

19 February 2026

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

Tolling agreement for 200MW (800MWh) of BESS

Drax is pleased to announce that it has signed a tolling agreement with Zenobē Coalburn Limited ("Zenobē", an independent Battery Energy Storage Systems "BESS" developer)⁽¹⁾, for 200MW (800MWh) of new BESS capacity.

Highlights

- Tolling agreement for 200MW 4-hour duration BESS at Coalburn, Scotland
 - No upfront capital cost - construction, maintenance and availability risk sits with Zenobē
 - 15-year tolling agreement with no indexation
 - Contract provides Drax with full operational control and dispatch rights
 - Protected grid connection, targeting a Commercial Operation Date (COD) in 2028
- Expected returns significantly ahead of Drax's Weighted Average Cost of Capital⁽²⁾
- Strong strategic fit
 - Aligned with Drax's FlexGen strategy, adding short duration and fast response capability
 - Complements Drax's investments in physical ownership of BESS and asset optimisation
- Closely aligned with UK energy objectives of energy security and decarbonisation

Drax Group Chief Executive Officer, Will Gardiner, said: "Flexible Generation technologies like battery storage support a secure, affordable and clean energy system for British homes and businesses. This new BESS tolling agreement, alongside our other recent tolling agreement and acquisitions of Flexitricity and three battery storage developments, shows we are building momentum in delivering a gigawatt-scale pipeline of battery storage opportunities.

"We are focused on allocating capital to growth and value creation opportunities across our FlexGen portfolio that are aligned with the UK's energy needs, underpinned by strong cash generation and attractive returns for shareholders."

Under the agreement Zenobē will retain responsibility for construction, maintenance and availability of the asset during the contract period. In return Drax will pay a fixed annual tolling fee over the agreed term of 15 years from the COD, in return for full operational control and dispatch rights, and retaining all revenues (excluding Capacity Market and certain other ancillary revenues).

Drax sees the agreement as an attractive opportunity to provide additional BESS capacity for the Group's FlexGen portfolio without an up-front capital payment, alongside physical ownership of BESS assets⁽³⁾ and the tolling agreement announced in January 2026⁽⁴⁾. The agreement is subject to Zenobē taking a final investment decision on the project (expected within six months of the date of the agreement) and achieving commercial operations.

Strategic fit - aligned with UK energy needs and Drax FlexGen business

Drax is developing a GW scale pipeline of BESS opportunities comprised of (1) physical assets and (2) the capabilities to optimise owned and third-party assets with the provision of route to market, floor and tolling structures.

In October 2025, Drax signed an agreement with Apatura Limited to acquire three BESS projects, which when fully commissioned will provide capacity totalling 260MW⁽³⁾. In January 2026 Drax announced the acquisition of Flexitricity, providing an optimisation platform for the development of the Group's FlexGen business, including BESS⁽⁵⁾, and a tolling agreement for 250MW with Fidra⁽⁴⁾.

Taken together, Drax now has agreements in place for 710MW (c.1.8GWh) of tolling contracts and physical assets, in addition to a pipeline of additional opportunities.

Notes:

(1) [Zenobē | Discover Zenobē](#)

(2) The cash flow that Drax expects to generate over the life of the contract when compared to the present value of the annual toll payments is expected to deliver a return significantly above Drax's WACC.

(3) [Acquisition of 260MW 2-hour BESS portfolio - 07:00:11 30 Oct 2025 - DRX News article | London Stock Exchange](#)

(4) [Tolling agreement for 250MW \(500MWh\) of BESS - 07:00:05 30 Jan 2026 - DRX News article | London Stock Exchange](#)

(5) [Acquisition of Asset Optimisation Platform - 07:00:06 21 Jan 2026 - DRX News article | London Stock Exchange](#)

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