows generated by the investment in the associate are discounted using a pre-tax nominal discount rate of 15.1% (31 December 2025: 13.6%). This equated to a post-tax rate of 8.5% (31 December 2025: 8.5%). The post-tax discount rate is initially derived from the Group weighted average cost of capital as adjusted for the risks associated with the asset and with reference to comparator companies. The pre-tax rate is then back-calculated by removing tax cash flows and assessing the rate that would give the same result as the post-tax rate. A 1% increase in the post-tax discount rate would lead to an impairment of £30 million (when compared with the closing period-end carrying value). Similarly, a 1% reduction in the post-tax discount rate would lead to a write-back of £36 million.

The asset is particularly sensitive to changes in commodity price and the table below details average prices for the first 5- and 10-year periods and associated sensitivities. Note that the asset is valued for its entire economic life and not just this 15-year period.

	Five-year liquid and blended-period price (i)		Ten-year long-term average price (i)(ii)		Change in pre/post-tax write-back/(impairment) (iii) +10%		-10%	
	2026-2030	2026-2030	2031-2040	2031-2040				
	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	£/MWh	£/MWh	£/MWh	£/MWh	£m	£m	£m	£m
Baseload power	70	67	61	63	118	196	(116)	(194)

(i) Prices are shown in 2025 real terms.

(ii) The equivalent ten-year long-term average price used at the 2025 interims was £62/MWh.

(iii) A 10% change in baseload power prices is deemed to represent a reasonably possible variation across the entire period covered by the liquid market and comparator curves used in the nuclear impairment test. Sensitivities have reduced during the period because the Sizewell B CfD mechanism reduces the sensitivity to commodity price movements for the period 2035 to 2055.

6. Exceptional items and certain re-measurements

Exceptional impairment/write-back of assets measured on a FVLCD basis

Segment	Asset/CGU (or group of CGUs)	Basis for impairment/write-back assessment	Recoverable amount [(i)] £m	FV hierarchy	Write-back £m
Infrastructure	Gas fields - retained	An increase in near-term forecast gas prices	(240)	L3	33
Infrastructure	Power - Solar assets	An increase in near-term forecast power price capture	38	L3	4

(i) Recoverable amount for Gas fields - retained, relates only to the field with an impairment write-back and includes its decommissioning costs, together with related tax impacts. Recoverable amount for Power - Solar assets relates to the property, plant and equipment balance for the portfolio of assets.

Fair value less costs of disposal (FVLCD) is calculated by discounting the post-tax cash flows expected to be generated by the assets or CGU, net of associated selling costs, taking into account those assumptions that market participants would use in estimating fair value. Post-tax cash flows used in the FVLCD calculation are based on the Group's Board-approved business plans and longer-term strategic plans together with, where relevant, long-term production, asset usage and cash flow forecasts. These calculations are then benchmarked back to market transactions, where available, to assess alignment with typical market participant views.

Gas field assets - retained

For Gas field assets - retained, post-tax cash flows are derived from projected production profiles of each field, taking into account forward prices for gas and liquids over the relevant period. Where forward market prices are not available (i.e. outside the active period for each commodity), prices are determined based on Centrica's view of long-term prices, derived from a third-party market curve. The date of cessation of production depends on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, production costs, the contractual duration of the licence area and the selling price of the gas and liquids produced. As each field has specific reservoir characteristics and economic circumstances, the post-tax cash flows for each field are computed using individual economic models. Price assumptions are critical and use liquid market prices for mid-2026 to mid-2030, blended over a one-year period to long-term price forecasts. Long-term price assumptions are Centrica's view of long-term prices as derived from a third-party market curve and are deemed best aligned with pricing that a reasonable market participant would use. Following the implementation of the Energy Profits Levy, the increased tax rates have been included in the FVLCD calculations until the sunset date of 31 March 2030.

For gas fields reaching the end of their producing life, decommissioning cash outflows are discounted using a post-tax risk-free based nominal rate of 4.9% (31 December 2025: 4.9%), consistent with the approach to balance sheet provisioning. The future post-tax production cash flows are discounted using a post-tax nominal discount rate, derived from the Group's weighted average cost of capital and compared with other market participants. At the half-year this rate was 10.0% (31 December 2025: 10.0%). This approach is considered to align with how a typical market participant would value these types of asset.

Once the disposals of the gas fields in the disposal group held for sale (see note 11(c)) have completed. the Group's interests in producing gas fields will be substantially reduced. As a result, the retained gas field valuations are no longer materially sensitive to movement in future gas prices, and therefore no sensitivities for reasonably possible changes in prices have been provided.

Power - Solar assets

An exceptional impairment write-back of £4 million has been recorded in relation to Solar assets measured on a FVLCD basis.

For Solar assets, post-tax cash flows are derived from an assessment of expected solar activity and the ability to capture future baseload power prices. Prices are determined based on a third-party capture price forecast. Post-tax cashflows also include an assessment of forecast capital and operating expenditure.

The future post-tax cash flows for Solar assets, are discounted using a post-tax nominal discount rate of 7.0% (31 December 2025: 7.0%).

The Solar asset valuations are sensitive to commodity price forecasts. A 10% increase in forecast Solar power price capture would lead to an impairment write-back of £2 million (when compared with the period-end carrying value). A 10% reduction would lead to an impairment of £2 million.

7. Net finance (cost)/income

Financing costs mainly comprise interest on bonds and bank debt, the results of hedging activities used to manage foreign exchange and interest rate movements on the Group's borrowings and notional interest arising from the discounting of decommissioning provisions and pensions. An element of financing cost is capitalised on qualifying projects.

Investment income predominantly includes interest received from short-term investments in money market funds and bank deposits.

Six months ended 30 June	2026 Financing costs £m	2026 Investment income £m	2026 Total £m	2025 Financing costs £m	2025 Investment income £m	2025 Total £m
Financing (cost)/income from net debt:						
Interest income	—	71	71	—	146	146
Interest cost on bonds, bank loans and overdrafts	(88)	—	(88)	(95)	—	(95)
Interest cost on lease liabilities	(6)	—	(6)	(6)	—	(6)
	(94)	71	(23)	(101)	146	45
Net gain on revaluation	(2)	—	(2)	3	—	3
Notional interest arising from discounting	(17)	—	(17)	(12)	—	(12)
	(113)	71	(42)	(110)	146	36
Other interest charges (i)	(9)	—	(9)	(18)	—	(18)
Capitalised borrowing costs (ii)	13	—	13	8	—	8
Financing (cost)/income	(109)	71	(38)	(120)	146	26

(i) Other interest charges includes interest charged on cash collateral and fees for letters of credit. The associated cash outflow is £8 million (2025: £10 million).

(ii) Borrowing costs have been capitalised using an average rate of 6.75% (2025: 7.52%).

8. Taxation

The taxation note details the different tax charges arising in the Group. This tax charge excludes the Group's share of taxation on the results of joint ventures and associates.

The tax charge for the period has been calculated based on an estimate of the annual effective tax rate expected for the full financial year applied to the interim pre-tax accounting profits for each relevant source of income.

Analysis of tax charge

	2026			2025		
Six months ended 30 June	**Business performance £m**	**Exceptional items and certain re-measurements (i) £m**	**Results for the period £m**	Business performance £m	Exceptional items and certain re-measurements (i) (ii) £m	Results for the period £m
The taxation (charge)/credit comprises:						
UK corporation tax	**(75)**	**(33)**	**(108)**	(139)	102	(37)
UK energy profits levy	**(46)**	**31**	**(15)**	(59)	(82)	(141)
UK petroleum revenue tax	**(1)**	**8**	**7**	(2)	(23)	(25)
Non-UK tax	**(22)**	**—**	**(22)**	(13)	—	(13)
Taxation on profit/(loss)	**(144)**	**6**	**(138)**	(213)	(3)	(216)

(i) Exceptional item and certain re-measurement movements predominantly relate to deferred tax.

(ii) The 2025 Energy Profits Levy (EPL) charge on exceptional items and re-measurements of £82 million included the impact of the EPL extension to 31 March 2030 under Finance Act 2025 (£22 million) and the re-measurement of the Group's EPL deferred tax liabilities following changes in the gas production profile (£41 million).

As reconciled on page 15 of the Group Financial Review, the Group's adjusted effective tax rate for the six months ended 30 June 2026 was 35% (2025: 40%). This includes an increase of £4 million in the Group's uncertain tax provision during the period (2025: £9 million).

Most activities in the UK are subject to the standard rate for UK corporation tax of 25% (2025: 25%). The Group's profits from gas production are taxed at a rate of 40% (2025: 40%), being the ring fence corporation tax rate of 30%, and a Supplementary Charge of 10%. Profits from gas production are also subject to the Energy Profits Levy ('EPL') which is charged at 38% (2025: 38%) to give an overall rate of 78% (2025: 78%).

The Energy Security Investment Mechanism (ESIM) applies as a way of curtailing the application of EPL in certain circumstances. Accordingly, the EPL will cease to apply if average oil and gas prices fall to historically normal levels for two consecutive quarters. Based on 20-year averages, normal levels would be achieved where both average oil and gas prices fall below the 2026-2027 threshold of US$78.65 per barrel for oil and 61 pence per therm for gas (indexed annually). If the EPL ceases to apply, the headline rate on ring fence profits will reduce to 40%, subject to the future operation of the Oil and Gas Price Revenue Levy (OGRL) described below.

In November 2025 the Government announced OGRL as a permanent successor to EPL. Draft legislation published on 13 July 2026 proposes the introduction of the OGRL, which will apply when the EPL ends (either from 1 April 2030 or earlier if the ESIM is triggered). Under the draft legislation, the OGRL would apply at a rate of 35% to revenues generated from oil and gas sales above specified price thresholds on a transaction by transaction basis. For 2026-27, the proposed thresholds are US$90 per barrel of oil and 90 pence per therm of gas, with these thresholds to be adjusted annually in line with CPI. The legislation is currently subject to consultation and is intended to be included in the Finance Bill 2026-27, with the final form of the legislation subject to Parliamentary approval.

The main non-UK rates of corporation tax are 12.5% (2025: 12.5%) in the Republic of Ireland, 22% (2025: 22%) in Denmark, and 17% (2025: 17%) in Singapore. Following the enactment of the OECD's Pillar 2 legislation in the Group's principal jurisdictions, the Group is subject to a Global Minimum Tax of 15%, however, a top-up tax liability is only expected to arise in the Republic of Ireland and the Isle of Man.

