



EDF ENERGY HOLDINGS LIMITED

# ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2024

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### Directors

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### Company Secretary

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## STRATEGIC REPORT

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The directors present their Strategic report of EDF Energy Holdings Limited for the year ended 31 December 2024.

### Principal activities

The principal activities of EDF Energy Holdings Limited (the “Company”) and subsidiaries (together the “Group” or “EDF Energy”) during the year continued to be the provision and supply of electricity and gas to commercial, residential and industrial customers, and the generation of electricity through a portfolio of generation assets including nuclear and renewable generation. The Group is also involved in the construction of nuclear new build assets and the provision of charging infrastructure for electric vehicles (EV).

### Long-term strategy

The purpose of EDF Energy in the UK is to help Britain achieve net zero. It does this by leading the transition to a low-carbon energy system in five areas of activity:

- Nuclear: The generation of zero carbon electricity, decommissioning services, the construction of a new nuclear power station at Hinkley Point and development of other new nuclear power stations.
- Retail: The provision of electricity, gas and energy services to residential and small business customers. Providing customers with electric mobility solutions through EDF Energy’s majority stake in Pod Point, low carbon heating through CB Heating Limited (trading as EDF Heat Pumps) and solar panels and battery systems with Contact Solar.
- Business and Wholesale: The supply of electricity, gas and wider energy services to large businesses, the public sector and asset owners.
- Renewables: The development, construction and operation of wind and solar power generation and large battery storage facilities in the UK and Ireland through EDF Renewables UK and the development of low-carbon and renewable hydrogen solutions with Hynamics.
- Technical Services: The provision of technical and energy services to the private and public sector through Dalkia UK.

In the UK, EDF Energy supports the UK government’s ambition to produce 100% clean electricity by 2030 (Clean Power by 2030) and to reach the *Net Zero* target by 2050. The net zero trajectory will preserve Britain’s energy security and help protect customers from global energy price volatility, creating economic opportunities for businesses and communities. In an increasingly complex and interconnected energy system, the scope of EDF’s capabilities in the UK constitutes a strategic advantage.

The latest version of EDF Energy’s Helping Britain Achieve net zero progress report outlines the company’s progress and plans to help Britain decarbonise society and electrify the economy. These include helping customers “save cash and save carbon”, minimising environmental impacts and making a positive social and economic contribution in the UK. EDF Energy has also published a carbon reduction plan with targets to reduce certain categories of emissions by 2026.

### Customers

EDF Energy supplies 3.7 million homes and businesses with electricity, gas and other services, with the mission of helping customers save money and carbon, in line with EDF Group’s overall Ambitions 2035 commitments.

EDF Energy has just completed the migration of 5.8 million residential and small business accounts to the Kraken Technologies platform, the market leading customer management and billing platform. In addition to changing work methods and internal capacities, this has helped accelerate the implementation of innovative solutions for the benefit of individual customers. With the acquisition and integration of CB Heating Ltd (trading as EDF Heat Pumps), Contact Solar, and other UK-based EDF

Energy capabilities, customers have a one-stop shop that can meet their energy and decarbonisation needs. These acquisitions support the company's goal of providing efficient customer service in the marketplace through a range of products and services, and providing greener, cheaper energy. In September 2024, EDF Energy acquired Opus Energy's small business portfolio, making it the second-largest supplier in the small and medium-sized enterprises segment in terms of number of meters in the UK (33.3k meters ahead of E.On).

EDF Energy is the UK's largest supplier of electricity to the corporate and public sector. EDF Energy collaborates to offer a wide range of technology and decarbonisation solutions to its customers, including electric mobility, low-carbon heating, microelectricity generation, renewable energy purchase contracts (PPAs), flexibility services and meters combined with data services. EDF Energy is a leading optimizer of batteries in Great Britain, the largest buyer of renewable energy through PPAs and uses its wholesale market capability as a service to other industry participants.

## Generation

EDF Energy's priority in the field of electricity generation is to ensure that its activities are safe, reliable and cost-effective. In 2023, EDF Energy's nuclear fleet produced 13% of the UK's electricity generation. All the advanced gas-cooled reactors have been extended beyond their original 25 years design life. In December 2024, EDF Energy confirmed that four advanced gas-cooled reactors ("AGR") in the United Kingdom had been extended further, for a total capacity of 4.6 GW. In order to continue to meet 3% of Britain's electricity demand until 2055, a 20-year extension of the service life of the Sizewell B PWR is pursued, subject to the right commercial model being identified.

Extending the lifespan of EDF Energy's plants, insofar as it is safe and economically feasible, contributes to the UK's energy security and reduces its dependence on gas while maintaining vital operational skills for future nuclear power plants.

Three of EDF Energy's AGR stations are currently being defueled. According to an agreement signed with the British government in June 2021, EDF Energy is responsible for de-fuelling all seven AGR plants before handing over to the Nuclear Restoration Services (NRS) which has been designed by the UK government to carry out the subsequent decommissioning activities.

## Nuclear New Build

The UK Government believes that nuclear energy will play a key role in building a clean electricity system by 2030 that it is essential to develop nuclear capacity in Britain in order to achieve the country's net zero target by 2050. In partnership with China General Nuclear Power Corporation ("CGN"), EDF Energy is building two new reactors (3.26 GW in total capacity) based on European Pressurised Water Reactor ("EPR") technology at the Hinkley Point site in Somerset. At the end of 2024, about 12,000 people are working on the site to build the plant, and 71,000 jobs forecast to be supported nationwide by the end of construction.

A similar 3.26 GW EPR project is planned for Sizewell in Suffolk. It will produce reliable, low-carbon electricity for nearly six million households for 60 years, thereby avoiding nine million tons of CO<sub>2</sub> each year. The Sizewell C (SZC) project aims to provide 1,500 apprenticeship places and support 70,000 jobs. In May 2024, Sizewell C was granted a nuclear site licence, with a final investment decision due in 2025. As of 31 December 2024, the British government holds 83.8% of the project and EDF Energy holds the remaining 16.2%. Therefore, from 31 December 2024, Sizewell C (Holding) Ltd is accounted for by the equity method, since the Group now exercises significant influence over the company.

EDF Energy is supporting the new nuclear programme in the United Kingdom and paving the way for net zero through the acquisition of skills and sites enabling new technologies to be explored.

## Section 172 (1) Statement

### Introduction

EDF Energy is one of Britain's biggest energy suppliers, powering 3.7 million homes as well as organisations like the NHS, Tesco and the UK government. As the UK's biggest generator of zero carbon electricity<sup>1</sup>, EDF Energy is helping build Britain's own wind, nuclear and solar energy supply.

The main activities of EDF Energy Holdings Limited, is to be a holding company for its immediate parent company, EDF Energy (UK) Limited, which is a UK subsidiary of EDF, S.A. ("EDF"), a company incorporated in France – the Company's ultimate parent company. The Company has a strategic role as the governance body for major business units ("BU") across the EDF group of companies in the UK ("EDF UK or EDF UK Group"), meaning that key decisions affecting EDF UK, are made by the Company in line with the UK strategy and ambition set by EDF. The Company purpose is a UK delivery of EDF's Raison d'être. This underpins the Board's strategy and decision making to make sure activity within the Company works to achieve long-term success.

This statement describes the actions taken by Directors to fulfil their responsibilities to promote the success of the Company and the wider EDF UK Group, in accordance with the Section 172 of the Companies Act 2006, for the financial year ending 2024. The Directors have considered the following Section 172 factors:

- The likely consequences of any decision in the long term;
- Employee interests;
- Fostering business relationships with suppliers, customers, and others;
- The impact of operations on the community and the environment;
- Maintaining a reputation for high standards of business conduct; and
- Acting fairly between members of the Company.

The Company purpose and strategy is set out in the Strategic Report and published on the EDF UK website. The purpose is summarised as Helping Britain achieve net zero. The purpose and strategy are guided by: i) feedback from stakeholder engagement; ii) consideration of the long-term impact of strategic decisions on the long-term objectives of EDF UK; and iii) the environmental and social impact of those decisions.

EDF UK's Chief Executive Officer (CEO) is the UK member of the EDF Group Executive Committee. The Director of Strategy & Policy serves as the UK representative on the EDF Group Corporate Social Responsibility ("CSR") Strategic Committee, which oversees the strategic management and coordination of all CSR issues.

The Company is committed to sustainability in all it does and published a Helping Britain achieve net zero progress update in 2024 (available online). It sets out how we are helping the transition to a secure, reliable, affordable and clean energy system through our business activities. These include generating zero carbon electricity, helping our customers achieve net zero, decreasing our carbon footprint and contributing to environmental and societal improvements, all supported by our commitment to health and safety. We also published our latest Carbon Reduction Plan. The Directors are committed to the EDF UK policies aimed at protecting stakeholders (for example, Health, Safety and Wellbeing, People, Ethics and Business conduct, Environment, and Supply Chain). These are also available online.

While the Company is not required to provide a Corporate Governance Statement, in accordance with the Companies (Miscellaneous Report) Regulations 2018 (the "Regulations"), Section 172 includes the Company's corporate governance arrangements and engagement with stakeholders. The Directors seek to apply best practices from the Regulations and voluntarily adhere to the Wates Principles of Large Private Companies to do so.

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<sup>1</sup> UK Fuel Mix disclosure information, published by Government Department for Energy Security and Net Zero

## Overview of the Board

Since the Company serves as the primary governance body of the EDF UK Group, the Directors have a pivotal role in shaping the strategy for long-term success, delivering value to its shareholder and contributing to a sustainable, more environmentally conscious society. The Board make sure it receives enough information from its subsidiaries and the wider EDF UK Group, to help the Board make well informed, future proof decisions. The Directors of the Company have given careful thought to the size and structure of the Board, to make sure it has the knowledge and expertise to meet the Company's strategic needs. The Board is comprised of ten members, from a variety of different functions across the EDF Group, plus one Chairman, who is a non-executive Director. The Chairman, appointed in mid-2024, brings valuable experience from a distinguished career in the UK Civil Service and expertise in leading public sector organisations. This background offers fresh direction and energy to the Company's efforts in supporting Britain's ambition to achieve net zero.

On appointment, Directors are provided with EDF UK's Directors Training and Induction Manual. This explains their duties and obligations as a Director, how to comply with these duties and how to operate within EDF UK Group's corporate governance framework. Directors are offered face-to-face, bespoke training and guidance should they need additional support in their new role. They're also encouraged to update their skills, knowledge and familiarity with EDF UK by meeting with senior management, visiting sites (such as the power stations and call centers) and by attending external seminars and training courses. This training makes sure Directors are aware of their Section 172 duties and understand the responsibility they have in representing the Company through their decision making.

### Sub-committees of the Board

In addition to scheduled meetings, the Board uses sub-committees to consider matters in detail. These current committees include:

- EDF UK Company Health and Safety Committee – responsible for demonstrating a strong and active health and safety leadership from the top of the organisation and achieving the Group's zero harm ambition;
- EDF UK Audit Committee - assists the Board in fulfilling its responsibilities by reviewing the main policies and practices of the Company and its controlled subsidiaries, namely the wider Group, in respect of accounting and financial control matters, the internal control environment, risk assessment, risk management and corporate governance; and
- EDF UK Remuneration Committee - provides a forum for considering the level and composition of remuneration for the Company's Executive Directors and the Executive Team ("ET").

These sub-committees have delegated authority from the Board, set out in terms of reference, which empower decision making while retaining board oversight for material changes.

The Board works with further internal governance bodies in EDF UK, including the ET and EDF UK Energy Risk Management Committee. They annually report to the Board on operational energy market risk management, including climate-related risks, and define the scope and risk limits that each of the BUs across EDF UK are authorised to operate.

### Delegations of Authority

The Company's constitutional documents set out the authority, role and conduct of Directors. Day-to-day management and the implementation of strategies agreed by the Board are delegated to the relevant director(s) or ET member in attendance. The reporting structure below Board level is designed that decisions are made by the most appropriate person(s), allowing for management teams to report to members of the ET. The Directors receive regular updates on all aspects of the business endorsed by the relevant ET members ahead of each Board meeting and are confident in the integrity of the information used for decision making. This is dictated by the Company's internal procedures relating to financial reporting, key performance indicators (KPIs), workforce data, environmental data, stakeholder engagement feedback and consumer data.

The Company uses Financial Authority Limits (FALs) (as detailed in the EDF UK Group Corporate Governance Policy) and contract signatory authority mechanisms to control and give oversight on the

various financial commitments it enters into. The FALS of the CEO, EDF UK, are agreed with EDF and approved by the Board. The CEO, EDF UK, has authority to delegate FALS to the ET (where appropriate / required to discharge the needs of each BU) and to enable the ET to further cascade their FALS down to Leaders within their teams.

The EDF Group Corporate Governance Policy supports the Company policy framework that sets out:

- Requirements for governance bodies, their structure and Board member training;
- The Financial Authority Limit framework;
- The Policy Operating Framework; and
- Processes to help the allocation of board duties, evidence of decision-making, and the stakeholders considered in decision-making.

The Company has a stringent risk management culture through policies, reporting and internal audit and assurance helping Directors make decisions concerning principal risks to EDF UK. EDF UK has developed a Risk & Resilience Policy covering Risk Management, Internal Control, Business Continuity and Crisis Management, which defines standards that companies within EDF UK need to achieve. The Company self-assesses against these standards, and EDF UK is audited against them to give assurance that EDF UK companies have an appropriate risk culture. The Directors agree how these principal risks should be managed or mitigated to reduce the likelihood of their incidence or magnitude of their impact. These risks are set out in the “Principal risks and uncertainties” section of the Strategic Report. A key example of EDF UK’s approach to specific risks, is seen through EDF UK’s company level climate change risk. This sets out the risks that climate change presents to the achievement of our business objectives, our purpose of helping Britain achieve net zero, and the control action that is being taken to mitigate these. Individual BUs have identified their own climate change risks, and these are being managed in accordance with the Company’s policy for risk management. There is a dedicated section concerning climate risk and opportunity in the “non-financial and sustainability information statement”.

Control testing against each EDF UK policy is carried out at least annually through the Internal Control Self-Assessment process. Where needed, actions are then identified to continue improvement. Results are reported back to the Board as part of the Annual Risk and Internal Controls Report (the “Report”), setting out the highest risks to the Company’s objectives for their consideration. This supports the Directors in considering emerging risks and to devise solutions that minimise the risks. The Report is shared with the ET for managing actions at a local BU level, and to the EDF Group Risk department to support compliance with the French Afep-Medef Code. The Group Audit Charter provides internal authority to independently assess the effectiveness of risk management, and control and governance processes by the Company and EDF UK. The findings of any such review are reported to the Audit Committee of the Company and presented to the Board for discussion.

## **Other Reporting**

The Company, in addition to other companies within EDF UK that meet the applicable threshold, publishes its Modern Slavery Act Statement, Gender Pay Gap Report, Payment Practices and Report and Tax Strategy Statement in accordance with UK law and regulation. These are published externally and give consideration to EDF UK’s relationships with its suppliers, particularly the Modern Slavery and Payment Practice and Reporting Statements. The Board welcomes this transparency and uses these reports to help EDF UK continue performance improvement in these areas.

## **Our Stakeholders**

### **Employees**

As a holding company, the Company does not employ direct employees; however, it remains a key company in shaping the decisions that affect EDF UK employees. The Board consistently engages with employees and carefully considers their perspectives when making decisions, fully recognising that the success of EDF UK is fundamentally driven by the contributions of our people. The ET actively engages with employees at both BU and companywide levels through various activities organised by the communications team. These activities aim to update staff on EDF UK’s strategy within the framework of the EDF Group’s strategy “Ambition 2035”, as well as their respective BU’s plans, progress, and

achievements. Communication methods include email, video, all-staff webinars, face-to-face meetings, Q&A sessions, and informal gatherings during the ETs monthly all-day meetings at different offices. A particular focus is placed on leadership communications with the top 100 Directors of the company, featuring bi-monthly webinars and two full-day face-to-face meetings each year. EDF UK Group colleagues are regularly invited to these face-to-face meetings to provide the latest updates on Group plans, developing collaboration and a sense of belonging. The Company acknowledges that employing individuals who feel engaged in their roles, represent the breadth of our society, and who possess a diverse range of talents and perspectives, is key to the longevity of the Company. EDF UK fully supports a welcoming and inclusive workplace culture using networks to encourage equity, diversity and inclusion. These include:

- LGBTQ+ Supporters;
- Women;
- RACE;
- Careers and Accessibility;
- Working Parents;
- Forces Support;
- Young Professionals;
- Cancer Support;
- Mental Health Supporters; and
- Neurodiversity.

EDF UK understands the importance in monitoring workplace employee satisfaction, paying close attention to how included our people feel. EDF UK is also able to monitor the diversity of senior leadership in terms of gender, ethnicity, sexual orientation and disability. Understanding our people is fundamental to understanding how we can improve as an organisation. For example, at the end of 2024, 36% of the Company's senior leadership had one or more diverse characteristics. All senior leadership appointments and succession plans are regularly reviewed by the Chief People Officer and ET to make certain the very best talent is appointed. The talent pipeline is very diverse, and performance to date is because of sustained career development and progression over the last few years. The company benchmarks to standards such as Disability Confident, the Gender Equality & Diversity European & International Standard, and BitC Race at Work Charter. EDF UK's ambition is for 50% of senior leaders to have one or more of these diverse characteristics by 2030.

We are a Disability Confident Employer. We work hard to create a workplace that is accessible for everyone, an inclusive environment where everyone feels able to participate and achieve their potential. This means that we will make adjustments where we can, so that the 1 in 5 of us who have a disability or health condition that we manage every day, feel welcome and can contribute fully in our workplaces.

In addition to the webinars, events and face to face meetings, employees can share feedback by surveys at BU or team level. In addition, all employees are annually invited to give their views on the company strategy, future, management, processes, tools, diversity, reward and more, through the MyEDF survey. Participation rates in 2024 were 75%, this gave a representative view of how employees feel, and gave insight on what the company should focus on and improve.

In 2024 the Company concluded its research into its 'Employee Value Proposition'. Data was captured from around 7,500 people through EDF's annual 'My EDF' survey, 'My Voice' surveys, 'Office Vibe' survey deep listening focus groups, and interviews. This research showed that one of the main drivers for employee satisfaction at EDF UK, and why new talent would be keen to join EDF UK, is that 'Progress is Personal'. Progress could mean promotion, specialising, gaining experience across EDF UK, or having a work life balance, and EDF UK can offer all these opportunities. The improvement plan from this research includes a refocus of our 'Everyone's Welcome' inclusivity strategy, a new employer brand, improved candidate onboarding, pay transparency, review of performance management and improved employee policies. Specific examples of EDF UK's improvement plan for employees include:

1. New employer brand – ‘Success is Personal’ - The Company is launching a new attraction strategy for 2025. The new recruitment system will encourage more interaction with potential talent and provide a leading candidate experience.
2. Parenting Policy improvement - Following consultation with trade union partners, the Working Parents Network and the Women’s Network, an updated Parenting Policy was published in 2024. This included improved maternity and paternity pay and time off for neo-natal care and fertility.
3. Pay review – There has been a continued response to the cost-of-living crisis, recognising its exceptional impact in 2022 and challenging labour market conditions from the UK post-pandemic. The Company has introduced an annually recurring flexible cash fund and improved pension plan payments for new starters.
4. Everyone’s Welcome - Following an independent review, our three key leadership courses are being revised to make sure ‘Inclusive Leadership’ is paramount throughout. Training and socialising of Cultural Intelligence and Psychological Safety will also be carried out across EDF UK.
5. Net zero commitments - To support the Company’s net zero commitments and make it easier for our employees to lead low-carbon lifestyles, the Company is continuing its electric vehicle car scheme, available to employees as a salary sacrifice benefit, with approximately 1,000 vehicles ordered through the scheme. In addition, e-bikes are included in the Company’s cycle-to-work program.

### **Company Policy on Financial and Economical Awareness**

Throughout the year, our company is committed to ensuring that all employees are well-informed about the financial and economic factors that influence our performance. To achieve this, we implement a comprehensive communication strategy that includes:

1. Regular Communications: We provide updates on company performance at both the company-wide and business unit levels. This includes sharing press releases of our financial results and other key performance indicators.
2. Performance Index Targets and Progress: Annually, we communicate our company performance index targets and progress through various channels, including the bonus and pay review letters, and quarterly updates.
3. Webinars: We conduct regular webinars to discuss financial results, economic factors, and other relevant topics, ensuring that employees have a clear understanding of the company's performance and strategic direction.
4. Engagement with Company Council: We maintain open lines of communication with the company council, including trade union representatives, to ensure that all stakeholders are informed and engaged.
5. On-Demand Training: For those interested in learning more about finances, we offer training on demand. The Finance Team and the Nuclear Skills Alliance have collaborated to create a short course aimed at enhancing financial awareness for employees working on the HPC Project.

By maintaining these practices, we strive to foster a culture of transparency and awareness, empowering our employees with the knowledge they need to contribute effectively to our company's success.

## Suppliers

EDF UK is an active supporter of the United Nations Global Compact (“UNCG”). The UNCG’s ten core principles form part of the supplier onboarding process across EDF UK. The UNCG covers a range of topics including: Human Rights, Labour, Environment and Anti-corruption.

Additionally, EDF UK works with a broad range of organisations to promote safe, secure, and responsible energy generation, while delivering fair value, better service, and simplicity to customers. As a member of MSDUK and WEConnect, the Company actively encourages the development of diverse and inclusive supply chains. The diversity and wellbeing of suppliers are key priorities for EDF UK, and acknowledges the critical role partners and suppliers play in sustaining EDF UK’s competitiveness and profitability, ensuring the long-term success of the business.

To closely monitor its supply chain, EDF UK conducted a comprehensive review in 2023, gathering feedback and input from each BU. This created an updated policy, establishing a framework of minimum standards for supply chain activities across EDF UK. By conducting such reviews, EDF UK seeks to maintain high ethical standards throughout the supply chain and reinforces employee engagement with this crucial aspect of the business.

## Customers

EDF UK develops strong relationships with customers by striving to understand their evolving needs. We deliver tailored, relevant services with excellent customer service, this helps us retain our loyal customer base and attract new customers.

To best support our customers, EDF UK has invested in the Kraken technology platform. EDF UK’s residential and small business customer base has migrated to this cutting-edge technology, to provide better, more efficient customer service. This platform improves billing, reduces debt, and cuts call wait times, to help support our customers.

EDF UK are also committed to supporting its most vulnerable customers through a wide variety of schemes offered across the Company. EDF UK have a dedicated customer support fund, this has helped more than 55,000 customers since its launch in 2003. Through this, eligible vulnerable customers, experiencing financial hardships, are offered a ‘fresh start’ to help lower their debt. From energy efficiency support to account credits, EDF UK strives to support all vulnerable customers using a variety of measures, whatever the customers’ circumstances. In 2024, EDF UK announced a £29 million winter funding initiative to help customers. This funding is in addition to the £140 million spent on the Energy Company Obligation (“ECO”) and Great British Insulation Scheme (“GBIS”) in 2024, as well as £60 million on the Warm Home Discount scheme. Impressively, 75% of EDF UK customers who received debt matching support up to September 2023, remained debt-free after 12 months.

The Company understands the importance of these measures and remains committed to closely monitoring their effectiveness, so EDF UK can adapt as needed. After a customer has contacted us, they’re given a link to leave a review. The link is tracked so we can monitor feedback and address negative responses by implementing improvements, and relaying feedback to the relevant teams. As at 2024, EDF UK’s Trustpilot score increased to 4.7 out of 5, demonstrating the Company’s commitment to providing excellent customer service.

Due to the ongoing cost-of-living crisis, performance indicators and strategic business initiatives, in relation to our customers, have been discussed by the Board to find ways to continually improve customer experience during these challenging financial times.

## Other stakeholders

Throughout 2024, the Directors have remained mindful of the diverse range of stakeholders we collaborate with, recognising the important roles each can play in helping Britain achieve net zero. Building solid partnerships with all our stakeholders is crucial to the long-term success and sustainability of the business.

EDF UK has well established relationships with Trade Unions, with formal recognition of UNITE the Union, GMB, Prospect and Unison. EDF UK engages with Trade Unions through various forums, such as the Company Council to promote the provision and exchange of information and ideas, including discussions on various strategic issues. Additionally, EDF UK utilises formal committees for consultation and negotiations, on topics such as working arrangements and health and safety, working through relevant BUs in alignment with existing Industrial Relations Agreements.

The Company and its subsidiaries work with external stakeholders, including trade unions, industry bodies, government and regulators, to make sure the latest updates across the energy industry are clear. In 2024, EDF UK began holding quarterly calls with Ofgem to discuss market developments, challenges, key insights and proposed reforms, to gain a deeper understanding of existing policies and processes. This open communication plays an important role in keeping the Directors informed about factors influencing the energy industry, helping them make well-informed decisions about the future direction of EDF UK.

With 2024 bringing a general election and a change of government, the Company continued to engage with government and decision makers who shape the policy which can impact our business.

In October 2024, the Company joined forces with Octopus Energy, to establish a new, jointly owned, campaign organisation, incorporated as Electrify Britain Limited, is a groundbreaking initiative aimed at creating a greener, more affordable energy system. This partnership focuses on achieving net zero through electrification. Aligning with EDF UK's overall ambition of helping Britain achieve net zero, there's a specific focus on transport, heating and decarbonising local communities. Engaging and subsequently partnering with Octopus, shows both companies' commitment to net zero and the need to act now.

### Communities and the environment

EDF UK is committed to leading the UK's transition to a secure, low-carbon electricity system. As the UK's biggest zero carbon generator, the Company is helping support the reduction in carbon emissions enacted by the Climate Change Act 2008 (as amended) to set a net zero target by 2050, and the Paris Agreement on Climate Change. More information on EDF UK's sustainability commitments can be found in Helping Britain achieve net zero - progress update 2024, accessible on EDF UK's website. The EDF UK Net Zero Steering Group - comprising senior stakeholders from different BUs and functions, serves as a forum to discuss and share knowledge on climate-related topics.

EDF UK's commitment is committed to social responsibility, community engagement and environmental sustainability is underpinned by various corporate policies (available online)<sup>2</sup>. The Company aims to protect the natural environment and biodiversity through its stewardship of land around its power stations and the commitments made through its renewables and new nuclear projects.

Extensive consultation is also undertaken with local communities to enable better decision-making.

Beyond being an energy supplier, EDF UK also supports the UK's transition to a decarbonised future through its range of business activities, from investing in low-carbon heating, to facilitating renewable energy power purchase agreements. EDF UK recognises that the future of energy is zero carbon, which needs substantial investment in renewable technologies to support and accelerate this transition. EDF UK strives to be at the forefront of the energy transition by providing customers with a 'whole house' offering of net zero solutions. In February 2024, the Company acquired Contact Solar, a solar panel and battery storage specialist, who provide domestic and commercial solar and battery storage solutions across the UK. This acquisition builds on EDF UK's strategic portfolio of renewable partnerships, following the acquisition of CB Heating, a heat pump company, in 2023, and Pod Point, an electric vehicle car charging company, in 2020. By investing in low-carbon technologies, EDF UK reinforces its commitment to a greener, more sustainable future and its long-term success and resilience. These acquisitions help EDF UK tailor its products and services to customers, as well as promoting the adoption of renewable technologies.

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<sup>2</sup> <https://www.edfenergy.com/about/sustainability>

While investing in low-carbon energy is a key priority of the Company, EDF UK are mindful to also invest in the local community during the process. For example, so far, the Hinkley Point C (“HPC”) project has created more than 23,500 jobs, with a further 3,000 jobs to be created over the next two years. The project has also helped with growth in the demographic of younger people aged 25-39 in the local area. The Company understands the potential for disruption in the area around HPC and has engaged continuously with the local area to better understand how they can work together to support the local community. As HPC develops, Directors are continuing to implement measures to mitigate against trade-offs which remain to be considered, including economic benefits and environmental considerations, and are continuing to implement measures to mitigate against such. The latest HPC Socio-economic Impact Report (available online) demonstrates that the project is successfully meeting its ambitious targets to deliver a lasting legacy.

Each of EDF UK’s operational renewables projects has a dedicated community benefit fund to spend on the needs of the community, with the communities deciding themselves how these funds should be spent. These funds can be donated to local charities, or go towards renovation projects, or helping people learn new skills and find work. For example, for the last 20 years, EDF UK have annually made sizeable donations to support Blyth RNLi life-saving efforts, covering the operational life of the Blyth Offshore Demonstrator Wind Farm. In addition to investing in local projects, EDF UK has a partnership with Alzheimer’s Society, supporting pioneering research and life changing dementia services across the UK. Demonstrating the commitment to this incredible charity, in 2024, EDF UK raised £211,277 through a series of company-wide fundraising events, and efforts from our people including skydives, marathons, endurance challenges and international expeditions.

#### Key decisions made by the Board in 2024

To support principal decision-making, each BU is responsible for engaging with stakeholders, evaluating feedback and escalating key information to the Board. In 2024, several “deep dive” papers were presented to the Board. These have supported Directors to consider topical issues, take decisions and provide guidance on areas where key stakeholder concerns have been raised. Understanding how the Board makes decisions is seen best in examples which showcase their considerations in context.

##### **1. Zero harm in the workplace**

A key agenda item for the Board in 2024 has been the Company’s commitment to achieving zero harm in the workplace. The Company believes all harm, both physical and psychological, is preventable and has an ambition to strive for zero harm in the workplace. This means making sure workplaces are safe and healthy for everyone; both employees and anyone working on the Company’s behalf. Throughout the year, Directors have deliberated on the latest health and safety statistics from each BU across the Group, emphasising the critical importance of employee mental well-being as part of the zero-harm ambition. By analysing these statistics at Board level, the Company can identify opportunities for improvement, implement actions of concern and develop a culture where employee safety and well-being are prioritised.

##### **2. Investment in zero carbon**

Throughout 2024, the Board have been updated by senior leaders from the Retail business, to discuss the Company’s zero carbon heat strategy, and its long-term approach in supporting the UK’s net zero transition. The Board discussed how it’s important for EDF UK to leverage the expertise and knowledge of its ultimate parent company, EDF, to help accelerate the UK’s developing transition. A significant opportunity for EDF UK to position itself as a leader in the transition is possible from drawing on the Company’s global experience and insights, combined with the fragmented nature of the UK market. This opportunity allows the Company to support environmental sustainability and establish a strong national brand presence, to bolster its long-term resilience and reputation. These discussions support Directors to thoroughly evaluate the environmental benefits of reducing carbon consumption alongside the strategic advantages of investing in this growing market. This approach ensures the Company contributes meaningfully to environmental progress, enhances customer experience, and drives sustainable business success for years to come.

### **3. Supporting customers**

The managing director of the Retail business presented frequently to the Board over the course of 2024, providing updates on the migration to the Kraken-flex platform. This meant customer satisfaction and engagement could be monitored at Board level, and Directors were able to gain a more granular insight into the migration. The Board has also placed significant focus on evaluating customer debt levels. This has been essential in understanding how EDF UK—and the energy industry more broadly—can provide effective support to customers most in need. By addressing this issue at a Board level, Directors gain valuable insights into the scale of debt challenges faced by customers, as well as the specific support measures required.

EDF UK remains dedicated to delivering industry-leading, long-term support solutions for vulnerable customers to help prevent debt cycles. This commitment was shown by the decision to invest £29 million to support customers during the winter period of 2024: reflecting the Company's determination to ease financial pressures for those struggling the most, reinforcing its role as a responsible and compassionate energy provider.

