

2026 Half Year Results

30 July 2026

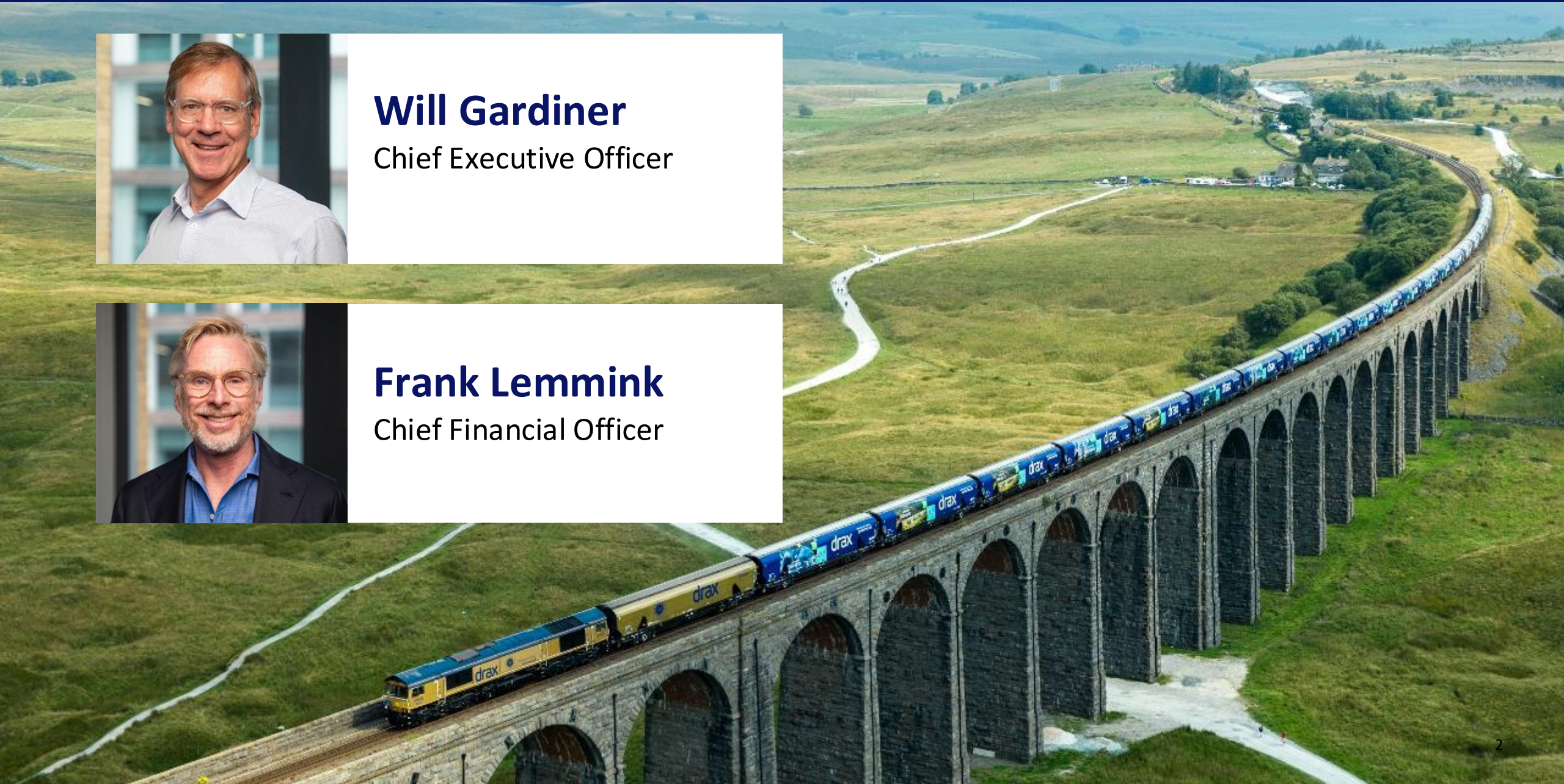
drax



Will Gardiner
Chief Executive Officer



Frank Lemmink
Chief Financial Officer



Good performance

Continuing to support UK energy security

- c.6% of UK power, 10% of UK renewables
- First OCGT commissioned, operational and performing well – c.0.3GW capacity added to portfolio
- Cruachan – turbine upgrade progressing, work continuing to resolve grid access restriction

Options for growth in generation, system support and data centres

Addition of 0.7GW of BESS expected to deliver step change in Adj. EBITDA

Now targeting increased Adj. EBITDA of £650-800m⁽¹⁾ in 2029

- Includes Pellet Production, Biomass Generation, Flexgen and 0.7GW of BESS developments
- Currently excludes acquisition of Bluefield Solar Income Fund (BSIF), expected to become effective 31 July 2026

Opportunities for further growth

- Proposed acquisition of BSIF
- Assessing opportunities for further investment in flexible generation and renewables

Drax Power Station – utilisation of 4GW of grid connection capacity

- Developing options for data centres, system support and power generation

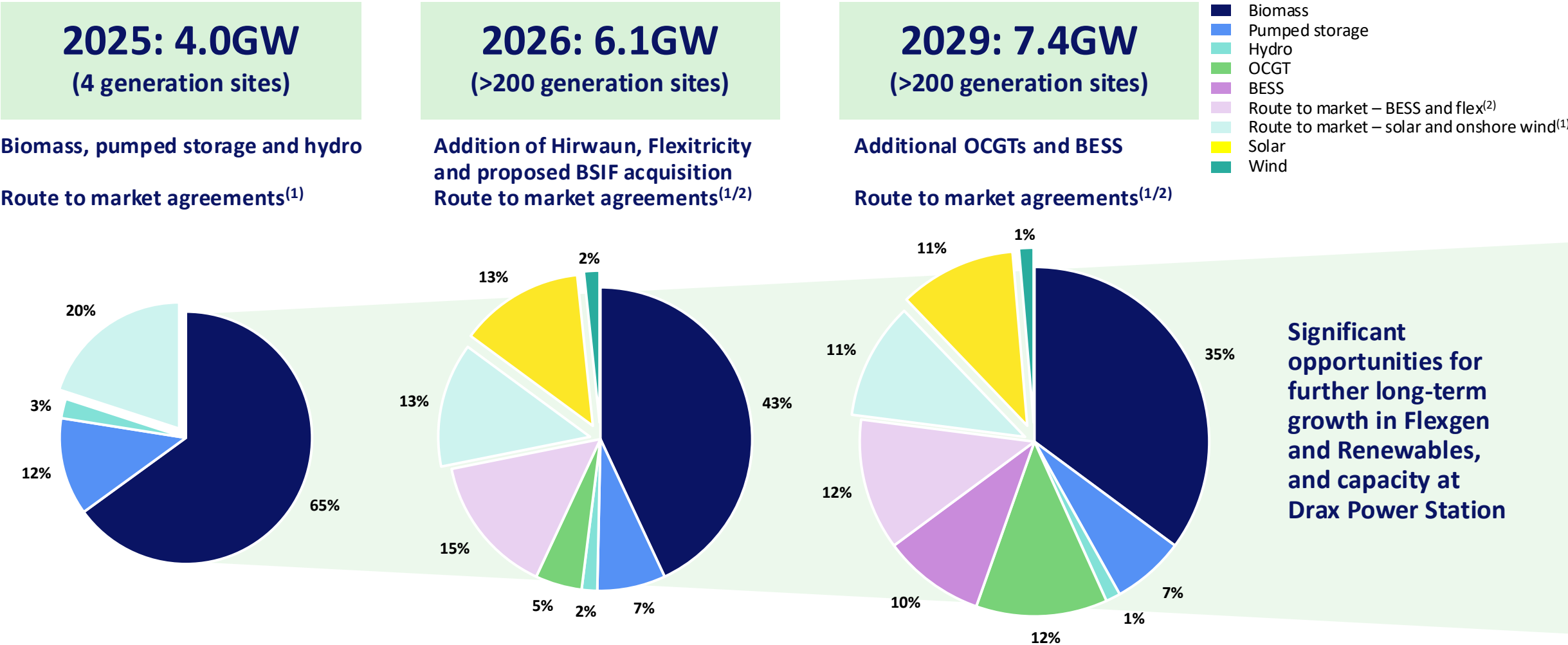
Capital allocation

Maintain disciplined capital allocation policy

- Balance sheet strength supporting investment in growth and returns to shareholders

1) Excludes development expenditure and capital projects development.