The Electricity Generator Levy ('EGL') is not accounted for as a tax. The uncertainty over the Group's liability to EGL in respect of its minority interests in the Nuclear fleet (excluding Sizewell C) from prior years is ongoing - see note 3. No EGL cost was included in the Group's cost of sales during the period (2025: £12 million). The prior year charge was not deductible for UK corporation tax. In addition, no amount was recognised within the Group's share of profit after tax from its Nuclear associate (2025: £6 million). Were the EGL accounted for as a tax, the prior year adjusted effective tax rate would have increased by 2%. No EGL charge has been recognised for the six months ended 30 June 2026 based on the revenues arising in the period. The Group will reassess the actual EGL impact as part of the full-year reporting process.

On 21 April 2026 the Government announced that the EGL rate would increase from 45% to 55% with effect from 1 July 2026 and that the levy would be extended past its scheduled end on 1 April 2028, with the new end date yet to be confirmed. Neither measure had been substantively enacted at 30 June 2026.

The Group has applied the mandatory exception from recognising and disclosing information about deferred tax assets and liabilities arising from Pillar 2 income taxes in accordance with the amendments to IAS 12 adopted by the UK Endorsement Board.

The Pillar 2 current tax expense included in the tax charge was £nil (2025: £nil).

9. Earnings per ordinary share

Earnings per share (EPS) is the amount of profit or loss attributable to each share. Basic EPS is the amount of profit or loss for the period divided by the weighted average number of ordinary shares in issue during the period. Diluted EPS includes the impact of outstanding share options.

Basic earnings per ordinary share has been calculated by dividing the profit attributable to equity holders of the Company for the period of £532 million (2025: loss of £251 million) by the weighted average number of ordinary shares in issue during the period of 4,536 million (2025: 4,927 million). The number of shares excludes 529 million ordinary shares (2025: 564 million), being the weighted average number of the Company's own shares held in the employee share trust and treasury shares repurchased during the period by the Group as part of the share buyback programme.

The Directors believe that the presentation of adjusted basic earnings per ordinary share, being the basic earnings per ordinary share adjusted for certain re-measurements and exceptional items, assists with understanding the underlying performance of the Group, as explained in note 3.

Information presented for diluted and adjusted diluted earnings per ordinary share uses the weighted average number of shares as adjusted for 110 million (2025: 130 million) potentially dilutive ordinary shares as the denominator, unless it has the effect of increasing the profit or decreasing the loss attributable to each share.

Basic to adjusted basic earnings per ordinary share reconciliation

	2026		2025	
Six months ended 30 June	£m	Pence per ordinary share	£m	Pence per ordinary share
Earnings – basic	**532**	**11.7**	(251)	(5.1)
Net exceptional items after taxation (notes 3 and 6) (i)	**(42)**	**(0.9)**	183	3.7
Certain re-measurement losses/(gains) after taxation (notes 3 and 6) (i)	**(183)**	**(4.0)**	415	8.4
Earnings – adjusted basic	**307**	**6.8**	347	7.0
Earnings – diluted (ii)	**532**	**11.5**	(251)	(5.1)
Earnings – adjusted diluted	**307**	**6.6**	347	6.9

(i) Net exceptional items after taxation and certain re-measurement losses/(gains) after taxation are adjusted to reflect the share attributable to non-controlling interests.
(ii) Potential ordinary shares are not treated as dilutive when they would decrease a loss per share.

10. Dividends

Dividends represent the return of profits to shareholders. Dividends are paid as an amount per ordinary share held. The Group retains part of the profits generated to meet future investment plans or to fund share buyback programmes.

	2026			2025		
	£m	Pence per ordinary share	Date of payment	£m	Pence per ordinary share	Date of payment
Prior year final dividend	**169**	**3.67**	**14 May 2026**	150	3.00	5 Jun 2025

The Directors propose an interim dividend of 2.00 pence (2025: 1.83 pence) per ordinary share for the six months ended 30 June 2026 (which would total £92 million (2025: £89 million) based on shareholding at that date). The dividend will be paid on Tuesday 22 September 2026 to those shareholders registered on Friday 21 August 2026.

11. Acquisitions, disposals and disposal groups classified as held for sale

This section details business combinations, asset acquisitions and disposals made by the Group.

a) Business combinations and asset acquisitions

On 7 May 2026 the Group acquired 100% of the issued share capital of Severn Power Limited, which owns the Severn Combined-Cycle Gas Turbine power station, from the Calon Energy Group for consideration of £380 million. This increases the Centrica Power portfolio to 4GW, including 1GW of assets currently in planning and construction.

Provisional fair value of the identifiable assets and liabilities

	Severn Power Limited £m
Balance Sheet items:	
Property, plant and equipment	363
Deferred tax assets	17
Intangible assets	8
Other current assets (including £11 million of cash and cash equivalents)	18
Current liabilities	(16)
Other non-current liabilities	(10)
Net assets acquired	380
Cash consideration (excluding £2 million cash outflow relating to a foreign exchange hedge in respect of the transaction)	380
Income Statement items:	
Revenue recognised since the acquisition date in the Group Income Statement	41
Profit since the acquisition date in the Group Income Statement (i)	2

(i) Adjusted operating profit since the acquisition date excludes associated transaction costs.

There have been no material updates to the fair value of assets and liabilities recognised for business combinations in 2025.

b) Disposals

On 23 December 2025 the Group signed a sale and purchase agreement to dispose of Centrica Business Solutions Italia Srl and Centrica Business Solutions B.V. to Joulz B.V. for a headline consideration of £83 million. Legal completion occurred on 6 February 2026.

In applying IFRS 5 'Non-current assets held for sale and discontinued operations', the Group has judged that there is one disposal group as both subsidiaries are being disposed of in a single transaction, which was classified as held for sale as at 23 December 2025. The disposal group, which is included in the Retail segment, did not represent a separate major line of business or geographical operations and hence the Group has concluded that it did not constitute a discontinued operation.

Details of the assets and liabilities of the disposal group at completion of 6 February 2026 are shown below:

	Italy and Netherlands solutions businesses - Retail £m
Non-current assets	
Property, plant and equipment	34
Current assets	
Trade and other receivables, and contract-related assets	26
Inventories	6
Cash and cash equivalents	8
Assets disposed	74
Current liabilities	
Trade and other payables, and contract-related liabilities	(15)
Non-current liabilities	
Trade and other payables, and contract-related liabilities	(2)
Liabilities disposed	(17)
Net assets disposed	57
Consideration received (net of transaction costs of £7 million)	76
Gain on disposal	19

The results of the disposal group during 2026 reported in business performance was £nil.

11. Acquisitions, disposals and disposal groups classified as held for sale

c) Assets and liabilities of disposal groups held for sale

On 16 December 2025 the Group announced that it had agreed to sell the remaining 15% of Spirit Energy's interest in the Cygnus gas field and all other gas producing assets in the Greater Markham Area and Southern North Sea to Serica Energy plc. The sale has a commercial effective date of 1 January 2025 with a headline consideration of £57 million and the transfer of £44 million of decommissioning liabilities. The Group has retained £159 million of decommissioning liabilities in relation to the disposal group at the year-end date. The sale is expected to complete in the second half of 2026.

In applying IFRS 5: 'Non-current assets held for sale and discontinued operations', the Group has judged that there is one disposal group relating to the sale. The assets and liabilities comprising the disposal group were classified as held for sale as at 16 December 2025. This is on the basis that at that point, the disposal group was available for immediate sale, subject only to terms that are customary for sales of such assets, and the sale was highly probable.

The disposal group, which is included in the Infrastructure segment, does not represent a separate major line of business or geographical operation and hence the Group has concluded that it does not constitute a discontinued operation.

Details of the assets and liabilities of the disposal group at 30 June 2026 are shown below.

	Spirit fields - Infrastructure £m
Non-current assets	
Property, plant and equipment	162
Trade and other receivables, and contract-related assets	1
Other investments	1
Deferred tax assets	18
Current assets	
Inventories	4
Other intangible assets	1
Trade and other receivables, and contract-related assets	4
Assets of disposal groups classified as held for sale	**191**
Current liabilities	
Trade and other payables, and contract-related liabilities	(20)
Bank overdraft, loans and other borrowings	(4)
Non-current liabilities	
Deferred tax liabilities	(75)
Bank overdraft, loans and other borrowings	(20)
Provisions for other liabilities	(44)
Liabilities of disposal groups classified as held for sale	**(163)**
Net assets of disposal groups classified as held for sale	**28**

12. Sources of finance

(a) Capital structure

The Group seeks to maintain an efficient capital structure with a balance of debt and equity as shown in the table below:

	30 June 2026 £m	31 December 2025 £m
Gross debt	**2,857**	2,892
Shareholders' equity	**3,401**	3,085
Capital	**6,258**	5,977

Debt levels are restricted to limit the risk of financial distress and, in particular, to maintain a strong credit profile. The Group's credit standing is important for several reasons: to maintain a low cost of debt, limit collateral requirements in energy trading, hedging and decommissioning security arrangements, and to ensure the Group is an attractive counterparty to energy producers and long-term customers.

The Group monitors its current and projected capital position on a regular basis, considering a medium-term view of at least three years, and different stress case scenarios, including the impact of changes in the Group's credit ratings and significant movements in commodity prices. A number of financial ratios are monitored, including those used by the credit rating agencies.

The level of debt that can be raised by the Group is restricted by the Company's Articles of Association. Borrowing is limited to the higher of £10 billion and a gearing ratio of three times shareholders' equity. The Group funds its long-term debt requirements through issuing bonds in the capital markets and taking bank debt. Short-term debt requirements are met primarily through commercial paper or short-term bank borrowings. The Group maintains substantial committed facilities and uses these to provide liquidity for general corporate purposes, including short-term business requirements and back-up for commercial paper.

British Gas Insurance Limited (BGIL) is required to hold a minimum capital amount under PRA regulations and has complied with this requirement since its inception. BGIL's capital risk appetite, which is approved by the board, exceeds the PRA capital requirements.

BGIL's capital management policy and plan are subject to review and approval by the BGIL board. Reporting processes provide relevant and timely capital information to management and the board. A medium-term capital management plan forms part of BGIL's planning and forecasting process, embedded into approved timelines, management reviews and board approvals.

12. Sources of finance

(b) Adjusted net cash/(debt) summary

Adjusted net cash/(debt) predominantly includes capital market borrowings offset by cash, securities and certain hedging financial instruments used to manage interest rate and foreign exchange movements on borrowings.

Presented in the derivatives and current and non-current borrowings, leases and interest accruals columns shown below are the assets and liabilities that give rise to financing cash flows.