### **4. Setting the EDF strategy**

In 2024, the EDF UK Group launched its 'Ambition 2035' strategy, which aims to lead the new electric revolution and build the energy system of tomorrow, while offering customers zero carbon electricity at competitive prices. Ambition 2035 was reviewed with Directors receiving a refresher on the three strategic pillars that embody its vision for the future of energy: cutting carbon and cash for customers through electrification, generating nuclear and renewable electricity, and developing flexibility. By discussing long-term strategies and the Company's future direction, the Board makes sure critical decisions are based on comprehensive information and clear oversight. Additionally, raising awareness of the Company's key strategic objectives supports its success and longevity by embedding these priorities into the Board's decision-making process. These strategic objectives make sure the Company balances stakeholder interest, company direction, customer needs, the environment, and business performance.

## **Key performance indicators**

In 2024, we continued to measure progress against our key ambitions. Our key Group ambitions and related measures for 2024 were:

### **Group Wide KPIs:**

#### **Social**

- **TRIR** - Measured through the Total Recordable Incident Rate "TRIR" (lost time incidents, medical treatments and restricted work injuries per 1,000,000 hours worked) excluding HPC site performance – covers both employees and contractors. Each incident is equally weighted – thus the total result is the sum of all TRIR incidents in the year (per 1,000,000 hours worked in the year).
- **RIDDOR** (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accident frequency rate (HPC site only)- HPC Zero Harm is measured through a RIDDOR accident Frequency Rate. Each incident is equally weighted – thus the total result is the sum of all recordable accidents in the year (per 100,000 hours worked in the year). Under RIDDOR, the following types of incidents are reportable; fatal injuries to workers or members of the public, other specified or major injuries to workers, over-7-day injuries to workers and non-fatal injuries to members of the public.
- **Diversity Index** - This indicator is measured using the percentage of Senior Leadership Team having one or more diverse characteristic. Diverse Characteristic includes Gender, Ethnicity, Sexual Orientation, Disability
- **Engagement Index** - The Engagement index is measured using our annual employee engagement survey (MyEDF) which is based on a set of 6 questions. The responses against each of the 6 questions are then averaged to produce a total % result.

## Financial

- Measured through (a) Earnings before interest, tax, depreciation and amortisation and (b) Operating cash flows.
- The Operating cash flows is the Group and EDF's primary measure of cash flow. It reflects the cash generation of the business after taking into account the need to continue to invest.

## Business unit specific KPIs:

- **HPC Rebar:** This metric measures how many tonnes of Rebar (short for reinforcing bar to strengthen concrete) were installed at the Hinckley Point C project during 2023. This indicator was removed in 2024.
- **HPC RPV Site Installation - New 2024 KPI:** This metric relates to the date on which the Reactor Pressure Valve at the HPC site is to be installed.
- **MEH Bulk Installation (Earned Hours) – New 2024 KPI:** This metric relates to mechanical, electrical, and Heating, Ventilation and Air Conditioning (HVAC) and measures the cumulative percentage total to date of total project hours completed.
- **Dome Lift Complete -** This metric relates to the timing of the dome for Hinkley Point C's first reactor building being successfully lifted into place. The major milestone closes the roof on the first reactor building, allowing the first nuclear reactor to be installed in 2024. This indicator was removed in 2024.
- **Decommissioning - Fleet Flask -** This metric measures our ability to meet the agreed flask (containers used to transport AGR fuel from EDF sites to long-term storage site) transportation plans.
- **Trust Pilot – New 2024 KPI:** This metric relates to the year-end customer rating on Trust Pilot out of 5.
- **Kraken Benefits Delivery - New 2024 KPI:** This metric measures the average number of customers over four quarters on the new platform supported by each Customer Service Advisor.
- **EBS Total Contracted Value GM - New 2024 KPI:** This metric measures the EBS total contracted value Gross Margin of all sales made in 2024 irrespective of contract delivery dates.

The results for 2024 and 2023 for the Group wide KPIs presented to the Remuneration Committee were:

	<b>Ambition</b>	<b>Measure</b>	<b>2024</b>	<b>2023</b>
		TRIR <sup>(1)</sup> (per 1,000,000hrs)	0.63	0.72
Social		RIDDOR accident frequency rate (HPC site only; per 100,000hr)	0.050	0.086
		Diversity (%)	36.1	30.2
		Engagement index (%)	81	79
Financial <sup>(2)</sup>		Earnings before interest, tax, depreciation, and amortization (£m) <sup>(2)</sup>	2,873	3,446
		Operating cash flows <sup>(3) (4)</sup> (£m)	2,386	1,981

The results for 2024 and 2023 for the business specific KPIs presented to the Remuneration Committee were:

Ambition	Measure	2024	2023
	HPC Rebar	N/A	36
	RPV Site Installation (Completion Date)	03 Dec 2024	N/A
	MEH Bulk Installation	6%	N/A
Business	Dome Lift Complete	N/A	Between 01/12 - 31/12 2023
	Decommissioning – Fleet Flask <sup>(5)</sup>	92	85
	Trust Pilot (out of 5 star rating)	4.7	N/A
	Kraken Benefits Delivery (Customers/Customer Service Advisor)	2,084	N/A
	Northstar (Kraken Migration)	N/A	3.7
	Customer Smart Installs	N/A	475
	EBS Total Contracted Value GM (£m)	321	N/A

- (1) Excludes HPC site performance.
- (2) Figures consists of Operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional costs. There is a £29m (2023: £39m) difference between the KPI and statutory figures due to statutory adjustments.
- (3) The main difference in operating cash flow between the Group's management accounts (£2,386m) and the consolidated cash flow statement (£1,740m) is mainly due to the reclassification in the management accounts of tax £0.7bn (2023: (£0.4bn)) and working capital £0.3bn (2023: £0.2bn), offset by net investments of £0.2bn (2023: £0.5bn).,
- (4) Operating cash flow excludes Nuclear New Build results.
- (5) Decommissioning measure for Generation. Measures of Schedule adherence for the transport of AGR fuel containers from EDF sites to their long-term storage.

## Results

The profit for the year before taxation amounted to £1,728m (2023: loss of £8,005m). The profit for the year after taxation was £874m (2023: loss of £7,096m). Dividends of £800m (2023: £nil) were paid to the parent company, EDF Energy (UK) Limited and dividends of £355m (2023: £220m) were paid to the non-controlling interest during the year. The net assets at the end of the year amounted to £28,882m (2023: £26,304m.)

Group sales for the year amounted to £14,829m, a decrease of 20%. Group net assets have increased from £26,304m to £28,882m, an increase of 10%. Operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional costs has decreased in comparison to 2023. Although not an IFRS financial performance indicator, we have used the aggregate of Operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional costs as a measure of financial performance as it forms part of the EDF UK Group's KPI.

The Group's decrease in EBITDA is explained in particular by lower margins on sales across all customer segments, in a context of increased competition and lower market prices. The operational performance was strong, and nuclear power output was stable at 37.3 TWh. The impact of unplanned outages at Heysham 1 and Hartlepool early in the year was counterbalanced by the smaller number of scheduled outages and higher realised nuclear prices.

The consolidated segmental statement which is required by Ofgem provides more detail around profitability of supply businesses and will be available on the Group's website later this year.

## Review of the business

### Generation

#### Nuclear Operations

EDF Energy has eight nuclear power stations in the UK (15 reactors) of which three (6 reactors) have entered the fuel unloading phase. The total generating capacity was 5.9GW during 2024 (2023 5.9GW). Centrica plc. (Centrica) holds a 20% shareholding in Lake Acquisitions Limited, the indirect parent company of the entity holding the nuclear operating assets (excluding new-build).

#### Nuclear Operations fleet technology

Seven of the eight nuclear power plants (Dungeness B, Hartlepool, Heysham 1, Heysham 2, Hinkley Point B, Hunterston B and Torness) are advanced gas-cooled reactor (AGR) power plants. The eighth, Sizewell B, is a Pressurised Water Reactor (PWR) power plant.

#### Nuclear safety and radiological protection

Nuclear safety is EDF Energy's top priority. In 2024, four Level 1 events were recorded on the *International Nuclear Event Scale* (INES scale).

Strict procedures are applied to control and minimise the radiation doses received by employees and sub-contractors in all existing EDF Energy nuclear power plants. In 2024, the average individual dose received by all EDF Energy plant staff was approximately 0.042 mSv (2023: 0.022 mSv). The highest individual dose received in 2024 was 4.410 mSv, whereas the maximum legal dose is 20 mSv per year.

#### Lifetime of power stations

The lifespan of each plant is mainly determined by its technical and financial capacity to meet the required level of nuclear safety. This is determined at each scheduled outage before the next operating period by means of inspection, maintenance, testing and evaluation of the plant's performance. After each outage, the reactor restart must be authorised in advance by the Office for Nuclear regulation (ONR). The normal operating period between scheduled outages is generally three years for the AGR plants and eighteen months for Sizewell B.

Furthermore, every ten years, the plants are the subject of a periodic review of their design and of their operational and organisational safety, which is more detailed and comprehensive (Periodic Safety Review - PSR). The continued operation requires the validation of this examination by the ONR. The Sizewell B nuclear power plant SRP was submitted to the ONR in January 2024, with a decision expected in January 2025.

The AGR plants have a design life of 25 years and Sizewell B has a PWR design life of 40 years. However, the investment, technical knowledge, operational skills and safety experience of EDF Energy have made it possible to extend the service lives of the AGR plants. In December 2024, it was announced the decision to extend by one year the lifetime of Hartlepool and Heysham 1 to March 2027 and extend by two years for Heysham 2 and Torness to March 2030. Since EDF UK acquired British Energy, the average plant life extension for AGRs has been eight years.

#### Operational review of the existing nuclear operations fleet

The nuclear plants produced 37.3 TWh in 2024, a stable output compared with 2023.

The shutdowns of the four units in Heysham 1 and Hartlepool Nuclear Power Plants in 2024 after the failure of a steam valve in Heysham 1 at the end of 2023 were offset by a lower number of scheduled outages in 2024.

## Thermal generation and gas storage

The Cottam Power station closed on 30 September 2019, after more than 50 years of service. The decision to close the plant was taken in response to changing market conditions and a desire to decarbonise electricity production. At present, the dismantling work is progressing satisfactorily, with a date for completion of the demolition scheduled for 2026.

West Burton A closed on 31 March 2023, after 57 years of service. The decision to close the plant is in line with EDF's commitment to contribute to carbon neutrality. At present, the dismantling work is progressing satisfactorily, with a date for completion of the demolition scheduled for 2028.

The decision to sell EDF Energy (Gas Storage) Limited, which has two gas storage sites (Hilltop Farm and Hole House), was taken in 2023 and the sale was finalised in April 2024.

## Customers

EDF Energy supplies gas, electricity and related services to residential and business customers in the UK. The company is also in charge of wholesale optimisation of EDF Energy's production and customer assets. The size of business customers ranges from large public service contracts to small private companies. EDF Energy adopts different risk management strategies for each segment.

EDF Energy is the UK leader in energy efficiency installations thanks to the Energy Company Obligation (ECO) Scheme. The company provides services that go "beyond supply", such as management and optimisation of energy assets, sales and easy access to electric vehicles (EVs), heat pumps and photovoltaic panels.

EDF Energy remains committed to its programme to deploy smart meters and to modernise the UK infrastructure to enable the emergence of smart grids and charging according to the time of consumption. This is contributing to grid resilience, while the UK is moving towards a low-carbon future.

### Residential customers

In 2024, EDF Energy supplied 10,522 TWh of electricity and 25,318 TWh of gas to residential customers. At 31 December 2024, EDF Energy had 3.1 million electricity customer accounts and 2.2 million gas customer accounts. The 2024 churn (around 9.7%) reflected an increase compared to 2023 (around 5%), as energy prices have gradually fallen and suppliers have started to offer tariffs more competitive with the SVT (the regulated Standard Variable Tariff). EDF Energy's market share decreased from 10.1% at the end of 2023 to 9.7% (as of the most recent report, on 31 October 2024).

To support its most vulnerable customers during the winter, EDF Energy is investing £29 million. Such funding helps customers facing debt, working with partners to help the most vulnerable, both financially and to heat and insulate their homes. EDF Energy remains strongly committed to the public authorities and regulatory authorities, both bilaterally and in partnership with other suppliers within the Energy UK sector organisation. Together, they address issues such as supplier resilience, the future of the Standard Variable Tariff (SVT) methodology, and government support for consumers. This includes advocating for the introduction of a social tariff for the most vulnerable customers. EDF Energy has just completed the migration of 5.8 million residential and SME customer accounts to the Kraken Technologies platform. The new platform, offers greater opportunities to innovate and distinguish EDF Energy's services to the needs of its customers. Due to the anticipated lengthening of waiting times due to the migration of customers and customer service staff to Kraken, EDF Energy's position in the Citizens Advice Energy Supplier Ranking dropped to 12th position out of a total of 16 suppliers based on data collected between October and December 2024 (latest version). However, EDF Energy is convinced that this system will enable it to provide one of the best customer services, as shown by the "Excellent" rating obtained by EDF Energy on TrustPilot (4.7/5) on 31 December 2024.

### Business customers

EDF Energy supplies around 364,000 small business ("SME") customers and around 17,000 industrial and commercial (I&C) customers, including around 15,000 customers of medium-sized enterprises and

around 2,000 customers of large enterprises. The I&C (EDF Business Solutions - EBS) business also supplies several large public sector customers, including Crown Commercial Services (the largest energy contract in volume in the UK) and Scottish Procurement.

In 2024, the business segment supplied a total of 34.49 TWh of electricity to non-private customers, of which 2.31 TWh to SME customers and 32.18 TWh to I&C customers. In total, EDF Energy supplied 1.81 TWh of gas to business customers, including 1.21 TWh to SME customers and 0.6 TWh to I&C customers.

The market for professional customers in the UK is around 154.4 TWh, making EDF Energy the largest supplier of electricity by volume to business customers, accounting for around 21% of the business market. The volume supplied by EDF Energy to the non-domestic electricity market increased by 0.4 TWh over one year due to the growth of its B2B business.

In the SME segment, the number of customers has increased by 22% this year, mainly due to the acquisition of Opus Energy's SME portfolio. EDF Energy is now the 2nd supplier in the SME segment in terms of number of meters in the UK, ahead of E.On.

Sales of EDF Energy's Medium Business segment increased again and the company improved its customer service, consolidating its position as a market leader. It continues to expand its gas business, which provided about 4,700 meter points at the end of 2024.

For the Large Business segment, a targeted approach led to the acquisition of 12 new customers in 2024, two of which exceeded 100 GWh. In addition, 36 contracts with large business have been renewed. EDF Energy has supplied around 15 TWh for contracts with its public sector customers.

In the electricity purchase market, EDF Energy remains the largest buyer of renewable electricity through PPAs (based on its own and third party capacities) in the UK according to the latest industry report published by Cornwall Insight. Contracts have been signed with 401 renewable energy sites, including 7 new corporate PPAs for 2 new onshore wind projects and 5 solar projects.

#### [The consequences of the energy crisis](#)

After high volatility in 2021 and 2022, wholesale gas and electricity markets stabilised in 2023 and stabilised at a lower level throughout 2024. However, wholesale and retail prices remain considerably higher than before the energy crisis, and occasional sudden and short-term increases show the continuing nervousness of the market.

EDF Energy's hedging strategy still faces significant risk due to erosion and volatility in demand. Energy consumption declined during the energy crisis and its recovery remains subject to uncertainty. Geopolitical instability, especially with conflicts between Russia and Ukraine and in the Middle East, is driving an increase in market volatility and liquidity risks. The possibility of regulatory change still poses a significant risk to the company, exacerbated by the change of government in the UK in 2024. New regulations could affect EDF Energy's ability to generate profits from our tariffs or to collect debts from our customers. While prices remain high, energy retailing remains a sensitive topic for both private and business customers.

In close collaboration with Ofgem, the UK government and other stakeholders, EDF Energy is participating in discussions on market regulatory reform and how to help customers in 2025 and beyond to achieve carbon neutrality.

## [Wholesale Market Services](#)

### [General principles](#)

EDF Energy's energy purchases and risk management are intended to ensure that EDF Energy's activities are optimised and that its services are provided at a competitive price, while limiting the risk of volatility on its gross margins. A dedicated EDF Energy department, Wholesale Market Services (WMS), is tasked with centrally managing the risks inherent in the wholesale market within the framework of pre-defined risk limits and controls. It ensures a unique interface with the wholesale market via EDF Trading. It also offers modelling services to all EDF Energy entities. It negotiates and manages

market access and optimisation services on behalf of third parties, such as electricity generators.

### **Electricity supply and sale**

Since April 2010, 20% of nuclear production has been sold to Centrica, a minority shareholder in the existing nuclear fleet, in accordance with agreements concluded with Centrica

The remaining 80% is sold internally at the same price terms as those set out in the agreement with Centrica, based on published market prices, smoothed over electricity futures prices where liquidity permits.

In addition to its own production, EDF Energy also procures its energy through purchase contracts mainly with renewable energy producers and those based on cogeneration. In 2024, these purchases amounted to approximately 8.84 TWh.

WMS Flexibility Services provides market access and optimisation services for storage (e.g. batteries) and small-scale production (e.g. advanced management speciality gas plants) to its customers to earn revenues from wholesale services and flexibility services. In 2024, it obtained 545 MW of new battery optimisation contracts and signed renewal of battery contracts with existing partners totalling 20 MW. It also obtained 27 MW under new advanced gas production contracts and signed the renewal of similar contracts already in place with 30 MW. EDF Energy's position as a net buyer on the wholesale market for the volumes delivered in 2024 was around 6.6 TWh (including structured sales), with around 18.7 TWh sold and 25.2 TWh purchased.

### **Electric Vehicles (Pod Point)**

EDF Energy holds a 53.18% stake in Pod Point.

In 2024, Pod Point deployed about 28,000 residential charging points for rechargeable vehicles. These sales were made despite supply chain problems and a cost-of-living crisis that slowed the growth of the electric vehicle market. EDF Energy currently has 45,000 customers who own electric vehicles, an increase of 90% compared with 2023, of which around 15,800 benefit from an electric vehicle tariff.

### **Heat Pumps (EDF Heat Pumps, rebranded from CB Heating)**

In 2023, EDF Energy acquired 100% of CB Heating Ltd, a leader in the installation of heat pumps. This follows a strategic investment made in the company in 2022. In 2024, EDF Energy sold (gross) around 1,600 heat pumps and installed 1,000, representing an increase of around 70 % in sales for CB Heating Ltd in 2024 compared to 2023. This trend is fuelled by the ECO programme and by the increase in funding under the Boiler Upgrade Scheme, which increases from £5,000 to £7,500 per installation.

### **Solar Panels and Batteries (Contact Solar)**

In February 2024, EDF Energy acquired Contact Solar, a leading company in the installation of residential solar photovoltaic panels. EDF Energy has gradually increased the number of leads generated for Contact Solar throughout the year and, since the acquisition was finalised in February, it has made around 1,900 sales (gross) and around 1,300 installations.

## Nuclear New Build

Following the final investment decision (FID) taken by the EDF Energy Board on 28 July 2016, EDF Energy and China General Nuclear Power Corporation (CGN) signed the contracts for the construction and operation of two EPR reactors at the Hinkley Point site in Somerset (Hinkley Point C or HPC project).

EDF Energy is participating in the development of a nuclear power plant project at Sizewell in the Suffolk region (the Sizewell C project based on EPR technology).

## **Hinkley Point C (HPC)**

At 31 December 2024, EDF Energy owned 72.6% of HPC, with CGN holding the remaining 27.4%.

Like any project of this scale, the project involves very important industrial risks (work and productivity on site, manufacturing by suppliers, construction and commissioning contingencies, tensions on world markets) which can lead to delays and cost overruns when the project is completed.

### **Project achievements**

In 2024, the Hinkley Point C project completed a series of milestones:

- Unit 1 - Reactor building: reactor vessel installation. The reactor vessel installation sequence was carried out between 30 November and 3 December. HPC is the first new reactor built in Britain in more than 30 years. Framatome began manufacturing the reactor vessel in 2011, which consists of more than 500 tons of cast iron and will contain nuclear fuel
- Unit 1 - Turbine Hall: installation of the generator stator. The stator, built by Arabelle Solutions, arrived at the site from Belfort on 17 November 2024 and was installed on 17 December 2024.
- Unit 1 - Diesel programme: starting up of the heat exchanger installation.
- Unit 2 - Reactor building: installation of the third bulkhead of the containment liner. This piece is the third and last element of the containment liner. It was prefabricated on site and installed on October 14, 2024.
- Unit 2 - Reactor building: reactor pool and transfer pool installation

### **Project Costs and Schedule**

A review of the Hinkley Point C project was finalised in January 2024<sup>3</sup>, which led to a reassessment of the construction schedule and costs. In terms of the timetable, it is now envisaged that power will be started up in unit 1 around the end of the decade. Several scenarios are considered:

- the first scenario, around which the project is organised, corresponds to a target of starting production in unit 1 in 2029. This schedule is notably based on a target productivity for electromechanical assemblies, underpinned by the implementation of action plans currently being developed;
- a second scenario (base case), taking into account certain risks inherent in the success of these action plans, the build-up of these facilities and the testing schedule, will lead to unit 1 production starting in 2030;
- finally, given the complexity of the project, an unfavourable scenario could lead to a start of the electricity production of unit 1 in 2031, i.e. 12 months more than the base case.

In the first two scenarios, the project's completion cost is estimated to be between £31 billion and £34 billion in 2015 values, depending on the circumstances. The cost of civil engineering and the extension of the electromechanical phase (as well as its effect on the other works) are the two main causes of this revision of the construction cost. In the unfavourable scenario, the additional cost would be around GBP 1 billion in 2015 values.

In 2024, performance in civil engineering and electromechanical works did not produce the expected results. Action plans have been put in place and the project remains within the scope of the first two scenarios mentioned above in terms of cost and duration.

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<sup>3</sup> See the EDF press release of 23 January 2024 entitled "Update on the Hinkley Point C project".

At the end of 2024, the actual construction costs incurred, net of interest, for the entire project amounted to GBP 27.0 billion (nominal value), or GBP 21.9 billion in 2015 values.

At the end of 2024, the Group recorded an additional impairment mainly related to the update of the long-term inflation rate curve assumption in the United Kingdom (see note 21 of the consolidated financial statements for the financial year ended 31 December 2024).

#### Financing of the project

In a side letter to the Secretary of State Investor Agreement dated 27 September 2016, EDF Energy undertook to the UK Government that if the Group intended to sell a stake in HPC resulting in the loss of the majority of voting rights before the second unit is operational, the Government's consent would be sought before making the transaction.

As the total financing needs of the project exceed the initial contractual commitment entered into by the shareholders (committed equity), HPC called on the latter to allocate additional equity on a voluntary basis (voluntary equity) as from the third quarter of 2023. HPC is now financed on a voluntary basis and EDF Energy alone is currently contributing. In the absence of any voluntary equity from CGN to date, EDF is seeking different solutions to cover the financing needs until the commercial commissioning of the plant. CGN has the ability to resume financing at any time, which would control the dilution of their shareholding.

#### Discussions with the UK Office for Nuclear regulation (ONR)

The ONR is continuing its close regulatory monitoring of the HPC project and is placing special emphasis on the topics covered by the Chief Nuclear Inspector, namely a strategic approach to the health and safety of nuclear sites and cyber-security. At the end of 2024, the reactor pressure vessel was installed in unit 1, a stage that constituted a HPC hold point subject to authorisation by the ONR under its Primary Powers. As part of its Flexible Permissioning regime, the ONR issued a decision of no objection to the commissioning of the low-voltage switchboards (LVLs) in July 2024. The Projects arrangements to ensure compliance with Licence Condition 21 (commissioning) were also implemented this year to allow LVL switchboards to be commissioned. In the future, the ONR intends to authorise a number of additional activities as the HPC project moves towards the on-site fuel delivery phase. The ONR continues to investigate two separate safety accidents that occurred in 2022: one concerning a fatal accident in November 2022 and the other concerning the fall of a prefabricated rebar steel cage on a worker in August 2022. HPC continues to co-operate with both investigations and submitted a Voluntary Statement in September 2024 to the ONR regarding the fatal accident. A further Voluntary Statement was submitted in December 2024 regarding the accident involving the prefabricated rebar steel cage.

#### Contract for Difference (CfD)<sup>4</sup>

HPC Project Company, NNB Generation Company (HPC) Limited, and the Department of Energy and Climate Change (DECC) finalised the terms of the Contract for Difference (CfD) in October 2015. The latter was declared compatible with EU state aid rules by the European Commission in October 2014.

Signed on 29 September 2016, alongside other contracts with the UK Government, the CfD is a contract signed by HPC and countersigned and managed by a counterparty called Low Carbon Contracts Company Limited (LCCC), a private company wholly owned by the UK Government, which aims to secure the revenues generated by the electricity produced and sold by HPC by a financial mechanism offsetting the difference between the contractual strike price and the market reference price over a period of 35 years from the commissioning of each of the units.

From the date of commercial entry into service of the unit under consideration, if the reference price at which the producer sells electricity on the market is lower than the strike price defined in the CfD, the producer will receive the difference. If the reference price is higher than the exercise price, the producer will be liable for the difference.

The main features of the Contract for Difference are as follows:

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<sup>4</sup>Terms of the contract are available on the UK government website: <https://www.gov.uk/government/publications/hinkley-point-c-documents>.

- the strike price for HPC is set at GBP 92,50 MWh (in 2012 values). The strike price will be reduced to GBP 89,50 MWh (in 2012 values), if the Sizewell C project is subject to a positive final investment decision in order to take advantage of the series effect, with compensation from Sizewell C to HPC in order to share the costs of first of a kind EPR technology between the two UK projects, payable on 31 December 2025 or on the positive final investment decision for the Sizewell project, whichever is the later;
- the strike price is indexed to UK inflation through the Consumer Price Index (CPI);
- the term of the exercise of the mechanism is 35 years; in view of the delay of unit 1, which is expected to be commissioned after 1 May 2029, and of unit 2, which is expected to be commissioned after 31 October 2029, the 35-year period will be reduced commensurately with the deadlines overrun beyond those dates;
- the CfD contract has a Longstop Date, whereby if neither unit has been commissioned by this date the UK Government is authorised (without obligation) to terminate the CfD. In view of the impacts of Covid-19 on the project and the outcome of the UK Government' negotiations with CGN on its exit of the Sizewell C nuclear project, the Longstop Date was moved from 31 October 2033 to 31 October 2036;
- the project is protected against certain unfavourable regulatory and legislative developments. Provision is also made for cases of cost reviews (upward and downward depending on the assumptions) for the 15th and 25th years, and to review certain conditions for the costs corresponding to decommissioning and waste management operations (Funding Decommissioning Programme).

There is no explicit volume guarantee in the CfD or annual cap; however, the contract includes clauses to protect against the risk of a curtailment risk by the system operator so that the project is contractually covered against this type of event.

## Sizewell C

Sizewell C is a project to build a nuclear power plant with two EPRs at Sizewell, in the Suffolk region of England. Sizewell C is expected to have a total capacity of 3 GW supplying electricity to 6 million households for about 60 years.

The project is based on HPC's replication strategy, replicating as much of HPC's design and supply chain as possible. Sizewell C will benefit from HPC feedback and experience as well as a complete UK supply chain in all respects, which should improve visibility in terms of schedule and costs.

As at 31 December 2023, Sizewell C was fully consolidated in the Group's financial statements. At 31 December 2024, EDF Energy no longer controls Sizewell C (Holding) Limited due to the following developments:

- With the gradual decrease in its ownership percentage, EDF Energy has lost rights in the governance of Sizewell C and
- A leadership team (independent of EDF Energy) has been established for Sizewell C, with the necessary skills to make decisions and lead the plant's construction.

Therefore, from 31 December 2024, Sizewell C (Holding) Limited is accounted for by the equity method, since the Group now exercises significant influence over the company.

### Decision of the British Government to support the development of Sizewell C

The Department for Energy Security and Net Zero (DESNZ) announced in August 2024 that it will provide new grants for the development of Sizewell C, up to a maximum of £5.5 billion, reflecting the support of the UK Government. At the launch of the Autumn Budget (October 2024), the UK Government stated that 'new nuclear energy will play a major role in enabling the UK to ensure its energy security and produce clean energy, while providing thousands of skilled and quality jobs'<sup>5</sup>.

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5 <https://www.gov.uk/government/publications/autumn-budget-2024-a-gad-technical-bulletin/autumn-budget-2024-gad-technical-bulletin#:~:text=Investment,-The%20government%20has&text=This%20settlement%20provides%20%C2%A32.7,the%20clean%20energy%20superpower%20mission.>

EDF Energy's commitment to funding the Sizewell C project has been capped. The amount set was reached at the end of 2023 and EDF Energy has no obligation to contribute more than this ceiling. Pending the final investment decision, the project was fully funded by the UK government in 2024, thereby consolidating its position as a majority shareholder in relation to the project.

On 31 December 2024, the British government held 83.8% of the project, with EDF Energy holding the remaining 16.2%.

#### Preparation of construction

Pending a final investment decision, expected in spring 2025, the project has moved from a development phase to a construction phase and is actively preparing to start construction.

The commitment to finance local actions made by Sizewell C in the context of the application for development authorisation became effective on 15 January 2024 with the completion of the on-site works. The acquisition of the main site took place in March 2024. The civil engineering companies are busy and work on the site is accelerating. Detailed design of off-site structures (such as roads and railways) and earthworks progressed as planned. Contracts for critical components and equipment have been finalised or are in the process of being finalised, and the manufacturing of some critical equipment, including reactor vessels and steam generators, has been initiated to secure the benefits of HPC replication.

Plans for organisation and collaboration with HPC are also implemented or are being tested.

#### Regulatory framework and risk sharing mechanism

The Nuclear Energy [Financing] Act, which came into force in March 2022, provides for the possibility of using a Regulated Asset Base (RAB) model to finance future nuclear projects. The RAB model is a proven funding model that has already been used to fund other leading infrastructure in the UK, such as water, gas and electricity networks. In this context, a company is licenced by a regulator to charge a regulated price to consumers in exchange for the provision of the infrastructure.

The Sizewell C project was designated as eligible for the BAR model in November 2022. Under a generation licence (RAB) granted to Sizewell C by the UK electricity and gas regulator Ofgem, the project will receive an authorised revenue from the start of construction, which will be financed by the electricity suppliers who will be charged the cost of the project as users of the electricity system. Electricity suppliers in turn will bill UK consumers for the cost.

The regulatory authority will set an authorised revenue level for the project to enable it to recover costs (during the construction and operation phases) and to remunerate capital invested in an incentive regulatory framework to carry out the project. The development costs incurred up to the entry into force of the RAB licence should be included in the RAB and recovered upon signature of the Revenue Collection Agreement to be concluded between Sizewell C and Low Carbon Contracts Company Ltd.

In addition to the RAB model, the Sizewell C project will benefit from a set of Government Support Package (GSP) measures to protect investors and lenders against certain low-probability, high-impact risks. The combination of the RAB model and the GSP is designed to share the construction and operation risks of the project between consumers, taxpayers and investors, thereby reducing the financing cost.

The RAB and GSP terms for the Sizewell C project are currently being finalised with the UK government and potential investors. A formal consultation process was launched in November 2023 on the terms and conditions of the RAB model for Sizewell C. Another consultation on the methodology for determining the initial weighted average cost of capital of the proposed economic licence for Sizewell C was launched in March 2024.

#### Financing of the construction of the power plant

In September 2023, the UK Government launched a process to seek additional funding from private investors for the construction of the Sizewell C nuclear power plant. In October 2024, the UK Government confirmed that the Sizewell C project's capital and debt raising process would soon enter its final phase. As with other major multi-year government commitments, a "final investment decision

on the continuation of the project will be made in the expenditure review phase 2"<sup>6</sup>, which is expected to be completed in 2025.

#### Final Investment Decision (FID)

The decision to build the plant remains subject to the approval of a final investment decision. Sizewell C and its shareholders, EDF Energy and the UK Government, are working together to finalise the remaining steps leading to this final investment decision, expected in 2025, subject to compliance with the following conditions:

- securing project funding, including finalisation of the RAB and GSP licences, and finalisation of the ongoing process to seek additional funding from private investors;
- an agreement with the British government on the baseline and the cost at completion of the project.