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



Proposed acquisition of BSIF for 94.824p/share⁽¹⁾

£561m Equity Value⁽¹⁾

£521m Net Debt⁽²⁾

£1,082m Enterprise Value



- **£130m** EBITDA FY-25
- **£118m** Operating FCF⁽³⁾ FY-25
- **£95m** Underlying Earnings FY-25
- **~0.9GW** Operational & UC⁽⁴⁾
- **2.9GW** Pipeline⁽⁵⁾

Timetable

- **29 June 2026: Publication of Scheme Document**
- **24 July 2026: Shareholder meetings – 99% vote in favour**
- **31 July 2026: Court hearing to approve scheme, followed by completion**
- **September 2026: Post-completion update on 2026**

1) Based on the total cash consideration of 92.574 pence per share and the second interim dividend of 2.25 pence per share.

2) Based on 31-Dec-25 historical net debt comprising £554m of total external debt, net of £0.05m Fund level cash and £33m of Immediate Holding Company cash.

3) "Operating free cash flow" is stated after deducting reported group corporation tax and Electricity Generator Levy.

4) "UC" defined as under construction.

5) Gross capacity.

Hirwaun Power – New 0.3GW Open Cycle Gas Turbine Power Station

drax

Fully commissioned, operational and performing well



Improved scoring in third-party accreditations, progress on climate, nature and people



MSCI AA (was A)⁽¹⁾

Reflects strengthened practices and corporate governance, plus renewable opportunities



CDP A rating for climate and forestry

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

Developments

- SBTi targets to 2040 validated
- Launch of Biomass Tracker tool
- Drax Foundation Social Impact Report



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Financial & operational review

Good performance



Good financial performance

Adj. EBITDA⁽¹⁾ £279m (H1-25: £460m)	Adj. basic earnings per share 29.8 pence (H1-25: 65.6 pence)	Net debt⁽²⁾ £1,025m / 1.3x (2025: £784m / 0.8x)
Total cash and committed facilities £630m (2025: £942m)	Expected full year dividend⁽³⁾ 32.2p/share (2025: 29.0p/share, £98m) Interim dividend 12.9p/share (c.£43m) (H1-25: 11.6p/share, £40m)	Share buybacks c.£48m⁽⁴⁾

1) Earnings before interest, tax, depreciation, amortisation, other gains and losses and impairment of non-current assets, excluding the impact of exceptional items and certain remeasurements, earnings from associates and earnings attributable to non-controlling interests.

2) Net debt comprised of cash and short-term investments of £180m less borrowings of £1,107m less impact of hedging instruments within borrowings and non-controlling interest of £8m and lease liabilities of £90m.

3) Final dividend conditional on shareholder approval at the AGM in 2026.

4) c.£41 million share buyback and c.£7 million of shares purchased to satisfy share-based payment arrangements.

Good performance supporting energy security

Adj. EBITDA £m	1 Pellet Production	2 Biomass Generation	3 Flexible Generation	4 Options for Growth	Total
Pellet Production	64	-	-	-	64
Biomass Generation	-	159	-	-	159
Pumped Storage & Hydro	-	-	47	-	47
OCGT	-	-	4	-	4
Flexitricity	-	-	(1)	-	(1)
Energy Solutions	-	-	27	-	27
Other Costs ⁽¹⁾	-	-	-	(21)	(21)
H1-26 total	64	159	77	(21)	279
H1-25 total	74	332	81	(27)	460

1) Other costs includes development expenditure and capital projects development.

Supporting security of supply and the energy transition

Strong first month of operations (June 2026)

High volatility in power markets and challenging weather

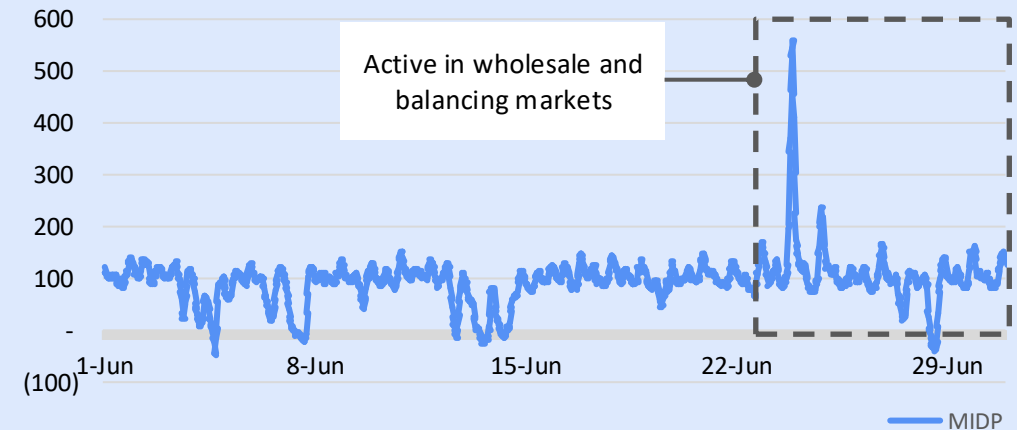
Opportunities for Hirwaun to provide additional services in wholesale, balancing and ancillary markets

- Higher continental prices – increased interconnector exports
- Lower wind speeds – increased demand for thermal
- Higher temperatures – lower thermal efficiency
- Ancillary services – utilised for c.440hrs (non-generation)

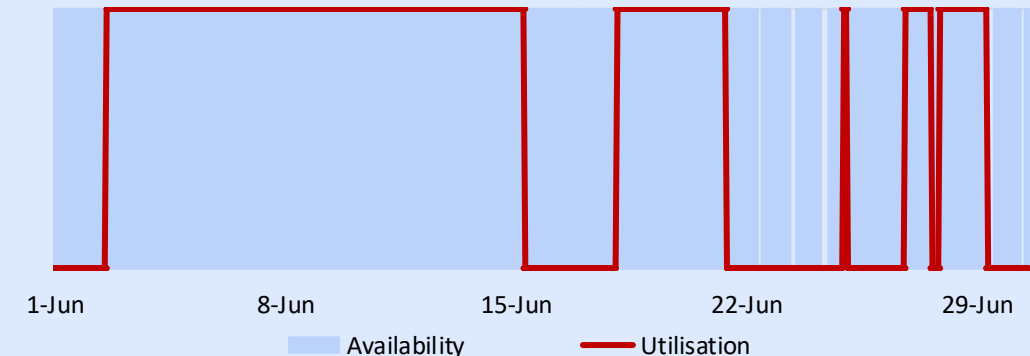
H1-26 revenue stack

- Capacity market agreements
- Wholesale peak power
- System support – balancing mechanism
- System support – ancillary services

Day-ahead and within-day: price volatility in the GB power market (£/MWh)