				Other assets and liabilities		
	Current and non-current borrowings, leases and interest accruals £m	Derivatives £m	Gross debt £m	Cash and cash equivalents, net of bank overdrafts (i) £m	Non-current securities (ii) £m	Adjusted net cash/ (debt) £m
Group adjusted net (debt)/cash at 1 January 2026	(2,821)	(71)	(2,892)	4,272	107	1,487
Cash outflow for purchase of securities	—	—	—	(3)	3	—
Cash outflow for payment of capital element of leases	50	—	50	(50)	—	—
Cash inflow from borrowings	(3)	—	(3)	3	—	—
Net cash flow from operating activities	—	—	—	27	—	27
Net cash flow from other investing activities (iii)	—	—	—	(509)	—	(509)
Cash outflow for share buyback programme	—	—	—	(14)	—	(14)
Cash outflow from other financing activities (iv)	—	—	—	(180)	—	(180)
Revaluation	24	(26)	(2)	—	1	(1)
Interest receivable on securities	—	—	—	—	1	1
Financing interest paid	56	36	92	(93)	—	(1)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(75)	(13)	(88)	—	—	(88)
New lease agreements and re-measurement of existing lease liabilities	(12)	—	(12)	—	—	(12)
Exchange adjustments	(2)	—	(2)	1	—	(1)
Group adjusted net (debt)/cash at 30 June 2026	**(2,783)**	**(74)**	**(2,857)**	**3,454**	**112**	**709**

				Other assets and liabilities		
	Current and non-current borrowings, leases and interest accruals £m	Derivatives £m	Gross debt £m	Cash and cash equivalents, net of bank overdrafts (i) £m	Current and non-current securities (ii) £m	Adjusted net cash/ (debt) £m
Group adjusted net (debt)/cash at 1 January 2025	(2,867)	(107)	(2,974)	5,693	139	2,858
Cash inflow from settlement of securities	—	—	—	40	(40)	—
Cash outflow for purchase of securities	—	—	—	(7)	7	—
Cash outflow for payment of capital element of leases	48	—	48	(48)	—	—
Cash inflow from borrowings	(7)	—	(7)	7	—	—
Net cash flow from operating activities	—	—	—	294	—	294
Net cash flow from other investing activities (iii)	—	—	—	(20)	—	(20)
Cash outflow for share buyback programme	—	—	—	(374)	—	(374)
Net cash flow from other financing activities (iv)	—	—	—	(153)	—	(153)
Revaluation	(29)	31	2	—	4	6
Financing interest paid	54	24	78	(80)	—	(2)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(76)	(19)	(95)	—	—	(95)
New lease agreements and re-measurement of existing lease liabilities	(12)	—	(12)	—	—	(12)
Exchange adjustments	46	—	46	(59)	2	(11)
Group adjusted net (debt)/cash at 30 June 2025	**(2,843)**	**(71)**	**(2,914)**	**5,293**	**112**	**2,491**

(i) Cash and cash equivalents includes £112 million (2025: £108 million) of restricted cash. This includes cash totalling £nil (2025: £2 million) within the Spirit Energy business that is not restricted by regulation but is managed by Spirit Energy's own treasury department. Cash and cash equivalents are net of £20 million bank overdrafts (2025: £85 million).

(ii) Securities includes £52 million (2025: £40 million) of other loans receivable measured at amortised cost, as well as £50 million (2025: £53 million) of other debt instruments and £10 million (2025: £19 million) of other equity instruments, both measured at fair value. See note 15.

(iii) Cash flow from other investing activities excludes cash outflow relating to the purchase of securities of £3 million (2025: £7 million), and cash inflow from the settlement of securities of £nil (2025: £40 million).

(iv) Cash outflow from other financing activities comprises £11 million of payments for own shares (2025: £3 million) and £169 million of equity dividend payments (2025: £150 million).

12. Sources of finance

(c) Borrowings, leases and interest accruals summary

	Coupon rate %	Principal m	30 June 2026 Current £m	30 June 2026 Non-current £m	30 June 2026 Total £m	31 December 2025 Current £m	31 December 2025 Non-current £m	31 December 2025 Total £m
Bank overdrafts			**(20)**	**—**	**(20)**	(35)	—	(35)
Bank loans (> 5 year maturity)			**—**	**(113)**	**(113)**	—	(114)	(114)
Other borrowings			**(7)**	**(53)**	**(60)**	(2)	(55)	(57)
Bonds (by maturity date):								
4 September 2026 (i)	6.400	£52	**(51)**	**—**	**(51)**	(51)	—	(51)
16 April 2027	5.900	US$70	**(53)**	**—**	**(53)**	—	(52)	(52)
13 March 2029 (i)	4.375	£552	**—**	**(514)**	**(514)**	—	(515)	(515)
5 January 2032 (ii)	Zero	€50	**—**	**(78)**	**(78)**	—	(77)	(77)
19 September 2033 (i)	7.000	£400	**—**	**(325)**	**(325)**	—	(328)	(328)
16 October 2043	5.375	US$367	**—**	**(273)**	**(273)**	—	(269)	(269)
12 September 2044 (i)	4.250	£550	**—**	**(525)**	**(525)**	—	(538)	(538)
25 September 2045	5.250	US$50	**—**	**(37)**	**(37)**	—	(37)	(37)
21 May 2055 (i) (iii)	6.500	£405	**—**	**(400)**	**(400)**	—	(407)	(407)
			(104)	**(2,152)**	**(2,256)**	(51)	(2,223)	(2,274)
Obligations under lease arrangements			**(89)**	**(206)**	**(295)**	(99)	(232)	(331)
Interest accruals			**(59)**	**—**	**(59)**	(45)	—	(45)
			(279)	**(2,524)**	**(2,803)**	(232)	(2,624)	(2,856)

(i) Bonds or portions of bonds maturing in 2026, 2029, 2033, 2044 and 2055 have been designated in a fair value hedge relationship.
(ii) €50 million of zero coupon notes have an accrual yield of 4.2%, which will result in a €114 million repayment on maturity.
(iii) The Group has the right to repay at par on 21 May 2030 and every interest payment date thereafter.

13. Post-retirement benefits

The Group manages a number of final salary and career average defined benefit pension schemes. It also has defined contribution schemes. The majority of these schemes are in the UK.

(a) Summary of main post-retirement benefit schemes

Name of scheme	Type of benefit	Status	Country
Centrica Engineers Pension Scheme	Defined benefit final salary pension	Closed to new members in 2006	UK
	Defined benefit career average pension	Closed to new members in 2022	UK
Centrica Pension Plan	Defined benefit final salary pension	Closed to new members in 2003	UK
Centrica Pension Scheme	Defined benefit final salary pension	Closed to new members in 2003	UK
	Defined benefit career average pension	Closed to new members in 2008	UK
Centrica Savings Plan	Defined contribution pension	Open to new members	UK
Centrica Leavers Savings Plan	Defined contribution pension	Deferred members only	UK
Bord Gáis Energy Company Defined Benefit Pension Scheme	Defined benefit final salary pension	Closed to new members in 2014	Republic of Ireland
Bord Gáis Energy Company Defined Contribution Pension Plan	Defined contribution pension	Open to new members	Republic of Ireland

The Centrica Engineers Pension Scheme (CEPS), Centrica Pension Plan (CPP) and Centrica Pension Scheme (CPS) form the significant majority of the Group's defined benefit obligation and are referred to below as the 'Registered Pension Schemes'. The other defined benefit schemes are individually, and in aggregate, immaterial.

Independent valuations

The Registered Pension Schemes are subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employer contributions, which together with the specified contributions payable by the employees and proceeds from the schemes' assets, are expected to be sufficient to fund the benefits payable under the schemes.

The latest full actuarial valuations agreed and finalised with the Pension Trustees were carried out at the following dates: the Registered Pension Schemes at 31 March 2024 and the Bord Gáis Energy Company Defined Benefit Pension Scheme at 1 January 2023. These valuations have been updated to 30 June 2026 for the purpose of meeting the requirements of IAS 19 (see section (c) of this note). Investments held in all schemes have been valued for this purpose at market value.

The technical provisions deficit (funding basis) for the Registered Pension Schemes was £504 million at the date of the last agreed actuarial valuation as at 31 March 2024. The Group committed to annual cash contributions to fund this pension deficit. The overall deficit contributions committed to, including the previously disclosed asset-backed contribution arrangements, totalled £175 million in 2024 (of which £99 million was after 31 March 2024), £146 million in 2025, £153 million in 2026 and £140 million in 2027; with a balancing payment of £44 million in 2028. During the period, £107 million of the above amount was paid to the schemes. Separately, a pension strain payment of £3 million associated with employee redundancies was also contributed the period (2025: £4 million). Outside of the above recovery plan, asset-backed contribution arrangements remain where additional cash contributions are contingent on whether individual schemes remain in deficit on a technical provision basis. The maximum possible contingent payment for 2027 is £32 million.

On a pure roll-forward basis, from March 2024, using the same methodology and consequent assumptions, the technical provisions deficit (funding basis) would be c.£300 million on 30 June 2026. Note that the valuation methodology and assumptions used for both the actuarial valuation as at 31 March 2024 and for future assessments may differ from those previously used.

The Registered Pension Schemes continue to hold £798 million of letters of credit/surety bonds as security at the period end.

Governance

The Registered Pension Schemes are managed by trustee companies whose boards consist of both company-nominated and member-nominated Directors. Each scheme holds units in the Centrica Combined Common Investment Fund (CCCIF), which holds the majority of the combined assets of the Registered Pension Schemes. The board of the CCCIF is currently comprised of six directors: two independent directors (including the Chair), two directors appointed by Centrica plc and two directors appointed by the three Registered Pension Schemes.

Under the terms of the Pensions Act 2004, Centrica plc and each trustee board must agree the funding rate for its defined benefit pension scheme and a recovery plan to fund any deficit against the scheme-specific statutory funding objective. This approach was first adopted for the triennial valuations completed at 31 March 2006, and has been reflected in subsequent valuations, including the 31 March 2024 valuation.

13. Post-retirement benefits

(b) Accounting assumptions

The accounting assumptions for the Registered Pension Schemes are given below:

Major assumptions used for the actuarial valuation	**30 June 2026 %**	31 December 2025 %
Rate of increase in employee earnings:		
Subject to 2% cap	**1.6**	1.5
Other not subject to cap	**2.7**	2.6
Rate of increase in pensions in payment	**3.0**	2.9
Rate of increase in deferred pensions:		
In line with CPI capped at 2.5%	**2.4**	2.3
In line with RPI	**2.9**	2.8
Discount rate	**5.9**	5.5

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date have been based on a combination of standard actuarial mortality tables, scheme experience and other relevant data, and include an allowance for future improvements in mortality.