#### Conditions for EDF's participation in the final investment decision

EDF Energy's contribution to the financing of construction is subject to compliance with certain conditions, including:

- a stake in the project of up to 19.99 %, including a ceiling for the financial exposure in value terms;
- expected return on capital as an investor, in line with the market return on this type of asset, the risk allocation profile and EDF's investment policy.

Failure to comply with these conditions (without prejudice to a satisfactory allocation of risks) would result in the Group not making a final investment decision. The amount and timing of EDF Energy's capital injection as a shareholder, in the event of a final investment decision, have not yet been approved.

EDF Energy and its subsidiaries will provide the design of the British EPR, the key heavy equipment via Framatome, the steam turbines via Arabelle Solutions, the fuel assemblies for at least the first cycles, as well as services related to the Sizewell C project.

## Bradwell B

EDF Energy and CGN signed agreements alongside the HPC and Sizewell C contracts on 29 September 2016 in order to:

- obtain the design certification in the UK of the Chinese HPR1000 reactor developed by CGN (UK Hualong Pressurised Water Reactor – UK HPR1000). This process is supervised by a joint venture ("General Nuclear Systems Limited" or GNSL) currently owned at 66.5% by CGN and 33.5% by EDF Energy;
- develop a nuclear power plant at Bradwell-on-Sea in Essex, England, using the UK HPR1000 technology. This process is led by a joint venture ("Bradwell Power Holding Company Limited" or BRB) currently owned at 66.5% by CGN and 33.5% by EDF.

EDF Energy's financial commitment to fund GNSL and Bradwell is subject to a cap, without any obligation to fund the project beyond the funding cap.

The Generic Design Assessment (GDA) process for the UK HPR1000 reactor technology was successfully completed in February 2022 with the issuance of a Design Acceptance Confirmation (DAC) by the ONR and of a Statement of Design Acceptability (SoDA) by the Environment Agency.

However, the project to build a nuclear power plant based on the UK HPR1000 technology reactor is unlikely to be implemented, mainly due to a lack of political support and local stakeholder support.

There were no developments in the project in 2024.

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<sup>6</sup> <https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html>

## Regulatory environment

### Energy Bill Relief Scheme & Energy Bill Discount Scheme

In response to rising energy prices in the third quarter of 2022, the UK government implemented the Energy Bill Relief Scheme (EBRS). It is intended to help companies pay their energy bills in the context of rising prices. In this context, the government granted rebates on unit gas and electricity prices. This discount is calculated by comparing the estimated wholesale price share in the unit price that a customer would pay in the winter of 2022/2023, with a reference price guaranteed by the government, lower than the currently expected wholesale prices. The original scheme was extended from 1 October 2022 to 31 March 2023 and was replaced by the Energy Bill Discount Scheme (EBDS), a scheme to reduce energy bills, which lasted until 31 March 2024. Under the EBDS, undertakings were given a discount on wholesale prices rather than a cost cap, as provided for by the EBRS. In total, EDF Energy has provided around £1.1 billion in government support to its professional clients through these arrangements. The aid was automatically applied to the invoices of eligible customers and was then recovered from the public authorities.

### Default Rate Cap and Government assistance with invoice payments

Ofgem introduced a price cap for retail customers on 1 January 2019. The price was initially set every six months, based on the average wholesale prices for the last six months. However, as part of its response to the energy crisis, Ofgem revised its approach and began updating the default rate cap every quarter.

2024 also saw the last elements of the government's response to the energy crisis come to an end, with the last elements of support under the Energy Price Guarantee (EPG) for domestic customers formally ceasing on 31 March 2024. Energy suppliers are to be fully compensated by the Government for the savings provided to their customers under the schemes. Final reconciliations to begin closing out the schemes are now underway.

### Retail energy market resilience

In April 2022, Ofgem implemented a Market Stabilisation Charge (MSC) and a ban on offering more competitive rates to new customers (Ban on Acquisition Tariffs - BAT) until the end of March 2023, and then extended both measures until March 2024.

The MSC ended in March 2024. It required a supplier acquiring new residential customers to compensate the previous supplier if wholesale prices fell below the cap. This mechanism was intended to reduce the risk of costly supplier failures and to ensure that companies that purchased energy upstream for their customers would not be penalised in the event of a significant drop in wholesale prices. The MSC was first triggered in November 2022.

Under the BAT, suppliers are not allowed to reserve fixed-term offers for new customers, as their existing customers should also be able to benefit from the reduced prices. While the ban was originally intended to apply until March 2023, Ofgem has extended it three times, and will now remain in place until at least March 2026.

These measures have stabilised the market and avoided short-term supplier behaviour. Together with the decline in wholesale prices and the change in methodology of the default tariff cap, they allowed suppliers to offset the large losses in coverage suffered during the 2021 and 2022 energy crisis.

### ECO4 and Warm Home Discount

The ECO3 plan ended on 31 March 2022. It was replaced in summer 2022 by ECO4, the fourth version of the plan in force until 31 March 2026. Like ECO3, the ECO4 scheme obliges major suppliers to promote energy efficiency measures to help vulnerable customers save on their bills. In addition, the Government introduced the Great British Insulation Scheme (GBIS) in 2023, which runs simultaneously until 31 March 2026. The GBIS programme is designed to broaden household eligibility criteria so that they can benefit from energy efficiency measures when they are not eligible for ECO4. In 2024, EDF Energy's total commitments under the Energy Company Obligation (ECO 4) and the Great British

Insulation Scheme (GBIS) were increased to £140 million and is expected to increase further to £169 million in 2025. The Warm Home Discount (WHD) programme also runs annually until the winter of 2025/2026. The amount of support for eligible households is currently £150.

### Financial Resilience

Ofgem has introduced new rules to ensure that all energy suppliers have sufficient liquidity on the basis of customers' credit balances and can meet their obligations under the Renewable Energy Obligation (RO). EDF Energy and similar suppliers must hold a minimum of 20% of the credit balances of its individual customers in the form of cash and all the obligations of representative entities by means of purchased guarantees or certificates. EDF Energy fully complies with these requirements. EDF Energy submitted its first annual compliance review in March 2024, confirming that Ofgem's new minimum capital requirements, which will apply from March 2025, will be met.

### Electricity Generator Levy

The UK Government has introduced Electricity Generator Levy on exceptional receipts generated from the production of wholesale electricity from nuclear, renewable, biomass and energy from waste sources. The levy is a 45% tax on electricity sold at prices exceeding a benchmark price of £75/MWh over an accounting period. The levy allows for a limited set of exceptional costs including generation fuel, certain revenue sharing arrangements and the cost of buying back electricity from the grid to replace contracted output. The Electricity Generator Levy applies from 1 January 2023 to 31 March 2028. Should market prices remain high, there is a risk that the levy could be extended beyond March 2028.

### Smart Metering Policy

UK energy suppliers were required to take 'all reasonable measures' to install smart meters for their individual customers and SMEs by the end of December 2021. Since January 2022, a new requirement has been imposed on all suppliers to continue installing smart meters until the end of December 2025. During this period, suppliers must meet minimum annual installation targets. These targets have been very difficult to achieve as smart meters remain optional for customers and rates of switching have remained low. EDF Energy is working to provide smart meters for all residential customers and SMEs wishing to benefit from this new technology. However, the company achieved high performance in 2022 and 2023, like all other major suppliers, but it failed to meet the minimum targets set, and this trend is expected to continue until the end of the regulated period in view of the increasing number of customers who reject smart meters. The recent change in government and the upcoming expiration of the current Smart Metering Targets framework provide an opportunity to define a new framework that emphasises the rapid installation of smart metering for customers who wish to have one if their home.

In 2024, EDF Energy installed more than 274,000 additional smart meters. At the end of 2024, 66% of eligible EDF Energy customers have smart meters. EDF Energy has thus far installed 3.65 million smart meters.

### Electricity Market Reform (EMR)

The three most significant elements of EMR are Carbon Price Support (CPS), the Capacity Market (CM) and Contracts for Difference (CfDs).

CPS operates as a top-up to the carbon price provided by the UK Emissions Trading Scheme (UK ETS). It is an important component of the price that fossil-fired generators pay for their carbon emissions and supports low carbon generation such as EDF Energy's nuclear and renewable plants. The CPS tax rate was capped at £18/tonne of CO<sub>2</sub> for the five years from April 2016 to March 2021 and has continued at £18/tonne. The government announced in the 2024 Autumn Budget that it will remain at £18/tonne until March 2027.

The CM is intended to ensure security of electricity supply. Annual auctions are held to procure capacity four years ahead of delivery with a subsequent auction one year ahead of delivery; delivery years run from 1 October - 30 September. Successful bidders in the auction receive a £/kW payment for the capacity they provide. The CM continues to operate and the government has recently been consulting

on a wide range of detailed amendments to the scheme. More substantial longer-term reform of the CM also remains under consideration.

CfDs are long-term contracts intended to support investment in new low carbon generation including renewables and the Hinkley Point C nuclear project. The UK Government runs “allocation rounds” (auctions) for renewable CfDs. These are now held on an annual basis; Allocation Round 6 took place in 2024, offering contracts for a record amount of new capacity, and preparations are in progress for Allocation Round 7 in 2025. The government has indicated it will consider the case for increasing CfD length from 15 years to 20 years for new projects.

#### Review of Electricity Market Arrangements (REMA)

In July 2022, the government launched an initial consultation on the Review of Electricity Market Arrangements (REMA) – this review has been considering a wide range of topics and could potentially lead to significant changes to GB wholesale market arrangements. A second REMA consultation was published in 2024 which narrowed down options under consideration and in December 2024 the government published a further update. The government plans to conclude the policy development phase of REMA by mid-2025, including a decision on whether to move to a zonal wholesale market or a retain a reformed national market in Great Britain. A move to zonal pricing, where wholesale electricity prices would vary by region, would be a significant and complex change affecting generators, suppliers, customers, and traders and would take many years to implement. Additionally, reforms to the Balancing Mechanism and the Contracts for Difference Scheme are being explored

#### Network Charging

Transmission network charging (TNUoS) remains a key focus for Ofgem. TNUoS is intended to provide an important economic siting signal to low carbon generation which is a key focus during this period of high investment. At the same time any developments by Ofgem interact with the Government’s Review of Electricity Market Arrangements (REMA). This review is considering, amongst many other aspects, whether there are adequate locational signals in the wholesale market. This could involve reforms Ofgem are already considering to TNUoS to more material changes including introducing a zonal wholesale market which would change the role and need for TNUoS. Final outcomes of the REMA process are expected in summer 2025. In the near term Ofgem has asked the National Energy System Operator (NESO) to develop a proposal to cap (and floor) TNUoS charged to generator designed to give more predictability to generation developers. A decision is expected in summer 2025.

#### Regulatory reporting

In recent years, the Company, in addition to other companies within the Group that meet the applicable threshold, have begun publishing its Modern Slavery Act Statement, Gender Pay Gap Report, Payment Practices and Report and Tax Strategy Statement in accordance with recent updates to UK law and regulation. Each of these is published externally and gives a view as to the business relationships the Company has with its suppliers, particularly the Modern Slavery and Payment Practice and Reporting Statements. The Board welcomes the transparency and uses these reports to help the Company continue to improve its performance in these areas.

## Principal risks and uncertainties

The following is a discussion of the key risks facing the Group together with a summary of the Group's approach to managing those risks.

### Financial risks

The Group is exposed to a variety of financial risks including commodity price risk, interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group's policy is to use financial instruments to reduce exposure to fluctuations in commodity prices, exchange rates and interest rates. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes. See note 45 for further details about the financial risks to which the Group is exposed.

### Margin risk

Margin price risk arises from the necessity to forecast customer demand for gas and electricity effectively and to procure the various commodities at a price competitive enough to allow a favourable tariff proposition for our customers. EDF Energy has designed hedging strategies to manage this risk effectively. Exposure to movements in the price of electricity and gas is partially mitigated by entering into contracts on the forward markets, and the exposure to fluctuations in the price of uranium is mitigated by entering into fixed price contracts. Risk management is monitored for the whole of EDF Energy, through sensitivity analysis; both per commodity and across commodities, in line with the Group's risk mandate. Margin risk also comes from forecasting error impacting the effectiveness of our hedging. This error is not only associated with the ability of customers to either switch tariffs from fixed price contracts to the default tariff, which allows them to take benefit from the more attractive offers, or to switch to another supplier but also the volatility of renewable production from PPAs.

### Competition risk

The Group is exposed to significant competition when supplying gas and electricity to residential customers and electricity to businesses. Our supply business operates in multiple competitive markets in the UK, and our profitability is closely linked to both customer appetite for our products and services vs. those of our competitors, and the price of energy in the wholesale market. The diversity of the markets in which we operate and the products we offer helps to mitigate this risk, and performance within each of those markets is constantly monitored via steering groups and other reviews.

### Plant operating risk

Failure of an essential component in any of our generation assets may result in loss of generation through a plant outage, restriction to ongoing operations or early closure of the plant which could also impact our defueling operations. EDF Energy's generating assets have been in service for a long time – the AGRs had an original design life of about 25 years, and they have all exceeded this by many years. The eventual lifespan of the stations are likely to be limited by the ageing of non-replaceable components such as the AGR graphite cores and boilers but could also be determined by the unexpected failure of a major plant item which is uneconomic to repair or replace. These risks are mitigated and assessed through the appropriate operation of the plant, planned maintenance and inspection activities, and EDF's engineering expertise/knowledge. The estimated lifespan of the stations is based on EDF's ability to accurately predict the ageing of critical plant components and their potential failure mechanisms, whilst maintaining healthy safety margins, backed-up by corroborative inspection programmes. However, there is always the possibility that plant inspections identify a deviation from prediction, or a new or unforeseen issue, which results in a reduction in the remaining lifespan of a station, or even its immediate closure.

EDF now operates 4 AGR stations (Heysham 1 and Hartlepool, Heysham 2 and Torness), with the stations at Dungeness B, Hunterston B and Hinkley Point B now at end of generation. In addition, EDF operates a PWR station, Sizewell B, with a current scheduled closure date of 2035. Following a review of the lifespans of the AGR reactors that concluded in December 2024, based on the results of the graphite inspections the projected final shutdown dates for Heysham 1 and Hartlepool were extended by one year to 2027 +/- one year, and for Heysham 2 and Torness were extended by two years to 2030

+/- two years.

#### Defueling and asset transfer

AGR early end of generation would reduce the time to complete preparations for delivery of defueling operations. Resources are being prioritised to optimise defueling activities across our AGR fleet. The three AGR stations that have entered end of generation (Dungeness B, Hunterston B and Hinkley Point B) are now defueling and progressing to asset transfer.

To mitigate this the target is to have defueling safety cases and sites ready to start defueling operations ahead of the scheduled closure date to mitigate early end of generation risk. Relative to the generation phase, the move into defueling increases spent fuel flask throughput requiring high performance from the fuel route, Sellafield, and Direct Rail Services (DRS) who transport fuel flasks.

The asset transfer of the stations (post defueling) requires effective collaboration and alignment with other stakeholders (Nuclear Restoration Service (NRS)) to deliver. Executive level meetings continue with NRS to ensure alignment on key principles to enable detailed plans to be developed and to reach alignment with external stakeholders on required timescales.

#### HPC Construction risk

The integrated risk position of HPC reflects the dynamic nature of the risks in a project of this scale and complexity. These risks include availability and cost of materials, capable workforce, supplier performance, design maturity, qualification, configuration control, security (including cyber) and asset maintenance. The existing management controls, including oversight through a Board sub-committee, are broadly effective with intervention plans deployed where necessary to reduce the overall risk exposure or to respond to emerging challenges.

#### Health and safety risk

The health and safety of all our employees, contractors, agency staff and the public are a key risk given the nature of the Group's business. To minimise this risk, the Group is committed to creating a culture that views safe working as the only way of working and to review all our processes and procedures to ensure they deliver this. Training is provided to managers to ensure they understand their responsibility for the safety of the employees that they set to work. In addition, there is a confidential helpline for the use of anyone within the organisation to help eradicate unsafe practices and safeguard our employees.

#### Political and regulatory risk

Political risk arises in relation to public acceptance of operating existing nuclear power stations, and building new ones - and specifically around obtaining and maintaining the relevant licenses and consents to build, operate and decommission our current and planned generating assets. Management is engaged with local residents, regulators and politicians in communicating how EDF Energy addresses nuclear safety issues and how nuclear power contributes to meeting current and future national energy demand. Both the previous and current government have confirmed their commitment to new nuclear power. Construction of Hinkley Point C is now well advanced and aims to bring the first unit into service around the end of this decade. The government became a shareholder in the Sizewell C project alongside EDF Energy in November 2022 and the project continues to make progress towards a Final Investment Decision. Sizewell C will be funded via the newly established Regulated Asset Base (RAB) model for new nuclear and a process to bring private equity investment into SZC is ongoing. In February 2024, the Development Consent Order (DCO) was triggered, enabling preparatory construction works to start on the Sizewell C site.

The energy supply industry has been and remains subject to significant changes to energy and retail market regulation. The risks to us are that changes to regulation will adversely affect the profitability of the Company, or that we inadvertently fail to comply with one or more of the obligations set by the industry regulator or Government. We manage this risk through our liaison with the regulator both bilaterally and through industry bodies. This risk is overseen by Policy & Regulation teams, and managed operationally by ensuring that all of our processes are designed in a way which achieves regulatory compliance.

The “Electricity Generator Levy”, announced in November 2022 in response to high wholesale prices continues to apply; this places a 45% tax on electricity generation income above £75/MWh (adjusted for CPI from April 2024) generated between 1st January 2023 and 31st March 2028 (5.25 years) and applies to EDF Energy’s operating UK nuclear assets as well as renewable generation not generated under a Contract for Difference with the Low Carbon Contracts Company Limited.

#### Price of Carbon

As the largest producer of low-carbon electricity in the country, EDF Energy revenues benefit from the wholesale power price of electricity. This price is impacted by the application of a carbon price to CO<sub>2</sub> emissions related to the production of electricity from fossil fuels. Electricity producers in Great Britain are subject to two carbon pricing mechanisms: the UK Emissions Trading System (UK ETS) and the UK’s Carbon Price Support tax set at £18/ton until March 2026.

#### Nuclear liabilities risk

The Group’s nuclear liabilities are in respect of costs for the management of spent fuel, nuclear decommissioning and other uncontracted nuclear liabilities. The UK Government has provided an indemnity to cover liabilities for spent AGR fuel loaded prior to the British Energy restructuring effective date of 14 January 2005 and in relation to qualifying uncontracted nuclear and decommissioning liabilities. The UK Government will also indemnify any future funding shortfall of the NLF (Nuclear Liabilities Fund). The Group continues to be responsible for funding certain excluded or non-qualifying nuclear liabilities (if any) and will not be compensated or indemnified by the NLF and the Secretary of State in relation to such liabilities. On 23 June 2021 EDF Energy and the UK government signed an update to the Restructuring Agreements. The changes and clarifications to the Agreements confirm the recovery of qualifying costs and stipulate that once the AGR stations have finished defueling under EDF Energy responsibility, they will transfer to the Nuclear Restoration Services (NRS) which will be responsible for subsequent decommissioning activities.

#### Retirement benefit obligations risk

An increase in real interest rates over the year together with a fall in the value growth assets have resulted in the consolidated pension schemes assets falling faster than liabilities, resulting in a reduction in the IAS 19 surplus in the year. Higher interest rates and closure to future accrual for most members have led to reduced pension cash expense for future accrual. EDF Energy and the Pension Scheme Trustees keep investment risk under review, concentrating on prudent asset allocation and liability hedging. EDF Energy, EDF and the Pensions Scheme Trustees have entered into a Memorandum of Understanding (MoU) setting out a framework whereby EDF Group of the Electricity Supply Pension Scheme benefits from financial support backed by EDF in return for agreement on funding and investment/risk matters. See note 44 for more details of pension risks.

#### Reputation risk

EDF Energy has based its brand on its customer commitments, its reputation and building trust. Inappropriate communication made to the public and/or to stakeholders, or failure to maintain and demonstrate appropriate standards may result in degradation of the brand and could potentially damage its reputation. Management has introduced key standards of conduct to provide guidance to all staff when making decisions. A trust index is monitored along with continuous review of compliance programmes.

#### Cyber risk

Safety is the overriding priority for EDF Energy. The risk of cyber attacks on the organisation is recognised and regularly reflected on with mitigations and action plans discussed and acted upon. Cyber security threats are increasing in magnitude, sophistication, and pace. The cybersecurity risks that EDF are exposed to include data breaches that could compromise customer details and other sensitive business information and cyber attacks aimed at disrupting EDF’s energy generation infrastructure. The impact of a cyber security incident can significantly damage business operations,

profit and reputation, and may also result in regulatory penalties. The Group has invested in technology and security measures to protect itself from such threats. The Company has regularly reviewed policies, plans and controls in place to mitigate the possibility of these risks eventuating and to respond to the operational impact of such a threat.

#### Supplier risk

EDF Energy is reliant on a number of specialist suppliers, especially in the area of nuclear fuel fabrication and storage, nuclear plant maintenance and in the construction of HPC. The loss of one or more of these key suppliers could result in increased costs or a disruption to EDF Energy's operations. EDF Energy works closely with its supply chain to effectively manage the relationships with critical suppliers.

#### Taxation risk

Taxation risk is the risk that the Group suffers losses arising from additional tax charges, financial penalties or reputational damage. These risks could arise from failure to comply with procedures required by tax authorities, the interpretation of tax law, or changes in tax law. The Group has mitigated this risk by the implementation of effective, well-documented and controlled processes to ensure compliance with tax disclosure and filing obligations. This is further supported by the use of appropriate advice from reputable professional firms. As required by Schedule 19, Finance Act 2016 the Group's Tax Strategy is published on its website.

#### Non-financial and sustainability information statement

#### Climate-related risk

Risks and opportunities associated with climate change and the transition to a lower carbon economy are considered both strategically and operationally.

In line with The Companies (Strategic Report) (Climate Related Financial Disclosure) Regulations 2022, the following table sets out where each requirement can be found within the Strategic Report:

Requirement	Pages
a) a description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities;	Overview of the Board
b) a description of how the company identifies, assesses, and manages climate-related risks and opportunities;	Overview of the Board
c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company;	Overview of the Board
d) a description of— i. the principal climate-related risks and opportunities arising in connection with the operations of the company, and ii. the time periods by reference to which those risks and opportunities are assessed;	Climate-related risk
e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company;	Climate-related risk
f) an analysis of the resilience of the business model and strategy of the company, taking into consideration of different climate-related scenarios;	Climate-related risk
g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets;	Long term strategy/SECR

h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate related opportunities and a description of the calculations on which those key performance indicators are based.	Long term strategy/SECR
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Physical and transition risks and opportunities are considered in the medium and long-term through scenario analysis. Our analysis shows that the Group is in a strong position to respond to physical risks and realise the opportunities related to climate change and the low carbon transition.

### Physical risk

Climate change may continue to affect the frequency and intensity of natural hazards. Extreme weather is predicted to become more common in the UK and if unmitigated, the associated risks are likely to impact EDF Energy activities. Extreme high temperatures and flooding due to coastal storm surges and extreme rainfall are highlighted as key climate related risks to EDF Energy’s nuclear power stations.

EDF Energy is acting to understand and mitigate physical risks from a changing climate on its existing and new nuclear assets and continues to assess risks and adequacy of measures considering evolving climate science. See s172 for more on how we manage risk.

Climate risk associated with existing and new nuclear power stations is assessed using the UK Climate Projections (UKCP latest version UKCP18) produced by the Met Office Hadley Centre Climate Programme. Nuclear safety case assessments for climate-related risks are tested against the most conservative RCP8.5 climate change scenario. These scenarios are based on values of radiative forcing due to combined greenhouse gas emissions and aerosols by 2100.

Safety cases for existing site licenses look at one in 10,000-year extreme weather and flooding events over the life of the stations. Periodic safety reviews provide a vehicle for consideration of updated physical risks and associated updates to adaptation measures, based on continuously evolving climate science. New nuclear stations are designed for 60 years of operation and then decommissioning and fuel storage, and climate resilience is integral to their design with studies undertaken as part of Development Consent Order and site license applications.

A program in nuclear operations is in progress to mitigate the short-term effects of climate change in our nuclear operation assets, with all stations now having updated Safety cases (justification for continued operation) for High Extreme Ambient Temperatures. EDF UK has established a Climate Change Adaptation Programme to facilitate the long-term management of wider climate related physical impacts by licensees. External benchmarking activity has been completed for the programme, which has led to the formulation of risk assessment and adaptation planning processes.

### Transition risk

The purpose of EDF Energy is to Help Britain Achieve Net Zero, which is aligned with the UK Government’s commitment to net zero greenhouse gas emissions by 2050. The purpose is a UK articulation of the EDF UK Group’s raison d’être: to build a Net Zero energy future with electricity and innovative solutions and services, to help protect and nurture the environment and drive well-being and economic development. It underpins our strategy and decision-making, and helps our activities be compatible with achieving our objectives in a sustainable and fair way.

The Group’s financial statements reflect issues relating to climate change and sustainable development through the implementation of its investment and divestment strategy, through expenditure incurred specifically in response to environmental issues, particularly under applicable laws and regulations, and through the valuation methods, long term price scenarios used in the impairment assessment of the Group’s assets.

In 2024, the Group continued its programme of investment and divestment in line with the UK transition to a decarbonised energy system. The alignment of strategy with the current UK Government’s commitments means that decarbonisation is considered more of an opportunity than a risk. As the country’s largest low-carbon electricity producer, UK policies designed to achieve Net Zero are

opportunities to promote low-carbon electricity mix based on nuclear energy and renewables. Further details are described in Long-term strategy and the Section 172 (1) Statement.

To evaluate transition risks in line with 414CB of the Companies Act<sup>7</sup>, the Group has undertaken scenario analysis to test the implications of various pathways for global warming on existing portfolio and activities. The analysis has been conducted for the year 2035<sup>8</sup>, which corresponds to a medium-term strategic horizon for the Group. The scenarios chosen are the Network for Greening the Financial System (NGFS), due to their public availability and extensive use internationally. In line with TCFD recommendations<sup>9</sup>, the Group has based this analysis on three NGFS scenarios drawn from the three families into which climate scenarios are usually categorised:

- The Hot House World and Too Little Too Late scenarios, which result in temperature rises at the end of the century that are not compatible with the Paris Agreement;
- Paris-aligned scenarios that respect the Paris Agreement (Well-Below 2°C by 2100);
- The Paris Ambitious scenarios, which aim for global carbon neutrality by 2050 (1.5°C by 2100, with or without temporarily exceeding the target to make up for lost time).

The quantitative estimates are based on the MESSAGEix-GLOBIOM modelling of Phase 4 of the NGFS scenarios, with the choice of one scenario from each family covering a wide range of possible futures. The Below 2°C scenario, which has a broadly similar design to the Group's internal reference scenario for energy market risks, has been chosen as the central scenario. The analysis consists of assessing the financial impact for EDF Energy of a slower transition (Hot House World) or a faster transition (Paris Ambitious), by estimating the EBITDA differential in these scenarios compared with the central scenario.

<b>Scenarios</b>	<p><b>Rapid transition: <i>Net Zero 2050 scenario</i></b> - ambitious climate policies leading to global carbon neutrality in 2050 and an average temperature increase of + 1.4°C in 2100, with little or no overshoot of the target. <i>Net Zero 2050</i> corresponds to an orderly transition based on the rapid implementation of decarbonisation policies and technological innovation.</p> <p><b>Central: <i>Below 2 °C scenario</i></b> - a gradual increase in the ambition of climate policies, leading to an average temperature increase of + 1.6°C in 2100. Carbon neutrality at global level is achieved after 2070. <i>Below 2°C</i> is an orderly transition scenario with uniform climate policies across the regions.</p> <p><b>Slow transition: <i>Current Policies Scenario</i></b> - only the policies currently being implemented are being maintained, and few technological innovations are emerging, leading to a temperature rise of +3°C in 2100 and high physical risks.</p>
<b>Model</b>	NGFS scenarios, MESSAGEix-GLOBIOM model

EDF Energy's modelling suggests 2035 EBITDA is potentially higher by more than £100m in the Rapid transition scenario (Net Zero 2050), compared with the Reference scenario (Below 2°C). In contrast, Slow Transition scenario (Current Policies) 2035 EBITDA is potentially more than £100m below Reference, primarily due to differences in baseload power prices. Scenario analysis relies on significant assumptions and dependencies. EDF Energy notes that there is a range of potential outcomes, including scenarios in which power prices are lower in a Net Zero world. The NGFS scenarios illustrate that an orderly strategy for achieving carbon neutrality at global level is underpinned by a strong carbon price, which favours low-carbon electricity production and support for decarbonised uses. Strengthening and acceleration of climate policies aimed at achieving carbon neutrality are consistent with the Group's

<sup>7</sup> Companies Act 2006, Chapter 46, section 414CB - Contents of non-financial and sustainability information statement

<sup>8</sup> Assuming useful economic life of Sizewell B to 2055

<sup>9</sup> Task force on Climate-related Financial Disclosures

business model and therefore represent opportunities more than risks for the valuation of its business.

The quantitative scenario analysis undertaken in line with 414CB only captures risks and opportunities for EDF Energy's existing portfolio and activities with significant market risk exposure. Hinkley Point C's CfD provides revenue stabilisation, largely protecting it from transition risks. There are potentially further unquantified opportunities in faster decarbonisation pathways, including a) more opportunities that are aligned with EDF Energy's strategy and skills (e.g., a larger market for new low carbon generation) and b) a political and regulatory environment that is overall more favourable toward EDF Energy's activities.

The potential for risks and opportunities to materialise in any scenario is subject to uncertainty, as is the ability for EDF Energy to respond, but the analysis reinforces the Group's confidence that the strategy has been designed to be resilient to a range of transition scenarios with a diversified portfolio of companies.

The Group is well positioned to benefit from the likely shift to electrification and in the UK, with well-established governance, strategy, and risk management processes to maintain resilience to climate-related uncertainty. This is demonstrated through the various commercial arrangements for existing assets, the Group's investment profile and established positions in low-carbon solutions (e.g. CB Heating, Contact Solar).<sup>10</sup> EDF Energy recognises the importance of continually improving climate-related reporting and scenario analysis and commits to do so annually in collaboration with the EDF UK Group.

## **Expenditure incurred specifically in response to environmental issues**

### **UK Emissions Trading Scheme (UK ETS)**

The United Kingdom's Emissions Trading System (UK ETS) exists to fight climate change and reduce greenhouse gas emissions. The UK ETS, which uses a bidding system, covers the sectors in industry, transport and power generation.

This system, which has been incorporated into UK law, sets an annual cap on emissions. Businesses (including EDF Energy) receive or buy emission quotas, then the following year surrender to the UK government a number of greenhouse gas emission rights corresponding to their emissions for the year elapsed. Fines are payable if there is a shortfall (£100 per tonne of CO<sub>2</sub>, indexed with inflation from 2021 onwards, and an obligation to cover these amounts the following year).

### **Renewable obligation certificates**

To encourage use of renewable energy produced from renewable sources the UK has set itself targets for consumption of electricity from renewable sources. Guarantee of Origin certificates prove the renewable origins of the electricity, which transits through the grid. They are sold by operators of renewable energy plants and bought by customers who want to use renewable-source electricity.

The method in which the UK operates this scheme is by requiring companies (including EDF Energy as an electricity producer who also sells electricity to customers) to surrender a certain volume of renewable energy certificates depending on the level of sales to customers.

A provision of £998m million is recognised at 31 December 2024 (2023: £863m) relating to the obligations for renewable energy certificates to be surrendered at that date (see note 33). At 31 December 2024, £406m (2023: £315m) of these obligations are covered by purchased certificates recorded as inventories (see note 28).