Operational for >440hrs in June 2026 providing non-generation ancillary services



Source: Drax

Strong balance sheet and liquidity

c.1.3x Net debt to Adj. EBITDA

Refinancing activities

- £450m Revolving Credit Facility (RCF) and €135m term-loan extended to 2029
- New £190m term-loan drawn, €70m term-loan facility repaid

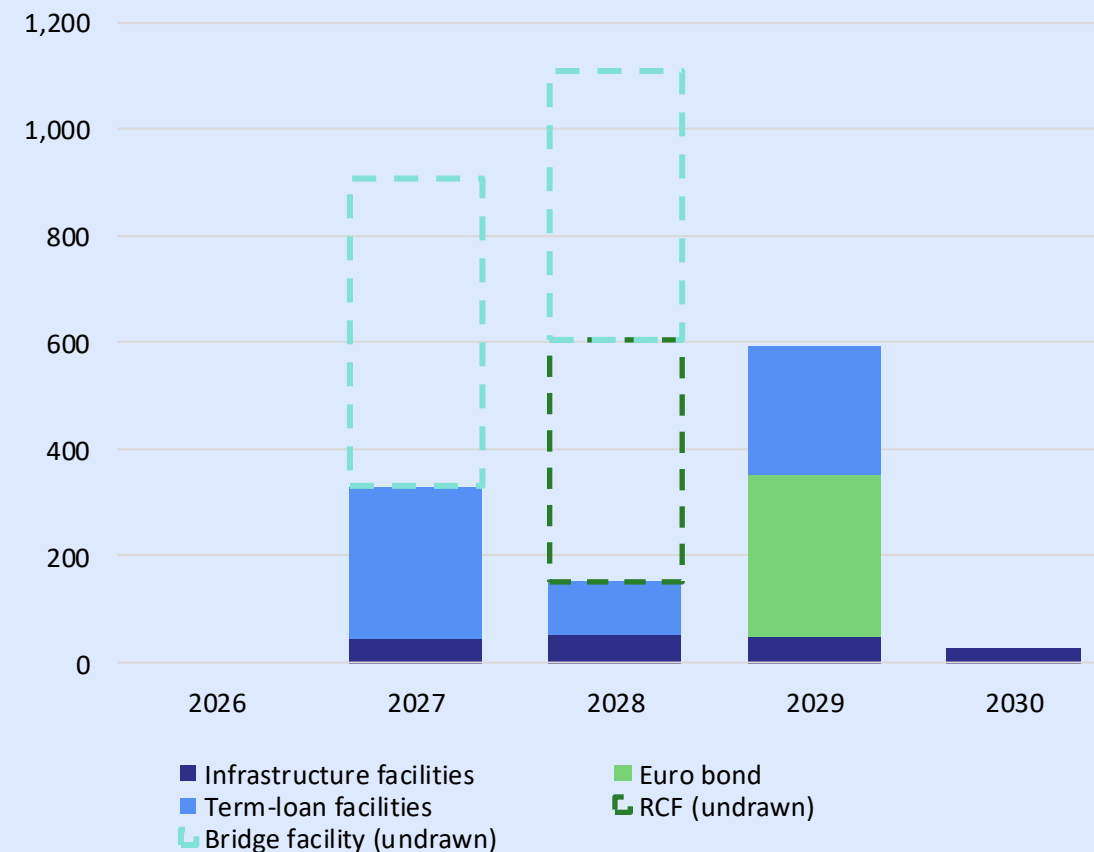
Liquidity and working capital

- £0.6bn of cash and committed facilities
- £0.5bn Renewable Obligation Certificate (ROC) working capital unwind in 2027
- £1.1bn committed bridge facility signed for proposed BSIF acquisition⁽¹⁾

Instrument	Maturity	Amount
BSIF bridge facility ⁽¹⁾	2027-2028	£1,083m (undrawn)
Term-loan facilities ⁽²⁾	2027-2029	£632m
Infrastructure facilities ⁽³⁾	2027-2030	£178m
RCF	2029	£450m (undrawn)
Euro bond	2029	€350m

Balance of maturities to 2030

As at June 2026 (£m)



1) c.£0.6bn with June 2028 maturity and c.£0.5bn with December 2027 maturity.

2) Term-loan maturities – £285m in 2027, £100m in 2028 and €185m and £80m in 2029.

3) Infrastructure maturities – £45m in 2027, £53m in 2028, £50m in 2029 and €32m in 2030.

Balance sheet strength recognised in rating agency updates post proposed acquisition of BSIF

S&P Global Ratings

S&P (BB+ stable outlook)

We regard as positive the diversification of Drax's portfolio as part of the group's continued shift away from subsidised biomass generation, as well as the additional highly contracted revenue.

FitchRatings

Fitch (BB+ stable outlook)

Fitch considers quasi-regulated EBITDA to support higher debt capacity than merchant generation or supply. Accordingly, the acquisition of BSIF's existing portfolio of quasi-regulated assets will likely lead to an upward revision of Drax's debt capacity.⁽¹⁾

MORNINGSTAR | DBRS

DBRS (BBB (low) stable outlook)

We view the acquisition as modestly positive for Drax's business profile as the 0.9GW of acquired operational capacity will increase the Company's total operational asset base by more than 25%. The acquisition will also add diversification benefits because of the expanded and complementary fuel mix while slightly easing Drax's reliance on its primary asset, Drax Power Station.⁽²⁾

1) <https://www.fitchratings.com/research/corporate-finance/drax-bluefield-solar-deal-consistent-with-rating-reduces-headroom-19-06-2026>

2) June 2026.

Investment in core assets and strategy

	Key areas	H1-26 Actual £m	FY-26 Estimate £m
Growth	BESS, Pumped Storage and Hydro, and OCGTs	46	~100
Maintenance	Major planned outage on one biomass unit	29	~100
Other	Health, safety, environment and IT	10	~30
Total		85	210-250

2026 outlook

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

Additional investment in acquisitions

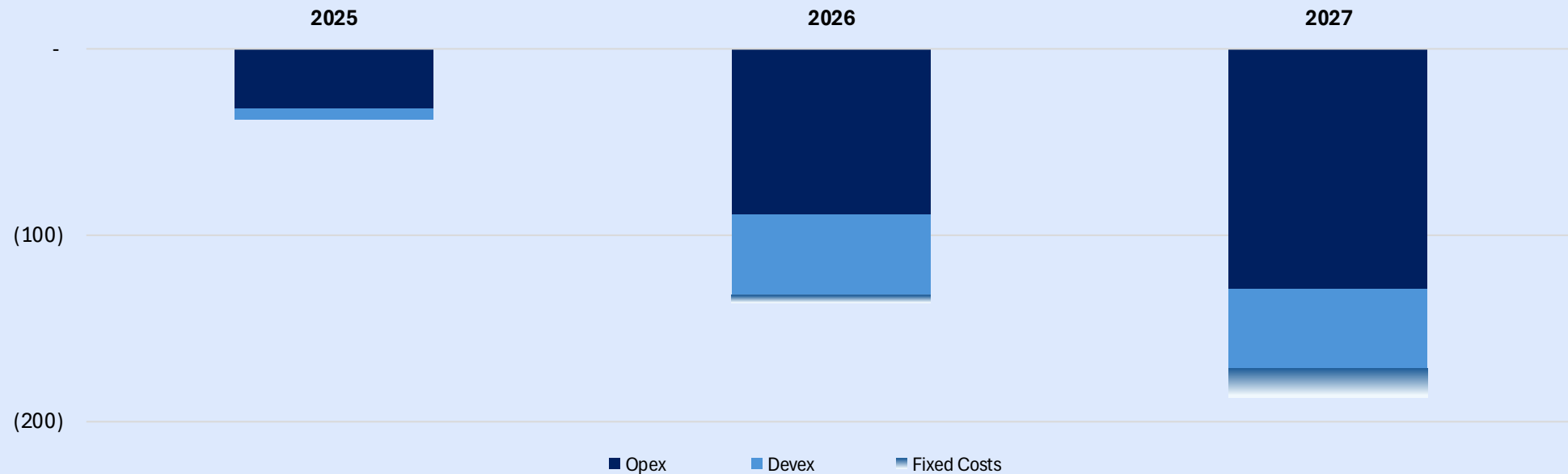
- Acquisition of Flexitricity completed March 2026 (net £36m)
- Proposed acquisition of BSIF for £561m (enterprise value of £1,082m)