For the Registered Pension Schemes, marginal adjustments to the assumptions used to calculate the pension liability, or significant swings in bond yields or stock markets, can have a large impact in absolute terms on the net assets of the Group. Reasonably possible changes as at 30 June to one of the actuarial assumptions would have affected the scheme liabilities as set out below:

Impact of changing material assumptions	**30 June 2026**		31 December 2025	
	Increase/ decrease in assumption	**Indicative effect on scheme liabilities (%)**	Increase/ decrease in assumption	Indicative effect on scheme liabilities (%)
Rate of increase in employee earnings subject to 2% cap	**0.25%**	**+/-0**	0.25%	+/-0
Rate of increase in pensions in payment and deferred pensions	**0.25%**	**+/-3**	0.25%	+/-3
Discount rate	**0.25%**	**-/+4**	0.25%	-/+4
Inflation assumption	**0.25%**	**+/-3**	0.25%	+/-3
Longevity assumption	**1 year**	**+/-2**	1 year	+/-2

The indicative effects on scheme liabilities have been calculated by changing each assumption in isolation and assessing the impact on the liabilities. For the reasonably possible change in the inflation assumption, it has been assumed that a change to the inflation assumption would lead to corresponding changes in the assumed rates of increase in uncapped pensionable pay, pensions in payment and deferred pensions.

(c) Amounts included in the Group Balance Sheet

	30 June 2026 £m	31 December 2025 £m
Fair value of plan assets	**5,513**	5,606
Present value of defined benefit obligation	**(5,765)**	(5,901)
Recognised in the Group Balance Sheet	**(252)**	(295)
Presented in the Group Balance Sheet as:		
Retirement benefit assets	**13**	12
Retirement benefit liabilities	**(265)**	(307)

The Trust Deed and Rules for the Registered Pension Schemes provide the Group with a right to a refund of surplus assets assuming the full settlement of scheme liabilities. The Trustees do not have the unilateral right to wind-up the schemes and cannot unilaterally enhance member benefits. The Group has not recognised any liability in relation to future contributions under its minimum funding agreement with the Trustees. No asset ceiling restrictions have been applied in the consolidated Financial Statements.

Included in the Group Balance Sheet within non-current securities are £60 million (31 December 2025: £59 million) of investments, held in trust on behalf of the Group as security in respect of the Centrica Unapproved Pension Scheme. Of the pension scheme liabilities above, £46 million (31 December 2025: £46 million) relates to this scheme.

14. Trade and other receivables and contract-related assets

Trade and other receivables include accrued income, and are amounts owed by our customers for goods we have delivered or services we have provided. These balances are presented net of expected credit losses. Other receivables include payments made in advance to our suppliers. Contract-related assets are balances arising as a result of the Group's contracts with customers in the scope of IFRS 15.

	30 June 2026		31 December 2025	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets:				
Trade receivables	4,512	58	3,951	57
Unbilled downstream energy income	504	—	870	—
Trading and energy procurement accrued income (i)	1,035	—	855	—
Other accrued income	77	—	83	—
Cash collateral posted	91	—	203	—
Other receivables (including contract assets) (ii)	115	53	149	62
	6,334	111	6,111	119
Less: provision for credit losses	(2,067)	—	(1,818)	—
	4,267	111	4,293	119
Non-financial assets: prepayments, other receivables and costs to obtain a contract with a customer (iii)	385	123	382	135
	4,652	234	4,675	254

(i) Trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, are settled in a short period of time and expected credit losses are not significant.

(ii) Other receivables includes amounts owed under public service obligation schemes in Ireland of £16 million (2025: £27 million).

(iii) Includes costs of £52 million (2025: £49 million) incurred to obtain contracts with customers in the Retail segment. Costs are amortised over the expected tenure of the customer contract.

The amounts above include gross amounts receivable arising from the Group's IFRS 15 contracts with customers of £4,546 million (31 December 2025: £3,899 million). Additionally, accrued income of £590 million (31 December 2025: £960 million) arising under IFRS 15 contracts is included.

Trade and other receivables include financial assets representing the contractual right to receive cash or other financial assets from residential customers, business customers and treasury, trading and energy procurement counterparties as follows:

	30 June 2026		31 December 2025	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets by business type:				
Residential customers	3,616	65	3,363	64
Business customers	1,399	33	1,474	55
Treasury, trading and energy procurement counterparties	1,319	13	1,274	—
	6,334	111	6,111	119
Less: provision for credit losses	(2,067)	—	(1,818)	—
	4,267	111	4,293	119

14. Trade and other receivables and contract related assets

Credit loss charge for trade and other receivables and contract assets

Receivables from residential and business customers are generally considered to be credit impaired when the payment is past the contractual due date. The Group applies different definitions of default for different groups of customers, ranging from sixty days past the due date to six to twelve months from the issuance of a final bill. Receivables are generally written off only once a period of time has elapsed since the final bill. Contractual due dates range from falling due upon receipt to falling due in thirty days from receipt.

The table below shows credit impaired balances in gross receivables (those that are past due) and those that are not yet due and therefore not considered to be credit impaired.

Gross trade and other receivables	**30 June 2026 £m**	31 December 2025 £m
Balances that are not past due	**3,239**	3,420
Balances that are past due (i)	**3,206**	2,810
	6,445	6,230

(i) The majority of balances that are past due relate to residential and business customers, ageing of these receivables is included in the credit risk tables in the sections below.

The IFRS 9 impairment model is applicable to the Group's financial assets including trade receivables, contract assets and other financial assets. As the majority of the relevant balances are trade receivables and contract assets to which the simplified model applies, this disclosure focuses on these balances.

The provision for credit losses for trade receivables and contract assets is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime. Expected credit losses on receivables due from treasury, trading and energy procurement counterparties are not significant. For residential and business customers default rates are calculated initially by considering historical loss experience and applied to trade receivables within a provision matrix. The matrix approach allows application of different default rates to different groups of customers with similar characteristics. These groups are determined by a number of factors including; the nature of the customer, the payment method selected and, where relevant, the sector in which they operate. The characteristics used to determine the groupings of receivables are the factors that have the greatest impact on the likelihood of default. The rate of default increases once the balance is thirty days past due.

Concentration of credit risk in trade and other receivables

Treasury, trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, and that risk is assessed primarily by reference to the credit ratings rather than to the ageing of the relevant balance.

The Group's posted cash collateral balance has decreased to £91 million at 30 June 2026 (31 December 2025: £203 million). Collateral counterparties typically have strong credit ratings and accordingly have low credit risk; the Group does not expect credit losses to arise on these balances.

The majority of the Group's credit exposure arises in the Retail segment and relates to residential and business energy customers. The credit risk associated with these customers is assessed as described above, using a combination of the age of the receivable in question, internal ratings based on a customer's payment history, and external data from credit rating agencies and wider macroeconomic information. The disclosures below reflect the information that is reported internally for credit risk management purposes in these segments.

14. Trade and other receivables and contract related assets

Retail energy customer credit risk

Of the Group total of £4,570 million (31 December 2025: £4,008 million) billed trade receivables, energy customers in the Retail reporting segment contribute £4,167 million (31 December 2025: £3,699 million). The Retail segment includes residential and business energy customers. As described above, credit risk is concentrated in receivables from energy customers who pay in arrears. Gross receivables from residential energy customers in the UK amount to £3,008 million (31 December 2025: £2,481 million) and from business energy customers in the UK amount to £1,002 million (31 December 2025: £990 million) and are analysed below. The Retail segment also includes residential and business energy customers in Ireland of £136 million (31 December 2025: £125 million), but these are not included in the analysis below.

Trade receivables due from residential energy customers as at (i)	30 June 2026					31 December 2025				
Days beyond invoice date (ii)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Direct debits (iii)										
Gross receivables	310	154	363	**827**		358	73	243	674	
Provision	—	(2)	(27)	**(29)**		—	(1)	(18)	(19)	
Net	310	152	336	**798**	**4%**	358	72	225	655	3%
Payment on receipt of bill (iii)										
Gross receivables	87	117	1,266	**1,470**		89	86	1,095	1,270	
Provision	(4)	(20)	(652)	**(676)**		(4)	(13)	(551)	(568)	
Net	83	97	614	**794**	**46%**	85	73	544	702	45%
Final bills (iv)										
Gross receivables	19	34	658	**711**		19	33	485	537	
Provision	(7)	(18)	(541)	**(566)**		(6)	(19)	(426)	(451)	
Net	12	16	117	**145**	**80%**	13	14	59	86	84%
Total net residential energy customers trade receivables	**405**	**265**	**1,067**	**1,737**	**42%**	456	159	828	1,443	42%

Trade receivables due from business customers as at	30 June 2026					31 December 2025				
Commercial and industrial (v)										
Gross receivables	23	2	9	**34**		21	6	19	46	
Provision	—	—	(7)	**(7)**		—	—	(10)	(10)	
Net	23	2	2	**27**	**21%**	21	6	9	36	22%
Medium-sized entities										
Gross receivables	29	11	123	**163**		40	9	123	172	
Provision	—	—	(85)	**(85)**		—	—	(78)	(78)	
Net	29	11	38	**78**	**52%**	40	9	45	94	45%
Small businesses										
Gross receivables	81	48	676	**805**		95	46	631	772	
Provision	(2)	(8)	(503)	**(513)**		(2)	(8)	(470)	(480)	
Net	79	40	173	**292**	**64%**	93	38	161	292	62%
Total net business energy customers trade receivables	**131**	**53**	**213**	**397**	**60%**	154	53	215	422	57%
Total retail energy customers trade receivables	**536**	**318**	**1,280**	**2,134**	**47%**	610	212	1,043	1,865	46%

(i) The receivables information presented in this table relates to downstream customers who pay energy bills using the methods presented. For residential energy customers, it excludes low residual credit risk amounts, such as balances in the process of recovery through pay-as-you-go energy (PAYGE) arrangements and amounts receivable from PAYGE energy vendors. Gross amounts in the process of recovery through PAYGE arrangements at 30 June 2026 are £101 million (31 December 2025: £103 million), against which a provision of £68 million is held (31 December 2025: £65 million).

(ii) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to residential energy customers. Amounts paid on receipt of a bill (PORB), which are settled using bank transfers, cash or cheques are typically due within fourteen days of invoicing. Direct debit customers typically pay in equal instalments over a twelve-month period. For business energy customers, there are a range of payment terms extension. Standard credit terms for small business customers are ten working days. Standard credit terms for medium-sized entity customers are ten working days. Credit terms for commercial and industrial customers are bespoke and are set based on the commercial agreement with each customer.