## **Valuation of assets and liabilities**

### **Provisions for environmental risks**

Provisions relating to nuclear operations comprise provisions for back-end nuclear cycle expenses (management of spent fuel and radioactive waste), provisions for plant decommissioning and provisions

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<sup>10</sup> The insights from this analysis are limited by the scenario methodologies used and are not a prediction of the future

for unburnt fuel. Details of these provisions can be found in note 33 and 34.

Provisions related to environmental schemes also include provisions for greenhouse gas emission rights, renewable energy certificates and decommissioning on non-nuclear power stations (see note 33).

#### Valuation of assets

Climate issues are taken into account in valuing long-term assets through impairment testing. The long-term scenarios used for electricity prices are consistent with the trajectories of UK and European decarbonisation targets. (see note 21).

### Our approach to Human Rights

EDF Energy respects human rights. It is committed to identifying, preventing, and mitigating adverse human rights impacts resulting from or caused by our business activities before or if they occur through human rights due diligence and mitigation processes.

Respect for human rights is fundamental to the sustainability of EDF Energy and the communities in which we operate. In our Group and across our supply chain, we are committed to ensuring that people are treated with dignity and respect and we abide and require our suppliers to comply with the principles of the UN Global Compact. Our commitment to ethical business practice is outlined in our Ethics & Business Conduct Policy. Our commitment to sustainable and responsible business, including steps we plan to take to further address social issues, including modern slavery, underpins the controls that we implement and enables us to comply with the French “loi de vigilance”, which requires EDF and its subsidiaries to identify and control risks to human rights and fundamental liberties, the health and safety of people and the environment that may arise from our business activities and those of our subcontractors and suppliers. Controls to mitigate human rights risks are reviewed annually as part of our annual internal control self-assessment process and are reviewed periodically by internal audit.

### Our approach to Anti-fraud and Anti-bribery

EDF Energy has a zero tolerance of fraud and bribery and controls risks relating to bribery and corruption as set out in its Anti-Fraud and Anti-Bribery Framework, Practice and Guidance document. This provides both a high level overview of the approach used by EDF Energy to manage the risks associated with fraud and bribery and detailed guidance for business units and corporate functions regarding the design of their anti-fraud and anti-bribery arrangements. This document sets the minimum standards that business units and corporate functions must achieve.

Internal controls to prevent fraud and bribery are reviewed annually as part of the Group's annual internal control self-assessment process.

### Going concern

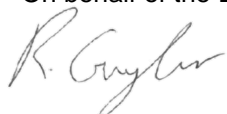
The Group has a number of treasury and risk policies to monitor and manage liquidity risk. Cash forecasts identifying the Group's liquidity requirements are produced regularly and are stress tested for different scenarios, including, but not limited to, reasonably possible increases or decreases in commodity prices.

The Group seeks to ensure that sufficient financial headroom exists. It is the Group's policy to maintain committed facilities and/or available surplus cash. The Group manages its capital and supports its credit rating through focusing on its net debt which comprises borrowings (note 31), including lease obligations, accrued interest and derivative liabilities relating to debt instruments, less cash and cash equivalents. Given that the Group is a wholly-owned subsidiary, any change in capital structure is often achieved via additional borrowings or additional equity injected from its ultimate parent company or other companies within Electricité de France, and available standing credit facilities with EDF.

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12

months, together with consideration of the approved ongoing financing and commitments available through EDF (including the new facility in place between Electricité de France and EDF Energy Holdings Limited as disclosed in the note 47), the Directors have formed a judgement, at the time of approving the consolidated and company financial statements, that there is a reasonable expectation that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Group and company face and which have been outlined in more detail elsewhere in the Strategic Report. For this reason, the Directors continue to adopt the going concern basis in preparing the consolidated and company financial statements.

On behalf of the Board



Robert Guyler

Director

18 June 2025

## DIRECTORS' REPORT

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The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2024.

Principal risks, managements objectives and policies along with future developments of the Group are discussed within the strategic report.

### Directors and their interests

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

- Robert Guyler
- Xavier Girre
- Veronique Lacour
- Simone Rossi
- Xavier Ursat
- Sylvie Jehanno
- Etienne Dutheil
- Luc Remont (Resigned 7 May 2025)
- Brice Bohuon
- Caroline Chanavas
- Alex Chisholm (Appointed 15 July 2024)

The persons listed above, are all non-executive Directors, with the exception of Robert Guyler and Simone Rossi who are executive Directors.

Robert Guyler and Simone Rossi are employed by and have a service contract with EDF Energy Limited. The remaining Directors are employed by the ultimate parent company, Électricité de France ("EDF").

There are no contracts during or at the end of the financial year in which a Director of the Company has a material interest. None of the Directors who held office during or at the end of the financial year had any interests in the shares of the Company or any Group company that are required to be disclosed in accordance with the Companies Act 2006.

There were qualifying third-party indemnity provisions in place for the benefit of one or more Directors of the Company during the financial year and at the date of approval of the consolidated financial statements.

### Streamlined Energy & Carbon Reporting (SECR)

The financial impact of climate risk is disclosed in the Principal risks and uncertainties section of the strategic report.

### Current year Energy Efficiency Measures

During 2024, EDF Energy has implemented a significant number of initiatives to both reduce energy consumption and improve energy efficiency. Some of the noteworthy measures are summarised below.

#### Nuclear Operations

- The efficient management of our nuclear power stations in 2024 resulted in the fleet delivering over 37 TWh of zero-carbon energy. The operational life of our four Advanced Gas-cooled Reactors have been extended: Heysham 1 and Hartlepool until 2027, and Heysham 2 and Torness until 2030. This helps maintain grid stability and reduces the UK's reliance on imported gas, providing an additional 45 TWh of output, which displaces approximately 9.3 billion cubic metres of gas.

- Dungeness B reduced their main cooling water pump usage from 4 cooling water pumps to 2. A significant energy and carbon saving. This equates to an estimated annual energy saving of 17,280 MWh (from August 2024 saving 7200 MWh).
- Sizewell B upgraded several compressed air systems to higher efficiency units including optimisation of controllers to match demand. This equates to an estimated annual energy saving of 236 MWh (from June 2024 saving 138 MWh).
- Sizewell B have completed a project to improve the efficiency of reactivity management resulting in an increased output of 88 MWh per year of zero-carbon energy (from April 2024 additional output - approx. 66 MWh).
- Through safe and efficient defueling and the Works Power Optimisation Programme, gas circulators at Hunterston B were reduced from two to one saving approximately 2600 MWh per year (from October 2024 saving 650 MWh).
- Through a process optimisation project Hartlepool reduced demineralised water usage on site leading to related carbon and energy savings.
- Under the ESOS (Energy Savings Opportunities Scheme) Regulations, a review of Phase 2 (2019-2023) energy saving measures was carried out in April 2024. A Nuclear Operations action plan was developed for Phase 3 of ESOS (2024-2027), which includes 17 energy saving measures expected to save approximately 285,000 MWh over the 4-year period.

#### Hinkley Point C

- 15 hybrid generators are now in operation on site, reducing the emissions of carbon monoxide, nitrogen oxides and hydrocarbons, including innovative hybrid flywheel generators and innovative battery storage to reduce generator sizes and runtime by acting as dual power source.
- Our tier one civils contractor has reduced their diesel consumption from 2023 to 2024 by 794,080 litres, saving approximately 2000 tonnes of CO<sub>2</sub> in 2024. Some examples of this include the electrification transition to the tower cranes as well as using fewer vehicles on-site.
- The new construction modular sewage treatment plant, that includes tertiary UV treatment, became operational in 2024, efficiently processing the daily wastewater for about 12,000 people and reducing the need for tanker trucks. This has significantly cut down on fuel usage by eliminating offsite waste transport.
- Our On-Site Waste Consolidation Centre helps maximises load consolidation and efficiency. In 2024, we consolidated 5.5 truckloads into one truckload, hence saving fuel.

#### Sizewell C

- In 2024, all generators at SZC met the latest stage V emissions standards, meaning they followed the strictest environmental regulations for air pollution. Specific tracking has been implemented to ensure generator use is closely monitored.
- Solar-powered tower lighting used on site. All site lighting controlled by timers to reduce consumption and light pollution on site.
- Sizewell C have committed to trialling hydrogen buses, and the first one arrived on site in December 2024. They also launched the first bus service between the Main Construction Area and Ancillary Construction Area in 2024, reducing construction traffic.

#### All Company

- LED upgrades continue to be rolled out across all locations, where possible.
- We continue to install Pod Point charging points across our sites for electric vehicles and are currently exceeding our EV100 commitment to convert our light vehicle fleet to EV by 2030.
- The Energy Management Team have a programme of activities to reduce consumption across the estate.
- PV installation completed as planned at Hove and we are looking to install another PV array in 2025.
- The rationalisation of our data centres has resulted in a reduction in energy consumption as a result of moving to cloud solutions.

## Prior year Energy Efficiency Measures

During 2023, EDF Energy has implemented a significant number of initiatives to improve energy efficiency and the key ones are summarised below.

### Nuclear Operations

- Overall, the efficient management of our nuclear power stations in 2023 resulted in the fleet exceeding our 36 TWh target by 1.28 TWh ending the year having generated 37.28 TWh of zero-carbon energy.
- Station life extensions at Heysham 1 and Hartlepool were agreed in 2023. These stations were due to enter defueling by March 2024 which has been extended to 31 March 2026, this results in the potential to safely generate an additional 29 TWh of zero-carbon energy.
- In 2023 a project was completed to alter nuclear fuel flask identification marking to increase the efficiency of each flask movement by 1 fuel element. Over 2023 the additional fuel element included in each flask movement removed the need for 45 flask movements and their associated energy consumption and emissions.
- Sizewell B has completed a project to replace several significant plant chillers with more energy efficient units that also contain a refrigerant gas with a lower Global Warming Potential (GWP).
- Sizewell B has recently introduced a new real-time plant diagnostic tool which monitors efficiency during operation allowing targeted and timely improvement works to optimise operation.
- Sizewell B has completed a project to improve the efficiency of reactivity management resulting in an increased output of 88MWe per year of zero-carbon energy.
- Heysham 2 has installed 9 dual chargers providing 18 electric vehicle (EV) charging points for staff use.
- Heysham 2 has completed a project to provide a permanent electrical supply to the fire training facility and associated cabins. These are located away from the main power station site and previously used diesel generators.
- A Works Power Optimisation Programme for defueling stations has progressed several projects in 2023 focused on the reduction of energy demand through the rationalisation of assets not required post-generation e.g., plant containing pumps and motors.
- Full site energy assessments have been undertaken at three of the stations; Sizewell B, Dungeness B, and Hinkley Point B as part of Phase 3 of ESOS (Energy Savings and Opportunities Scheme). The energy audits have identified recommendations for energy saving opportunities which are now under review.

### HPC

#### Generators

- In the last quarter of 2023, 3 substations were energised and a plan was in place for a further 7 to be installed.
- This year we have seen 10 stage 5 generators on site. Stage 5 generators further limit the emissions of carbon monoxide, nitrogen oxides and hydrocarbons compared to previous models.

#### Sewage

- The temporary sewage treatment plant has been operational all year, eliminating the need for tankers to remove liquid waste from site by road.

#### Waste

- The Waste Consolidation Centre (WCC) allows us to process waste on site before it is transported off site for recycling. This maximises load consolidation and efficiency. Over 2023, on average, a ratio of 6 to 1 was achieved (6 loads into the WCC, 1 load out)
- 97% of waste was diverted from landfill from main site.

#### Lighting

- In 2023 a significant number of areas were provided with energy saving lighting. Timers were also installed in other areas. This reduces light pollution from site as well as improving efficiency.

#### Vehicles

- Utilisation of barges to transport site waste to Avonmouth to reduce road vehicle emissions.

#### Cultural change

- Annual initiatives for increasing awareness and understanding of Net Zero and how the workforce can and is making a difference in reducing carbon footprints, both in the project and personally. Targeted engagement activities were held in particular for Environment week in June and Net Zero week in July.

#### All Company

- LED upgrades continue to be rolled out across all locations, where possible.
- We continue to install Pod Point charging points across our sites for electric vehicles and are currently exceeding our EV100 commitment.
- We continue to review our office space and look for ways to improve efficiency. This includes reduction and optimisation of office space, which continues following our post-covid assessments and smarter ways of working.
- The Energy Management Team are in place with a programme of activities to reduce consumption across the estate.
- Photo voltaic installation in progress in Hove, due for completion in 2024.

#### Nuclear Fleet

The overriding contribution to Net Zero from Nuclear Operations, comes from safe, reliable, low carbon nuclear generation. However, as the nuclear fleet ages, stations cease power generation and instead become waste production sites.

EDF Energy now has three stations that have ceased generation. Hinkley Point B and Hunterston B started to defuel in 2022 and Dungeness B in June 2023. Heysham 1 and Hartlepool were set to enter defueling in 2026. However, in December 2024, it was announced the decision to extend by one year the lifetime of Hartlepool and Heysham 1 to March 2027 and by two years for Heysham 2 and Torness to March 2030. Sizewell B expected lifetime remains until 2055.

Across the fleet there are a number of projects ongoing such as tree planting. Stations are continuing to move to LED lighting, to introduce motion sensor lighting, to optimise onsite vehicles, to increase the electrical offsite fleet, and to reduce their chemical, gas and fuel inventory.

#### Breakdown of Emissions by Scope

Fuel Type	Consumption (kWh)			Emissions (tCO <sub>2</sub> e)		
	2022	2023*	2024	2022	2023*	2024
Scope 1: Combustion of fuel for transport purposes	37,132,303	39,482,756	64,751,299	9,554	10,025	16,517
Scope 1: Combustion of gas	965,393	1,831,982	12,387,910	176	335	2,266
Scope 2: Purchased electricity	1,347,983,185	1,289,992,465	1,314,872,955	268,263	267,113	272,245
Scope 3: Business Travel emissions	4,060,976	4,360,278	4,742,771	1,002	1,057	1,146
<b>Total</b>	<b>1,390,141,857</b>	<b>1,335,667,481</b>	<b>1,396,754,935</b>	<b>278,995</b>	<b>278,335</b>	<b>292,174</b>

\*Data for 2023 has been adjusted to account for actual electricity and gas consumption. In our previous 2023 submission we reported 764,803 kWh for our gas consumption and 1,289,936,565 kWh for our electricity consumption. Actual consumption data was received post submission, and we have updated our figures to 1,831,982 kWh for gas and 1,289,992,465 kWh for electricity

In 2024, our direct carbon emissions categorised under Scope 1 amounted to 18,783 tonnes of CO<sub>2e</sub>, with the main sources being gas consumption in our properties and fuel for transport. Our gas emissions saw a significant rise from 335 tonnes of CO<sub>2e</sub> in 2023 to 2,266 tonnes in 2024, primarily due to the acquisition of Arabelle Solutions, which accounted for 78% of our annual gas usage. Furthermore, emissions from transportation fuels in EDF Energy-owned or operated vehicles increased by 65%, a rise attributed to the escalating fuel needs at the Hinkley Point C construction project.

Indirect carbon emissions under Scope 2 totalled 272,245 tonnes of CO<sub>2e</sub>, stemming from electricity consumption in our offices and assets, marking a slight increase of 2% over the previous year. We have expanded our emissions monitoring to include new buildings and the consumption from our three recent acquisitions: CB Heating, Contact Solar, and Arabelle Solutions, all of which are now fully integrated into our reporting.

Scope 3 emissions, associated with reimbursable business travel, rose to 1,146 tonnes of CO<sub>2e</sub>, an increase of 8% from 2023.

Beyond our SECR requirements, we are disclosing our 2024 indirect Scope 3.3 carbon emissions from electricity sold to customers, amounting to 1.9 million tCO<sub>2e</sub>, and Scope 3.11 carbon emissions from gas sold to customers, totalling 6.5 million tCO<sub>2e</sub>, for the first time in this report. Including these emissions enhances transparency and helps us identify opportunities to support our customers in decarbonisation. We are actively working with customers to strategically reduce these emissions by providing energy efficiency measures and low-carbon solutions, such as heat pumps and solar panels.

#### Energy Intensity Ratio

Our energy intensity ratio for SECR purposes is tCO<sub>2e</sub>/GWh of energy used. Our total carbon intensity by GWh of energy used for 2024 is 209 tCO<sub>2e</sub>/GWh. This remains the same as 2023 (209 tCO<sub>2e</sub>/GWh). However, is still an improvement on the intensity ratio for 2021 of 213 tCO<sub>2e</sub>/GWh.

#### Methodology

We have followed the 2019 UK Government Environmental Reporting Guidance.

We have used emission conversion factors relevant to the reporting period from Department for Energy Security and Net Zero and the Department for Business, Energy, and Industrial Strategy (BEIS).

#### Buildings Electricity & Gas

The 'Buildings Electricity & Gas' tab includes all consumption from our EDF Energy offices and is shown either as actual or estimated. We use a variety of tools to collate our energy data and comments have been added to this tab to align to the individual systems used.

A platform called MyBusiness is used for most of the electricity values within this tab. Energy bills can be viewed in MyBusiness to obtain the monthly kWh. Where there are half hourly meters, a direct export is completed from MyBusiness to track the kWh consumption.

Our EDFEnergy.com MyAccount platform is used to obtain our gas consumption from bills produced by EDF.

A property management company, Gerald Eve provides billing data for our landlord controlled EDF sites; 90 Whitfield St, Interchange, Liberator House, 6 Atlantic Quay and Nova North.

We use a location-based emission factor to calculate the emissions from our electricity use.

#### EV's & Mileage

The 'EV's & Mileage' tab includes all data related to our company vehicles. Data is obtained through MINA for our Customers EV van fleet. Arval provide the EV data for those with a fuel card and our

internal mileage claim reporting provides the remainder to allow the tracking of our company vehicles.

The total amount of 'fuel' is multiplied by the relevant conversion factor to calculate kgCO<sub>2e</sub>.

The total amount of 'fuel' is multiplied by the kWh/relevant fuel to calculate kWh (if not already in kWh).

#### Fleet Fuel

The 'Fleet Fuel' tab includes all fuel purchased for refuelling our fleet vehicles. Fuel cards are held by employees with Arval and Shell and direct exports are completed from those suppliers for litres of diesel and petrol purchased as well as tonnes of CNG consumed.

The total amount of fuel in litres is multiplied by the fuel conversion factor to calculate kgCO<sub>2e</sub>.

The total litres are multiplied by the kWh/l conversion factor to calculate kWh.

#### Generation on-site fuel

The 'Generation On-site Fuel' tab includes all fuel purchased by our power stations for use in on-site vehicles.

The following assumptions have been made:

- Dungeness B and Sizewell B - the amount of fuel used for on-site vehicle is not split out from fuel used for generators and plant. The stations estimate that 2/3 of the total volume is used for on-site vehicle refuelling.

The total amount of fuel used in litres is multiplied by the fuel conversion factor to calculate the kgCO<sub>2e</sub>.

The total amount of litres is multiplied by the kWh/l conversion factor to calculate the total kWh.

#### HPC On-site Fuel

The 'HPC On-site Fuel' tab includes all fuel purchases for HPC for use in on-site vehicles.

The total amount of fuel used in litres is multiplied by the fuel conversion factor to calculate the kgCO<sub>2e</sub>.

The total amount of litres is multiplied by the kWh/l conversion factor to calculate the total kWhSite

#### Site Generation and Own Use

The 'Site Generation & Own Use' tab includes our gross electricity output from our power stations, our total own electricity consumption by our stations and a split of the electricity we import directly from the grid for our own consumption.

For the purposes of SECR, the only table on this tab that we use is the Imported Site Own Use table marked in green. This shows all our power stations and the total amount of electricity per month that was imported from the grid.

The total consumption per station is then converted to kWh by multiplying the GWh by 1,000,000. The total kWh is then multiplied by the electricity conversion factor to calculate the kgCO<sub>2e</sub>.

#### Personal Mileage Expenses

The 'Personal Mileage Expenses' tab includes all business personal car mileage. This is extracted from the Concur expenses reporting system where employees input their mileage travelled to claim expenses. For companies that EDF Energy have acquired that do not use Concur we have collated the information separately and applied the same methodology below. Should a vehicle fuel type be known then the appropriate conversion factor is used.

The distance in miles is multiplied by the managed assets vehicles, average car, unknown fuel conversion factor to calculate the total kgCO<sub>2e</sub>.

The distance in miles is multiplied by the SECR kWh pass & delivery vehicles, average car, unknown fuel conversion factor to calculate the total kWh.

### Hire Car Expenses

The 'Hire Car Expenses' tab includes all hire car refuelling data which is extracted from the Concur travel and expenses reporting system. Employees that use a hire car for company business are entitled to expense the fuel that is used to refuel the hire car, EDF then reimburse the employee.

The data received through Concur is the total (£) spent on fuel. The distance travelled is then required to be calculated for the conversion to kWh and kg/tCO<sub>2e</sub>. This is calculated using HMRC data for 2024, using a factor of £0.15 per mile. The data for 2024 has been averaged, as below, to calculate this figure.

### SECR - Pod Point

We have provided emissions reporting data in line with the UK's SECR requirements.

#### Summary greenhouse gas emissions

Category	2024	2023	2022
Direct emissions of tCO <sub>2e</sub> (Scope 1)	636	414	409
Indirect emissions of tCO <sub>2e</sub> (Scope 2) Market based	69	61	50
Indirect emissions of tCO <sub>2e</sub> (Scope 2) Location based	42	45	34
Indirect emissions of tCO <sub>2e</sub> from supply chain (Scope 3)	14,957	14,453	17,026
Energy transferred across our network (GWh)	520	448	367
Total emissions gCO <sub>2e</sub> per kWh transferred energy	30	33	48
Total units installed and shipped	31,720	50,726	69,689
Total emissions kgCO <sub>2e</sub> per unit installed and shipped	495	310	280

Category	2024 (MWh)	2023 (MWh)	2022 (MWh)
<b>Fuels for transportation</b>			
Petrol	847	1,155	755
Diesel	1,730	566	760
Other / Unknown	0	0	65
<b>Indirect energy</b>			
Electricity (office)	41.91 (16% renewable)	28 100% renewable	15 100% renewable
Electricity (fleet)	38	138	118
Heating (office)	28 (100% renewable)	59 100% renewable	48 100% renewable
	2,685	1,906	1,761

For Pod Point, our Scope 1 emissions are mostly generated from the fuel used by our fleet.

Our Scope 2 emissions include electricity and biogas used in our London office, as well as any electric charging of our fleet.

We have seen an increase overall in Scope 2 emissions owing to an increase in BEV use across our fleet.

Our Scope 3 is 95% of our CO<sub>2</sub>e emissions and includes everything else, from manufacturing, to logistics, to any third-party installation operations.

We have seen an increase in our Scope 3 emissions in 2024 owing to the inclusion of the following categories:

- Use of Sold Products
- End-of-life of sold product

## Target

We are reducing our Scope 1 emissions by moving our fleet to electric vehicles. Our target is to get to 100% full BEV by the end of 2025.

Our move to a new office in Q1 2024 removed the use of biogas heating; heating is now provided by electric systems.

Overall, our target is to reduce our Scope 1 and Scope 2 GHG emissions by half by the end of 2026.

## Dividends

Dividends of £800m (2023: £nil) were paid to the parent company and dividends of £355m (2023: £220m) were paid to the non-controlling interest during the year.

## Political contributions

During the year, the Group made no political contributions (2023: £nil).

## Future developments

Future developments of the Group are outlined in the Strategic Report.

## Use of financial instruments

The use of financial instruments in the Group is outlined in the Strategic Report and in note 45.

## Taxation policy

The Group will continue to demonstrate a responsible and honest approach to its tax management. It has adopted a tax policy which is aligned with its stated ambitions and values. The Director of Tax is responsible for implementing the tax policy and reports frequently to the Chief Financial Officer.

Specifically, the Group's tax policy includes:

- acting with integrity;
- only undertaking tax planning to ensure legitimate business activities are implemented efficiently, and not to undertake artificial schemes or arrangements;
- maintaining an open, honest and positive working relationship with HMRC; and
- where differences of view arise with regard to the interpretation and application of tax law, the Group is committed to addressing the matter in real-time and resolving the matter with HMRC in a constructive manner.

As required by Schedule 19, Finance Act 2017 the Group's Tax Strategy is published on its website.

## **Employee engagement and business relationship**

Please see “Stakeholder Engagement” – who are they and how do we engage with them on page 6.

## **Equal opportunities**

The Group is fully committed to ensuring that all current and potential future employees and customers are treated fairly and equally, regardless of their gender, sexuality, marital status, disability, race, colour, nationality or ethnic origin. The Group provides equal opportunities for employment, training and development, having regard to particular aptitudes and abilities. In the event of employees becoming disabled during employment, where possible, assistance and retraining is given so that they may attain positions compatible with their ability.

## **Events since the balance date**

Subsequent events are disclosed in note 47 of the financial statements.

## **Auditors**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group’s auditors is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group’s auditors is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PriceWaterhouseCoopers LLP, as appointed by the members, are deemed to be re-appointed as auditors of the Company for the financial year ending 31 December 2025 in accordance with the provisions of the Companies Act 2006. The Directors have been authorised to fix the remuneration of the auditors.

## Statement of directors' responsibilities in respect of the financial statements

---

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

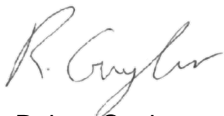
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Robert Guyler

Director

18 June 2025

# Independent auditors' report to the members of EDF Energy Holdings Limited

## Report on the audit of the financial statements

### Opinion

In our opinion:

- EDF Energy Holdings Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2024 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheet as at 31 December 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, and the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company'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 group or the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Office of Gas and Electricity Markets (Ofgem) and the Office of Nuclear Regulation (ONR) site license requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- Evaluation of Management's controls to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements;
- Identifying and testing journal entries, in particular any journal entries with an unusual combination of account codes with credits to revenue where the debit entry is not to an expected account;
- Incorporating elements of unpredictability into the audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

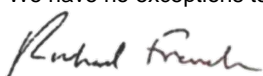
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Richard French (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
18 June 2025

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 December 2024

		2024	2023
	Note	£m	£m
Revenue	4	14,829	18,501
Fuel, energy and related purchases	6	(9,290)	(12,352)
Materials and contracting costs		(550)	(525)
Personnel expenses	10	(809)	(619)
Other operating expenses	8	(1,127)	(1,150)
Other operating income	14	115	23
Net impairment of financial and contract assets	7	(266)	(393)
<b>Operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional costs</b>		<b>2,902</b>	<b>3,485</b>
Loss on derivative commodity contracts	5	-	(10)
Depreciation and amortisation	5	(740)	(741)
Net impairment of non-current assets	21	(557)	(10,711)
Net exceptional costs	13	(22)	(66)
<b>Operating profit/(loss)</b>		<b>1,583</b>	<b>(8,043)</b>
Finance income	11	1,180	1,203
Finance costs	12	(1,035)	(1,165)
<b>Profit/(loss) before tax on ordinary activities</b>		<b>1,728</b>	<b>(8,005)</b>
Taxation on profit/(loss) on ordinary activities	15	(724)	943
Share of loss of associates	25	(130)	(34)
<b>Profit/(loss) for the year</b>		<b>874</b>	<b>(7,096)</b>
Profit/(loss) attributable to:			
Equity holders of the parent		741	(4,536)
Non-controlling interest	36	133	(2,560)
		<b>874</b>	<b>(7,096)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 December 2024

	Note	2024 £m	2023 £m
Profit/(loss) for the year		874	(7,096)
<b>Items from continuing activities that will not be reclassified subsequently to profit or loss:</b>			
Net actuarial gain/(loss) on defined benefit pensions	44	253	(634)
Income tax effect		(63)	157
<b>Items from continuing activities that may be reclassified subsequently to profit or loss:</b>			
<b>Net gain on cash flow hedges:</b>			
Gain on cash flow hedges	42	812	2,046
Income tax effect		(203)	(511)
<b>Net cost of hedging:</b>			
Cost of hedging	42	-	7
<b>Net (loss)/gain on Fair Value Through Other Comprehensive Income:</b>			
(Loss)/gain on Fair Value Through Other Comprehensive Income		(2)	1
<b>Total comprehensive income/(expense)</b>		<b>1,671</b>	<b>(6,030)</b>
Total comprehensive income/(expense) attributable to:			
Equity holders of the Company		1,500	(3,372)
Non-controlling interest	36	171	(2,658)
		<b>1,671</b>	<b>(6,030)</b>

The income tax effect on defined benefit pensions includes a deferred tax charge of £73m (2023: credit of £147m) and a current tax credit of £10m (2023: credit of £11m).

## CONSOLIDATED BALANCE SHEET AT 31 December 2024

	Note	2024 £m	2023 (Restated*) £m
<b>Non-current assets</b>			
Goodwill	18	2,983	4,376
Intangible assets	22	271	148
Property, plant and equipment	23	21,201	18,794
Right-of-use assets	37	203	175
Financial assets	24	3,471	3,157
Interest in associates	25	728	340
NLF and Nuclear Liabilities receivable	26	12,241	10,326
Post-employment benefits asset	44	449	117
Derivative financial instruments	32	31	39
Deferred tax asset	35	-	444
		<b>41,578</b>	<b>37,916</b>
<b>Current assets</b>			
Cash and cash equivalents	27	3,246	3,464
Inventories	28	2,261	2,016
Financial assets	24	125	177
Trade and other receivables	29	2,984	3,297
Derivative financial instruments	32	207	259
NLF and Nuclear Liabilities receivable	26	1,141	1,060
Current tax asset		34	-
		<b>9,998</b>	<b>10,273</b>
Assets classified as held for sale	19	-	103
<b>Total assets</b>		<b>51,576</b>	<b>48,292</b>
<b>Current liabilities</b>			
Other liabilities	30	(3,952)	(4,211)
Borrowings	31	(62)	(313)
Derivative financial instruments	32	(335)	(762)
Provisions	33	(2,002)	(1,796)
Obligations under leases	37	(20)	(13)
Current tax liability		-	(209)
		<b>(6,371)</b>	<b>(7,304)</b>
Liabilities directly associated with assets classified as held for sale	19	-	(79)
		<b>(6,371)</b>	<b>(7,383)</b>
<b>Net current assets</b>		<b>3,627</b>	<b>2,993</b>
<b>Total assets less current liabilities</b>		<b>45,205</b>	<b>40,909</b>
<b>Non-current liabilities</b>			
Other liabilities	30	(283)	(344)
Borrowings	31	(2,121)	(2,122)
Derivative financial instruments	32	(88)	(533)

**EDF ENERGY HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 December 2024**

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>£m</b>	<b>(Restated*)</b>
			<b>£m</b>
Provisions	33	(13,639)	(11,534)
Deferred tax liability	35	(128)	-
Obligations under leases	37	(64)	(72)
		<b>(16,323)</b>	<b>(14,605)</b>
<b>Total liabilities</b>		<b>(22,694)</b>	<b>(21,988)</b>
<b>Net assets</b>		<b>28,882</b>	<b>26,304</b>
<b>Equity</b>			
Share capital	39	10,854	17,116
Share premium reserve		199	199
Capital reserve	40	10,009	9
Merger reserve	41	(2)	(2)
Hedging reserve	42	(132)	(741)
Retained earnings*		1,839	2,472
<b>Equity attributable to equity holders of the Company</b>		<b>22,767</b>	<b>19,053</b>
Non-controlling interest*	36	6,115	7,251
<b>Total equity</b>		<b>28,882</b>	<b>26,304</b>

\*The balance sheet has been restated following review of the allocation of goodwill between the Group and non-controlling interests. See note 1.

