

30 October 2025

**Drax Group plc**  
("Drax"; "The Group"; Symbol: DRX)

### **Acquisition of 260MW 2-hour BESS portfolio**

Drax is pleased to announce that it has signed an agreement with Apatura Limited ("Apatura")<sup>(1)</sup> to acquire three battery energy storage system ("BESS") projects, which when fully commissioned will provide capacity totalling 260MW<sup>(2)</sup>. Drax will pay a fixed amount of £157.2 million in staged payments between 2025 and 2028, reflecting construction milestones and including payments to Apatura linked to their delivery of the projects. Completion of the acquisition of the first two projects is expected to occur in 2025 with completion of the third project expected in Q1 2026.

#### **Highlights**

- 260MW 2-hour duration development portfolio across three sites in Scotland and England
  - Construction on all three sites is expected to commence in 2026 with the first site operational in 2027
  - Agreement with Apatura provides contractual protections for cost overruns and delay
- Expected returns significantly ahead of Drax's Weighted Average Cost of Capital
- Funded from cash and existing facilities
- Strong strategic fit
  - Complements Drax FlexGen strategy, adding short duration and fast response capability
  - Option over a further eight sites (289MW) being developed by Apatura
- Closely aligned with UK energy objectives of energy security and decarbonisation

Drax Group CEO, Will Gardiner said: "This acquisition is our first investment in short duration storage as part of our FlexGen portfolio, supporting UK energy security and a clean power system.

"We are looking forward to working with Apatura on the development of battery storage, which when commissioned will allow us to provide even more secure power to the country when it is needed. In combination with our long duration energy storage, flexible generation and renewable generation from biomass, we will be able to provide 4.4GW of dispatchable generation to meet demand.

"As the UK's network increases its reliance on intermittent renewables, more dispatchable and reliable generation will be required to help keep the lights on when the wind isn't blowing or the sun isn't shining.

"Through the development of our strategy we are working to create value and growth in the short, medium and long-term, aligned to the UK's energy needs and underpinned by strong cash generation, a disciplined approach to capital allocation and attractive returns for shareholders, significantly in excess of our weighted average cost of capital."

#### **260MW 2-hour duration development portfolio across three sites in Scotland and England**

The portfolio consists of three ready-to-build BESS sites, two in Scotland and one in Northern England<sup>(2)</sup>.

Construction on all three sites is expected to commence in 2026 with the first site in Scotland due to be operational in 2027, with the second and third sites expected to commence operations thereafter. Apatura will manage the development of the projects and bear the majority of the construction risk (cost and delay), reflected in the fixed cash consideration and contractual protections.

Linked to the transaction, Drax has agreed the option of a right of first offer over a further eight sites (289MW) being developed by Apatura, creating optionality for the continued development of the FlexGen portfolio.

#### **Strategic fit - aligned with UK energy needs and complementary to Drax FlexGen business**

Drax believes that the retirement of older thermal generation assets and increased reliance on intermittent renewables, as well as an increase in power demand, will drive a growing need for dispatchable power and system support services, creating long-term earnings opportunities for, and value from, the Group's FlexGen portfolio. This is in line with National Energy System Operator's (NESO's) Future Energy Scenarios which show a potential doubling of total demand for electricity in the UK over the coming decades, as well as an increase in curtailment of wind and reduction in dispatchable thermal generation.

The Group's FlexGen business currently comprises long duration pumped storage, hydro and Open Cycle Gas Turbines (OCGTs), but not short duration BESS with fast response capabilities. Drax believes that once commissioned, two-hour BESS provides as an attractive entry point into the short duration storage space, and complementary to the Group's FlexGen business, allowing it to provide a wider range of system support services, as well as increased access to wholesale and balancing markets.

Once the BESS assets are operational, the Group's FlexGen portfolio will comprise 1.8GW<sup>(3)</sup> of long and short duration storage and flexible generation across nine sites in England, Scotland and Wales, with access to demand side flexibility through the Group's Industrial & Commercial customer portfolio. Drax Power Station provides 2.6GW.

and increasing through the Group's inclusion of commercial customer portfolio and other station projects, taking the Group's total to 4.4GW<sup>(3)</sup> of dispatchable generation.

By operating BESS as part of an integrated portfolio across multiple technologies and sites, Drax expects to access more opportunities to provide services and support to the system, widening its earnings opportunities.

**Notes:**

- (1) Apatura are a UK based renewable energy and BESS developer founded in 2014 and are responsible for Scotland's largest energy storage pipeline, with 10GW of renewable energy capacity in development.  
[Battery Energy Storage Systems - Apatura - Welcome to the Future](#)
- (2) Sites are located in Marfleet (Hull, England), Neilston (East Renfrewshire, Scotland) and East Kilbride (Lanarkshire, Scotland). Both Marfleet and Neilston have all necessary planning permission whilst East Kilbride has a planning application pending. Drax will not incur any cost for East Kilbride until the planning application is approved.
- (3) 0.6GW pumped storage and hydro, 0.9GW OCGTs at three sites in England and Wales (under construction with first site currently commissioning), 0.3GW BESS, totalling 1.8GW, plus 2.6GW biomass generation.

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There are a number of factors, many of which are beyond the control of the Group, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These include, but are not limited to, factors such as: projects achieving the required milestones, including delivery of required equipment, access to the requisite resources and completion of connections to enable operation within expected timeframes, future revenues being lower than expected; increasing competitive pressures in the industry; uncertainty as to future investment and support achieved in enabling the realisation of strategic aims and objectives; and/or general economic conditions or conditions affecting the relevant industry, both domestically and internationally, being less favourable than expected, including the impact of prevailing economic and political uncertainty; the impact of conflicts around the world; the impact of cyber-attacks on IT and systems infrastructure (whether operated directly by Drax or through third parties); the impact of strikes; the impact of adverse weather

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