(iii) Receivables settled by direct debit are deemed to present a lower credit risk than PORB amounts. This is reflected in the relative level of provision held for these types of receivables.

(iv) Final bill customers are those who are no longer customers of the Group and have switched energy supplier. These balances are deemed to have the highest credit risk. At 30 June 2026, the Group has reclassified certain receivables >90 days due from property developers. If this had been done in prior year, final billed receivables >90 days would have been £28 million higher, transferred from unbilled customers.

(v) This category includes low credit risk receivables, including those from public sector and customers with high turnover (greater than £100 million).

14. Trade and other receivables and contract related assets

Sensitivity to changes in assumptions

Typically, the most significant assumption included within the expected credit loss provisioning model that gives rise to estimation uncertainty is that future performance will be reflective of past performance and that there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address this risk, the Group reviews and updates default rates, by group, on a regular basis to ensure they incorporate the most up to date assumptions along with forward-looking information where available and relevant. The Group also considers regulatory changes and customer segment specific factors that may have an impact, now or in the future, on the recoverability of the balance.

The specific consideration of forward-looking information in the impairment model does not usually give rise to significant changes in the levels of credit losses. Whilst interest rates and inflation have remained stable during the period, wholesale gas and electricity costs have increased due to geopolitical tensions and enforcement activity remains limited. There remains a level of estimation uncertainty inherent in determining credit loss provisions for the Group's trade receivables.

Where customers experience difficulties in settling balances, the increased ageing of these amounts results in an increase in provisions held in respect of them under the provision matrix approach employed. The Group has also considered changes in customer payment patterns, the specific circumstances of the customers and the economic impacts of the factors identified above, on the sectors in which they operate. A level of unpredictability remains apparent and customers are continuing to face cost of living challenges. The Group has considered macroeconomic forecasts and sensitivities, as well as disposable income analysis from a credit rating agency, to model and determine the level of provisions for credit losses.

During the period, the Group recognised credit losses net of recoveries of £283 million (2025: £231 million) in respect of financial assets, representing 2.8% of total Group revenue (2025: 2.3%) and 2.7% (2025: 1.9%) of total Group revenue from business performance. As described above, the majority of the Group's credit exposure arises in respect of receivables from energy customers in the Retail segment. Credit losses in respect of these assets amounted to £278 million (2025: £227 million). This represents 3.5% (2025: 2.8%) of total Retail revenue within the scope of IFRS 15 from these segments of £7,851 million (2025: £8,004 million). Further details of segmental revenue are provided in note 4.

Due to the different level of risks presented by billed and unbilled receivables, these asset groups are considered separately in the analysis below.

Billed trade receivables

	30 June 2026 £m	31 December 2025 £m
Trade receivables	**4,570**	4,008
Provision	**(2,032)**	(1,759)
Net balance	**2,538**	2,249

	30 June 2026 %	31 December 2025 %
Provision coverage	**44**	44
Sensitivity	**£m**	£m
Impact on billed receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage (i)	**(46)/46**	(40)/40

(i) Credit risk in the Group is impacted by a large number of interacting factors.

14. Trade and other receivables and contract related assets

Since 31 December 2025, overall debt and provision levels have continued to rise although provision coverage has remained consistent. The increase in overall debt is driven both by the portfolio of customers who pay on receipt of their bill and final billed customers, both of whom have aged energy debts accrued during the energy crisis who remain unable to pay off their debts. This impact has been partially mitigated by the upscaling of certain field activities, although warrant activity remains suspended, adversely affecting debt performance for affected cohorts of customers. The macroeconomic environment continues to remain challenging, particularly given geopolitical tensions arising during the period. Interest rates and inflation have remained stable but increases in both rates of unemployment and wholesale energy prices have created an uncertain outlook. The energy price cap is expected to increase in the second half of the year and whilst not immediately affecting debt balances at the period end, the Group remains cautious regarding the ability of the Group's customers to pay amounts due, particularly with regards to aged debt.

These factors result in the assessment and adequacy of credit provisions for trade and other receivables remaining uncertain. The Group utilises a range of factors, including both internal and external, historical and forward-looking, to assess the adequacy of the Group's credit provisions. The Group utilises a matrix output model to record provision coverage. Because the model does not capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic challenges as a result of geopolitical tensions, the Group recognises an additional macroeconomic provision to reflect the impact of such scenarios on amounts due. At 31 December 2025, the additional macroeconomic credit provision recognised by the Group was £14 million (31 December 2025: £11 million) across billed and unbilled debt and is included in the tables both above and below. This slight increase reflects the uncertainty relating to the impact of current geopolitical tensions and levels of unemployment, the impacts of which are not yet captured in the matrix output model. Management considers the impact of specific cohorts of customers when making this assessment, recognising the different credit terms and different risk profiles that exist. This assessment also utilises a range of factors, both internal and external, historical and forward-looking, and considers the sensitivities of these to help management estimate the likely recovery of debt. The table above and the unbilled section below provide details of the sensitivity of moving the debt provision by a further 1%.

The Group's services, infrastructure and trading operations are less susceptible to credit risk. No significant deterioration of credit risk has been experienced or is expected in the relevant segments in respect of billed trade receivables recognised at 30 June 2026, taking into account cash collection cycles in those areas of the Group and credit rating information.

The table below shows the IFRS 15 unbilled downstream energy income for the Group as a whole.

	30 June 2026 £m	31 December 2025 £m
Gross unbilled receivables	**504**	870
Provision	**(35)**	(59)
Net balance	**469**	811

	30 June 2026 %	31 December 2025 %
Provision coverage	**7**	7
Sensitivity	**£m**	£m
Impact on unbilled receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage (i)	**(5)/5**	(9)/9

(i) Credit risk in the Group is impacted by a large number of interacting factors.

Unbilled downstream energy income is typically provided for at a significantly lower rate than billed debt. This is because a large proportion of this debt once billed will be subject to the very short cash collection cycles of the Group's downstream energy supply businesses.

15. Financial instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group has documented internal policies for determining fair value including methodologies used to establish valuation adjustments required for credit risk.

(a) Fair value hierarchy

Financial assets and financial liabilities measured and held at fair value are classified into one of three categories, known as hierarchy levels, which are defined according to the inputs used to measure fair value as follows:

- Level 1: fair value is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities;
- Level 2: fair value is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data; and
- Level 3: fair value is determined using significant unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

	30 June 2026				31 December 2025			
	Level 1 £m	Level 2 £m	Level 3 £m	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Derivative financial instruments:								
Energy derivatives	—	847	123	**970**	—	718	80	798
Foreign exchange derivatives	—	94	—	**94**	—	78	—	78
Debt instruments	50	—	44	**94**	49	—	43	92
Equity instruments	10	—	50	**60**	10	—	49	59
Cash and cash equivalents	—	2,686	—	**2,686**	—	3,515	—	3,515
Total financial assets at fair value	**60**	**3,627**	**217**	**3,904**	59	4,311	172	4,542
Financial liabilities								
Derivative financial instruments:								
Energy derivatives	—	(956)	(113)	**(1,069)**	—	(679)	(140)	(819)
Interest rate derivatives	—	(112)	—	**(112)**	—	(95)	—	(95)
Foreign exchange derivatives	—	(80)	—	**(80)**	—	(122)	—	(122)
Contingent consideration payable	—	—	(115)	**(115)**	—	—	(109)	(109)
Total financial liabilities at fair value	**—**	**(1,148)**	**(228)**	**(1,376)**	—	(896)	(249)	(1,145)

The reconciliation of the Level 3 fair value measurements during the period is as follows:

	2026		2025	
	Financial assets £m	**Financial liabilities £m**	Financial assets £m	Financial liabilities £m
Level 3 financial instruments				
1 January	**172**	**(249)**	248	(231)
Total realised and unrealised gains/(losses):				
Recognised in Group Income Statement	**48**	**26**	38	(123)
Recognised in Other Comprehensive Income	**—**	**—**	2	—
Net movement in contingent consideration liability	**—**	**(6)**	—	(5)
Settlements	**(2)**	**2**	(33)	21
Transfers between Level 3 and Level 2 [(i)]	**(1)**	**1**	(8)	10
Foreign exchange movements	**—**	**(2)**	—	(1)
30 June	**217**	**(228)**	247	(329)
Total gains/(losses) for the period for Level 3 financial instruments held at the end of the reporting period	**48**	**26**	38	(123)

(i) Transfers between levels are deemed to occur at the beginning of the reporting period.

15. Financial instruments

(b) Valuation techniques used to derive Level 2 and Level 3 fair values and Group valuation process

Level 2 interest rate derivatives and foreign exchange derivatives comprise interest rate swaps and forward foreign exchange contracts. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. Forward foreign exchange contracts are fair valued using forward exchange rates that are quoted in an active market, with the resulting market value discounted back to present value using observable yield curves.

Level 2 energy derivatives are fair valued by comparing and discounting the difference between the expected contractual cash flows for the relevant commodities and the quoted prices for those commodities in an active market. The average discount rate applied to value this type of contract during the period was 4% per annum (31 December 2025 average discount rate of 4% per annum).

For Level 3 energy derivatives, the main input used by the Group pertains to deriving expected future commodity prices in markets that are not active as far into the future as some of the Group's contractual terms. This applies to certain contracts within Europe and North America. Fair values are then calculated by comparing and discounting the difference between the expected contractual cash flows and these derived future prices using an average discount rate of 4% (Europe) and 3% (North America) per annum (31 December 2025: average discount rate of 4% (Europe) and 3% (North America) per annum).

Active period of markets	Gas	Power	Emissions	Oil
UK (years)	**4**	**4**	**3**	**4**

Because the Level 3 energy derivative valuations involve the prediction of future commodity market prices, sometimes a long way into the future, reasonably possible alternative assumptions for gas, power, emissions or oil prices may result in a higher or lower fair value for Level 3 financial instruments. Other than commodity prices, there are no other unobservable inputs which would have a material impact.

It should be noted that the fair values disclosed in the tables above only concern those contracts entered into that are within the scope of IFRS 9. The Group has numerous other commodity contracts that are outside of the scope of IFRS 9 and are not fair valued. The Group's actual exposure to market rates is constantly changing as the Group's portfolio of energy contracts changes.