The financial statements of EDF Energy Holdings Limited (registered number: 06930266) on pages 49 to 134 were approved by the Board of Directors on 18 June 2025 and were signed on its behalf by:



Robert Guyler

Director

18 June 2025

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 December 2024

		2024	2023
	Note	£m	£m
<b>Net cash from operating activities</b>	43	<b>1,740</b>	<b>2,331</b>
<i>Investing activities</i>			
Purchase of property, plant and equipment	23	(5,756)	(4,986)
Proceeds from disposal of property, plant and equipment	23	16	2
Payment made for the acquisition of Contact Solar	16	(16)	-
Payment made for the acquisition of Arabelle	16	(154)	-
Disposal of discontinued operation, net of cash		17	-
Purchase of other intangible assets	22	(89)	(46)
Disposal of controlling interest in Sizewell C	20	(260)	-
Interest received		411	245
Loan to associates	24	(120)	(153)
Loan to third parties*	24	(232)	-
Loan repayment from associates	24	19	39
<b>Net cash used in investing activities</b>		<b>(6,164)</b>	<b>(4,899)</b>
<i>Financing activities</i>			
Dividends paid to parent	16	(800)	-
Dividends paid to non-controlling equity holders	16	(355)	(220)
Principal and interest elements of lease payments	37	(32)	(20)
Proceeds received from borrowings in the year	31	9	864
Repayment of borrowings	31	(161)	(1,274)
Proceeds on share issue to parent undertaking	39	3,738	3,035
Capital contribution from non-controlling interest	36	1,997	1,255
Interest paid		(190)	(197)
<b>Net cash generated from financing activities</b>		<b>4,206</b>	<b>3,443</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(218)</b>	<b>875</b>
Cash and cash equivalents at 1 January		3,464	2,589
<b>Cash and cash equivalents at 31 December</b>		<b>3,246</b>	<b>3,464</b>

\*This includes £117m Sizewell C land disposal deferred consideration.

## Reconciliation to the consolidated cash flow statement

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The above figures reconcile to the amount of cash shown in the consolidated cash flow statement at the end of the financial year as follows:

	Note	2024 £m	2023 £m
Cash and cash equivalents at 31 December	27	3,246	3,464
<b>Balances per Consolidated cash flow statement</b>		<b>3,246</b>	<b>3,464</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium reserve	Capital reserve	Hedging reserve	Merger reserve	Retained earnings (restated)	Total	Non-controlling Interest (restated)	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>At 1 January 2023 (restated*)</b>	<b>14,081</b>	<b>199</b>	<b>9</b>	<b>(2,283)</b>	<b>(2)</b>	<b>7,760</b>	<b>19,764</b>	<b>8,498</b>	<b>28,262</b>
Loss for the year	-	-	-	-	-	(4,536)	(4,536)	(2,560)	(7,096)
Other comprehensive income/(loss) for the year**	-	-	-	1,542	-	(378)	1,164	(98)	1,066
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,542</b>	<b>-</b>	<b>(4,914)</b>	<b>(3,372)</b>	<b>(2,658)</b>	<b>(6,030)</b>
Equity dividends paid (Note 16)	-	-	-	-	-	-	-	(220)	(220)
Issue of capital	3,035	-	-	-	-	-	3,035	1,255	4,290
Other changes in equity (i)	-	-	-	-	-	(374)	(374)	376	2
<b>At 31 December 2023 (restated*)</b>	<b>17,116</b>	<b>199</b>	<b>9</b>	<b>(741)</b>	<b>(2)</b>	<b>2,472</b>	<b>19,053</b>	<b>7,251</b>	<b>26,304</b>
Profit for the year	-	-	-	-	-	741	741	133	874
Other comprehensive income for the year**	-	-	-	609	-	150	759	38	797
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>609</b>	<b>-</b>	<b>891</b>	<b>1,500</b>	<b>171</b>	<b>1,671</b>
Equity dividends paid (Note 16)	-	-	-	-	-	(800)	(800)	(355)	(1,155)
Issue of capital	3,738	-	-	-	-	-	3,738	1,997	5,735
Capital reduction (Notes 39 and 40)	(10,000)	-	10,000	-	-	-	-	-	-
Loss of control of subsidiary (Note 20)	-	-	-	-	-	-	-	(3,792)	(3,792)
Other changes in equity (i)	-	-	-	-	-	(724)	(724)	843	119
<b>At 31 December 2024</b>	<b>10,854</b>	<b>199</b>	<b>10,009</b>	<b>(132)</b>	<b>(2)</b>	<b>1,839</b>	<b>22,767</b>	<b>6,115</b>	<b>28,882</b>

(i) represents reallocation of retained earnings to non-controlling interest on account of goodwill and equity contribution (see note 36).

\*The statement of changes in equity has been restated following review of the allocation of goodwill between the Group and non-controlling interests (see note 1).

\*\*Refer to the consolidated statement of comprehensive income for an analysis of items recognised in total comprehensive income

## 1. General information

EDF Energy Holdings Limited (the “Company” or the “parent company”) is a private company limited by shares. It is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company’s registered office is shown on 1. The nature of the operations of EDF Energy Holdings Limited and its subsidiaries (the “Group”) and their principal activities are set out in the Strategic and Directors’ Reports on pages 2 to 44. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

### Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the balance sheet date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions in scope of IFRS 16 and measurements which are similar to fair value but are not fair value such as value in use under IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements are presented in pounds and all values are rounded to the nearest millions (£000,000), except when otherwise indicated.

### Reallocation of prior year goodwill from non-controlling interests

In 2024, following a review of the Group’s goodwill balance, it was discovered that there was an error in the allocation of goodwill and related impairments to non-controlling interests. The error resulted in a material overstatement of non-controlling interests for 2023 and prior financial years, and a corresponding understatement of the Group’s retained earnings. The correction had no impact on the profit or loss for the year or the consolidated income statement. The error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

	As originally reported	Prior period amendment	As restated
	£m	£m	£m
Statement of changes in equity at 01 January 2023			
Non-controlling interests	8,978	(480)	8,498
Retained earnings	7,280	480	7,760

Statement of changes in equity at 31 December 2023

Non-controlling interests	7,731	(480)	7,251
Retained earnings	1,992	480	2,472

### **Adoption of new and revised International Financial Reporting Standards**

From 1 January 2024, the following standards and amendments are effective in the Group's consolidated Financial Statements:

- Amendments to IAS 1 'Presentation of Financial Statements', Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants;
- Amendments to IFRS 16 'Lease' - Lease liability in a Sale and Leaseback
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

### **Amendments to IFRS 16 “Leases” – Lease Liability in a sale and leaseback**

The amendment requires a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments had no impact on the Group's financial statements.

### **Amendments to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants**

The amendments clarify how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances and how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The amendments have not had an impact on the classification of the Group's liabilities.

### **Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements**

The amendments require an entity to provide qualitative and quantitative information about supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements.

### **New standards, amendments and interpretations published but not yet adopted**

The new accounting standards that have been published but are not mandatory for 31 December 2024 reporting periods are the following:

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January

2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Group is currently working to identify all impacts the amendments may have on the primary financial statements of its subsidiaries and notes to the financial statements.

#### **Amendments to IAS 21 Lack of Exchangeability**

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. This amendment is effective for annual periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

#### **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

These two amendments are effective for annual periods beginning on or after 1 January 2026. The Company does not expect these amendments to have a material impact on its operations or financial statements.

The Group has not early adopted these new accounting standards and other amendments to accounting standards and interpretations which have been published, but are not mandatory for 31 December 2024 reporting period.

## **2. Material accounting policy information**

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### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company made up to 31 December 2024 each year. A list of main subsidiaries and associates is presented in note 10 of the Company only accounts.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company and using consistent accounting policies as the Company, except that the year-end of Sizewell C (Holding) Limited and Sizewell C Limited year end is 31 March each year. However, for the consolidated financial statements as at 31 December 2023, the financial information of these subsidiaries was included for the same reporting year as the parent company. As at 31 December 2024, these entities are no longer consolidated (see note 20). Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. Control is achieved where the Group is exposed or has rights to variable return from its involvement with the investee and

has the ability to affect those returns through its power over the investee.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated on consolidation. The carrying value of subsidiaries includes the equity investments and long-term loans to subsidiaries.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement at acquisition is made on an acquisition-by-acquisition basis.

Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group ceases to control a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including an apportionment of goodwill), less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities are disposed of.

## **Parent company financial statements**

The Company Balance Sheet, Company Statement of Changes in Equity and related notes are presented in the Annual Report on pages 135 to 149 under FRS 101. No income statement is presented for EDF Energy Holdings Limited in accordance with the exemptions allowed by the Companies Act 2006.

## **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.

The Group seeks to ensure that sufficient financial headroom exists. It is the Group's policy to maintain committed facilities and/or available surplus cash. The Group manages its capital and supports its credit rating through focusing on its net debt which comprises borrowings (note 31), including lease obligations, accrued interest and derivative liabilities relating to debt instruments, less cash and cash equivalents. Given that the Group is a wholly-owned subsidiary, any change in capital structure is often achieved via additional borrowings or additional equity injected from its ultimate parent company or other companies within the Electricité de France, and available standing credit facilities with EDF.

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months, together with consideration of the approved ongoing financing and commitments available through EDF (including the new facility in place between Electricité De France and EDF Energy Holdings Limited as disclosed in the note 47), the Directors have formed a judgement, at the time of approving the consolidated and company financial statements, that there is a reasonable expectation that the Group and company have adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Group faces and which have been outlined in more detail elsewhere in the Strategic Report. For this reason, the Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

## **Business combinations**

Acquisitions of subsidiaries and businesses, other than those occurring under common control, are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred. When the Group acquires a business, it classifies the identifiable assets acquired and the liabilities assumed as necessary to apply other IFRSs subsequently. This is based on contractual terms, economic conditions and other pertinent conditions as they exist as at acquisition date.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

## **Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

As part of the acquisition accounting exercise, customer contracts are identified which represent an asset to the Group (i.e., contract is in the money on acquisition date) or a liability to the group (i.e., contract is out of the money at acquisition date). An asset or liability is calculated as the fair value of the customer contract on the acquisition date, and these are credited/charged to the income statement as the contract matures. Customer contract assets are recognised within intangible assets on the balance sheet and liabilities are included within provisions.

## Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised either when the performance obligation in the contract has been performed or as control of the performance obligation is passed to the customer.

Energy Supply: Revenue is recognised on the basis of electricity and gas supplied during the year and is attributable to the supply of electricity and gas and meter reading and related services, over a period of time because the customer simultaneously receives and consumes the benefits provided to them. This includes an output method by estimating the sales value of units and terms supplied to customers between the date of the last meter reading and the year end, and the invoice value of other goods sold and services provided. Any unbilled revenue is included in trade and other receivables, net of provision for expected credit losses, to the extent that it is considered recoverable.

Power Generation: Power generation revenue represents the value of power generated and sold through a Power Purchase Agreement (PPA). The PPA came into effect in 2009 and facilitates the sale of output to its off-taker British Gas Trading Ltd. Revenue is recognised in the period in which it is earned with payment typically received in the following month. This revenue is included with sales to external customers, disclosed in note 4.

Sale of equipment and engineering services: Sales of equipment and engineering services includes the manufacture and servicing of steam turbines, generators and ancillary systems. Revenue can be recognised over time or point in time. For contracts where revenue is recognised over time, the revenue is allocated based on costs incurred to date, in proportion to total projected costs for the contracts. All other contracts are accounted for using a point in time basis, where the main performance obligation is satisfied when the supply of services have transferred to the customer and the customer has control.

## Government grants

Government grants are recognised in revenue on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred are recognised in the income statement in the period in which they become receivable. These are offset against costs to which they relate.

## Exceptional items

Exceptional items are those items that, in the judgement of the Management, need to be disclosed separately by virtue of their nature, size or incidence. Items that are considered exceptional in nature are provided in note 13.

## Taxation

The income tax expense included in the consolidated income statement consists of current and deferred tax.

### Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

### Deferred tax

Deferred tax is provided or recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax arising from (1) the initial recognition of goodwill, (2) the initial recognition of assets or liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences, or (3) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, is not provided for.

Deferred tax assets are recognised to the extent it is more likely than not that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Unrecognised deferred tax assets are also re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

### Current tax and deferred tax for the year

Current tax and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## Foreign currency translation

The functional and presentational currency of the Group is pounds sterling. Transactions in foreign currency are initially recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts to mitigate the risks. (See below for details of the Group's accounting policies in respect of such derivative financial instruments).

## Intangible assets

Intangible assets are initially recognised at cost and are amortised on a straight-line basis over its useful economic life. It is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Amortisation is calculated based on the following useful life:

IT Software	- 3-8 years
Licence	- 9 years
Customer contract	- 2-4 years
Customer relationship	- 15 years
Brand	- 20 years

Assets in the course of construction are carried at cost, less any recognised impairment loss. Amortisation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

## Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Borrowing costs incurred relating to the construction or purchase of fixed assets are capitalised as below. Depreciation is calculated on a straight-line basis, less any residual value, over the estimated total useful life of the asset and charged to income as follows:

Non-nuclear generation assets	- Up to 40 years
Nuclear Power Stations:	
- Advanced Gas-cooled Reactors (AGR) power stations	- 42 to 44 years
- Pressurised Water Reactor ("PWR") power station	- 60 years
- Overhaul of generation assets	- 18 months up to 3 years
Freehold land	- Not depreciated
Other buildings	
- freehold	- Up to 40 years
- leasehold	- Lower of lease period or 40 years
Equipment and fittings	- 3 to 10 years
Other plant and equipment	- 18 months to 15 years

Leased assets except for low value and short-term leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Expenditure on major inspection and overhauls of production plant is capitalised, within other plant and equipment, when it meets the asset recognition criteria and is depreciated over the period until the next outage. For AGR power stations, this depreciation period is two to three years, for the PWR power station it is 18 months.

## Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

## Impairment of non-current assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired. The Group tests goodwill for impairment by allocating it to a single group of cash-generating units (CGUs) comprising the whole of the EDF Energy consolidated business.

Recoverable amount is the higher of the fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income statement except for impairment on goodwill where any previously recognised impairment is irreversible.

## Leases

### Group as a Lessee

At contract inception, the Group assesses whether a contract is or contains a lease. A contract is treated as a lease if it conveys the rights to control the use of an identified asset for a period of time in exchange for consideration. Identified arrangements that do not have the legal form of a lease contract but nonetheless convey the right to control the use of an asset or group of specific assets to the purchaser are treated by the Group as leases and analysed by reference to IFRS 16.

The Group recognises a lease liability which represents the lease payments to be made and a right-of-use asset representing the right to use the underlying asset for all leases apart from short-term leases (12 months or less) and leases of low value assets. Payment on short-term leases and low value assets are recognised on a straight-line basis over the lease term in the income statement.

### Right-of-use asset

IFRS 16 requires leases to be recognised in the lessee's balance sheet when the leased asset is made available, in the form of a "right-of-use" asset. This is presented on the face of the balance sheet. Right of use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability, any lease payment made at or before the commencement dates less any lease incentives received, any initial direct costs and an estimate of the costs to be incurred in dismantling and removing the underlying asset, restoring the site or restoring the underlying asset to the condition required by the terms of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-current assets' policy.

## Lease Liabilities

At commencement of a lease the Group recognises a lease liability measured at the present value of the lease payments to be made over the lease term. The discount rate used is the incremental borrowing rate at the date of the lease commencement. The lease liability is split between current and non-current lease liabilities. Lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is re-measured if there is a modification such as a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

## Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or jointly control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate less any impairment in the value of individual investments.

Losses of the associates in excess of the Group's interest in those associates are not recognised, only to the extent that the Group has not incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill within the carrying amount of the investment. Any deficiency of the cost of acquisition below the Group's share of the fair value of the net identifiable assets of the associate at the date of acquisition (i.e., discount on acquisition) is credited in the income statement in the period of acquisition.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. If there is an indication of impairment the Group calculates the amount of impairment and the difference between the recoverable amount of the associate and its carrying value, the loss is then recognised in the income statement.

Upon loss of significant influence over the associate the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

## Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. The cost of raw materials, consumables and goods for resale is calculated using the weighted average cost basis. Work-in-progress and finished goods are valued using the cost of direct materials and labour plus attributable overheads based on a normal level of activity. Net realisable value represents the estimated selling price less any further costs expected to be incurred in completion and disposal.

Provisions are made for obsolete, slow-moving or defective items where appropriate.

### Fuel costs – nuclear front-end

#### Advanced Gas-cooled Reactors (“AGR”)

Front-end fuel costs consist of the costs of procurement of uranium, conversion and enrichment services and fuel element fabrication. Fabrication costs comprise fixed and variable elements. All costs are capitalised into inventory and charged to the consolidated income statement in proportion to the amount of fuel burnt.

#### Pressurised Water Reactor (“PWR”)

Front-end fuel costs consist of the cost of procurement of Uranium and fabrication. All front-end fuel costs are variable and are capitalised into inventory and subsequently charged to the consolidated income statement in proportion to the amount of fuel burnt.

### Fuel costs – nuclear back end

#### AGR

Spent fuel extracted from the reactors is sent for reprocessing and/or long-term storage and eventual disposal of resulting waste products. Back-end fuel costs comprise:

- (a) a cost per tonne of uranium payable on loading of fuel into any one of the AGR reactors; and
- (b) a rebate/surcharge against the cost mentioned in (a) above that is dependent on the out-turn market electricity price in the year and the amount of electricity generated from AGR stations in the year.

The loading related cost and the rebate/surcharge is capitalised into inventory and charged to the consolidated income statement in proportion to the amount of fuel burnt.

#### PWR

Back-end fuel costs are based on wet storage in station ponds followed by dry storage and subsequent direct disposal of fuel. Back-end fuel costs comprise a cost per tonne of uranium, payable on loading of fuel to the PWR reactor. Back-end fuel costs are capitalised into inventory on loading and charged to the consolidated income statement in proportion to the amount of fuel burnt.

### Renewable Obligation Certificates

The Group participates in the Renewables Obligation Certificates (“ROC’s”) scheme administered by Ofgem. As there are no specific rules under IAS dealing with its accounting treatment, the Group classifies ROCs as Inventories because they are a direct input cost to the process of supplying customers. ROCs purchased by the Group are recognised at their acquisition cost and the cost is charged to the Income statement as the obligations arise. ROCs are surrendered to meet Ofgem obligation. Any estimated shortfall is calculated based on the relevant buyout price at the reporting date.

## Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Unburnt fuel at shutdown

Due to the nature of the nuclear fuel process, costs have been committed in relation to the unburnt fuel in the reactors at station closure. The costs of this unburnt fuel (final core) are fully provided at the balance sheet date. The provision is based on a projected value per tonne of fuel remaining at closure, discounted back to the balance sheet date and recorded as a long-term liability using a pre-tax discount rate. The unwinding of the discount each year is charged to finance costs in the income statement. Any adjustment to the provision is recorded through property, plant and equipment and depreciated over the remaining station life.

## Nuclear Liabilities Fund (“NLF”) funding arrangements

Under the arrangements in place with the Secretary of State at the Restructuring Effective Date (“RED”), the NLF will fund, subject to certain exceptions, the Group’s qualifying uncontracted nuclear liabilities and qualifying decommissioning costs. To the extent there is any surplus remaining in the NLF after all obligations have been discharged, this amount will be paid to the Secretary of State. The Group is responsible for funding certain excluded or disqualified liabilities and will, in certain circumstances, be required to compensate or indemnify the NLF and the Secretary of State in relation to such liabilities.

The Group makes fixed decommissioning obligations payable to the NLF which have been recorded as a liability on the consolidated balance sheet at their discounted value and disclosed as the NLF liability. The NLF liability is reduced as payments are made to the NLF. Each year the financing charges in the consolidated income statement include the unwinding of the discount of NLF liabilities required to discharge one year’s discount from the liability.

## NLF and nuclear liabilities receivables

The UK Government indemnity is provided to indemnify any future shortfall on NLF funding of qualifying uncontracted nuclear liabilities (including PWR back end fuel services) and qualifying nuclear decommissioning costs.

In principle, the recognised NLF receivable represents the aggregate value of the Nuclear Liabilities Fund and the UK Government indemnity such that the receivable equals the present value of the associated qualifying nuclear liabilities. The nature of the process, whereby the Group claims back from the NLF for qualifying liabilities, can cause small timing differences between the receivable and the nuclear liabilities at the balance sheet date.

The UK Government indemnity is also provided to cover services for spent AGR fuel loaded pre RED. The nuclear liabilities receivable is recognised in respect of the indemnity such that the receivable equals the present value of the associated qualifying nuclear liabilities.

The NLF receivable and the nuclear liabilities receivable are stated in the balance sheet at current price levels, discounted to take account of the timing of payments. Each period the financing charges in the income statement include the revalorisation of these receivables required to match the revalorisation of the nuclear liabilities.

## Nuclear liabilities

Nuclear liabilities represent provision for the Group’s liabilities in respect of the costs of waste management of spent fuel and nuclear decommissioning. The provisions represent the Directors’ best estimates of the costs expected to be incurred. They are calculated based on the latest technical evaluation of the processes and methods likely to be used in decommissioning and reflect current engineering knowledge. The provisions are based on such commercial agreements as are currently in place and reflect the Directors’ understanding of the current UK Government policy and regulatory framework. Given that UK Government policy and the regulatory framework on which the Group’s assumptions have been based is expected to develop and that the Directors’ plans will be influenced by improvements in technology and experience gained from decommissioning activities, liabilities and the resulting provisions are likely to be adjusted.

In recognising the costs of generating electricity, accruals are made in respect of the following:

### Back end fuel costs

The treatment of back end fuel costs in the consolidated income statement has been dealt with under the accounting policies for fuel costs above. Back end nuclear liabilities cover reprocessing and storage of spent nuclear fuel and the long-term storage, treatment and eventual disposal of nuclear waste. They are based, as appropriate, on contractual arrangements or the latest technical assessments of the processes and methods likely to be used to deal with these obligations under the current regulatory regime. Where accruals are based on contractual arrangements they are included within creditors. Other accruals are based on long-term cost forecasts which are reviewed regularly and adjusted where necessary and are included within provisions.

## Decommissioning of nuclear power stations

The financial statements include provision for the full cost of decommissioning the Group's nuclear power stations. Provision is made on the basis of the latest technical assessments of the processes and methods likely to be used for decommissioning under the current regulatory regime.

Accruals and provisions for back end fuel costs and decommissioning are stated in the balance sheet at current price levels, discounted at a long-term real rate of interest which takes account of the timing of payments. The financing charges in the income statement include the revaluation of liabilities required to discharge one year's discount from provisions made in prior years and restate these provisions to current price levels.

## Onerous contracts provision

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

## Retirement benefit costs

The cost of providing benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs include current service, past service cost and gains or losses on curtailments and settlements which are included in personnel expenses. It also includes net interest expense which is included in finance costs.

The retirement benefit obligation recognised on the balance sheet represents the deficit or surplus in the Group's defined benefit schemes. Any surplus arising from this calculation is limited to the present value of any economic benefits available in the form of refunds from the scheme or reductions in future contributions to the schemes.

## Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability or a financial asset and of allocating the interest expense over the relevant period. The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or asset or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## Financial assets

The Group's financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the groups business model for managing of financial assets and
- (b) the contractual cash flow characteristics of financial asset

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) is recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Financial assets measured at amortised cost

Financial assets are classified as measured at amortised cost if both the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets are classified as measured at fair value through other comprehensive income if both the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and
- (b) the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

## Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

## Recognition of expected credit losses

The Group recognises a loss allowance for expected credit losses (ECLs) on a financial asset that is measured at amortised cost. The Group applies IFRS 9's simplified approach to measure expected credit losses on trade receivables, using provision matrices established on the basis of credit loss histories. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The expected credit losses are assessed considering all reasonable and supportable information, including that which is forward-looking. The amount of credit losses (or reversal) is recognised in profit or loss, as an impairment gain or loss at the reporting date.

## De-recognition of financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with substantially all the risks and rewards of ownership to a third party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying value, the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

## Financial liabilities and equity

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, except for:

- (a) financial liabilities at fair value through profit or loss – these include derivatives that are liabilities which are subsequently measured at fair value.
- (b) financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when continuing involvement applies.
- (c) financial guarantee contracts to which (a) or (b) does not apply are subsequently measured as the higher of – the amount of loss allowance determined, or the amount initially recognised less the cumulative amount of income recognised.
- (d) commitments to provide a loan at below market interest rate to which (a) or (b) does not apply are subsequently measured as the higher of – the amount of loss allowance determined, or the amount initially recognised less the cumulative amount of income recognised.
- (e) contingent consideration recognised as an acquirer in a business combination which is measured at fair value through profit or loss.

Gains or losses on financial liabilities held through profit and loss are recognised in the statement of profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

## De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Trade payables – supplier finance arrangements

The Group offers its suppliers a mechanism that allows suppliers to transfer their receivables from EDF to a financial institution for early payment at their own initiative. For the Group, this programme does not involve any change in the substance or characteristics of the outstanding balance that the suppliers have with EDF. This includes the average credit period of 60 days which is not impacted by this arrangement. The associated liabilities therefore remain in "Trade payables" in the Group's financial statements.

## Derivative financial instruments

The Group enters into financial instruments to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity prices (including gas, coal, carbon certificates and electricity), including FX forwards, interest rate swaps, cross currency swaps and forward sales and purchases of energy or commodities. Further details of derivative financial instruments are disclosed in note 45.

Some contracts classified as “own use” are excluded from application of IFRS 9. Forward purchase and sale contracts for physical delivery of energy or commodities are considered to fall outside the scope of application of IFRS 9 when they are entered into as part of the Group’s normal business activity (“own use”). This is demonstrated to be the case when all the following conditions are fulfilled:

- a physical delivery takes place under all such contracts;
- the volumes purchased or sold under these contracts correspond to the Group’s operating requirements;
- the contracts cannot be considered as options as defined by the standard. In the specific case of electricity sale contracts, the contract is equivalent to a firm forward sale or can be considered as a capacity sale.

The Group considers that transactions negotiated with a view to balancing the volumes between electricity purchase and sale commitments are part of its normal business as an integrated electricity operator and are thus outside the scope of IFRS 9.

Derivatives and other financial instruments are measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivatives and other financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise. Changes in the fair values of derivative financial instruments that are designated as hedges of future cash flows are recognised directly in equity with any ineffective element being recognised immediately in the income statement, as explained further below.

The fair value of derivative financial instruments is also adjusted to account for counterparty risk. This is done through a credit value adjustment (CVA) or a debit value adjustment (DVA) depending on whether the financial instrument is an asset or liability. Where the financial instrument is an asset, a credit value adjustment is made which reflects the credit risk of the counterparty and where the financial instrument is a liability a debit value adjustment is made which accounts for the credit risk of the Group.

The use of derivatives and other financial instruments is governed by the Group’s policies and approved by appropriate management. The Group does not use derivatives and other financial instruments for speculative purposes.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

## Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on an on-going basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.

- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement and is included within loss/gain on derivative commodity contracts for commodity contracts, and finance income or finance costs for financing instruments.

Amounts previously recognised in other comprehensive income and accumulated in equity are recycled in the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the income statement as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including short term deposits with a maturity date of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value from the date of acquisition and restricted cash.

The Group operates a cash concentration arrangement under which the cash balances and overdraft position are reported on a net basis where the Group has a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. In certain circumstances, where the criteria for offsetting is not met the balances are presented on a gross basis, such as the overdraft position under the cash pool arrangement is disclosed within borrowings in note 31.

### Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for

sale is presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities in the statement of financial position.

### **3. Critical accounting judgements and key sources of estimation uncertainty**

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In the application of the Group's accounting policies, described in note 2, the Directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Critical judgements in applying the Group's accounting policies**

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### **HPC – accounting for uncertain tax benefit of capital allowances**

Due to the nature of the HPC project, judgement has been applied in analysing which assets qualify for capital allowances and at what rate those allowances are available. Depending on the nature of the expenditure tax relief can be obtained in the year of spend, spread out over a number of years, or not be obtained at all. The methodology used is based on experience of capital allowance claims relating to construction projects for nuclear and non-nuclear power stations; however, the HPC project is the first of a kind in the United Kingdom and hence there is no direct comparable against which the capital allowance claims can be benchmarked by EDF Energy or HMRC. As such we do not believe it is practicable to quantify the uncertainty at this point in time. A deferred tax liability of £185m (2023: £222m asset) in respect of accelerated capital allowances for HPC has been accounted for and is included in the amounts disclosed in Note 35.

##### **SZC – control assessment**

For the application of IFRS 10, the Group uses judgment to assess control. At 31 December 2024, the UK Government owned 83.77% of the project and EDF owned the other 16.23% (2023: 49.4%). At 31 December 2024, it was considered that the Group no longer had control over Sizewell C (Holding) and instead exercises significant influence over Sizewell C, mainly as a result of its representation on its Board and supplying it with technical information and equipment that are essential for project development. Sizewell C (Holding) was previously fully consolidated and is now accounted for using the equity method under IAS 28 as at 31 December 2024 (see note 20).

##### **Nuclear operations**

For the purpose of assessing impairment triggers and assessing recoverable amount, the operational nuclear fleet is considered a single Cash Generating Unit (CGU) due to the interdependency of cash inflows as well as the level at which management monitors operations and takes decisions around continuing or disposing of the assets and operations.

##### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Revenue recognition

Revenue includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the year end. This is calculated by reference to data received through the third party settlement systems, as described further below, together with estimates of consumption not yet processed through settlements and selling price estimates. These estimates are sensitive to the assumptions used in determining the portion of sales not billed and based on actual meter readings at the reporting date. A change in these assumptions of 9% would impact revenue by £102m.

Revenue is valued at average pence per unit, and any unbilled revenue is treated as an unbilled debtor. This figure is adjusted based on a judgement of the likelihood of collecting the outstanding debt based on historical data. At the year-end, unbilled energy income for the supply business was £1,063m (2023: £1,606m). Further detail on revenue is disclosed in note 4.

## Nuclear decommissioning and spent nuclear fuel provisions

The consolidated financial statements include provision for the full cost of decommissioning the Group's nuclear power stations. Provision is made on the basis of the latest technical assessments of the processes and methods likely to be used for decommissioning under the current regulatory regime. Expected future costs of decommissioning are monitored to ensure that the provision remains at an adequate level. Further information about decommissioning and spent nuclear fuel provisions can be found in note 33. As the decommissioning provision is sensitive to a number of different assumptions including timing, cost and discount rate, changes in assumptions relating to these factors could affect the carrying amount of the provision. A +1% change in discount rate would result in a reduction to the provision of £1.8bn and a -1% change would result in an increase of £2.6bn. Any changes to the qualifying liabilities would result in an equal movement to the NLF receivable.

## Pension

The pension surplus/(deficit) is calculated by independent qualified actuaries, based on certain actuarial assumptions. These actuarial assumptions are made to model potential future costs and benefits and include: life expectancy, rates of returns on plan assets, inflation, discount rate and expected retirement age. These assumptions are reviewed on an annual basis and may change based on current market data. Further information is available about pensions in note 44.

## Goodwill and fixed asset impairment

The Group performs impairment testing of goodwill on an annual basis and on other assets where there is an indication of potential impairment. The impairment review involves a number of assumptions including discount rates, output values, asset lives and forward power prices. The long-term nature of the Group's assets and the unique and early stage nature of the Group's Nuclear New Build projects, increase the level of uncertainty involved. A goodwill impairment of £228m (2023: £1,975m) and a fixed asset impairment of £329m (2023: £8,736m) was recognised in the year. Further detail on the assumptions used and sensitivity analysis in the calculation can be found in note 21.

## Generation – useful economic lives of the nuclear operations fleet

The useful economic lives of the nuclear operations fleet are reviewed on at least an annual basis. This review is based on the lifetime management process which assesses the station lifetime based on current technical advice, economic assessment and engagement with key stakeholders. The group aligns the useful economic (UEL) lives with the station technical lifetime expectation.