Cost reductions delivering structural savings aligned with strategy for growth

Targeting annual structural savings of >£150m pa from 2027 vs 2024 base

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



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

- Ongoing Group-wide commitment to efficiency and cost reduction

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

Capital allocation policy remains unchanged

1

**Maintain strong
balance sheet**

2

Invest in core business

3

**Sustainable and growing
dividend**

4

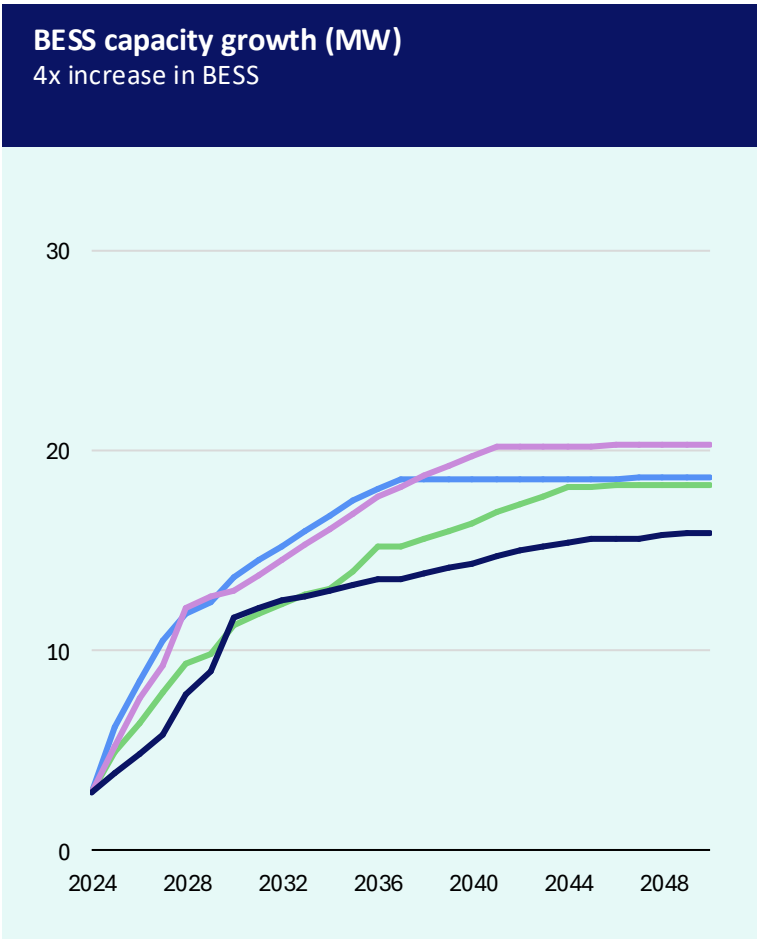
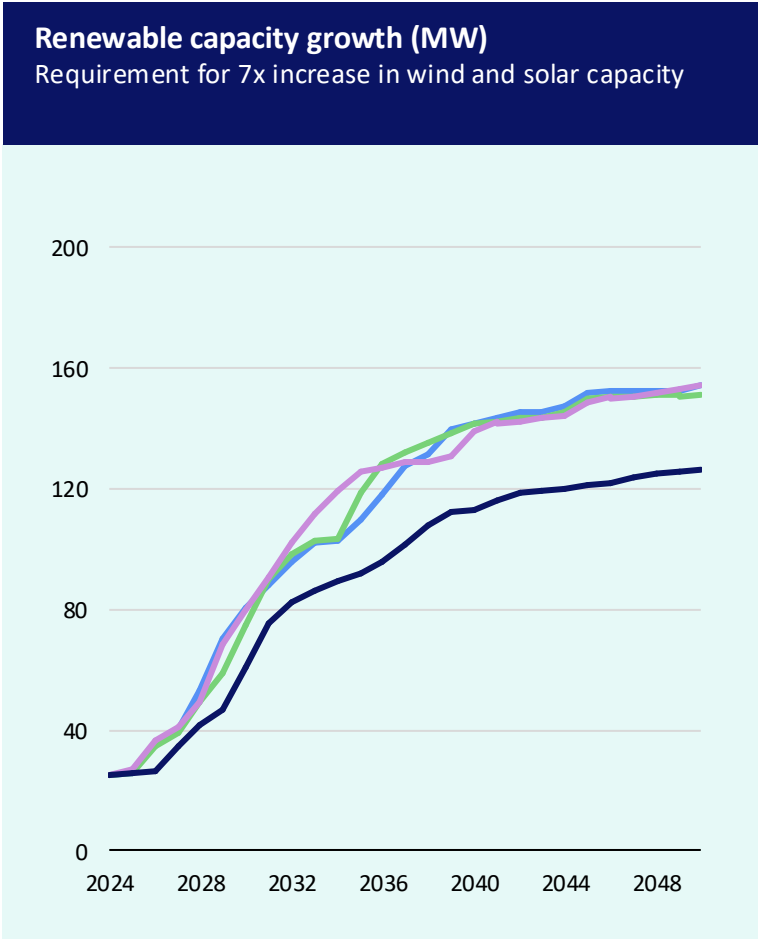
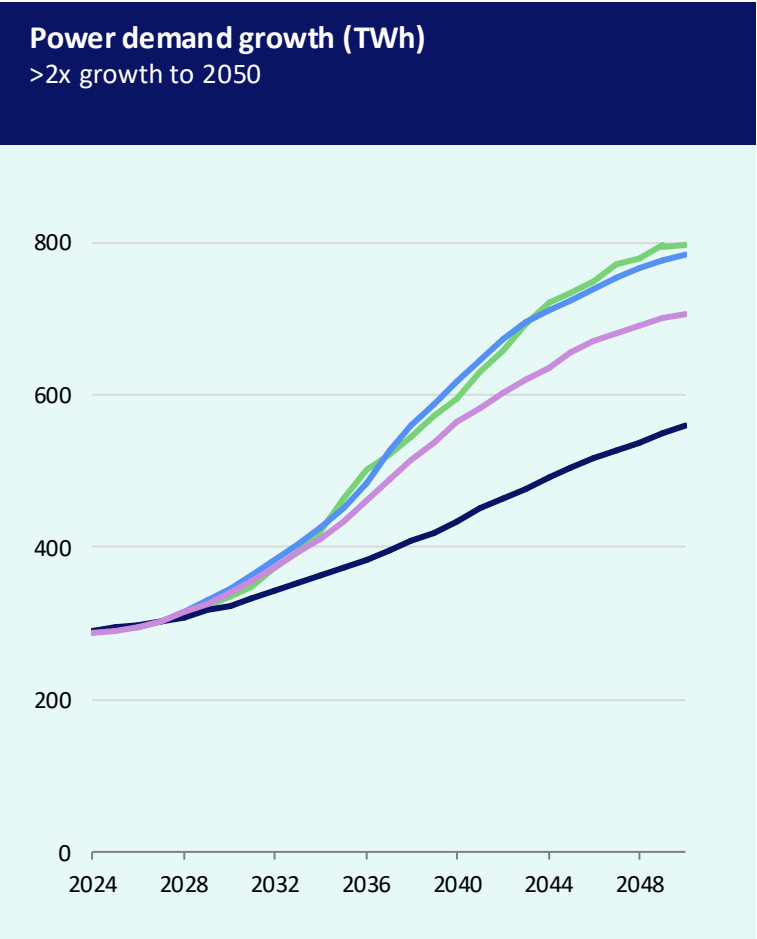
**Return surplus capital
beyond investment
requirements**