The Group's valuation process includes specific teams of individuals that perform valuations of the Group's derivatives for financial reporting purposes, including Level 3 valuations. The Group has an independent team that derives future commodity price curves based on available external data and these prices feed into the energy derivative valuations, subject to adjustments, to ensure they are compliant with IFRS 13 'Fair Value Measurement'. The price curves are subject to review and approval by the Group's Executive Committee and valuations of all derivatives, together with other contracts that are not within the scope of IFRS 9, are also reviewed regularly as part of the overall risk management process. The Group adjusts the market value of derivative instruments to account for counterparty credit risk and corresponding possibility of a counterparty default preventing full realisation of the risk-free market value of the derivative. The Group estimates Credit Valuation Adjustments by computing an expected evolution of the market value of a counterpart's derivatives portfolio over the life of the contracts weighted by the probability of a default and an assumption of the market value recoverable in the event of a default. The default probability is calibrated to the price of Credit Default Swaps – a debt instrument reflecting the insurance premium payable to protect against a debtor's default. Debit Valuation Adjustments are the amount added back to the derivative value to account for the expected gain from the Group's own default and are calculated using a similar methodology with reference to the Group's own probability of default.

Where the fair value at initial recognition for contracts which have significant unobservable inputs and the fair value differs from the transaction price, a day-one gain or loss will arise. These deferred gains or losses are presented net against respective derivative assets and derivative liabilities. Such gains and losses are deferred and amortised to the Group Income Statement based on volumes purchased or delivered over the contractual period until such time as observable market data becomes available. The amount that has yet to be recognised in the Group Income Statement relating to the differences between the transaction prices and the amounts that would have arisen had valuation techniques used for subsequent measurement been applied at initial recognition, less subsequent releases, is as follows:

Day-one gains deferred	2026 £m	2025 £m
1 January	**58**	110
Net gains/(losses) deferred on transactions in the period	**12**	(5)
Net amounts recognised in Group Income Statement	**(11)**	(19)
Exchange differences	**(1)**	1
30 June	**58**	87

Level 3 debt and equity financial instruments are measured at fair value in accordance with IFRS 13. These fair value measurements reflect the assumptions that market participants would use when pricing the asset based on an exit price concept. The fair value of investments in debt securities is determined using discounted cash flow techniques. The discount rates are derived from market observable interest rates adjusted by a credit spread applicable to the particular instrument. Unlisted equity instruments are valued using an income approach. The estimated future cash flows, usually based on management forecasts of future economic benefits to be derived from the ownership of these investees, are discounted using rates appropriate to the specific investment, business sector or recent economic rates of return. Recent transactions involving the sale of similar businesses may sometimes be used as a frame of reference in deriving an appropriate multiple.

15. Financial instruments

(c) Fair value of financial assets and liabilities held at amortised cost

The carrying value of the Group's financial assets and liabilities measured at amortised cost are approximately equal to their fair value except as listed below:

			30 June 2026			31 December 2025		
		Notes	**Carrying value**	**Fair value**	**Fair value hierarchy**	Carrying value	Fair value	Fair value hierarchy
			£m	**£m**		£m	£m	
Bonds	Level 1	12	**(2,178)**	**(2,210)**	**Level 1**	(2,197)	(2,240)	Level 1
	Level 2	12	**(78)**	**(85)**	**Level 2**	(77)	(86)	Level 2

Bank borrowings
The fair values of bonds classified as Level 1 within the fair value hierarchy are calculated using quoted market prices. The fair values of Level 2 bonds have been determined by discounting cash flows with reference to relevant market rates of interest. The fair values of overdrafts and bank loans are assumed to materially equal their carrying values.

Other financial instruments
Due to their nature and/or short-term maturity, the fair values of trade and other receivables, cash and cash equivalents, trade and other payables, other borrowings and securities held at amortised cost are assumed to materially equal their carrying values.

16. Provisions for other liabilities

Provisions are recognised when an obligation exists that can be reliably measured, but where there is uncertainty over the timing and/or amount of the payment. The main provisions relate to decommissioning costs for Infrastructure assets we own, or have owned, which require restoration or remediation, along with onerous supply contracts. Further provisions relate to restructuring costs, and legal and regulatory matters.

	1 January 2026 £m	Charged in the period £m	Unused and reversed in the period £m	Utilised £m	Revisions and additions £m	Transfers (v) £m	Exchange adjustments £m	30 June 2026 £m
Current								
Restructuring costs	(16)	(18)	1	8	—	(1)	—	**(26)**
Decommissioning costs (i) (ii)	(157)	—	—	59	—	(71)	2	**(167)**
Onerous contracts provision (iii)	(34)	(2)	5	14	—	(2)	—	**(19)**
Other (iv)	(111)	(19)	16	37	—	(8)	—	**(85)**
Total	**(318)**	**(39)**	**22**	**118**	**—**	**(82)**	**2**	**(297)**

	1 January 2026 £m	Acquisitions and disposals £m	Charged in the period £m	Notional interest £m	Unused and reversed in the period £m	Revisions and additions £m	Transfers (v) £m	Exchange adjustments £m	30 June 2026 £m
Non-current									
Restructuring costs	(2)	—	—	—	—	—	1	—	**(1)**
Decommissioning costs (i) (ii)	(1,145)	(8)	(7)	(12)	—	(3)	71	1	**(1,103)**
Onerous contracts provision (iii)	(41)	—	(29)	—	20	—	2	(1)	**(49)**
Other (iv)	(83)	—	—	—	2	(1)	8	—	**(74)**
Total	**(1,271)**	**(8)**	**(36)**	**(12)**	**22**	**(4)**	**82**	**—**	**(1,227)**

Included within the above liabilities are the following financial liabilities:

	30 June 2026		31 December 2025	
	Current £m	**Non-current £m**	Current £m	Non-current £m
Restructuring costs	**(26)**	**(1)**	(16)	(2)
Provisions other than restructuring costs	**(90)**	**(104)**	(134)	(104)
	(116)	**(105)**	(150)	(106)

Maturity profile of decommissioning provisions

30 June	2026 £m
2026-2030	**(762)**
2031-2035	**(482)**
2036-2040	**(12)**
2041-2045	**(8)**
2046-2050	**(1)**
2051-2055	**(3)**
2056-2060	**(1)**
2061 or later	**(1)**
	(1,270)

(i) Provision has been made for the estimated net present cost of decommissioning gas production facilities at the end of their useful lives. The estimate has been based on 2P reserves, price levels and technology at the balance sheet date. The payment dates of decommissioning costs are dependent on the lives of the facilities, but utilisation of the provision is expected to occur until the 2060s. The maturity profile of total decommissioning provisions is analysed above. The rate used to discount decommissioning provisions is 2% (31 December 2025: 2%). See note 3.

(ii) Included in the provision balance as at 30 June 2026 is £924 million (31 December 2025: £961 million) held in Spirit Energy, £319 million (31 December 2025: £321 million) in relation to the Rough field, and £27million (31 December 2025: £20 million) in the remainder of the business.

(iii) The onerous contracts provision includes a charge of £(29) million (2025: £(31) million), reversal of £18 million (2025: £nil) and utilisation of £8 million (2025: £63 million) relating to movements in onerous LNG contract provisions. See note 6.

(iv) Other provisions have been made for dilapidations, insurance, legal, warranty, regulatory and various other claims. During the period, £20 million of the current other provisions balance has been utilised in relation to the conclusion of Ofgem's investigation into British Gas's legacy arrangements for the installation of prepayment meters under warrant. Utilisation of the non-current other provisions balance is expected to occur by the early 2030s.

(v) Transfers relate to amounts transferred between current and non-current provisions.

17. Commitments and contingencies

(a) Commitments

Commitments are not held on the Group's Balance Sheet as these are executory arrangements, and relate to amounts that we are contractually required to pay in the future as long as the other party meets its contractual obligations.

The Group's commitments primarily relate to the acquisition of property, plant and equipment and intangible assets, commodity purchase contracts, and contracts for LNG, transportation and other capacity.

Commodity purchase contract commitments have decreased by £4 billion since 31 December 2025 to £32 billion.

There have been no significant changes to other commitments during the period.

(b) Contingent liabilities

The Group has no material contingent liabilities (31 December 2025: £nil).

18. Events after the balance sheet date

The Group updates disclosures in light of new information being received, or a significant event occurring, in the period between 30 June 2026 and the date of this report.

On 22 July 2026 the Directors approved an interim dividend of 2.00 pence per share. See note 10.

On 22 July 2026, EDF announced the Hartlepool and Heysham 1 nuclear power stations would continue generating until March 2030, a life extension of two years for both stations. The impact on the valuation (recoverable amount) of the Group's investment in the Nuclear associate, based on June month-end commodity prices, would be an increase of c.£40 million.

19. Related Party Transactions

The Group's principal related parties mainly arise from its investments in joint ventures and associates, and other related entities. The disclosures below, including comparatives, only refer to related parties that were related in the current reporting period, and from the date the party was deemed to be related.

During the period, the Group entered into the following arm's length transactions with related parties who are not members of the Group, and had the following associated balances:

	2026				2025			
	Purchase of goods and services (i) £m	Sale of goods and services (i) £m	Amounts owed to (ii) £m	Amounts owed by (ii) £m	Purchase of goods and services (i) £m	Sale of goods and services (i) £m	Amounts owed to (iii) £m	Amounts owed by (iii) £m
Associates:								
Lake (iv)	(242)	—	(24)	—	(298)	—	(46)	—
Sizewell C (v)	—	—	—	398	—	—	—	343
Other	—	9	—	2	—	—	—	—
Joint ventures:								
Grain LNG (vi)	(18)	—	(3)	—	—	—	(3)	—
	(260)	9	(27)	400	(298)	—	(49)	343

(i) Six months ended 30 June.
(ii) As at 30 June.
(iii) As at 31 December.
(iv) Purchase of goods and services, and amounts owed to, relate to power purchase agreements with EDF Energy Nuclear Generation Limited, a subsidiary of Lake Acquisitions Limited. The Group has also committed facilities to the Lake Acquisitions Limited Group totalling £40 million (31 December 2025: £40 million), although nothing has been drawn at 30 June 2026 (31 December 2025: £nil).
(v) Amounts owed by Sizewell C (Holding) Limited relate to shareholder loans outstanding at the balance sheet date, including £16 million (31 December 2025: £5 million) of interest accrued. The Group has committed to invest a further £859 million, comprising £773 million of shareholder loans and £86 million of equity injections. Loans made to Sizewell C (Holding) Limited bear interest at 9% and are treated as part of the Group's investment in the associate.
(vi) Purchase of goods and services, and amounts owed to, relate to payments for LNG capacity at the Grain LNG terminal. These transactions are conducted with a subsidiary of Garden Topco Limited, Grain LNG Limited. At the balance sheet date the Group has £213 million (31 December 2025: £243 million) of contracted LNG capacity commitments to Grain LNG Limited.