As explained in the strategic report, the AGRs were designed with a nominal 25-year lifetime, and Sizewell B with a 40 year lifetime. However, with the aggregation of technical information, and operational and safety experience, it has been possible to revise the expected AGR lifetimes. Prior to EDF Energy ownership, the AGRs had been extended by an average of 10 years. Since British Energy was acquired by EDF, the AGRs have been further extended by an average of six years.

In December 2024 it was announced that the expected end of operational lives for Hartlepool and Heysham 1 would be extended from 2026 to 2027 and for Heysham 2 and Torness from 2028 to 2030. Since British Energy was acquired by EDF, the AGR lifetimes have been extended by an average of eight years.

The impact of the 1-year life extension for Hartlepool and Heysham 1 and the 2-year life extension for Heysham 2 and Torness resulted in a reduction in Nuclear Liabilities of £310m with an equal reduction in the Nuclear Liabilities receivable and an increase of £9m in the Unburnt fuel provision with an equal increase in Unburnt fuel asset.

## 4. Revenue

An analysis of the Group's revenue is as follows:

	2024 £m	2023 £m
Sales to external customers	14,829	18,501
<b>Total revenue</b>	<b>14,829</b>	<b>18,501</b>

The disaggregation of the Group's revenue is as follows:

	2024 £m	2023 £m
Revenue from energy supply contracts (i)	14,788	18,501
Revenue from equipment sales and engineering services	41	-
<b>Total revenue</b>	<b>14,829</b>	<b>18,501</b>

The timing of revenue recognition is as follows:

	2024 £m	2023 £m
Revenue recognised over time	14,819	18,501
Revenue recognised at a point in time	10	-
<b>Total revenue</b>	<b>14,829</b>	<b>18,501</b>

(i) Since the beginning of the Energy Bill Support Scheme (EBSS) on 1 October 2022, and up to 31 March 2023, the Group received funding of £1,314m from the Government. During 2023, the Group recognized £664m of revenue in relation to this scheme, out of which £1m is disclosed as restricted cash (note 27) and a corresponding liability (note 30) on the Group's balance sheet at 31 December 2023. The scheme ended on 31 March 2023, and therefore, there is no impact in the 2024 financial statements.

The Group recognised £2,350m of revenue from the Government in 2023 for the Energy Price Guarantee (EPG) and Energy Bill Relief Scheme (EBRS) of which a total of £31m was recognised as a trade receivable on the balance sheet at the 31 December 2023. During 2024, the Group recognized £7m of revenue and accrued revenue of £28m related to this scheme. The EPG scheme closed on 31 March 2023, and therefore, there is no impact in the 2024 financial statements.

During 2024 the Group recognized £10m of revenue in relation to the Energy Bills Discount Scheme (EBDS) and accrued income at the year end of £65k. During 2023, the company received funding of £25m. The scheme closed on 31 March 2024.

## 5. Profit/(loss) for the year

	2024 £m	2023 (Restated*) £m
Profit/loss for the year was derived at after charging/(crediting) the following:		
Research and development costs	16	19
Personnel expenses (note 10)	809	619
Auditors' remuneration for audit services (see below)	4	5
Net foreign exchange losses (note 12)	6	6
Impairment of non-current assets (note 21)	557	10,711
Amortisation of intangible assets (note 22)	89	118
Loss on disposal of subsidiary (note 13; 20)	192	-
Depreciation of property, plant and equipment (note 23)	641	608
Depreciation of right-of-use asset (note 37)	10	15
Cost of inventories recognised as expense (note 28)*	1,713	1,498
Loss on derivative commodity contracts	-	10
Fair value loss on foreign currency derivatives (note 12)	8	8
Movement in onerous contract provision (note 33)	(11)	(46)
Electricity generator levy expense (EGL) (note 8)	416	348

\*Cost of inventories recognised as an expense have been restated for 2023 to include £1,139m related to the cost of renewable obligation certificates (ROC) expensed, following a review of the ROC accounting policy to classify them as inventory in 2023.

The analysis of Auditor's remuneration is as follows:

	2024 £m	2023 £m
Fees payable for the audit of the Company's and the Group's accounts*	1	1
For the audit of the Company's subsidiaries pursuant to legislation	3	4
<b>Total audit fees</b>	<b>4</b>	<b>5</b>
<b>Total fees</b>	<b>4</b>	<b>5</b>

\*Half-year audit fees payable for the audit of the Company and the Group's accounts amount to £0.1m.

## 6. Fuel, energy and related purchases

	2024 £m	2023 £m
Purchase of energy	5,530	8,963
Distribution and transmission	2,374	2,224
Renewable obligation certificates	1,327	1,139
CO <sub>2</sub> emission certificates	44	26
Other energy related purchases	15	-
<b>Total fuel, energy and related purchases</b>	<b>9,290</b>	<b>12,352</b>

## 7. Net impairment of financial and contract assets

	2024 £m	2023 £m
Net movement in the expected credit loss (note 29)	100	(308)
Impairment losses on trade receivables (i)	(366)	(85)
<b>Total impairment on financial and contract assets</b>	<b>(266)</b>	<b>(393)</b>

(i) Receivables are generally written off once a period has elapsed since the final bill, subsequent recoveries results in the reversal of impairment.

## 8. Other operating expenses

	2024 £m	2023 £m
ECO expense	177	224
Data communication, internet and managed services costs	220	161
Smart meter rental	96	93
Other operating expenses	218	324
Electricity generator levy	416	348
<b>Total other operating expenses</b>	<b>1,127</b>	<b>1,150</b>

Other operating expenses mainly represent the marketing costs, IT costs and services.

## 9. Directors' remuneration

In 2024, three Directors received remuneration for services to the Group and their remuneration is disclosed below. The remaining Directors are remunerated by the ultimate parent company and do not receive any emoluments for services to the Group.

	2024 £m	2023 £m
Aggregate remuneration	2	2
<b>Total remuneration</b>	<b>2</b>	<b>2</b>

	2024 Number	2023 Number
Members of defined benefit pension scheme	1	1

	2024 £m	2023 £m
Remuneration payable to the highest paid Director was as follows:		
Aggregate remuneration	1	1
<b>Total remuneration</b>	<b>1</b>	<b>1</b>

The aggregate remuneration includes basic salary and amounts received under annual incentive schemes.

The remuneration of all Directors disclosed above will also be included in the financial statements of EDF Energy Limited for the year ended 31 December 2024.

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £21,379 (2023: £20,856) under the scheme at the end of the year. There is no accrued lump sum.

## 10. Personnel expenses

Staff costs arising in the year, including Directors' emoluments were as follows:

	2024 £m	2023 £m
Wages and salaries	726	553
Social security costs	88	77
Other pension costs	150	120
Severance provision release	(4)	-
Less: Capitalised costs	(151)	(131)
<b>Total Personnel expenses</b>	<b>809</b>	<b>619</b>

Not included in the above are payroll costs of £49m (2023: £85m) which have been capitalised in property, plant and equipment and £146m (2023: £135m) which have been recovered from the NLF.

The monthly average number of employees during the year was as follows:

	2024 Number	2023 Number
Generation business unit	5,224	5,196
Customers business unit	3,696	3,492
Nuclear New Build business unit	2,026	1,573
Technical Services business unit	437	257
Corporate and Steering functions	893	704
<b>Total monthly average employees</b>	<b>12,276</b>	<b>11,222</b>

## 11. Finance income

	2024 £m	2023 £m
Interest on short term deposits	384	287
Other finance income	34	73
Pension scheme interest	7	33
Unwinding of discount on NLF receivable	755	810
<b>Total finance income</b>	<b>1,180</b>	<b>1,203</b>

## 12. Finance costs

	2024 £m	2023 £m
Interest on bank loans and overdrafts	152	194
Interest on bonds	-	8
Interest expense on leases	3	3
Unwinding of discount on provisions	86	68
Unwinding of discount on Nuclear Liabilities	757	813
Fair value losses of foreign currency derivatives	8	8
Net foreign exchange losses	6	6
Other interest costs	31	67
<b>Total finance costs</b>	<b>1,043</b>	<b>1,167</b>
Less: Amounts capitalised	(8)	(2)
<b>Total finance costs</b>	<b>1,035</b>	<b>1,165</b>

Capitalised interest relates to interest expenses on leases entered in to for the purpose of constructing Nuclear New Build assets. The interest is capitalised within Assets under Construction in Property, Plant and Equipment.

## 13. Net exceptional costs

	2024 £m	2023 £m
Customers business unit (i)	(10)	(13)
Nuclear Operation business unit (ii)	219	86
Nuclear New Build business Unit (iii)	(231)	(139)
<b>Total net exceptional costs</b>	<b>(22)</b>	<b>(66)</b>

(i) In 2024, Customers business unit incurred £10m (2023: £13m) in redundancy costs.

(ii) In 2024, the most significant transactions included in the Nuclear Operations business unit costs are:

- £172m of a profit on disposal of land at Sizewell B net of provision for potential reimbursement of remediation / decontamination costs incurred by the purchaser (capped at 20%). The current estimate of potential reimbursement of remediation / decontamination costs are recorded within other liabilities (note 30).
- £26m (2023: £80m) of income related to past service pension credits in relation to capped inflationary increases as EDF (with Independent Trustee approval - where required) chose to restrict the April 2024 RPI pension increase for certain sections within the Scheme.
- £26m of a credit relating to enriched uranium pellets recovered fuel from Dungeness B reinstated to inventory, that were previously written off in 2021.

In 2023, in addition to the £80m related to past service pension credit, there is also £6m related to partial release of Dungeness Capacity Market penalty provision in 2023. These are considered as one-off credit in nature.

(iii) In 2024, the most significant transactions arising from the Nuclear New Build business unit is a loss on disposal of £192m from the deconsolidation of SZC, legal fees of £12m previously capitalised and stamp duty of £22m previously capitalized to Sizewell C land. In 2023, these exceptional costs are one off expenses of £139m arising from the revised costing on the project.

## 14. Other operating income

	2024 £m	2023 £m
Service charges income	101	-
Other income	14	23
<b>Total other operating income</b>	<b>115</b>	<b>23</b>

In 2024, the Group received a refund on brand recharge fees of £101m from Électricité de France in relation to the financial years of 2013 to 2018. Other income includes rental income and income from disposals of fixed assets etc.

## 15. Tax on profit/(loss) on ordinary activities

(a) Tax (charge) / credited in the consolidated income statement:

	2024 £m	2023 £m
<b>Current tax</b>		
UK corporation tax charge on profit/(loss) made in the year	(396)	(493)
Adjustments in respect of previous years' reported tax (charges) / credits	(32)	-
<b>Total current tax charge for the year</b>	<b>(428)</b>	<b>(493)</b>
<b>Deferred tax</b>		
Current year (charge) / credit	(298)	1,374
Adjustments in respect of previous years' reported tax (charge)/credits	2	62
<b>Total deferred tax (charge) /credit in the year</b>	<b>(296)</b>	<b>1,436</b>
<b>Income tax (charge)/credit reported in the income statement</b>	<b>(724)</b>	<b>943</b>

(b) The tax on profit/(loss) before tax for the year is higher than (2023: higher than) the standard rate of corporation tax in the UK of 25% (2023: 23.50%).

The (charge)/ credit for the year can be reconciled to the loss in the income statement as follows:

	2024 £m	2023 £m
Profit/(loss) before tax	1,728	(8,005)
Tax at the UK corporation tax rate of 25% (2023: 23.5%)	(432)	1,881
Effect of:		
Non-deductible impairment	(57)	(928)
Non-deductible Electricity Generator Levy	(104)	(82)
Non-deductible expenses and non-taxable income	(101)	(72)
Current year effect of deferred tax rate change	-	82
Impact of increased tax rate on opening deferred tax balance	-	-
Adjustment to prior-year corporation tax (charge)/ credit	(32)	-
Adjustment to prior-year deferred tax credit	2	62
<b>Income tax (charge)/ credit reported in consolidated income statement</b>	<b>(724)</b>	<b>943</b>

(c) Other factors affecting the tax (credit) / charge for the year

The accounting for deferred tax follows the accounting treatment of the underlying item on which deferred tax is being provided and hence is booked within equity if the underlying item is booked within equity.

In the current year a deferred tax charge of £276m (2023: charge of £364m) has been recognised in equity. This consists of a charge of £73m (2023: credit of £147m) in respect of pension movements and a charge of £203m (2023: charge of £511m) which relates to fair value movements arising on derivative instruments.

A current tax credit of £10m (2023: credit of £11m) has also been recognised in equity in respect of pension movements.

The closing deferred tax balance at 31 December 2024 has been calculated at 25% (2023: 25.00%). This is the average tax rate at which the reversal of the net deferred tax liability is expected to occur.

#### Pillar Two income taxes

The Group has applied the exemption from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes, in accordance with the amendments to IAS 12 – International Tax Reform—Pillar Two Model Rules, issued by the IASB in May 2023 and adopted by the UK Endorsement Board in July 2023.

Legislation implementing the OECD’s Pillar Two Global Anti-Base Erosion (GloBE) rules was enacted in the United Kingdom with effect from 1 January 2024. The rules introduce a global minimum tax rate of 15% for large multinational groups. Under this regime, the Group may be subject to top-up taxes where profits in any jurisdiction are taxed below the minimum rate.

The Group is a UK-based subsidiary of a foreign multinational group and is within the scope of the Pillar Two legislation. However, based on current modelling using the financial and tax data prepared in connection with these consolidated financial statements, the Group does not expect to incur any top-up tax under the new rules. This is primarily due to the expectation that the Group will benefit from the effective tax rate test under the transitional safe harbour rules. The Group continues to monitor developments in the implementation of the rules in the UK and other relevant jurisdictions, and will update its assessment as further guidance becomes available.

## 16. Dividends

	2024 £m	2023 £m
Amounts recognised as distributions to equity holders in the period:		
Dividends paid to parent company	800	-
Dividends paid by subsidiary to non-controlling interests	355	220
<b>Total dividends</b>	<b>1,155</b>	<b>220</b>

The dividends paid by subsidiary to non-controlling interest pertains to Nuclear Operations Business.

The interim dividend to parent for 2024 was £0.07 per share (2023: £Nil).

## 17. Business combinations

#### Acquisition of Contact Solar

On 16 February 2024, EDF acquired a 100% stake in Contact Solar Limited in line with the Group’s strategy to help its customers and Britain achieve net zero. The acquisition enables EDF to enhance its “whole house” net zero home offering, following the acquisition of CB Heating Ltd and Pod Point in prior years. The acquisition was for a consideration paid of £19m in cash. Contact Solar is a solar panel and battery installer primarily in the residential market. It specialises in the installation of domestic and commercial solar panels and battery storage.

The acquired business contributed revenues of £10m and net profit of £760k to the Group for the period from 16 February to 31 December 2024.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and loss for the year ended 31 December 2024 would have been £12.2m and £1m respectively.

The group recognised acquisition related costs on advisory and legal fees of £0.5m in other operating costs in the consolidated income statement.

**The asset and liabilities recognised as a result of the acquisition are as follows:**

	<b>£m</b>
Property, plant and equipment	0.2
Cash and cash equivalents	3.0
Inventories	1.0
Trade and other receivables (i)	0.8
Other liabilities	(2.0)
<b>Fair value of identifiable net assets</b>	<b>3.0</b>

The acquired business net assets approximate their fair value and therefore no adjustments have been made to their carrying amounts

- (i) Trade and other receivables include £0.75m of trade receivables which approximate its fair value. It is expected that the full contractual amounts can be collected.

**Goodwill arising from the acquisition has been recognised as follows:**

	<b>£m</b>
Consideration	19
Fair value of identifiable net assets	(3)
<b>Goodwill</b>	<b>16</b>

The goodwill is attributable to the talent and skills of Contact Solar's workforce and management team. None of the goodwill recognised is expected to be deductible for Corporation Tax purposes.

**Acquisition of Arabelle businesses**

On 31 May 2024, Arabelle Solutions UK Limited (a subsidiary of EDF Energy Holdings Limited) acquired 100% of the issued share capital of Arabelle Marine UK Limited (formerly GE Oil & Gas Marine & Industrial UK Limited), a power markets mechanical engineering provider and Arabelle Services Limited (formerly GE Steam Power Limited) an electrical and mechanical engineering provide for electricity markets, collectively "the Arabelle business".

The acquired business contributed revenues of £41m and net loss of £1.6m to the Group for the period from 31 May to 31 December 2024.

The provisional purchase price allocation has been established by estimating the fair value of the assets and liabilities transferred at the date of the acquisition, based on the work of an independent assessor. However, this work and the final accounts are not expected to be finalised until the first half of 2025, and so the accounting recognition of the operation at 31 December 2024 is still provisional.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and loss for the year ended 31 December 2024 would have been £89m and £1.5m, respectively.

**Details of the purchase consideration, the net assets acquired and goodwill are as follows:**

Purchase consideration:

	<b>£m</b>
Cash paid	154

The fair value of the assets and liabilities acquired are as follows:

	<b>£m</b>
Trade and other receivables (i)	149
Intangible assets	134
Inventories	17
Right of use assets	8
Property, plant and equipment	5
Current tax liability	(4)
Lease liabilities	(7)
Provisions	(9)
Deferred tax liability	(20)
Trade payables	(139)
<b>Net identifiable assets acquired</b>	<b>134</b>
Add: Goodwill (ii)	20
<b>Provisional net assets acquired</b>	<b>154</b>

- (i) Trade and other receivables approximate its fair value. It is expected that the full contractual amounts can be collected.
- (ii) The goodwill is attributable to Arabelle Solutions' pre-existing and future customer relations with the EDF group, its future external customer relations as well as its acquired human capital.

## 18. Goodwill

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
<b>Cost</b>		
<b>At 1 January</b>	<b>6,785</b>	<b>6,785</b>
Additions	36	-
Disposals	(1,201)	-
<b>At 31 December</b>	<b>5,620</b>	<b>6,785</b>
<b>Accumulated impairment</b>		
<b>At 1 January</b>	<b>2,409</b>	<b>434</b>
Charge for the year (note 21)	228	1,975
<b>At 31 December</b>	<b>2,637</b>	<b>2,409</b>
<b>Carrying amount at 31 December</b>	<b>2,983</b>	<b>4,376</b>

## 19. Assets classified as held for sale

At the end of December 2023, the Group decided to sell EDF Energy (Gas Storage) Limited in line with the Group's strategy of focusing on low-carbon, sustainable generation mainly through nuclear and renewable assets. The criteria of IFRS 5 for reporting the disposal group as held for sale was met. This is on the basis that the disposal group is available for immediate sale in its present condition that is subject only to terms that are usual and customary for sales of the disposal groups, and the sale is highly probable. Immediately before the initial reclassification of the asset as held for sale, an impairment test was performed in accordance with IAS 36 Impairment of Assets which resulted in the reversal of prior impairment to reflect the fair value at 31 December 2023. Subsequently, the assets and liabilities comprising the disposal group were classified as held for sale at 31 December 2023.

Details of the assets and liabilities of the disposal group at 31 December 2023 are shown below:

	£m
<b>Non-current assets:</b>	
PP&E	41
Deferred tax assets	15
<b>Current assets:</b>	
Inventories	18
Trade and other receivables	29
<b>Assets classified as held for sale</b>	<b>103</b>
<b>Current liabilities:</b>	
Other liabilities	(50)
<b>Non-current liabilities:</b>	
Provisions	(25)
Lease liabilities	(4)
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>(79)</b>
<b>Net assets classified as held for sale</b>	<b>24</b>

The carrying value of the net assets classified as held for sale of £24m was based on their estimated fair value less costs to sell.

The transaction that resulted in the reclassification of assets held for sale at 31 December 2023 was completed during 2024, resulting in a loss of £2m included within loss on fair value through other comprehensive income.

## 20. Loss of control of subsidiary

In December 2024, the Group's shareholding in Sizewell C reduced to 16.23%, in line with the Group's target investment at the Final Investment Decision (FID) date. The UK government has been a shareholder of the project since November 2022. EDF's project funding commitment up to the FID date is subject to a limit that was reached in late 2023, consequently the UK government has been the sole funder of the project. In addition, a leadership team independent of EDF has been established at Sizewell C, with the necessary skills to make decisions and head the plant's construction. Accordingly, the Group has determined that it no longer controls Sizewell C but exercises significant influence over the Company and therefore is now accounted for the equity method.

The net assets of Sizewell C at the date of loss of control were as follows:

	<b>£m</b>
Goodwill	1,200
Property, plant and equipment	3,108
Right of use asset	51
Cash and cash equivalent	260
Trade and other receivables	364
Financial asset	75
Lease liabilities	(52)
Provision	(104)
Other liabilities	(375)
Deferred tax liabilities	(2)
Net asset value	<b>4,525</b>
Derecognition of the carrying amount of non-controlling interests	(3,792)
	<b>733</b>
Recognition of interest retained in the former subsidiary at fair value (note 25)	541
Loss on deconsolidation	<b>192</b>

The loss on deconsolidation has been recognised within net exceptional costs in the consolidated income statement (note 13).

No consideration was received by the Group for the disposal of the subsidiary.

## 21. Net impairment of non-current assets

### Breakdown of impairments recognised

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Impairment of property, plant and equipment and intangibles	329	8,736
Impairment of goodwill	228	1,975
<b>Total impairment charge</b>	<b>557</b>	<b>10,711</b>

### Impairment of property, plant and equipment and intangibles

		<b>2024</b>	<b>2023</b>
		<b>£m</b>	<b>£m</b>
Nuclear New Build (see note 23)	HPC	320	8,782
Customers (see note 22)	Pod Point	9	-
To Gas storage	Reversal of impairment (Hill Top)	-	(46)
<b>Total Impairment of property, plant and equipment</b>		<b>329</b>	<b>8,736</b>

#### Nuclear Operations assets (plants in operation)

The recoverable value of EDF Energy's nuclear assets in operation is determined by discounting future cash flows over the assets' useful life. At 31 December 2024, this activity includes the Sizewell B PWR plant, assuming that it will remain in operation until 2055, the Torness and Heysham 2 AGR plants until

March 2030, and the two AGR plants at Hartlepool and Heysham 1, where the end of operations has been extended by one year to March 2027.

The most significant updates to net present value at December 2024 pertains to the value realised during 2024 and fall in energy price forecasts partly offset by the life extensions at Hartlepool, Heysham 1, Heysham 2 and Torness and a decrease in the discount rate (from 7.7% at December 2023 to 7.5% at December 2024). Overall, the test results showed no need for impairment.

Sensitivity tests were conducted on the assumptions to which this operating cash generating unit (CGU) is particularly sensitive, i.e., a -5% downturn in electricity prices or nuclear power output across the whole horizon or a 50bp increase in the discount rate. These sensitivities did not lead to any impairment, individually or in combination, all other things being equal.

### Customers assets

In 2024 whilst the default tariff cap is still in place, the prices, inflation, and interest rates have stabilised. In addition, the default tariff cap margins increased and incorporates an allowance for recoverability of bad debts, and the regulator Ofgem has maintained its Ban on Acquisitions Tariffs (BAT) to deter unsustainable pricing practices in the Market. This combined with strong Customers Business performance in 2024 and medium-term plan outlook resulted in no impairment indicator, as such, at December 2024.

The recoverable value of the Sales and Supply CGU is higher than in 2023, largely due to a decrease in the discount rate (from 7.7% at December 2023 to 7.5% at December 2024), a favourable result in 2024 margins and an estimated 0.4% improvement in long term B2B (business to business) segment margins. It is partly offset by increased capital expenditure compared to 2023 and increase in corporation taxes in line with increased margins. This CGU remains relatively insensitive to price scenarios as wholesale energy costs are generally passed on to consumers over time.

Sensitivity analyses were conducted with major reductions in long-term margin rates and losses of market share. These analyses showed that this CGU is not sensitive to these parameters, especially as it has few fixed assets (mainly information systems).

### Impairment testing of goodwill and HPC

EDF Energy's gross goodwill amounted to £5,620m including Pod Point at 31 December 2024. It mainly results from the takeover of British Energy in 2009 and has been reduced by the £1,201m following the loss of control of Sizewell C in 2024.

At 31 December 2024 and 2023, the impairment test led to recognition of partial impairment amounting to £228m and £1,975m respectively.

On 23 January 2024, the Group announced that the schedule and cost for construction of the two nuclear reactors at Hinkley Point C had been revised, to update assumptions regarding the cost of civil engineering work and extension of the electromechanical work (MEH) phase, and the resulting consequences for the other work. Three scenarios have been analysed. In the first two, the completion cost for the project was estimated at £31-34 billion (in 2015 values) depending on the situation, as opposed to the previous estimate of £25-26 billion (in 2015 values). A third scenario mentioned in the announcement, based on a further 12-month delay in commissioning, involved an estimated additional cost of around £1 billion in 2015 values.

The three scenarios were weighted for the test, such that they converge towards the baseline scenario which assumes that electricity generation by HPC Unit1 will now start in 2030 instead of June 2027 as previously (and 2031 in the case of Unit 2 instead of June 2028 previously). This scenario incorporated the risk of an additional one-year deferral compared to the 120-month timetable scenario used for organisation and management of the project.

Based on the revised schedule and cost assumptions, impairment of £8,782m was recognised on the project at 31 December 2023 and £320m at 31 December 2024 .

The recoverable value of EDF Energy is determined by discounting future cash flows over the assets' useful life, taking into consideration the two reactors with a 60-year operating lifetime currently under construction at the Hinkley Point site. Future cash flows from these plants are determined by reference to the Contract for Difference (CfD) between the Group and the UK government. The CfD sets stable,

predictable prices for EDF Energy for an initial period of 35 years from the date the two EPRs are first commissioned (this duration has been shortened by around 18 months due to the revised schedule): if market prices fall below the CfD strike price, EDF Energy will receive an additional payment. The CfD strike price for HPC is set at £92.50/MWh (in 2012 sterling) and is indexed on UK inflation via the consumer price index (CPI) (£128/MWh in current sterling based on inflation rates available at 31 March 2024). Thus, for the operation period under the CfD, future cash flows include a long-term inflation assumption of 2.0% from 2030 (compared to 2.2% between 2030 and 2050 then 2.1% from 2050).

For the 25 years of operation after the CfD period, future cash flows include a price assumption based on the CfD strike price of £92.50/MWh (in 2012 sterling) in the absence of corresponding price scenarios. This assumption is based on an internal study of electricity market prices in the United Kingdom, which, given the small number of plants (including Hinkley Point C) so far known to be able to supply baseload electricity after the CfD for Hinkley Point C expires (i.e., after 2064), concluded that market prices for electricity would converge towards the costs of that type of power plant. This assumption could be adjusted if new long-term electricity price scenarios are drawn up (internally or externally).

The WACC determined for HPC is a hybrid rate that reflects the specificity of the cash flows being first regulated by the CfD, then exposed to market prices in subsequent years. The rate applicable to the project is 6.8% at 31 December 2024, unchanged from 2023. The WACC used to test EDF Energy goodwill takes account of the WACC applicable to each of the company's CGUs (HPC, Nuclear assets (plants in operation), Sales and Supply). Given the respective importance of cash flows from each CGU, the overall WACC for EDF Energy's goodwill is 6.85% at 31 December 2024, compared to 6.9% at 31 December 2023.

Accordingly, the value of EDF Energy's goodwill, although EDF Energy's other CGUs (Nuclear assets (plants in operation), Sales and Supply) still show substantial headroom, their values are generally lower (nuclear plants in operation were affected by the downturn in forward prices). These effects therefore led to recognition of partial additional impairment of £228m goodwill including Pod Point at 31 December 2024 (2023: £1,975m).

The cumulative goodwill impairment at 31 December 2024 is £2,637m (2023: £2,409m). This impairment is irreversible by nature.

### Sensitivity analysis:

The book value of the HPC project, like the book value of EDF Energy's goodwill, remains sensitive to any unfavourable variation in assumptions. A 30bp increase in discount rates would have a negative impact of £2 billion on recoverable value, while an equivalent decrease would have a favourable impact of £2.2 billion. A 10bp increase or decrease in inflation rates would have a positive or negative impact of £0.6 billion on recoverable value respectively. A decrease in the electricity price of £10/MWh beyond the CfD period would have an impact of £0.5 billion.

## 22. Intangible assets

	IT software	Licence	Customer contracts	Customer relationship	Brand	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>							
<b>At 1 January 2023</b>	<b>949</b>	<b>39</b>	<b>78</b>	<b>13</b>	<b>214</b>	<b>20</b>	<b>1,313</b>
Additions	10	-	16	-	-	20	46
Disposals	(124)	-	-	-	-	-	(124)
Transfers	22	-	-	-	-	(22)	-
Reclass	-	(39)	-	-	-	-	(39)
<b>At 31 December 2023</b>	<b>857</b>	<b>-</b>	<b>94</b>	<b>13</b>	<b>214</b>	<b>18</b>	<b>1,196</b>
Additions	15	-	40	-	-	34	89
Acquisitions (note 17)	-	-	-	134	-	-	134
Disposals	(52)	-	-	-	-	-	(52)
Transfers	3	-	-	-	-	(3)	-
<b>At 31 December 2024</b>	<b>823</b>	<b>-</b>	<b>134</b>	<b>147</b>	<b>214</b>	<b>49</b>	<b>1,367</b>

	IT software	Licence	Customer contracts	Customer relationship	Brand	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m	£m
<b>Accumulated amortisation</b>							
<b>At 1 January 2023</b>	<b>(801)</b>	<b>(37)</b>	<b>(48)</b>	<b>(4)</b>	<b>(201)</b>	-	<b>(1,091)</b>
Charge for the year	(94)	-	(22)	-	(2)	-	(118)
Disposals	124	-	-	-	-	-	124
Asset held for sale reclass (note 19)	-	37	-	-	-	-	37
<b>At 31 December 2023</b>	<b>(771)</b>	-	<b>(70)</b>	<b>(4)</b>	<b>(203)</b>	-	<b>(1,048)</b>
Charge for the year	(51)	-	(31)	(5)	(2)	-	(89)
Disposals	50	-	-	-	-	-	50
Impairment	-	-	-	-	-	(9)	(9)
<b>At 31 December 2024</b>	<b>(772)</b>	-	<b>(101)</b>	<b>(9)</b>	<b>(205)</b>	<b>(9)</b>	<b>(1,096)</b>
<b>Carrying amount</b>							
<b>At 31 December 2023</b>	<b>86</b>	-	<b>24</b>	<b>9</b>	<b>11</b>	<b>18</b>	<b>148</b>
<b>At 31 December 2024</b>	<b>51</b>	-	<b>33</b>	<b>138</b>	<b>9</b>	<b>40</b>	<b>271</b>

## 23. Property, plant and equipment

	Land and buildings	Network assets	Non-Nuclear Generation assets	Nuclear power stations	Other plant and equipment	Equipment and fittings	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>								
<b>At 1 January 2023</b>	<b>545</b>	<b>11</b>	<b>1,629</b>	<b>8,414</b>	<b>1,332</b>	<b>150</b>	<b>19,495</b>	<b>31,576</b>
Additions	-	-	-	-	-	-	5,048	5,048
Disposals	(1)	(1)	-	-	(154)	(14)	-	(170)
Revaluation of final core	-	-	-	53	-	-	-	53
Transfer	-	2	-	113	279	4	(398)	-
Reclass	(2)	-	(5)	-	-	-	(7)	(14)
Asset held for sale reclass (note 19)	-	-	(17)	-	(316)	-	(2)	(335)
<b>At 31 December 2023</b>	<b>542</b>	<b>12</b>	<b>1,607</b>	<b>8,580</b>	<b>1,141</b>	<b>140</b>	<b>24,136</b>	<b>36,158</b>
Additions	6	-	-	124	207	4	5,937	6,278
Disposals	(5)	(6)	-	(20)	(5)	(46)	(6)	(88)
Disposal of fully depreciated assets	-	-	(1,607)	-	(125)	-	-	(1,732)
Revaluation of final core	-	-	-	(26)	-	-	-	(26)
Transfers	1	3	-	-	25	15	(44)	-
Sizewell C deconsolidation *	-	-	-	-	-	-	(2,874)	(2,874)
<b>At 31 December 2024</b>	<b>544</b>	<b>9</b>	<b>-</b>	<b>8,658</b>	<b>1,243</b>	<b>113</b>	<b>27,149</b>	<b>37,716</b>

\* The amount of Sizewell C assets deconsolidated of £2,874m is presented net of £234m land transaction with EDF Energy Nuclear Generation Limited.