Create value by investing in the UK energy transition

Growth opportunities in flexible generation and renewables
Development of options for Drax Power Station



NESO expects demand for power to double, requiring investment in new capacity and system support



Electric Engagement

Hydrogen Evolution

Holistic Transition

Falling Behind

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

c.£500m of commitments to capital projects and tolling agreements

Targeting returns significantly in excess of WACC

Two complementary pillars for growth

1 Physical ownership

- Develop portfolio of Drax owned assets
- 260MW (520MWh), 3 sites in Scotland and England
- £157m capital investment
- Targeting operations in 2027 and 2028
- Developed by Apatura who bear development risk
- Options on additional c.0.3GW across 8 sites

2 Tolling

- Utilise agreements to provide additional power market access
- Minimal upfront cost
- 450MW (1.3GWh) (2-4 hr duration)
- 2 sites in Scotland and England
- 10 and 15-year tolling agreements – c.£300m commitment
- Targeting operations in 2028



Underpinned by trading, commercial and optimisation capability

Acquisition of Flexitricity

- Provides scalable trading and optimisation platform
- Existing route to market business of 0.9GW, primarily flexible generation
- Complements existing Drax route to market business for c.0.8GW of renewables



Location and capacity

● Marfleet – 60MW (120MWh)	FID taken – operational in 2027
● East Kilbride – 50MW (100MWh)	FID taken – operational in 2027
● Neilston – 150MW (300MWh)	FID taken – operational in 2028
● Zenobe – Coalburn – 200MW (800MWh)	FID taken – operational in 2028
● Fidra – West Burton – 250MW (500MWh)	FID taken – operational in 2028

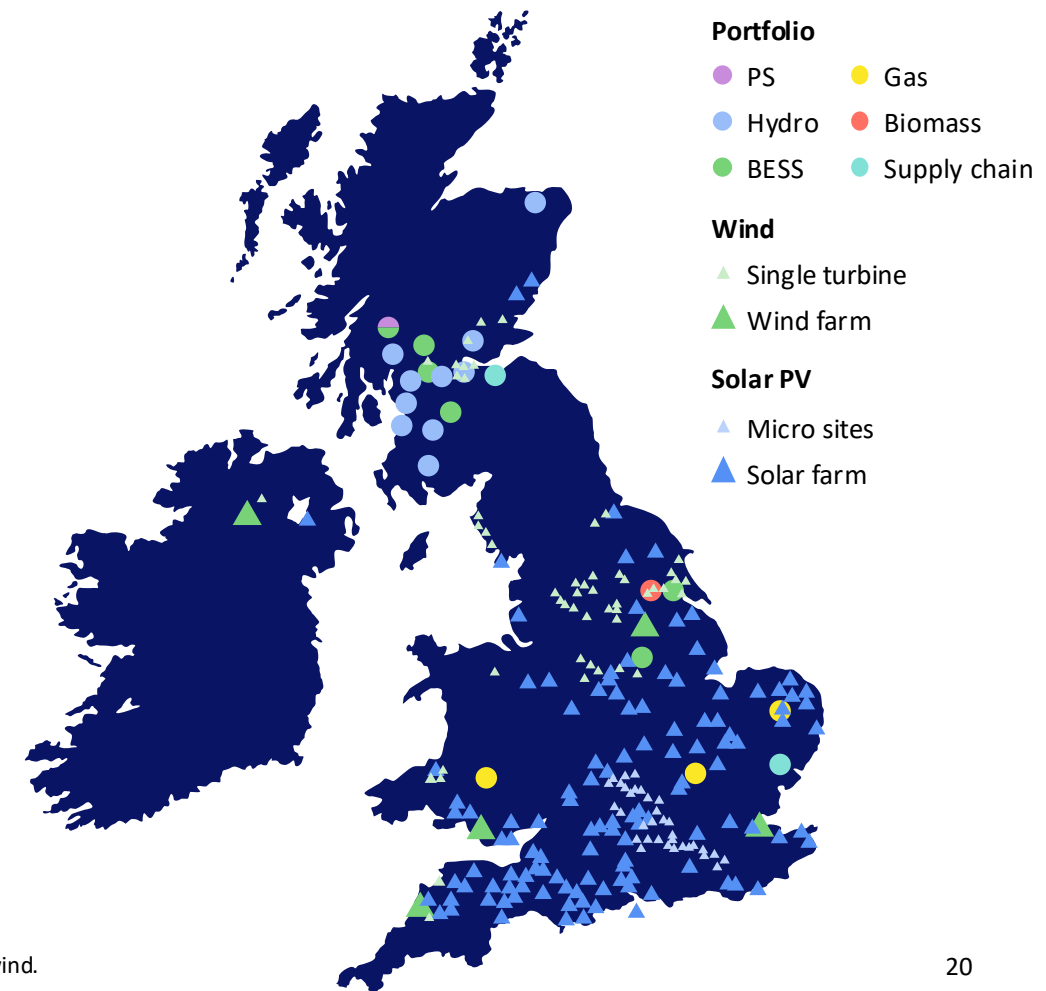
Status

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

	2025	2026	2029	Targeting Adj. EBITDA of £650-800m, from 2029 ⁽⁷⁾
Drax Power Station Site	2.6GW	2.6GW	2.6GW	
Pumped Storage and Hydro	0.6GW	0.6GW	0.6GW ⁽¹⁾	
OCGT	-	0.3GW ⁽²⁾	0.9GW ⁽³⁾	
BESS	-	-	0.7GW ⁽⁴⁾	
Route-to-market – flexible generation ⁽⁵⁾	-	0.9GW	0.9GW	
Route-to-market – solar & wind ⁽⁶⁾	0.8GW	0.8GW	0.8GW	
+				
Solar	-	0.8GW	0.8GW	BSIF EBITDA of £130m in FY-25
Onshore Wind	-	0.1GW	0.1GW	
Total	4.0GW	6.1GW	7.4GW	

- 1) Additional 40MW from restoration and upgrade of Cruachan units 3 and 4.
- 2) Hirwaun Power Station.
- 3) Hirwaun, Progress and Millbrook Power Stations.
- 4) Drax assets under construction by Apatura, plus Fidra and Zenobe tolling agreements.
- 5) Flexitricity has agreements for c.0.9GW route-to-market services, primarily for flexible generation assets.
- 6) Drax Energy Solutions Ltd has established renewable PPA portfolio with c.0.8GW (>2,000 small generators), primarily solar and onshore wind.
- 7) Excludes development expenditure.

Drax generation portfolio inclusive of BSIF



Development of options for Drax Power Station site

A unique 1,000 acre site with 4GW of grid connection capacity and 2.6GW of active generation



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

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

Characteristics to support AI data centre and energy security

Physical attributes

Large-scale reliable power supply

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

Illustrative development schedule

Scalable front of and behind the meter solutions – short, medium, long-term potential

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

Other attributes

Expertise of Drax Group

- Established work force
- Experience in local planning and consenting

1) TEC – Transmission Entry Capacity.