During the period, there were no material changes to commitments in relation to joint ventures and associates.

20. Financial risk management

The Group's normal operating, investing and financing activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk, and interest rate risk), credit risk and liquidity risk. These condensed interim Financial Statements do not include all financial risk management information and disclosures included in note S3 of the Group's consolidated Financial Statements for the year ended 31 December 2025.

Risk management is fundamental to the way the Group is governed and managed. The system of risk management and internal control is designed to support delivery of the Group's strategy, maintain resilience and protect long-term value, and is set out in the 2025 Annual Report and Accounts.

Risk areas prioritised for leadership attention related to:

- Ineffective allocation and/or deployment of capital, resources or transformational change initiatives;
- Exposure to counterparty, customer or third-party default, or a credit event, limiting the availability of financial facilities or unsecured credit lines;
- Financial loss arising from volatility in energy prices, interest rates and foreign exchange rates;
- Adverse or unseasonal weather conditions leading to unexpected changes in energy demand, commodity prices or asset performance;
- Political or regulatory intervention or potential changes, or failure to comply with laws and regulations;
- Failure to understand and respond to changing customer needs and demands;
- Failure to attract, develop and retain the skills, leadership capability and culture required to deliver strategic priorities and transformation objectives;
- Unfavourable market, regulatory and policy changes driven by climate change;
- Risks to the health and safety of employees, contractors, customers or third parties;
- A successful cyber-attack on the Group's systems, or inability to withstand and recover from a failure of business-critical systems; and
- Impaired structural or asset integrity, resulting from any failure in design, maintenance, inspection or operation.

Financial Risk Management

Financial risks are assessed at a Business Unit (BU) level to determine the impact and likelihood. During the BU and Group level risk reviews, the adequacy of mitigating actions are considered in comparison to the Group risk appetite. All Group Principal Risks including financial risks as updated by the Centrica Leadership Team are presented to the Audit and Risk Committee for review.

The main areas of financial risk and their respective management include:

(i) Market price risk is the risk of financial loss, both in terms of short-term profitability and long-term asset valuations, due to trends and volatilities in commodity prices. Price risk management is governed by Business Unit hedging or trading policies as approved by the CEO in the Group Hedging Policy Committee. This Committee regularly reviews and calibrates risk limits to its risk appetite taking market conditions into consideration. Monitoring and reporting of key risk metrics allow for prompt remedial action should exposures fall outside of the policy mandated limits.

(ii) Credit risk is our exposure to counterparty, customer or third-party default or to a credit event that limits the availability of financial facilities or unsecured credit lines and results in financial losses:

- Wholesale credit risks associated with commodity trading and treasury positions, and credit exposures relating to Industrial & Commercial customers, are managed in accordance with the Group's Credit Risk Policies, as approved by the Group CFO. The rating thresholds for counterparty credit limits are regularly reviewed and updated, based on a consistent set of principles; the trade-off between credit and liquidity risks is actively managed and a dynamic watchlist is maintained to monitor counterparties facing financial or operational stress, enabling early intervention, informed provisioning and strategic decision-making.
- Credit exposure relating to residential customers is managed in accordance with the Group's Debt Management and Energy Theft Policy, as approved by the Centrica Home Customer Operations Director. Residential customer credit risk exposure is managed through active engagement and support for customers repaying debt, including tailored assistance for vulnerable customers, and continuing development and enhancement of customer debt management capabilities.

(iii) Treasury risk, including management of currency risk, interest rate risk and liquidity risk which arise from exposure to events which consume available Group liquidity resources or from variances in interest rates and exchange rates. Management of these risks is carried out by the Group Treasury function in accordance with the Group's Financing and Treasury policy, as approved by the Board.

Liquidity risk management and going concern

The Group has a number of treasury and risk policies to monitor and manage liquidity risk. Cash forecasts identifying the Group's liquidity requirements are produced regularly and are stress tested for different scenarios, including, but not limited to, reasonably possible increases or decreases in commodity prices and the potential cash implications of a credit rating downgrade. The Group seeks to ensure that sufficient financial headroom exists for at least a twelve-month period to safeguard the Group's ability to continue as a going concern.

It is the Group's policy to maintain committed facilities of at least £1,500 million, raise at least 50% of its gross debt (excluding non-recourse debt) in the capital market and to maintain an average term to maturity in the recourse long-term debt portfolio greater than five years.

20. Financial risk management

At 30 June 2026 the Group had undrawn committed credit facilities of £3,446 million (31 December 2025: £3,066 million) and £3,342 million (31 December 2025: £4,161 million) of unrestricted cash and cash equivalents, net of outstanding overdrafts. 81% (31 December 2025: 80%) of the Group's gross debt has been raised in the long-term debt market and the average term to maturity of the long-term debt portfolio was 9.3 years (31 December 2025: 9.8 years). The Group's liquidity is impacted by the cash posted or received under margin and collateral agreements. The terms and conditions of these agreements depend on the counterparty and the specific details of the transaction. Margin/collateral is generally posted or received to support energy trading and procurement activities. It is posted when contracts with marginable counterparties are out of the money and received when contracts are in the money. Cash is generally returned to the Group or by the Group within two days of trade settlement. At 30 June 2026 the collateral position was as follows:

	30 June 2026 £m	31 December 2025 £m
Collateral (received)/posted included within:		
Trade and other payables	**(80)**	(81)
Trade and other receivables	**91**	203
Collateral (received)/posted extinguishing:		
Net derivative assets (i)	**(73)**	(61)
Net collateral (received)/posted (ii)	**(62)**	61

(i) Variation margin on daily settled derivatives results in the extinguishment of the net derivative asset/liability. These contracts remain outstanding until a future delivery date, and therefore the cumulative daily settlement is considered collateral until that fulfilment date.

(ii) Movements during the period of net collateral (received)/posted include an exchange adjustment credit of £3 million (30 June 2025: £5 million).

21. Seasonality of operations

Certain activities of the Group are affected by weather and temperature conditions. As a result of this, amounts reported for the six-month period ended 30 June 2026 may not be indicative of the amounts that would be reported for a full year due to seasonal fluctuations in customer demand for gas, electricity and services, the impact of weather on demand and commodity prices, and market changes in commodity prices and retail tariffs.

Customer demand for gas in the UK and the Republic of Ireland is driven primarily by heating load and is generally higher in the winter than in the summer, and higher from January to June than from July to December. Customer demand for electricity in the UK and the Republic of Ireland generally follows a similar pattern to gas, but is more stable.

Customer demand for home services in the UK is generally higher in the winter than it is in the summer, and higher in the earlier part of the winter as that is typically when heating systems tend to break down most, so that customer demand from July to December is higher than from January to June.

Gas production volumes are generally higher in the winter when gas prices are higher. Gas production volumes are generally higher from January to June than they are from July to December as outages are generally planned for the summer months when gas demand and prices are at their lowest.

The impact of seasonality on customer demand and wholesale prices has a direct effect on the Group's financial performance and cash flows.

Explanatory Notes

Definitions and reconciliation of adjusted performance measures

Centrica's 2026 Interim Results include a number of non-GAAP measures. These measures are chosen as they provide additional useful information on business performance and underlying trends. They are also used to measure the Group's performance against its strategic financial framework. They are not however, defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. Where possible they have been reconciled to the statutory equivalents from the primary statements (Group Income Statement ('I/S'), Group Balance Sheet ('B/S'), Group Cash Flow Statement ('C/F')) or the notes to the Financial Statements.

Adjusted revenue, adjusted gross margin, adjusted operating profit, adjusted EBITDA and adjusted earnings have been defined and reconciled separately in notes 3, 4 and 9 to the Financial Statements where further explanation of the measures is given. Additional performance measures are used within these Financial Statements to help explain the performance of the Group and these are defined and reconciled below. Further information has been provided to help readers when reconciling between different parts of the consolidated Group Financial Statements, and when reconciling cash flow measures to the Group Cash Flow Statement.

Free cash flow

Free cash flow is used by management to assess the cash-generating performance of the business after taking account of the need to maintain its capital asset base. Free cash flow is defined as net cash flow from operating and investing activities before:

- Deficit reduction payments made to the UK defined benefit pension schemes;
- Movements in variation margin and collateral;
- Interest received; and
- Sale, settlement and purchase of securities.

By excluding deficit reduction payments and movements in variation margin and collateral, which are predominantly triggered by wider market factors and, in the case of collateral and margin movements, represent timing differences, free cash flow gives a measure of the underlying performance of the Group.

Interest received and cash flows from the sale, settlement and purchase of securities are excluded from free cash flow as these items are included in the Group's adjusted net cash/(debt) measure and are therefore viewed by the Directors as related to the manner in which the Group finances its operations.

The below table shows the reconciliation between net cash flow from operating and investing activities to Group total free cash flow:

Six months ended 30 June	Notes	**2026 £m**	2025 £m
Net cash flow from operating activities	C/F	**27**	294
Net cash flow from investing activities	C/F	**(512)**	13
Total cash flow from operating and investing activities		**(485)**	307
Reconciling items:			
UK pension deficit payments	13	**111**	77
Movements in variation margin and collateral	20	**(126)**	22
Interest received	C/F	**(73)**	(129)
Settlement of securities	C/F	**—**	(40)
Purchase of securities	C/F	**3**	7
Group total free cash flow		**(570)**	244

Definitions and reconciliation of adjusted performance measures

The below table shows how adjusted EBITDA reconciles to net cash flow from operating activities, adjusted operating cash flow, and free cash flow:

Six months ended 30 June	Notes	2026 £m	2025 £m
Group total adjusted EBITDA		**737**	900
Share of EBITDA relating to joint ventures and associates	5	**(183)**	(178)
Group total adjusted EBITDA excluding share of EBITDA from joint ventures and associates		**554**	722
Group operating profit/(loss), including results relating to joint ventures and associates, from exceptional items and certain re-measurements	I/S	**213**	(618)
(Write-backs)/impairments included in exceptional items	6	**(71)**	203
Gain on disposals	C/F	**(19)**	—
Decrease in provisions	C/F	**(87)**	(106)
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	**(102)**	(83)
Employee share scheme costs	C/F	**28**	28
Unrealised losses arising from re-measurement of energy contracts	C/F	**39**	468
Net movement in working capital	C/F	**(412)**	(106)
Taxes paid	C/F	**(108)**	(201)
Operating interest paid	C/F	**(8)**	(10)
Payments relating to exceptional charges in operating profit	C/F	**—**	(3)
Net cash flow from operating activities		**27**	294
Dividends received from joint ventures and associates	C/F	**40**	95
UK pension deficit payments	13	**111**	77
Movements in variation margin and collateral	20	**(126)**	22
Group total adjusted operating cash flow		**52**	488
Purchase of businesses and assets, net of cash acquired	C/F	**(367)**	(6)
Sale of businesses	C/F	**76**	—
Purchase of property, plant and equipment and intangible assets	C/F	**(276)**	(230)
Investments in joint ventures and associates	C/F	**(43)**	(3)
Net purchase of other investments	C/F	**(12)**	(5)
Group total free cash flow		**(570)**	244

The below table shows the reconciliation from net movement in working capital to adjusted net movement in working capital:

Six months ended 30 June	Notes	2026 £m	2025 £m
(Increase)/decrease in inventories	C/F	**(60)**	441
Decrease in trade and other receivables and contract-related assets relating to business performance	C/F	**21**	622
Decrease in trade and other payables and contract-related liabilities relating to business performance	C/F	**(373)**	(1,169)
Net movement in working capital		**(412)**	(106)
(Deduct)/add back movements in collateral included within working capital	20	**(111)**	112
Other reconciling items:			
Decrease in provisions related to business performance, excluding payments related to decommissioning provisions (i)		**(31)**	(36)
Unrealised losses/(gains) arising from re-measurement of energy contracts relating to business performance		**172**	(74)
Operating interest paid	C/F	**(8)**	(10)
Other (ii)		**15**	17
Adjusted net movement in working capital		**(375)**	(97)

(i) Decrease in provisions related to business performance excludes payments related to decommissioning provisions of £59 million (2025: £28 million).

(ii) Other includes employee share scheme costs of £28 million (2025: £28 million), gain on disposals £(19) million (2025: £nil) and cash contributions to defined benefit schemes in excess of service cost income statement charge of £(102) million (2025: £(83) million), excluding the impact of pension benefit payments of £111 million (2025: £77 million).

Definitions and reconciliation of adjusted performance measures

Group net investment

With a focus on cash generation, capital discipline and managing net cash/debt, Group net investment provides a measure of the Group's capital expenditure from a cash perspective and allows the Group's capital discipline to be assessed.

Six months ended 30 June	Notes	2026 £m	2025 £m
Capital expenditure (including small acquisitions) (i)		698	244
Net disposals (ii)		(76)	–
Group net investment		**622**	**244**
Dividends received from joint ventures and associates	C/F	(40)	(95)
Interest received	C/F	(73)	(129)
Settlement of securities	C/F	–	(40)
Purchase of securities	C/F	3	7
Net cash flow from investing activities	C/F	**512**	**(13)**

(i) Capital expenditure is the net cash flow on capital expenditure, purchases of businesses, assets and other investments, and investments in joint ventures and associates. See table (a).

(ii) Net disposals is the net cash flow from sales of businesses, property, plant and equipment and intangible assets. See table (b).

Group net investment is capital expenditure including acquisitions less net disposals. It excludes cash flows from investing activities not associated with capital expenditure as detailed in the table above.

(a) Capital expenditure (including small acquisitions)

Six months ended 30 June	Notes	2026 £m	2025 £m
Purchase of property, plant and equipment and intangible assets	C/F	276	230
Purchase of businesses and assets, net of cash acquired	C/F	367	6
Investments in joint ventures and associates	C/F	43	3
Net purchase of other investments	C/F	12	5
Capital expenditure		**698**	**244**

(b) Net disposals

Six months ended 30 June	Notes	2026 £m	2025 £m
Sale of businesses	C/F	(76)	–
Net disposals		**(76)**	**–**

Definitions and reconciliation of adjusted performance measures

The following tables provide additional information to help readers when reconciling between different parts of the consolidated Group Financial Statements and the Group Cash Flow Statement.

Reconciliation from free cash flow to change in adjusted net cash

Six months ended 30 June	Notes	2026 £m	2025 £m
Group total free cash flow		**(570)**	244
Financing interest paid	C/F	**(93)**	(80)
Interest received	C/F	**73**	129
UK pension deficit payments	13	**(111)**	(77)
Payments for own shares	C/F	**(11)**	(3)
Share buyback programme	C/F	**(14)**	(374)
Equity dividends paid	C/F	**(169)**	(150)
Movements in variation margin and collateral	20	**126**	(22)
Cash flows affecting adjusted net cash		**(769)**	(333)
Non-cash movements in adjusted net cash		**(9)**	(34)
Change in adjusted net cash		**(778)**	(367)
Opening adjusted net cash	12	**1,487**	2,858
Closing adjusted net cash	12	**709**	2,491

Reconciliation of adjusted net cash to net cash

Adjusted net cash is a business performance measure used by management to assess the underlying indebtedness of the business.

Six months ended 30 June	Notes	2026 £m	2025 £m
Adjusted net cash	12	**709**	2,491
Less: current and non-current securities	12	**(112)**	(112)
Unadjusted net cash		**597**	2,379

Depreciation, amortisation and impairments

Six months ended 30 June	Notes	2026 £m	2025 £m
Movement from depreciation, amortisation, write-backs and impairments, from exceptional items included in the Group Cash Flow Statement	6	**(71)**	203
Comprised of:			
(Write-back)/impairment of power assets	6	**(38)**	125
(Write-back)/impairment of gas field assets	6	**(33)**	78
Movement from depreciation and amortisation, from business performance included in the Group Cash Flow Statement		**139**	265
Comprised of:			
Business performance property, plant and equipment depreciation	4	**92**	212
Business performance property, plant and equipment impairments	4	**13**	8
Business performance intangibles amortisation	4	**34**	42
Business performance intangibles impairments	4	**—**	3
Movement from depreciation, amortisation and impairments included in the Group Cash Flow Statement		**68**	468

Definitions and reconciliation of adjusted performance measures

Reconciliation of receivables and payables to Group Cash Flow Statement

Six months ended 30 June	Notes	2026 £m	2025 £m
Receivables opening balance	B/S	**4,929**	5,383
Less: receivables closing balance	B/S	**(4,886)**	(4,786)
Payables (including insurance contract liabilities) opening balance	B/S	**(5,841)**	(6,742)
Less: payables (including insurance contract liabilities) closing balance	B/S	**5,732**	6,005
Net movement in receivables and payables		**(66)**	(140)
Non-cash changes, and other reconciling items:			
Movement in share buyback liability		**14**	(75)
Accrued distributions to non-controlling interest		**(30)**	—
Business acquisitions and disposals (including transfers to disposal groups held for sale)		**(17)**	27
Movement in capital creditors		**15**	(31)
Movement in ROCs and emission certificate intangible assets		**(254)**	(314)
Other movements (including foreign exchange movements)		**(14)**	(14)
Non-cash changes, and other reconciling items		**(286)**	(407)
Movement in trade and other receivables, trade and other payables and contract-related assets/liabilities relating to business performance	C/F	**(352)**	(547)

Pensions

Six months ended 30 June	Notes	2026 £m	2025 £m
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	**(102)**	(83)
Ordinary employer contributions		**(10)**	(18)
UK pension deficit payments		**(111)**	(77)
Contributions by employer in respect of employee salary sacrifice arrangements		**(7)**	(10)
Total current service cost, including salary sacrifice		**18**	18
Past service cost		**—**	3
Termination cost		**8**	1

Disclosures

Disclaimers

This announcement does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Centrica shares or other securities. This announcement contains certain forward-looking statements. Forward-looking statements can be identified by the use of terms such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'forecasts', 'may', 'could', 'should', 'will', 'continue' and other similar expressions of future performance and results including any of their negatives words. Forward-looking statements appear in a number of places throughout this announcement and include statements, forecasts and projections that reflect the current intentions, beliefs or expectations of the Directors, of the Company and/or the Group concerning, among other things, the financial condition, goals and commitments, prospects, growth, strategies, results, operations and businesses of Centrica.

Although we make such statements based on assumptions that we believe to be reasonable, by their nature, these forward-looking statements are subject to risk and uncertainties because they relate to, and may be impacted by, events and circumstances that will occur in the future which are beyond Centrica's ability to control or estimate precisely. There can be no assurance that Centrica's actual future results, financial condition, performance, operations and businesses will not differ materially from those express or implied in the forward-looking statements due to a variety of factors, including, but not limited to, those set out in this announcement and the 'Our Principal Risks and Uncertainties' section of the Strategic Report in our Annual Report and Accounts. Other factors could also have an adverse effect on our business performance and results. Readers are cautioned that these forward-looking statements are not guarantees or predictions of Centrica's future performance and undue reliance should not be placed on them when making investment decisions.

At any time subsequent to the publication of this announcement, neither Centrica nor any other person assumes responsibility for the accuracy and completeness or undertakes any obligation, to update or revise any of these forward-looking statements to reflect any new information or any changes in events, conditions or circumstances on which any such forward-looking statement is based save in respect of any requirement under applicable law or regulation.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

When considering the information contained in, or referred to in this announcement, please note that profit and inventory from Rough operations are reported under Centrica Energy Storage Limited for presentational purposes only. Centrica Energy Storage Limited does not produce, supply or trade gas, except to the extent necessary for the efficient operation of the storage facility. In accordance with the Gas Act 1986, such production, supply and trading of gas is carried out wholly independently of Centrica Energy Storage Limited by other Centrica group companies.

Certain figures shown in this announcement were rounded in accordance with standard business rounding principles and therefore there may be discrepancies.

All adjusted figures are before exceptional items and certain re-measurements. Adjusted operating profit includes share of joint ventures and associates after interest and taxation. A reconciliation of different operating profit measures is provided in the Group Financial Review.

For further information

Centrica will hold its 2026 Interim Results presentation for analysts and institutional investors at 09.30am (UK) on Thursday 23 July 2026. There will be a live audio webcast of the presentation and slides. Please register to view the webcast at:

https://secure.emincote.com/clients/centrica/results/2026-interim-results

An archived webcast and full transcript of the presentation and question and answer session will be available on the Centrica website thereafter.

Enquiries

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Financial calendar

Ex-dividend date for 2026 interim dividend	Thursday 20 August 2026
Record date for 2026 interim dividend	Friday 21 August 2026
Payment of 2026 interim dividend	Tuesday 22 September 2026

For more information on Centrica's financial calendar please visit: https://www.centrica.com/investors/financial-calendar/

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