	Land and buildings	Network assets	Non-Nuclear Generation assets	Nuclear power stations	Other plant and equipment	Equipment and fittings	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Accumulated depreciation and impairment</b>								
<b>At 1 January 2023</b>	<b>(526)</b>	<b>(7)</b>	<b>(1,629)</b>	<b>(5,334)</b>	<b>(855)</b>	<b>(126)</b>	<b>(5)</b>	<b>(8,482)</b>
Charge for the year	(2)	(1)	-	(412)	(185)	(8)	-	(608)
Disposals	-	-	-	1	154	13	-	168
Impairment reversal/(charge) (note 21)	-	-	8	-	38	-	(8,782)	(8,736)
Asset held for sale reclass (note 19)	2	2	14	-	276	-	-	294
<b>At 31 December 2023</b>	<b>(526)</b>	<b>(6)</b>	<b>(1,607)</b>	<b>(5,745)</b>	<b>(572)</b>	<b>(121)</b>	<b>(8,787)</b>	<b>(17,364)</b>
Charge for the year	(1)	(1)	-	(410)	(221)	(8)	-	(641)
Disposals	1	6	-	20	5	46	-	78
Disposal of fully depreciated assets	-	-	1,607	-	125	-	-	1,732
Impairment reversal/(charge) (note 21)	-	-	-	-	-	-	(320)	(320)
<b>At 31 December 2024</b>	<b>(526)</b>	<b>(1)</b>	<b>-</b>	<b>(6,135)</b>	<b>(663)</b>	<b>(83)</b>	<b>(9,107)</b>	<b>(16,515)</b>
<b>Carrying amount</b>								
<b>At 31 December 2023</b>	<b>16</b>	<b>6</b>	<b>-</b>	<b>2,835</b>	<b>569</b>	<b>19</b>	<b>15,349</b>	<b>18,794</b>
<b>At 31 December 2024</b>	<b>18</b>	<b>8</b>	<b>-</b>	<b>2,523</b>	<b>580</b>	<b>30</b>	<b>18,042</b>	<b>21,201</b>

## Property, plant and equipment (continued)

Assets in the course of construction mainly relate to nuclear new build activities, of which the amount capitalised in relation to Hinkley Point C is £17,960m at 31 December 2024 (2023: £13,944m). The recoverability of the balance of assets in the course of construction relating to HPC at 31 December 2024 is dependent upon the forecast profitability of HPC, where an impairment charge of £320m (2023: £8,782m) related to the project has been incurred further is disclosed in note 21.

A right-of-use depreciation charge of £10m is capitalised within additions for the year relating to the amortisation of the restoration provision within the right-of-use asset. Refer note 37 for more information.

### Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 December 2024 was £8.1m (2023: £1.6m). The rate used to determine the amount of borrowing costs eligible for capitalisation is the EIR (Effective interest rate) of each specific borrowing.

## 24. Financial assets

	Non-current		Current	
	2024	2023	2024	2023
Loans receivable carried at amortised cost				
Loans to associates (i) (ii) (iii) (iv)	514	357	4	60
Loans to parent company (v)	2,800	2,800	121	117
Loans to third party (vi)	40	-	-	-
Sizewell C land disposal deferred consideration (vii)	117	-	-	-
<b>Total financial assets</b>	<b>3,471</b>	<b>3,157</b>	<b>125</b>	<b>177</b>

(i) In 2024, an additional £107m (2023: £130m) loan was advanced to EDF Energy Renewables Limited at 3.5% (2023: 3.5%) plus SONIA in relation to working capital funding, which will mature in 2028. The carrying amount of this loan at 31 December 2024 is £440m (2023: £334m).

(ii) In 2024, a further amount of £10m (€12m) (2023: £12m (€15m)) was advanced to EDF Renewables Ireland at 3-month EURIBOR plus 2% in relation to any matters related to the advancement of future development in Ireland. In 2024, £1m was repaid on this facility with interest accrued amounting to £3m. The total balance of £67m (€81m) (2023: £58m (€66m)) matures in January 2026.

(iii) In 2024, £3m was repaid by EDF Energy Services Limited on its facility with EDF Energy Customers Limited. The loan accrues interest at a rate of 6.3% and matures in 2028.

(iv) In 2024 the loan facility to Dalkia UK of £15m was repaid. The loan accrued interest at a rate of 5.7% and had a maturity of 2025.

(v) In 2022, a loan of £2,235m was advanced to EDF at compounded daily SONIA plus 0.4644% as part of the financial support package given to the EDF Group of the Electricity Supply Pension, which will mature in 2071. Movement in the year is in relation to accruals on interest receivable.

(vi) In 2024, a loan of £40m was advanced to an external third party in relation to working capital funding, which will mature in July 2026. The interest rate on the facility is 12%.

(vii) The deferred consideration relates to an element of the net price (50%) that is held in a separate standalone bank account and is subject to specific terms. This sum will only be released to EDF Nuclear Generation Limited on 31 July 2027 or sooner if certain conditions are met and has therefore been classified as a financial asset.

## 25. Interest in associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts in the associates' financial statements prepared in accordance with IFRS.

	Sizewell C Limited	EDF Energy Renewables group	
	2024	2024	2023
	£m	£m	£m
Non-current assets	3,332	1,420	1,387
Current assets	4	385	537
Non-current liabilities	-	(804)	(689)
Current liabilities	-	(539)	(508)
<b>Net assets</b>	<b>3,336</b>	<b>462</b>	<b>727</b>
Equity attributable to owners of the company	2,795	113	243
Non-controlling interest – Group share of equity	541	163	286
Non-controlling interest – Other	-	186	198
Sales	-	260	221
Loss for the year	-	(215)	(48)
Group's share of loss for the year	-	(123)	(36)

**Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:**

	Sizewell C Limited	EDF Energy Renewables group	
	2024	2024	2023
	£m	£m	£m
Net assets of associate	3,336	462	727
Group's ownership interest	541	163	286
Elimination of Group's share of land sale (i)	(24)	-	-
<b>Carrying amount of the Group's interest</b>	<b>517</b>	<b>163</b>	<b>286</b>

(i) In March 2024, EDF Energy Nuclear Generation Limited (ENGL) sold the land to Sizewell C Limited (SZC) for £204m. Upon loss of controlling interest in SZC, the investment in SZC is accounted for under the equity method, in accordance with IAS28. As a result, the remaining internal margin in relation with this land sale transaction of £24m was eliminated against the value of equity investment based on EDF shareholding in SZC at the end of December 2024.

**Aggregate information of associates that are not individually material:**

	2024 £m	2023 £m
The Group's share of loss from operations	(7)	2
Aggregate carrying amount of the Group's interest in associates	48	54

**Total of all associate balances:**

	2024 £m	2023 £m
The Group's share of loss from operations	(130)	(34)
Aggregate carrying amount of the Group's interest in associates	728	340

**Details of the Group's associates at 31 December 2024 are detailed below:**

Name of associate	Principal Activity	Ownership Rights %	Voting Rights %
Lewis Wind Power Holdings Limited(1)	Holding company	24.50%	24.50%
Stornoway Wind Farm Limited(1)	Renewable energy generation	24.50%	24.50%
Clash Gour Windfarm Holdings Limited(1)	Holding company	49.00%	49.00%
Dallas Windfarm Limited(1)	Renewable energy generation	49.00%	49.00%
Altyre II Windfarm Limited(1)	Renewable energy generation	49.00%	49.00%
Dunphail Windfarm Limited(1)	Renewable energy generation	49.00%	49.00%
Dunphail II Windfarm Limited(1)	Renewable energy generation	49.00%	49.00%
Dunphail Windfarm Partnership LLP(1)	Renewable energy generation	49.00%	49.00%
EDF Energy Renewables Limited(8)*	Renewable energy generation	49.00%	49.00%
Fallago Rig II Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
Neart Na Gaoithe Offshore Wind Limited(1)	Renewable energy generation	24.50%	24.50%
Rowan Onshore Windfarms Limited(8)	Renewable energy generation	24.99%	24.99%
Walkway Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
Teesside Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
EDF Renewables Solar limited(8)	Renewable energy generation	49.00%	49.00%
NNG Windfarm Holdings limited(1)	Renewable energy generation	24.50%	24.50%

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Longpark Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
Roadie Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
Burnhead Moss Wind Farm Limited(8)	Renewable energy generation	24.99%	24.99%
EDF Energy Renewables Holdings Limited(8)	Holding company	24.99%	24.99%
Corriemoillie Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
Dorenell Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
Pearie Law Windfarm Limited(8)	Renewable energy generation	24.99%	24.99%
High Hedley Hope Wind Limited(8)	Renewable energy generation	24.99%	24.99%
Stranoch Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
EDF Renewables Community Investment Limited(8)	Renewable energy generation	49.00%	49.00%
Longfield Solar Energy Farm Limited(8)	Renewable energy generation	49.00%	49.00%
Porth Wen Solar Limited(8)	Renewable energy generation	49.00%	49.00%
Gwynt Glas Offshore Wind Farm Limited(8)	Renewable energy generation	16.33%	16.33%
Beechgreen Energy farm Limited(8)	Renewable energy generation	49.00%	49.00%
Pivot Power Limited(8)	Renewable energy generation	49.00%	49.00%
Pivot Power (Holding) Limited(8)	Renewable energy generation	49.00%	49.00%
Pivot Power Battery Co. Limited(8)	Renewable energy generation	49.00%	49.00%
Pivot Power Wire Co Limited(8)	Renewable energy generation	49.00%	49.00%
Pivoted Power LLP(8)	Renewable energy generation	49.00%	49.00%
EDF ER Development Limited(8)	Renewable energy generation	49.00%	49.00%
Cloich Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
Heathland Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
Newcastleton Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
Tinnisburn Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
Wauchope Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
West Benhar Windfarm Limited(8)	Renewable energy generation	49.00%	49.00%
Cloich Windfarm Partnership LLP(8)	Renewable energy generation	49.00%	49.00%
Heathland Windfarm Partnership LLP(8)	Renewable energy generation	49.00%	49.00%
Newcastleton Windfarm Partnership LLP(8)	Renewable energy generation	49.00%	49.00%

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Tinnisburn Windfarm Partnership LLP(8)	Renewable energy generation	49.00%	49.00%
Wauchope Windfarm Partnership LLP(8)	Renewable energy generation	49.00%	49.00%
West Benhar Windfarm Partnership LLP(8)	Renewable energy generation	49.00%	49.00%
EDF Renewables Ireland Ltd(9)	Renewable energy generation	49.00%	49.00%
EDF Renewables Ireland Energy farm Holding Limited(9)	Renewable energy generation	49.00%	49.00%
Curraghmartin Solar Limited(9)	Renewable energy generation	49.00%	49.00%
Stamullen Solar Limited(9)	Renewable energy generation	49.00%	49.00%
TDC Community Solar Park Limited(9)	Renewable energy generation	49.00%	49.00%
Willville Solar Limited(9)	Renewable energy generation	49.00%	49.00%
Blusheens Solar Limited(9)	Renewable energy generation	49.00%	49.00%
Ballycarren Solar Limited(9)	Renewable energy generation	49.00%	49.00%
Coolroe Solar Limited(9)	Renewable energy generation	49.00%	49.00%
EDF EN Services UK Limited(8)	Renewable energy generation	49.00%	49.00%
Ashgreen Energyfarm Limited(8)	Renewable energy generation	49.00%	49.00%
EDF Renewables Hydrogen Limited(8)	Renewable energy generation	49.00%	49.00%
Springwell Energyfarm Limited(8)	Renewable energy generation	30.63%	30.63%
Rosefield Energyfarm Limited(8)	Renewable energy generation	24.99%	24.99%
EDF Energy Services Limited	Development of generation and supply	50.00%	49.00%
The Barkantine Heat and Power Company Limited(2)	Generation and supply of heat and electricity	50.00%	49.00%
Imtech Engineering Services North Ltd(3)	Development of generation and supply	50.00%	49.00%
Imtech Engineering Services London and South Ltd(3)	Development of generation and supply	50.00%	49.00%
Imtech Aqua Lt(3)	Development of generation and supply	50.00%	49.00%
Imtech Aqua Building Services Ltd(3)	Development of generation and supply	50.00%	49.00%
Imtech Aqua Controls Ltd(3)	Development of generation and supply	50.00%	49.00%
ESSCI Technical Facilities Management Limited(2)	Development of generation and supply	50.00%	49.00%
Inviron Property Limited(5)	Development of generation and supply	50.00%	49.00%
Imtech Aqua Maintenance Ltd(5)	Development of generation and supply	50.00%	49.00%
Capula Group Limited(6)	Development of generation and supply	50.00%	49.00%
Capula Limited(6)	Development of generation and supply	50.00%	49.00%

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ESSCI Ireland Limited(2)	Development of generation and supply	50.00%	49.00%
Breathe Asset Management Services Ltd(2)	Management of energy assets	50.00%	49.00%
Bradwell Power Holding Company Limited(4)	Holding company	33.50%	33.50%
Bradwell Power Generation Company Limited(4)	Development of generation and supply	33.50%	33.50%
General Nuclear System Limited(4)	Development of generation and supply	33.50%	33.50%
Solar Advanced Systems Limited(8)	Dormant company	49%	49%
The Ethical Renewable Company Limited(8)	Dormant company	49%	49%
Wicklow Windfarm Holdings Limited(9)	Renewable energy generation	38.22%	38.22%
Codling Holdings Limited(13)	Renewable energy generation	19.11%	19.11%
Codling Wind Park Limited(13)	Renewable energy generation	19.11%	19.11%
Codling Wind Park III Limited(13)	Renewable energy generation	19.11%	19.11%
Western Star Wind Limited(9)	Renewable energy generation	24.50%	24.50%
Emerald Offshore Wind Limited(9)	Renewable energy generation	24.50%	24.50%
Dalkia Group Limited(2)	Development of generation and supply	50%	49%
Dalkia Engineering Holding Limited(2)	Development of generation and supply	50%	49%
Dalkia Energy Services Ltd(2)	Energy management services	50%	49%
Dalkia UK Holding Limited(2)	Development of generation and supply	50%	49%
Dalkia Operations Holding Limited(10)	Holding company	50%	49%
DK Low Carbon Solutions Ltd(2)	Development of generation and supply	50%	49%
Dalkia Engineering Ltd(3)	Development of generation and supply	50%	49%
Dalkia Facilities Holdings Limited(5)	Holding company	50%	49%
Dalkia Facilities Limited(7)	Development of generation and supply	50%	49%
Environmental Engineering Limited(10)	Holding company	50%	49%
Dalkia Operations Limited(10)	Development of generation and supply	50%	49%
DK WHS Limited(10)	Development of generation and supply	50%	49%
Dalkia Scotshield Limited(11)	Development of generation and supply	50%	49%
Power and Nuclear UK Limited(10)	Dormant company	50%	49%
Leven Energy Services Limited(10)	Development of generation and supply	50%	49%
Dalkia Facilities Northern UK Limited(10)	Development of generation and supply	50%	49%
MSS Clean Technology Limited(10)	Technical services	50%	49%
Environmental Engineering (UK) Limited(10)	Development of generation and supply	50%	49%
Medical & Scientific Structures Limited(10)	Dormant company	50%	49%

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Juniper Energy Limited(8)	Dormant company	49%	49%
	Development of	49%	49%
Damsongreen Energyfarm Limited(8)	generation and supply		
	Development of	49%	49%
Poplar Windfarm Holdings Limited(8)	generation and supply		
	Development of	49%	49%
Maplegreen Energyfarm Limited(8)	generation and supply		
	Development of	49%	49%
Firgreen Energyfarm Limited(8)	generation and supply		
	Development of	49%	49%
Hollygreen Energyfarm Limited(8)	generation and supply		
	Development of	49%	49%
Laurelgreen Energyfarm Limited(8)	generation and supply		
SAS Energy Limited(8)	Dormant company	49%	49%
	Renewable energy	24.50%	24.50%
Elver Wind Park Limited(12)	generation		
Energy Stability Services Limited(9)	Technical services	49%	49%
Electrify Britain Limited(14)	Public relations and	50%	49%
	communications activities		
Sizewell C (Holding) Limited (15)	Holding company	16%	16%
Sizewell C Limited (15)**	Development of	16%	16%
	generation and supply		

\* EDF Energy Renewables Group sources, originates and develops renewable energy projects in the UK and, when successful investment decision is achieved, manages the financing, procurement and construction of the project as well as providing ongoing management services to affiliate companies. Its activities ensure that EDF UK customers enjoy access to a diverse, reliable, and affordable low-carbon energy mix for decades to come.

\*\* Sizewell C Limited was set up to design, develop, finance, construct, commission, operate, maintain (and eventually decommission) the nuclear power and its related infrastructure at Sizewell in Suffolk. Sizewell C will generate enough low-carbon electricity to supply six million homes and will contribute to the Group's carbon neutrality strategy.

All associates are held indirectly except EDF Energy Renewables Limited, EDF Energy Services Limited, Sizewell C (Holding) Limited, Bradwell Power Holding Company Limited and General Nuclear Systems Limited.

- 1 Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
- 2 Twenty, Kingston Road, Staines-Upon-Thames, England, TW18 4LG
- 3 Lock House, 2nd Floor Level 2 Castle Meadow Road Nottingham NG2 1AG
- 4 5th Floor Rex House, 4-12 Lower Regent Street, London, United Kingdom, SW1Y 4PE
- 5 3160 Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN
- 6 Orion House, Unit 10 Walton Industrial Estate, Stone, Staffordshire, ST15 0LT
- 7 1 Angel Court, London, England, EC2R 7HJ
- 8 Alexander House 1 Mandarin Road, Rainton Bridge Business Park, Houghton Le Spring, Sunderland, England DH4 5RA
- 9 3 Dublin Landings, North Wall Quay, Dublin, D01 C4E0, Ireland
- 10 1 Old Park Lane, Urmston, Manchester, England, M41 7HA
- 11 1 Rutherglen Links, Rutherglen, Glasgow, Scotland, G73 1DF
- 12 The Courtyard, Carmanhall Road, Sandyford, Dublin 18, D18 Yd27, Ireland
- 13 Units 15/16 The Courtyard, Carmanhall Road Sandyford Dublin 18, Sandyford, Dublin, Ireland
- 14 28 Leeds Road Ilkley, England LS29 8DS
- 15 25 Copthall Avenue, London, England EC2R 7BP

Unless stated otherwise, the registered address of the associates listed above is 11 Bressenden Place, London, SW1E 5BY.

## 26. NLF and nuclear liabilities receivable

	At 31 December 2024			At 31 December 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
	£m	£m	£m	£m	£m	£m
Nuclear liabilities receivable	205	83	288	275	86	361
NLF receivable	12,036	1,058	13,094	10,051	974	11,025
<b>Total NLF and Nuclear liabilities receivable</b>	<b>12,241</b>	<b>1,141</b>	<b>13,382</b>	<b>10,326</b>	<b>1,060</b>	<b>11,386</b>

The NLF receivable asset represents amounts that will be reimbursed by the NLF in respect of the qualifying nuclear liabilities recognised at the balance sheet date.

The nuclear liabilities receivable asset represents amounts due under the historical British Nuclear Fuels Limited contracts which will be reimbursed by the UK Government.

## 27. Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank and in hand	136	614
Restricted cash	-	1
Short-term deposits	367	1,271
Cash pooling with parent company	2,743	1,578
<b>Total cash and cash equivalents</b>	<b>3,246</b>	<b>3,464</b>

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods up to 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents equates to the carrying amount.

The Group participates in a cash management program with Électricité de France, whereby the Group agrees to pool surplus liquidity with Électricité de France. The purpose of the cash pooling arrangement is to allow for the optimal management of credit and investment of cash surpluses between the Group and Électricité de France. The terms of the agreement are similar to a typical bank account in that the Group retains control of the funds and the centralising company (Électricité de France) shall not interfere with the Company's payment instructions and is responsible for ensuring that the funds are available as and when required by the Group. Cash pooling has been presented on a gross basis where the overdraft position of the cash pool is disclosed in note 31. In the current period, the cash pooling structure was revised resulting in no overdraft position.

The Group cash balance includes £17m (2023: £18m) of cash which must be maintained as a minimum cash balance in some entities, in accordance with contractual obligations with financial institutions.

## 28. Inventories

	2024 £m	2023 £m
Raw materials and consumables	189	189
Carbon certificates	12	-
Renewable obligations certificates	406	315
Nuclear fuel	1,333	1,239
Other nuclear fuel and uranium	406	370
Work in progress	5	6
Provision on inventories of raw material	(90)	(103)
<b>Total inventories</b>	<b>2,261</b>	<b>2,016</b>

The cost of inventories recognised as an expense during the year in respect of continuing operations was £1,713m (2023: £1,498m restated). The cost of inventories recognised as an expense in respect of the write-downs of inventory to net realisable value is £14m (2023: £8m).

Inventories of £1,420m (2023: £1,291m) are expected to be held for a period of over 12 months largely relating to nuclear fuel inventory.

## 29. Trade and other receivables

	2024 £m	2023 £m
Trade receivables (i)	2,159	2,052
Expected credit loss (ii)	(573)	(652)
Unbilled revenue	1,084	1,606
Value added tax receivable	43	-
Other debtors	208	226
Advance payments	63	65
<b>Total trade and other receivables</b>	<b>2,984</b>	<b>3,297</b>

- i. The majority of trade receivables are non-interest bearing and are generally on 14-day terms for residential customers. Interest is applied to major accounts when the accounts become overdue. For further information relating to related party receivables, refer to note 46. The Directors consider that the carrying amount of trade and other receivables less expected credit loss approximates their fair value.

Trade receivables do not contain a financing component and are stated at their nominal value. At each reporting period an assessment is made to determine whether there has been a significant increase in the credit risk of the trade receivables. Included in the carrying amount of trade receivables is residential receivables of £578m (2023: £498m) and business receivables of £737m (2023: £595m), which represents the receivable and provision of billed debt.

ii. Movement in the expected credit losses on trade receivables:

	2024 £m	2023 £m
<b>At 1 January</b>	<b>(652)</b>	<b>(357)</b>
Amounts recovered during the year	5	2
Decrease/(increase) in allowance recognised in the income statement	100	(310)
Reclassification of expected credit loss	(26)	-
Unbilled debtor adjustment	-	13
<b>At 31 December</b>	<b>(573)</b>	<b>(652)</b>

The Group applies IFRS 9's simplified approach to measure expected credit losses on trade receivables, using provision matrices established using an unbiased probability-weighted amount based on a range of possible outcomes and reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions.

#### Provisions for impairment of receivables

Allowances are made for expected credit losses on trade receivables and unbilled revenue. Expected credit losses are estimated based on applying a percentage provision rate to the aged debt book at the reporting date. The provision rates are based on the comparison of historical rates of collection compared to billing data and forward-looking information.

The most significant variables in the expected credit loss provisioning calculation are the type and age of debt; separate recovery rates are calculated for each group of receivables. The Company reviews default rates regularly for each group of receivables.

The ageing of debt is as follows:

2024 Ageing	Gross trade receivables overdue £m	Expected credit loss £m	Net trade receivables overdue £m
Not yet due	743	(35)	708
Overdue by up to 6 months	674	(97)	577
Overdue by 6-12 months	310	(129)	181
Overdue by more than 12 months	432	(312)	120
<b>Total</b>	<b>2,159</b>	<b>(573)</b>	<b>1,586</b>

2023 Ageing	Gross trade receivables overdue £m	Expected credit loss £m	Net trade receivables overdue £m
Not yet due	705	(82)	623
Overdue by up to 6 months	649	(137)	512
Overdue by 6-12 months	250	(134)	116
Overdue by more than 12 months	448	(299)	149
<b>Total</b>	<b>2,052</b>	<b>(652)</b>	<b>1,400</b>

Expected credit losses have been established against these balances to the extent that they are not

considered recoverable, and in accordance with the Group's policy on measurement of loss allowances. See note 2 for further details on measurement of loss allowances and credit risks.

## 30. Other liabilities

	2024 £m	2023 £m
Trade creditors (i)	2,786	3,156
Other payables	428	328
Value added tax creditor	-	62
Accruals	619	562
Deferred income (ii)	28	-
Contract liabilities	-	1
Nuclear liabilities (note 34)	83	86
NLF liabilities	8	16
<b>Total other liabilities due within one year</b>	<b>3,952</b>	<b>4,211</b>
Contingent consideration	1	1
Nuclear liabilities (note 34)	205	275
NLF liabilities	49	55
Contract Liabilities	17	--
Unfunded pension scheme	11	13
<b>Total other liabilities due after one year</b>	<b>283</b>	<b>344</b>
<b>Total other liabilities</b>	<b>4,235</b>	<b>4,555</b>

- (i) Trade creditors are non-interest bearing and are normally settled on 30 to 60-day terms, with the exception of energy purchases which are usually settled on market terms within 14 days. Other payables are non-interest bearing.
- (ii) The deferred income relates to the current estimate of potential reimbursement of remediation/decontamination costs in relation to the sale of land at Sizewell B. See further details in note 13.

The Group offers its suppliers a mechanism that allows suppliers to transfer their receivables from EDF to a financial institution for early payment at their own initiative. For the Group, this programme does not involve any change in the substance or characteristics of the outstanding balance that the suppliers have with EDF. This includes the average credit period of 60 days which is not impacted by this arrangement. The associated liabilities therefore remain in "Trade payables" in the Group's financial statements for an amount of £89m as at 31 December 2024 (2023: £87m) out of which the suppliers have received payment from the finance provider of £68m as at 31 December 2024 (2023: £72m).

## 31. Borrowings

	2024 £m	2023 £m
<b>Current</b>		
Cash pooling with parent company- overdraft (i)	-	160
HMG Grant for SZC (ii)	-	100
EDF Energy UK Loan (iii)	62	53
<b>Total borrowings due within one year</b>	<b>62</b>	<b>313</b>
<b>Non-current</b>		
£101m Bradwell B land deposit (iv)	101	101
EDF Energy UK Loan (iii)	683	683
Triodos bank loan (v)	2	3
EDF Pension loan (vi)	1,335	1,335
<b>Total borrowings due after one year</b>	<b>2,121</b>	<b>2,122</b>
<b>Total borrowings</b>	<b>2,183</b>	<b>2,435</b>

- (i) This represents the overdraft position of the cash pooling between EDF Energy Limited and its subsidiaries. In the current period, no overdraft position exists due to the cash pooling structure being revised (note 27).
- (ii) In 2022, HMG officially committed towards the SZC project on 29 November 2022, where £100m was received as a grant towards the SZC project in 2022 and was repayable in March 2024. The grant was converted into equity in the current financial year.
- (iii) During 2023 EDF Energy (UK) Limited provided a GBP Loan to EDF Energy Holdings Limited of £683m (equivalent to EUR 800m at the start date). This arrangement at EDF Energy UK level replaces the previous Eurobond arrangement in 2022. This loan has annual interest at 6.87% and matures on 30 June 2028.
- (iv) On 1 March 2017, Bradwell B paid deposits of £21m to Northern Power Limited and £80 million to EDF Energy Development Company Limited for land purchases. These deposits accrue interest at a fixed annual rate of 3.76% over a 30-year term and are unsecured, with the interest paid by the Group. The deposits will mature on 1 March 2047.
- (v) Pod Point Asset One Ltd secured a loan with Triodos bank to support the installation of EV charge points. £3.5m received on 13 March 2021 has annual interest at 3.546% and matures on 31 December 2025. £1.2m received on 1 July 2022 has annual interest at 4.969% and matures on 30 December 2027. £1.5m received on 29 September 2023 has annual interest at 6.366% and matures on 30 June 2028. Total loan repayments during the current year amount to £1.2m (2023: £2.8m).
- (vi) During 2023, EDF provided a pension loan facility of £1,335m to the Group. This loan has annual interest at 0.92% plus Sonia. Initially set to mature in December 2101, the facility was amended in January 2024, with the maturity date revised to 23 December 2071. This loan is to support the pension scheme.

## 32. Derivative financial instruments

	2024 £m	2023 £m
<b>Current</b>		
Derivatives that are designated in a cash flow hedge:		
- Commodity purchase contracts	(122)	(495)
Derivatives at fair value through profit and loss (FVTPL):		
- Commodity purchase contracts	(6)	(8)
<b>Total current derivative financial instruments</b>	<b>(128)</b>	<b>(503)</b>
<b>- Current assets</b>	<b>207</b>	<b>259</b>
<b>- Current liabilities</b>	<b>(335)</b>	<b>(762)</b>
<b>Non-current</b>		
Derivatives that are designated in a cash flow hedge:		
- Commodity purchase contracts	(50)	(490)
Derivatives at fair value through profit and loss (FVTPL):		
- Commodity purchase contracts	(7)	(4)
<b>Total non-current derivative financial instruments</b>	<b>(57)</b>	<b>(494)</b>
<b>- Non-current assets</b>	<b>31</b>	<b>39</b>
<b>- Non-current liabilities</b>	<b>(88)</b>	<b>(533)</b>

Further details of derivative financial instruments are provided in note 45. The change in fair value of derivatives related to commodity purchases classified at fair value through the income statement is separately disclosed on the face of the consolidated income statement.

## 33. Provisions

The movements in provisions during the current year are as follows:

	1 January 2024	Arising in the year	Utilised in the year	Released in the year	Change in estimate	Unwinding of discount	31 December 2024
	£m	£m	£m	£m	£m	£m	£m
Renewable obligation certificates(*)	863	1,338	(1,203)	-	-	-	998
Decommissioning on non-nuclear stations	41	-	(13)	-	-	3	31
Restructuring costs	26	10	(24)	-	-	-	12

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	1 January 2024	Arising in the year	Utilised in the year	Released in the year	Change in estimate	Unwinding of discount	31 December 2024
	£m	£m	£m	£m	£m	£m	£m
Nuclear liabilities (note 34)	10,946	-	(623)	-	1,950	739	<b>13,012</b>
Provision for unburnt fuel at station closure	1,104	-	-	(25)	-	56	<b>1,135</b>
Onerous contracts	15	-	-	(11)	-	-	<b>4</b>
Other contracts(*)	226	33	(24)	-	-	-	<b>235</b>
Restoration provision	109	80	-	-	-	25	<b>214</b>
<b>Total provisions</b>	<b>13,330</b>	<b>1,461</b>	<b>(1,887)</b>	<b>(36)</b>	<b>1,950</b>	<b>823</b>	<b>15,641</b>

	At 31 December 2024			At 31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
	£m	£m	£m	£m	£m	£m
Renewable obligation certificates(*)	998	-	<b>998</b>	863	-	<b>863</b>
Decommissioning on non-nuclear stations	18	13	<b>31</b>	18	23	<b>41</b>
Restructuring costs	12	-	<b>12</b>	20	6	<b>26</b>
Nuclear liabilities (note 34)	935	12,077	<b>13,012</b>	852	10,094	<b>10,946</b>
Provision for unburnt fuel at station closure	-	1,135	<b>1,135</b>	-	1,104	<b>1,104</b>
Onerous contracts	2	2	<b>4</b>	10	5	<b>15</b>
Other contracts(*)	37	198	<b>235</b>	33	193	<b>226</b>
Land restoration provision	-	214	<b>214</b>	-	109	<b>109</b>
<b>Total provisions</b>	<b>2,002</b>	<b>13,639</b>	<b>15,641</b>	<b>1,796</b>	<b>11,534</b>	<b>13,330</b>

\*£17m of the 2023 provision for renewable obligation certificates was reclassified to other contracts.