Summary and outlook



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- First OCGT commissioned, operational and performing well – c.0.3GW capacity added to portfolio
- Cruachan – turbine upgrade progressing, work continuing to resolve grid access restriction

Options for growth in generation, system support and data centres

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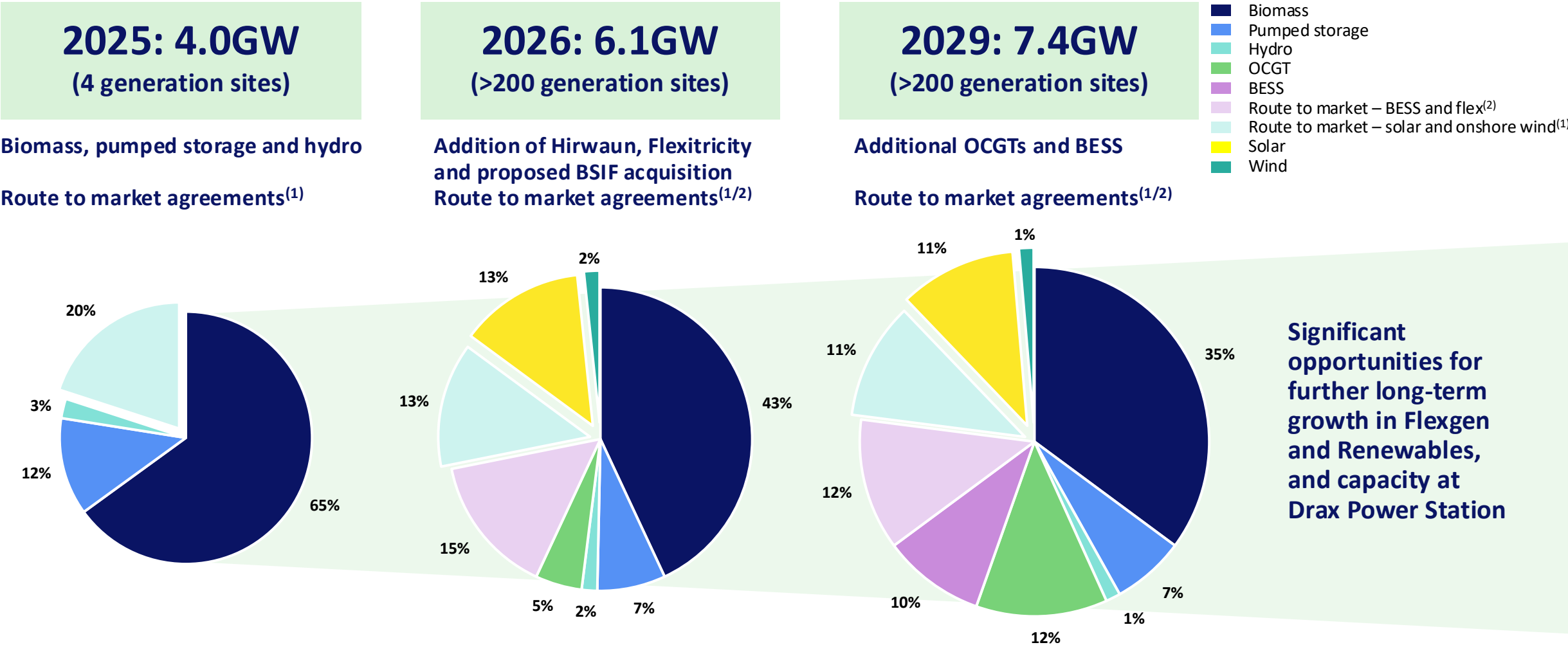
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Scaling flexible, renewable portfolio with options for growth in energy security, energy transition and AI



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Appendices

30 July 2026

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Strong forward power sales through end of current renewable schemes

Contracted power sales (28 July 2026)	2026	2027	2028
Net RO, hydro and gas (TWh) ⁽¹⁾	11.5	2.1	0.2
Average achieved £ per MWh ⁽²⁾	83.4	80.0	70.5
CfD (TWh) ⁽³⁾	3.4	0.8	-

Forward power sales underpin earnings through Q1-27

- c.£1.1bn of forward power sales
- 13.8TWh at an average price of £82.7/MWh^(1/2)
- RO generation – fully hedged in 2026 and to Mar-27

New low carbon dispatchable CfD scheme commences Q2-27

1) Includes de minimis structured power sales in 2026, 2027 and 2028 (forward gas sales as a proxy for forward power), transacted for the purpose of accessing additional liquidity for forward sales and highly correlated to forward power prices.
 2) Presented net of cost of closing out gas positions at maturity and replacing with forward power sales.
 3) CfD strike price, c.£142/MWh (Apr-25 to Mar-26) and c.£147/MWh (Apr-26 to Mar-27).

Group Income Statement

In £m	H1-2026			H1-2025		
	Adj. Results	Adjustments ⁽¹⁾	Total Results	Adj. Results	Adjustments ⁽¹⁾	Total Results
Revenue	2,428	53	2,481	2,601	46	2,647
Cost of sales	(1,876)	45	(1,831)	(1,828)	(65)	(1,893)
Gross profit	552	98	650	773	(19)	754
Operating expenses	(273)	(13)	(286)	(313)	(7)	(320)
Adj. EBITDA	279	n/a	n/a	460	n/a	n/a
Depreciation, amortisation and impairments	(101)	-	(101)	(136)	-	(136)
Other	1	1	2	(2)	6	4
Operating profit	179	86	265	322	(21)	301
Foreign exchange gains/(losses)	(19)	2	(17)	12	-	12
Net interest charge	(27)	1	(26)	(32)	-	(32)
Profit before tax	133	89	222	302	(21)	281
Tax (charge)/credit	(33)	(22)	(55)	(65)	5	(60)
Profit after tax	101	67	168	236	(16)	221

1) Exceptional items and certain remeasurements.

Group Adj. EBITDA by Business Unit

In £m	H1-2026	H1-2025
Pellet Production	64	74
Biomass Generation	159	332
<i>Pumped Storage and Hydro</i>	<i>47</i>	<i>64</i>
<i>OCGTs</i>	<i>4</i>	<i>-</i>
<i>Energy Solutions</i>	<i>27</i>	<i>18</i>
<i>Flexitricity</i>	<i>(1)</i>	<i>-</i>
Flexible Generation and Energy Solutions (Flexgen)	77	81
Other Costs	(21)	(27)
Group	279	460

In £m	H1-2026	H1-2025
Revenue		
Power sales	1,345	1,718
System support and optimisation	58	68
Renewable certificate sales	189	95
CfD income	34	55
Capacity Market income	9	6
Gas sales to Energy Solutions business	5	21
Fuel sales and other income	46	52
	1,685	2,015
Cost of sales		
Generation fuel costs	(750)	(811)
System support and optimisation	(9)	(14)
Renewable certificate value from generation	371	346
Renewable certificates sold or utilised	(178)	(107)
Carbon certificates	1	(2)
Cost of power purchases	(722)	(854)
Fuel sold	(35)	(34)
Grid charges	(13)	(10)
	(1,335)	(1,486)
Gross profit	350	529
Operating costs	(140)	(133)
Adj. EBITDA	210	396

	H1-2026	H1-2025
Generation Adj. EBITDA (£m)		
Biomass	159	332
Pumped storage and hydro	47	64
OCGT	4	-
	210	396
Generation (TWh)		
Biomass	7.0	7.1
Pumped storage and hydro ⁽²⁾	0.3	0.3
OCGT	<0.0	-
	7.3	7.4
Average achieved power price		
Gross power sales (£m)	1,345	1,718
Cost of power purchases (£m)	(722)	(854)
Net power sales (£m)	623	864
Net power sales (TWh)	7.3	7.4
Average achieved price (£/MWh)	85	116

1) Excludes Flexitricity and Energy Solutions.

2) Gross output from pumped storage and hydro schemes.

Renewable power, route to market and energy solutions

In £m	H1-2026	H1-2025
Revenue	1,238	1,423
Cost of sales		
Cost of power and gas purchases	(572)	(745)
Grid charges	(321)	(320)
Other costs	(298)	(306)
	(1,191)	(1,370)
Gross profit	47	53
Operating costs	(20)	(35)
Adj. EBITDA	27	18

Continued progress on cost reduction

H1 2026

- Lower volume of pellets produced
 - Closure of Williams Lake
- Reduction in production costs
 - Cost management
 - Operational efficiencies

US Pellet Production

- Focused on own-use requirements of Biomass Generation
- Cost-plus transfer pricing basis
- Reduction in costs = reduction in revenues
- Overall impact is lower Pellet Production Adj. EBITDA, but increased Adj. EBITDA for Biomass Generation

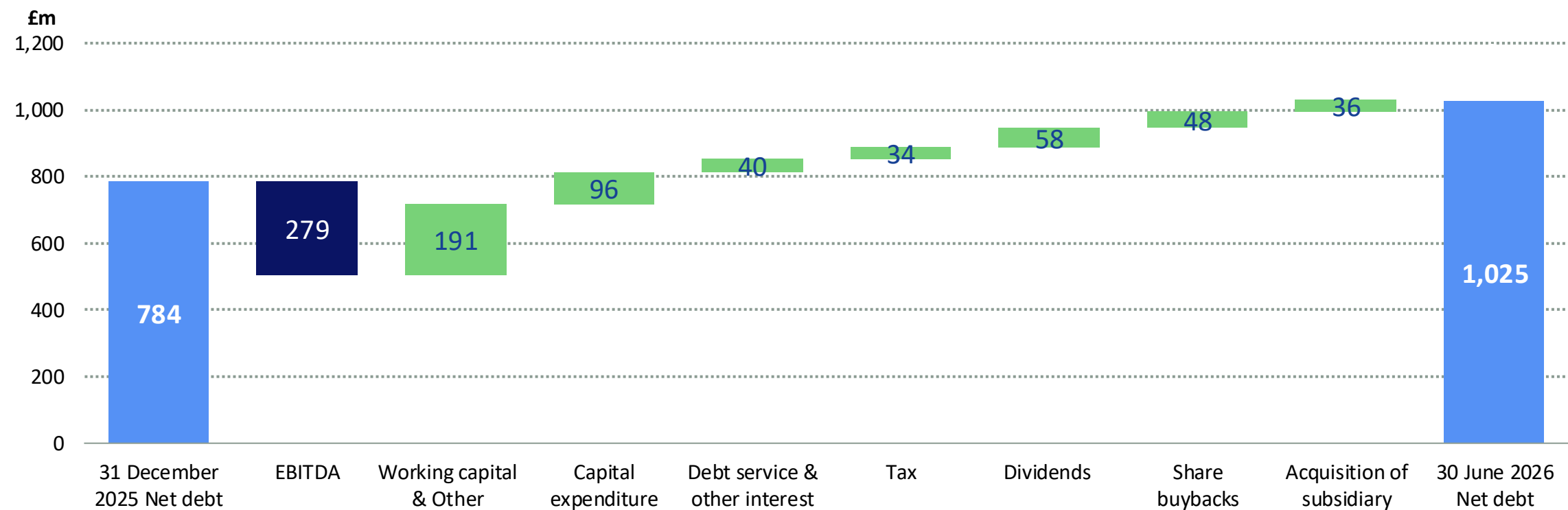
Canadian Pellet Production

- Strong H1 performance
- Strategic review ongoing

In £m	H1-2026	H1-2025
Revenue	394	449
Cost of sales	(236)	(267)
Gross profit	159	182
Operating costs	(94)	(108)
Adj. EBITDA	64	74
Production (Mt)	1.9	2.1

Group Cash Flow Statement

In £m	H1-2026	H1-2025
Adj. EBITDA	279	460
Working capital	(175)	(102)
Other	(25)	20
Cash generated from operations	79	378
Debt service and other interest	(40)	(42)
Corporation tax	(34)	(49)
Net cash from operating activities	6	287
Capital investment	(96)	(142)
Acquisition of subsidiary	(36)	-
Net financing	122	-
Equity dividends paid	(58)	(56)
Repurchase of own shares	(48)	(141)
Other	(13)	(10)
Net decrease in cash and cash equivalents	(123)	(62)
Cash and cash equivalents at the beginning of the period	302	356
Effect of changes in foreign exchange rates	1	(18)
Cash and cash equivalents at the end of the period	180	276



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

RO

- Requirement for energy suppliers to source a proportion of their energy from a renewable source
- Renewables Obligation Certificates (ROCs) issued to generators
- ROCs bought by suppliers to show they have fulfilled the RO
- RO compliance period April-March
- The buy-out price of 1 ROC is
 - c.£67 (Apr-25 to Mar-26)
 - c.£69 (Apr-26 to Mar-27)

ROCs at Drax

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

Illustrative Generation cash flow from ROCs

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

Capacity Market agreements provide strong underpin for Flexgen assets earnings

c.£650m⁽¹⁾ of agreements in place

Asset	Payment period	Value £m
Pumped storage	1-year agreements (2026-2029)	80
Pumped storage	15-year agreements (2027-2042)	242
Hydro	1-year agreements (2026-2029)	24
Hydro	15-year agreements (2028-2043)	21
OCGTs	15-year agreements (2026-2039)	258
Other gas	1-year agreements (2026-2029)	24
Total existing capacity agreements		649
Potential future agreements at c.£27/KW ⁽²⁾		c.240
Illustrative Capacity Market Income 2026-2043		c.889

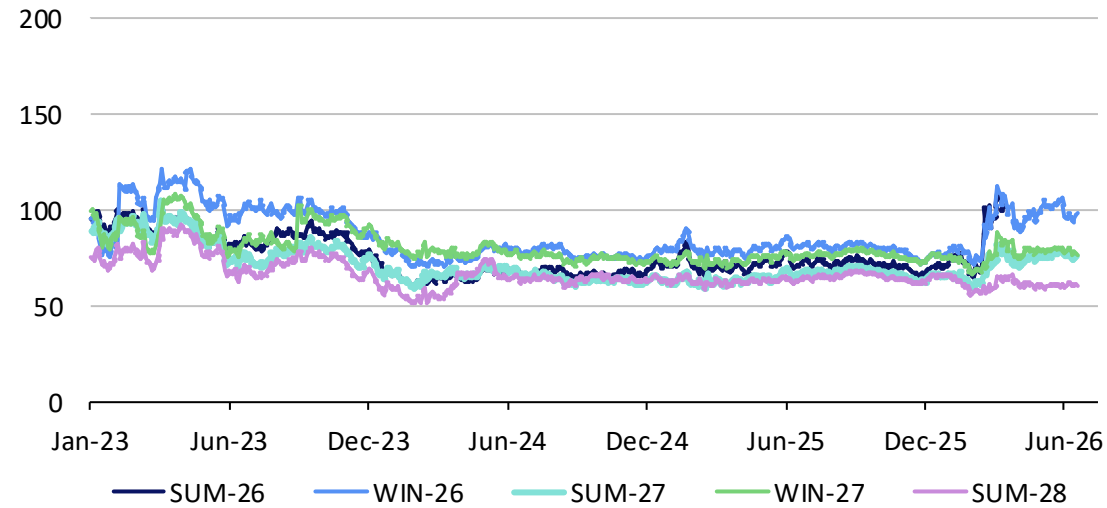
Opportunities from future auctions

- Next T-4 auction March 2027
- Existing assets remain eligible for one-year contracts in future auctions

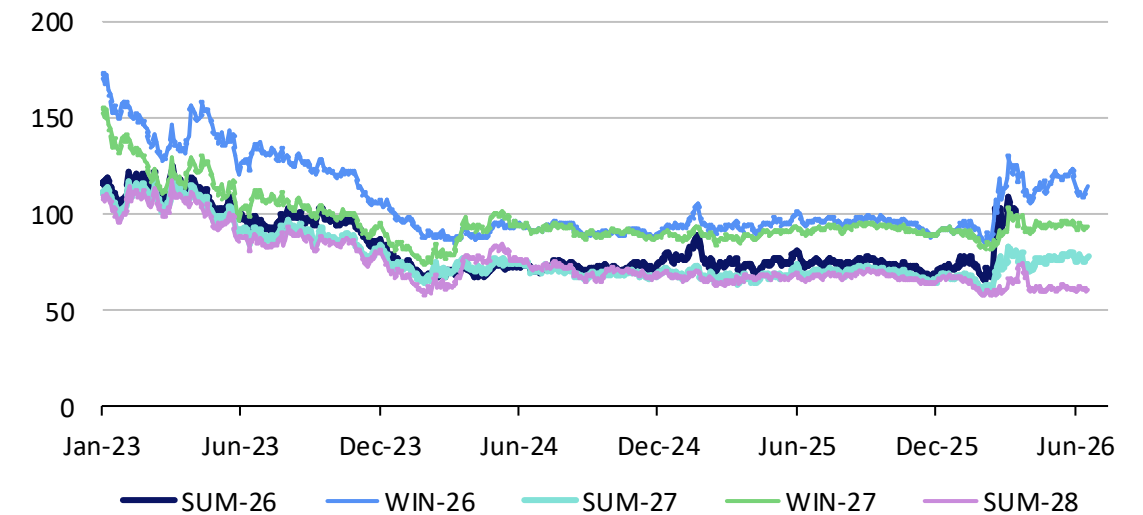
1) Real values, 2026, no additional inflation assumed.

2) Illustrative only – c.£27/KW – clearing price in last auction.

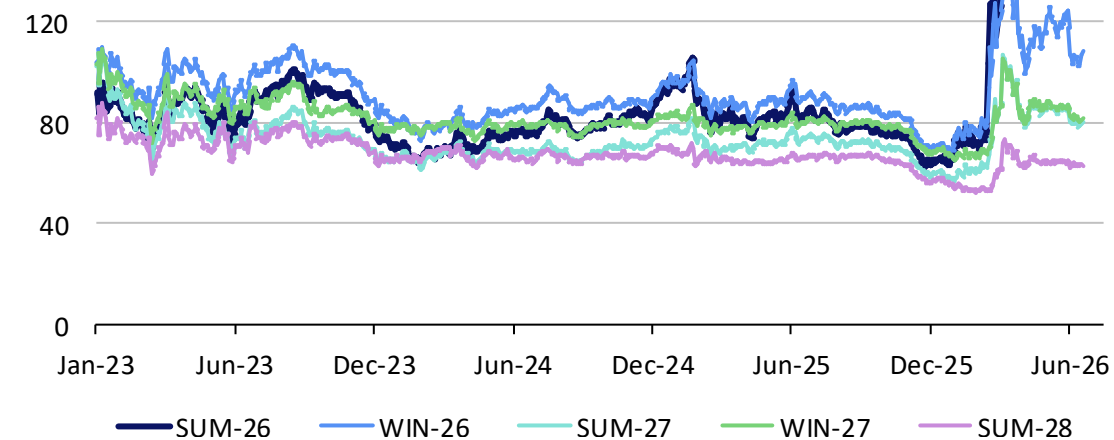
Baseload Power Price (£/MWh)



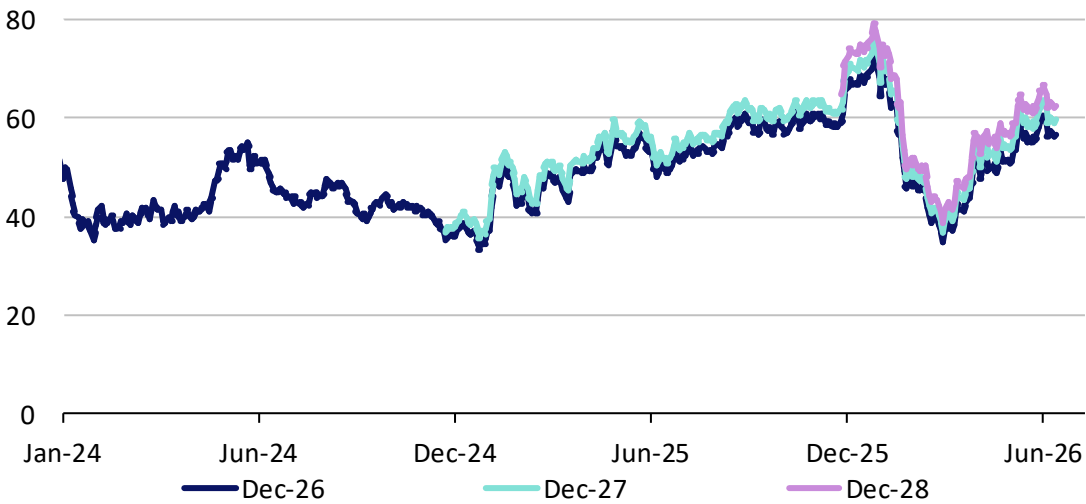
Peak Power Price (£/MWh)



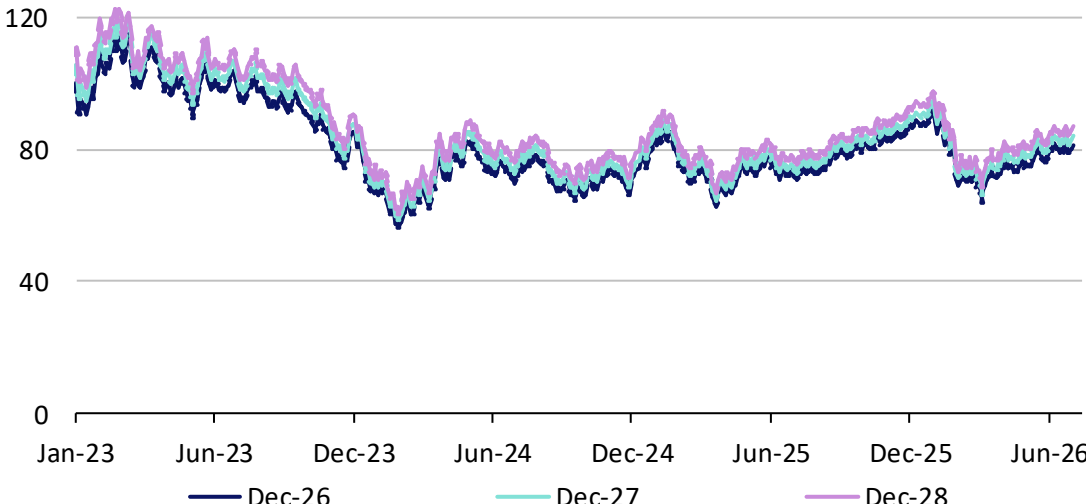
NBP Gas Price (p/therm)



UKA Carbon (£/t)



EU ETS Carbon (€/t)



2026 Half Year Results

30 July 2026

drax