Provisions related to environmental scheme include the provision for renewable obligations certificates is required to cover the Group's obligations to supply its customers with prescribed amounts of electricity generated from renewable energy sources.

The decommissioning provision for non-nuclear generation assets relates to Cottam and West Burton A power station. This provision has been calculated on a discounted basis with the discount unwound over the remaining period to decommissioning until 2028.

The restructuring provision covers the costs of severance related to restructuring which has been announced to impacted employees. It is expected to be utilised in 2025 and beyond.

Due to the nature of the nuclear fuel process, there will be some unburnt fuel in the reactors at station closure. The costs of this unburnt fuel (final core) are fully provided for at the balance sheet date. The provision is based on a projected value per tonne of fuel remaining at closure, discounted back to the

balance sheet date and recorded as a long-term provision. Any adjustment to the provision is recorded through property, plant and equipment and depreciated over remaining station life. A review of the provision was carried out in the year resulting in no change in the assumption of average unburnt reactor cores of 39.30%.

Onerous contract provision covers the unavoidable losses incurred on fixed-price wind electricity purchase contracts. An amount of £11m of the provision has been released following re-estimation during the year.

Provision for other contracts comprise provision for legal costs and estimated future costs of dilapidation on leased properties.

The Group has land restoration obligations following the end of its construction activities, on leasehold land, which are based on the Group's landscape management plans in compliance with its lease arrangements. During the current year, an additional £80m provision was recognised for land restoration. The total land restoration provision amounts to £214m as at 31 December 2024 and is based on the best estimate of the expenditure required to settle the present obligation.

## **34. Nuclear liabilities**

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Restructuring Agreements were originally entered into on 14 January 2005 as part of the restructuring of the former British Energy Group of companies (hereafter referred to as "the EDF Energy Nuclear Generation Group") carried out from 2002 under the authority of the UK Government in order to stabilise the financial situation of the EDF Energy Nuclear Generation Group.

By virtue of these restructuring agreements:

- the Nuclear Liabilities Fund ("NLF"), an independent trust set up by the UK Government as part of the restructuring, agreed (at the direction of the Secretary of State) to fund, to the extent of its assets: (i) qualifying uncontracted nuclear liabilities (including liabilities in connection with the management of spent fuel at the Sizewell B power station); and (ii) qualifying costs of decommissioning in relation to the existing nuclear power stations owned and operated by EDF Energy Nuclear Generation Limited;
- the Secretary of State agreed to fund: (i) qualifying uncontracted nuclear liabilities (including liabilities in connection with the management of spent fuel at the Sizewell B power station) and qualifying costs of decommissioning, in each case in relation to the existing nuclear power stations owned and operated by EDF Energy Nuclear Generation Limited, to the extent that they exceed the assets of NLF; and (ii) subject to a cap of £2,185 million (in December 2002 monetary values, adjusted accordingly), qualifying contracted liabilities for the EDF Energy Nuclear Generation Group's spent fuel (including in particular liabilities for management of AGR waste from spent fuel loaded prior to 15 January 2005); and
- EDF Energy is responsible for funding certain excluded or disqualified liabilities (mainly liabilities incurred in connection with the event of an unsafe or careless operation of the power stations) and the potential associated obligations of its subsidiaries to the NLF and the Secretary of State are guaranteed by the principal members of the EDF Energy Nuclear Generation Group.

On 23 June 2021 EDF and the UK government signed an update to the Agreements, confirming that:

- EDF will conduct the defueling activities (with a related incentive mechanism) in their entirety, and will recover all related qualifying costs from the Nuclear Liabilities Fund (NLF), and
- formally stipulating that after the defueling phase, ownership and responsibility for the AGR plants will be transferred to the NDA, which will then take charge of decommissioning and bear the associated costs.

The signature of these agreements has no accounting consequences for decommissioning provisions or the receivable representing reimbursements to be made by the NLF and the UK government at December 2024. Nuclear decommissioning liabilities and the associated assets will be de-recognised during the agreement's operational implementation phase.

	<b>Radioactive waste</b>				<b>Total £m</b>
	<b>Spent fuel £m</b>	<b>Transport &amp; Disposal £m</b>	<b>Retrieval &amp; Processing £m</b>	<b>De- commissioning £m</b>	
<b>At 1 January 2023</b>	<b>1,139</b>	<b>945</b>	<b>331</b>	<b>9,939</b>	<b>12,354</b>
Unwinding of the discount	83	62	22	646	813
Updated cash flows	(10)	83	29	(939)	(837)
Discount rate update	(30)	(73)	(30)	(225)	(358)
Operating costs	13	2	-	-	15
Payments in the period	(119)	-	-	(561)	(680)
<b>At 31 December 2023</b>	<b>1,076</b>	<b>1,019</b>	<b>352</b>	<b>8,860</b>	<b>11,307</b>
Unwinding of the discount	65	70	25	597	757
Updated cash flows	57	243	112	2,192	2,604
Discount rate update	(49)	(135)	(58)	(430)	(672)
Operating costs	14	2	-	-	16
Payments in the period	(114)	-	-	(598)	(712)
<b>At 31 December 2024</b>	<b>1,049</b>	<b>1,199</b>	<b>431</b>	<b>10,621</b>	<b>13,300</b>

Nuclear liabilities are included in the balance sheet as follows:

	<b>2024 £m</b>	<b>2023 £m</b>
Other liabilities:		
- amounts due within one year (note 30)	83	86
- amounts due after more than one year (note 30)	205	275
Provision for liabilities		
- amounts due within one year (note 33)	935	852
- amounts due after more than one year (note 33)	12,077	10,094
	<b>13,300</b>	<b>11,307</b>

### Spent fuel

Spent fuel represents all costs associated with the ongoing storage and treatment of spent fuel and the products of reprocessing. Cash flows for AGR spent fuel services relating to fuel loaded into reactors up to RED are based on the terms of the Historic Liability Funding Agreement (HLFA) with BNFL. The pattern of payments within the HLFA is fixed (subject to indexation by RPI) at RED and will be funded by the UK Government under the UK Government indemnity.

Other cash flows in respect of spent fuel services relating to storage of AGR and PWR fuel are based on cost estimates derived from the latest technical assessments and are funded by the NLF.

### Radioactive waste (Transport and Disposal)

Radioactive waste (Transport and Disposal) comprises the provision of services relating to the transport and disposal of waste arising from the decommissioning of PWR and AGR stations, and the transport and disposal of spent fuel and associated wastes. These liabilities are derived from the latest technical

estimates and are funded by the NLF.

#### Radioactive waste (Retrieval and Processing)

Radioactive waste (Retrieval and Processing) comprises the provision of services relating to the management and processing of high- and intermediate-level radioactive waste products, including the costs of construction and operation of a radioactive waste packaging plant. These liabilities are derived from the latest technical estimates and are funded by the NLF.

#### Decommissioning

The costs of decommissioning the power stations have been estimated on the basis of ongoing technical assessments of the processes and methods likely to be used for decommissioning under the current regulatory regime. The estimates are designed to reflect the costs of making the sites of the power stations available for alternative use in accordance with the Group's decommissioning strategy. These liabilities are also funded by the NLF, excepting certain costs associated with the transfer of the AGR stations to the NDA following completion of defueling.

#### Updated cost estimates

Provisions for decommissioning of nuclear plants result from the Group management's best estimates. They cover the full cost of decommissioning and are measured on the basis of existing techniques and methods that are most likely to be used for application of current regulations.

The Integrated Plan (IP) 25 was approved by the Non-NDA Nuclear Liabilities Assurance team (NLA) in December 2024, which updated the cost estimates for AGR Defueling, AGR Deconstruction, Sizewell B Decommissioning and the Uncontracted Liabilities.

In December 2024, the Group announced the planned life extension of its AGR fleet, increasing the operational periods of Hartlepool and Heysham 1 power stations by one year (from a planned closure date of 31st March 2026 to 31st March 2027), and increasing the operational periods of Heysham 2 and Torness power stations by two years (from a planned closure date of 31st March 2028 to 31st March 2030).

The cost estimates from IP25 (based on NDA approved closure dates), updated for the announced AGR Plant Life Extension, together with the additional spent fuel management costs associated with Sizewell life extension from 2035 to 2055 form the basis of the nuclear liabilities as at 31st December 2024.

As the decommissioning provision is sensitive to a number of different assumptions including timing, cost and discount rate, it is reasonably possible that changes in assumptions relating to these factors within the next year could materially affect the carrying amount of the provision, any changes to the qualifying liabilities would result in an equal movement to the NLF receivable.

#### Updated discount rate applicable to nuclear liabilities

During 2024, an assessment of long-term bond yields and inflationary assumptions resulted in a change to the discount rate used in the present value calculation of the liabilities from a real, pre-tax discount rate of 3.1% used in 2023, to 3.4% used in 2024.

#### Projected payment details

Based on current estimates of station lives and lifetime output projections, the following table shows, in current prices, the likely undiscounted payments, the equivalent sums discounted to reflect the time value of money and the amounts accrued to date:

	Radioactive waste				2024 Total	2023 Total
	Spent fuel	Transport & Disposal	Retrieval & Processing	Decomm- issioning		
	£m	£m	£m	£m		
Undiscounted	3,460	6,451	2,559	22,614	35,084	27,901
Discounted	1,324	1,231	438	10,626	13,619	11,690

Accrued to date	1,049	1,199	431	10,621	13,300	11,307
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The difference between the undiscounted and discounted amounts reflects the fact that the costs concerned will not fall due for payment for a number of years.

The discounted liabilities are estimated using the forecast of Sizewell B's lifetime fuel requirements (currently estimated at 60 years, in line with an end of generation in 2055). However, the Group has only a present liability for fuel that has been loaded to the reactor at December 2024 and the differences between the discounted amounts and those accrued to date reflect the discounted spent fuel management costs for fuel that has yet to be loaded to Sizewell's reactor but is expected to be before its closure in 2055.

Under the terms of the historical contracts with BNFL referred to above and in accordance with the projected pattern of payments for decommissioning and other liabilities, taking account of the decommissioning fund arrangements described in note 2, the undiscounted payments in current prices are expected to become payable as follows:

	Spent fuel	Radioactive waste – Transport & Disposal	Radioactive waste – Retrieval & Processing	Decomm-issioning	2024 Total	2023 Total
	£m	£m	£m	£m	£m	£m
Within five years	470	256	76	3,835	4,637	5,011
6 – 10 years	210	205	71	3,812	4,298	3,782
11 – 25 years	427	205	25	5,296	5,953	2,684
26 – 50 years	1,268	707	150	2,337	4,462	3,850
51 years and over	1,085	5,078	2,237	7,334	15,734	12,574
	<b>3,460</b>	<b>6,451</b>	<b>2,559</b>	<b>22,614</b>	<b>35,084</b>	<b>27,901</b>

## 35. Deferred tax

The following are the major deferred tax assets and (liabilities) recognised by the Group and movements thereon during the current and prior reporting period:

	Accelerated capital allowances	Retirement benefit obligations	Fair value of derivative instruments	Losses	Other	Total
	£m	£m	£m	£m	£m	£m
At 1 January 2023	(1,506)	(143)	757	302	(23)	(613)
Credit/(charge) to income:						
- current year	1,263	(30)	1	152	(12)	1,374
- adjustments in respect of previous years' reported tax charges	84	-	-	(31)	9	62

	Accelerated capital allowances	Retirement benefit obligations	Fair value of derivative instruments	Losses	Other	Total
	£m	£m	£m	£m	£m	£m
Credit/(charge) to equity:						
- current year	-	147	(511)	-	-	(364)
Assets held for sale	(15)	-	-	-	-	(15)
<b>At 31 December 2023</b>	<b>(174)</b>	<b>(26)</b>	<b>247</b>	<b>423</b>	<b>(26)</b>	<b>444</b>
Credit/(charge) to income:						
- current year	(465)	(9)	1	171	4	(298)
- adjustments in respect of previous years' reported tax charges	(15)	-	-	(3)	20	2
Credit/(charge) to equity:						
- current year	-	(73)	(203)	-	-	(276)
<b>At 31 December 2024</b>	<b>(654)</b>	<b>(108)</b>	<b>45</b>	<b>591</b>	<b>(2)</b>	<b>(128)</b>

The Group has unrecognised tax losses of £nil (2023: £7m). The losses give rise to a deferred tax asset of £nil (2023: £2m) which has not been recognised as it is uncertain whether future taxable profits will be available against which these losses can be utilised. These losses can however be carried forward indefinitely for offset against future profits, should they arise.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 £m	2023 £m
Deferred tax liabilities	(764)	(201)
Deferred tax assets	636	645
<b>At 31 December</b>	<b>(128)</b>	<b>444</b>

Of the total deferred tax balance, deferred tax assets of £24m are expected to be recovered within twelve months after the reporting period.

## 36. Non-controlling interest

There are two material and one immaterial non-controlling interest (NCI) in the Group. Material NCI includes Lake Acquisitions Limited (holding entity in the nuclear operations business) which is 80% (2023: 80%) owned by the Group and NNB Holding Company (HPC) Limited which is 72.58% (2023: 67.7%) owned by the Group. Ownership percentages also reflect the voting rights. Pod Point was acquired in 2020 which is 53.18% (2023: 53.79%) owned by the Group, is deemed to be an immaterial NCI. The principal activities of the aforementioned companies take place in the United Kingdom.

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Summarised consolidated financial information in respect of Lake Acquisitions Limited and NNB Holding Company (HPC) Limited and their subsidiaries is set out below. The summarised financial information below represents amounts before intra-group eliminations with the rest of the Group.

	Lake Acquisitions Limited		NNB Holding Company (HPC) Limited	
	2024	2023	2024	2023
	£m	£m	£m	£m
Non-current assets (*)	20,147	18,313	18,829	14,820
Current assets (*)	3,654	3,798	297	162
<b>Total assets</b>	<b>23,801</b>	<b>22,111</b>	<b>19,126</b>	<b>14,982</b>
Current liabilities(*)	1,463	1,264	1,232	756
Non-current liabilities(*)	14,090	12,150	1,260	1,061
Equity attributable to owners of the company	8,248	8,697	16,634	13,165
<b>Total equity and liabilities</b>	<b>23,801</b>	<b>22,111</b>	<b>19,126</b>	<b>14,982</b>
<b>Turnover</b>	<b>4,040</b>	<b>3,393</b>	<b>1</b>	<b>2</b>
Profit/(loss) attributable to owners of the company	909	342	(195)	(5,512)
Profit/(loss) attributable to the non-controlling interests	227	86	(74)	(2,628)
<b>Profit/(loss) for the year</b>	<b>1,136</b>	<b>428</b>	<b>(269)</b>	<b>(8,140)</b>
Total other comprehensive income/(loss) attributable to owners of the company	153	(390)	-	-
Total other comprehensive income/(loss) attributable to the non-controlling interests	36	(97)	-	-
<b>Total other comprehensive income/(loss)</b>	<b>189</b>	<b>(487)</b>	<b>-</b>	<b>-</b>
Dividends paid to non-controlling interests	355	220	-	-
Net cash inflow from operating activities	2,105	1,424	394	183
Net cash outflow from investing activities	(342)	(386)	(4,118)	(3,838)
Net cash (outflow)/ inflow from financing activities	(1,892)	(1,097)	3,738	3,732
<b>Net cash (outflow)/inflow</b>	<b>(129)</b>	<b>(59)</b>	<b>14</b>	<b>77</b>

\*Certain items were reclassified from non-current to current in 2023 for comparative purposes.

The cumulative non-controlling interest position for the Group is shown below:

	Lake Acquisitions Limited		NNB Holding Company (HPC) Limited		NNB Holding Company (SZC) Limited	
	2024	2023*	2024	2023*	2024	2023*
	£m	£m	£m	£m		
Balance at beginning of year (restated*)	1,272	1,503	4,729	6,369	1,281	636
Profit/(loss) arising during the year	227	86	(74)	(2,628)	(4)	1
Net actuarial gain/(loss) on defined benefit pensions	38	(97)	-	-	-	-
<b>Total other comprehensive income/(loss)</b>	265	(11)	(74)	(2,628)	(4)	1
Acquisition of non-controlling interest	-	-	325	(5)	518	222
Capital injection	-	-	-	993	1,997	422
Dividends paid	(355)	(220)	-	-	-	-
Disposal of non-controlling interest	-	-	-	-	(3,792)	-
<b>Balance at end of year</b>	<b>1,182</b>	<b>1,272</b>	<b>4,980</b>	<b>4,729</b>	<b>-</b>	<b>1,281</b>

\*The non-controlling interest has been restated following review of the allocation of goodwill between the Group and non-controlling interests. See note 1.

Aggregate information of NCI that are not individually material:

	2024	2023 (restated*)
	£m	£m
The NCI's share of loss from operations for the year	(16)	(20)
Aggregate carrying amount of NCI	(47)	(31)
Total of all NCI balances:		
The NCI's share of loss from operations for the year	133	(2,560)
The NCI's share of other comprehensive income for the year	38	(98)
<b>Aggregate carrying amount of NCI</b>	<b>6,115</b>	<b>7,251</b>

\*The non-controlling interest has been restated following review of the allocation of goodwill between the Group and non-controlling interests. See note 1.

## 37. Leases

### Group as lessee

The Group applies the recognition exemptions for short-term leases and leases for which the underlying asset is of low value.

Set out below are the carrying amounts of right-of-use assets and the movements during the period:

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	Land	Buildings	Other PPE (including vehicles)	Total
	£m	£m	£m	£m
<b>Cost</b>				
<b>At 1 January 2023</b>	<b>13</b>	<b>66</b>	<b>12</b>	<b>91</b>
Additions*	111	43	9	163
Disposals	-	(13)	(5)	(18)
<b>At 31 December 2023</b>	<b>124</b>	<b>96</b>	<b>16</b>	<b>236</b>
Additions*	84	66	9	159
Disposals	(5)	(58)	(8)	(71)
<b>At 31 December 2024</b>	<b>203</b>	<b>104</b>	<b>17</b>	<b>324</b>
<b>Accumulated depreciation and impairment</b>				
<b>At 1 January 2023</b>	<b>(4)</b>	<b>(26)</b>	<b>(6)</b>	<b>(36)</b>
Charge for the year	(16)	(14)	(6)	(36)
Disposals	-	6	5	11
Impairment				
<b>At 31 December 2023</b>	<b>(20)</b>	<b>(34)</b>	<b>(7)</b>	<b>(61)</b>
Charge for the year	(52)	(18)	(5)	(75)
Disposals	-	15	-	15
<b>At 31 December 2024</b>	<b>(72)</b>	<b>(37)</b>	<b>(12)</b>	<b>(121)</b>
<b>Carrying amount</b>				
<b>At 31 December 2023</b>	<b>104</b>	<b>62</b>	<b>9</b>	<b>175</b>
<b>At 31 December 2024</b>	<b>131</b>	<b>67</b>	<b>5</b>	<b>203</b>

\*The Group has land restoration obligations following the end of its construction activities, on leasehold land, which are based on the Group's landscape management plans in compliance with its lease arrangements. During the current year, a £80m provision (2023: £104m) for land restoration has been recognised based on the best estimate of the expenditure required to settle the present obligation and is included within the additions during the year.

Set out below are the carrying amounts of lease liabilities and movement during the period:

	2024 £m	2023 £m
As at 1 January	85	60
Additions	78	48
Early terminations	(50)	(6)

	2024 £m	2023 £m
Interest	3	3
Payments	(32)	(20)
<b>As at 31 December</b>	<b>84</b>	<b>85</b>

	2024 £m	2023 £m
Current	20	13
Non-current	64	72
<b>Total</b>	<b>84</b>	<b>85</b>

Further maturity analysis can be found in note 45.

The following amounts are recognised in profit or loss:

	2024 £m	2023 £m
Depreciation for right-of-use assets	75	36
Capitalised depreciation expenses	(65)	(21)
<b>Net depreciation expense</b>	<b>10</b>	<b>15</b>
Interest expense of lease liabilities	3	3
Capitalised interest expense	(2)	(2)
<b>Net interest expense of lease liabilities</b>	<b>1</b>	<b>1</b>
<b>Total amount recognised in income statement</b>	<b>11</b>	<b>16</b>

Amounts recognised in the statement of Cash flows:

	2024 £m	2023 £m
Total Cash outflows for leases	32	20

The Group enters into lease agreements for assets including land, building, offices and other assets used in its operations.

### Low value and short-term leases

There were no low value or short-term leases as at 31 December 2024.

## 38. Commitments and contingent liabilities

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### Capital and other commitments

At 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £4,315m (2023: £4,722m).

At 31 December 2024, the Group had entered into operating purchase commitments amounting to £440m (2023: £362m).

At 31 December 2024, the Group had contracted to purchase power, gas and other fuel to the value of £15,037m (2023 (restated): £17,746m).

At 31 December 2024, the Group had entered into contractual commitments to the purchase of nuclear fuel amounting to £501m (2023: £549m).

### Contingent liabilities

The Group has given letters of credit and guarantees to the value of £780m (2023: £736m) in relation to HMRC obligations, performance of contractual obligations and credit support for energy trading and use of distribution systems.

Various companies within the Group have given guarantees and an indemnity to the Secretary of State for Business, Innovation and Skills, and the Nuclear Liabilities Fund in respect of their compliance with, among other agreements, the Nuclear Liabilities Funding Agreement. They have also provided a debenture comprising fixed and floating charges in respect of any decommissioning default payment.

As a result of the acquisition of EDF Development Company Limited the Group is party to a conditional sale and purchase contract for land owned at Bradwell with Bradwell Power Generation Company Limited. The contract contains a call or put option which will be exercised if certain conditions are met. The contract will expire on 28 February 2047 if the conditions to exercise the option have not been met.

The amended and restated NLFA affirmed that EDF Energy Nuclear Generation Limited (ENGL) will carry out activities relating to the defueling of the stations. This includes preparation for defueling, some pre-deconstruction activities, as well as the development of the Transfer and Deconstruction Programme. ENGL will recover the qualifying costs generated by these activities from the NLF when the contractual conditions are met. Additionally, performance in the discharge of these liabilities is subject to an incentivisation mechanism, whereby if ENGL meets all of its targets, then it will in aggregate receive payments from the NLF of up to £100m (subject to indexation), or if it exceeds its targets, then aggregate penalty charges of up to £100m (subject to indexation) will be payable to the NLF.

The structure for the incentivisation penalty/receipt is based upon individual station targets/milestones as well as a fleet wide defueling target. ENGL will perform an annual assessment against these targets/milestones and will recognise a related asset / liability as and when appropriate based on expected performance.

## 39. Share capital

Authorised, issued, called up and fully paid

	2024 Number	2023 Number	2024 £m	2023 £m
Ordinary shares of £1.00 each	10,854,464,321	17,116,464,321	10,854	17,116

In 2024, 10,000m ordinary shares were cancelled as part of a capital reduction which was transferred to the Company's capital reserves. Additionally, 3,738,000,000 shares (2023: 3,034,968,047 shares) were issued at par for consideration of £3,738m (2023: £3,035m).

## 40. Capital reserve

	2024 £m	2023 £m
Capital reserve	10,009	9

In 2024, 10,000m ordinary shares were cancelled as part of a capital reduction which resulted in the recognition of £10,000m of capital reserves. This was done with the purpose of ensuring sufficient reserves in future dividends. See further information in note 39.

The capital reserves of £9m as at 31 December 2023 relates to share schemes which gave eligible employees the rights to purchase shares in EDF, the ultimate parent company, on preferential terms. There have been no new schemes launched since 2008.

## 41. Merger reserve

The merger reserve of £2m (2023: £2m) arose during 2014 when the Group carried out restructures to bring UK renewable assets under EDF Energy Renewables and all gas storage assets under the same entity. This resulted in the recognition of a merger reserve as all entities were under common control.

## 42. Hedging reserve

The following is the analysis of the split as at the reporting date:

	2024 £m	2023 £m
Cash flow hedging reserve	(132)	(741)

Set out below is the reconciliation of the hedging reserve and includes both cash flow hedge movements and cost of hedging movements:

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Balance at start of the year	(741)	(2,283)
Net gains/(losses) arising on changes in fair value:		
- Commodity purchase contracts	1,640	5,646
- Cross currency swaps	-	(5)
Net losses transferred to loss for the year:		
- Commodity purchase contracts	(828)	(3,593)
- Cross currency swaps	-	(2)
- Cost of hedging reserve	-	7
Deferred tax on net gains/(losses) in cash flow hedge	(203)	(511)
<b>Total movement in the year</b>	<b>609</b>	<b>1,542</b>
<b>Balance at end of the year</b>	<b>(132)</b>	<b>(741)</b>

The hedging reserve represents the cumulative effective portion of gains or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be re-classified to profit or loss account only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item in accordance with the Group's accounting policy.

The maturity analysis of the amounts included within the hedging reserve is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Less than one year	(122)	(495)
Between one to five years	(55)	(493)
Total fair value losses of instruments in a cash flow hedge:	<b>(177)</b>	<b>(988)</b>
Deferred taxation	45	247
<b>Balance at end of the year</b>	<b>(132)</b>	<b>(741)</b>

During the year a loss of £828m (2023: £3,593m) was recycled from the hedging reserve and included within fuel, energy and related purchases in relation to contracts which had matured.

## 43. Notes to the cash flow statement

	2024 £m	2023 £m
Profit/(loss) before tax on ordinary activities	1,728	(8,005)
Adjustments for:		
Loss on derivatives	-	10
Depreciation of property, plant and equipment	651	623
Amortisation of intangible assets	89	118
Onerous contract provision release	(11)	(44)
Impairment	824	11,104
Loss on disposal of PPE	(6)	2
Provision for Renewable Obligation Certificates (ROCs)	1,338	1,183
Non-nuclear decommissioning provision release	(13)	(13)
Investment income	(1,180)	(1,203)
Finance costs	1,035	1,165
Decrease in provisions	(24)	(42)
Difference between pension funding contribution paid & cost charged	(50)	(52)
Net exceptional costs	22	66
<b>Operating cash flows before movement in working capital</b>	<b>4,403</b>	<b>4,912</b>
Increase in inventories (excluding ROCs)	(111)	(13)
Payment of ROCs and carbon	(1,213)	(1,114)
(Increase)/decrease in trade and other receivables	(170)	69
Decrease in other liabilities (excl. nuclear liability)	(507)	(1,138)
<b>Cash generated by operations</b>	<b>2,402</b>	<b>2,716</b>
Income taxes paid	(662)	(385)
<b>Net cash from operating activities</b>	<b>1,740</b>	<b>2,331</b>

### Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Obligation under leases (note 37)	Borrowings (note 31)	Total liabilities from financing activities
<b>At 31 December 2023</b>	<b>60</b>	<b>2,845</b>	<b>2,905</b>
Financing cash flow	(20)	(410)	(430)
New Leases	48	-	48
Lease termination	(6)	-	(6)
Interest expense	3	-	3
<b>At 1 January 2024</b>	<b>85</b>	<b>2,435</b>	<b>2,520</b>
Financing cash flow	(32)	(152)	(184)
New Leases	78	-	78
Lease termination	(50)	-	(50)
Interest expense	3	-	3
<b>Other changes</b>			
Borrowing converted to NCI	-	(100)	(100)
<b>At 31 December 2024</b>	<b>84</b>	<b>2,183</b>	<b>2,267</b>

## 44. Retirement benefit schemes

The Group sponsored a single funded defined benefit pension scheme for qualifying UK employees - the EDF Group of the Electricity Supply Pension Scheme (EDFG). This Scheme was administered by a separate board of Trustees which is legally separate from the Group.

Under the EDFG rules, employees in the final salary section were entitled to annual pensions on retirement at ages 60 or 63 (depending on the date of joining the scheme), of 1/60th of pensionable salary for each year of service for the BEGG ESPS Final Salary section and 1/80th of final pensionable salary for each year of service plus a lump sum of 3/80th's of final pensionable salary for each year of service for the EEGS ESPS Final Salary section. Benefits were also paid on death or other events such as withdrawal from active service. All benefits were ultimately paid in accordance with the scheme rules.

The latest full actuarial valuation of the Scheme was carried out by qualified actuaries as at 31 March 2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The Virgin Media Limited/NTL Pension Trustees II decision handed down by the High Court in June 2023, considered the implications of section 37 of the Pension Schemes Act 1993 which required that the rules of a salary-related contracted-out scheme cannot be altered unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to a contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. It is not known at this stage, whether the case will be appealed but, as matter currently stand, the case has the potential to cause significant issues in the pension industry. The Group Trustee's will monitor the possible implications, but at present it is not possible to estimate the potential impact to the defined benefit obligation on this matter.

### Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of EDFG was carried out by qualified actuaries as at 31 March 2023 and showed a surplus of £1,250m. The valuation as at 31 March 2022 was completed at the end of March 2023. The Group pays additional contributions and contributions in respect of ongoing benefit accrual. The Group expects to make contributions amounting to £33m in 2025.

a) Risks associated with the pension scheme

The defined benefit pension Scheme typically exposes the Group to actuarial risks as detailed below:

**Risk of asset volatility**

The scheme liabilities are calculated using a discount rate based on corporate bond yields. If the return on assets underperforms corporate bonds, then this will lead to an increased deficit or reduced surplus. The Scheme holds an allocation of growth assets (equities and pooled funds with underlying holdings of equities) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the Scheme's long-term objectives.

**Risk of changes in bond yields**

A decrease in corporate bond yields will increase the value of the Scheme liabilities, although this will be partially offset by an increase in the value of the Scheme's corporate bond holdings and an increase in the value of the Scheme's matching portfolios (which are set to hedge changes in Gilt yields).

**Inflation risk**

Most of the Scheme's defined benefit obligations are linked to inflation hence an increase in inflation rates will lead to an increase in liabilities, although this will be partially offset by an increase in the value of the scheme's matching portfolios.

**Life expectancy**

The majority of the scheme's obligations are to provide benefits for the life of the member hence an increase in life expectancy will increase the liabilities.

b) Risk management

The company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy which aims to reduce the volatility of the funding level of the Scheme. By investing in assets such as swaps, which perform in line with the liabilities of the Scheme is protected against inflation being higher than expected.

**Use of derivatives in the LDI portfolio**

The value of liabilities are in part linked to changes in interest rate inflation, or equivalently linked to the value of UK government bonds. The LDI portfolio uses derivatives and gilt repos to achieve a levered exposure to government bonds within the asset portfolio. The function of derivatives and gilt repos is therefore to match (as closely as practical) changes in liability value with corresponding changes in asset value, reducing the funding level variability with respect to movements in interest rates and inflation.

c) Assumptions used in the valuation of the pension surplus

The principal financial assumptions used to calculate the pension liabilities under IAS 19 were:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Discount rate for service costs	5.55	4.50
Discount rate for defined benefit obligation	5.55	4.50
Rate of increase in salaries DBO assumption	2.85	2.75
Rate of increase in salaries Service assumption	2.80	2.70
RPI inflation DBO assumption	2.95	2.90
RPI inflation Service Cost assumption	2.90	2.85

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Rate of increase of pensions in deferment Pre-2001 joiners	3.00	2.95
Rate of increase of pensions in deferment Post-2001 joiners	2.80	2.75

The table below shows details of assumptions around mortality rates used to calculate the IAS 19 liabilities:

	2024	2023
Life expectancy for current male pensioner aged 60	26	26
Life expectancy for current female pensioner aged 60	28	28
Life expectancy at 60 for future male pensioner currently aged 40	27	27
Life expectancy at 60 for future female pensioner currently aged 40	30	30

Mortality assumptions have been determined based on standard mortality tables, specifically the SAPS S3 "All" tables for male members and SAPS S3 "Mid" tables for female members (2023: SAPS S3 standard tables). Future improvements in mortality rates are assumed to be in line with the CMI 2023 Core Projections Model subject to a 1.25% p.a. long-term rate of improvement. Increasing the life expectancy by one year would increase the DBO at 31 December 2024 by approximately £150m. Reducing the life expectancy by one year would reduce the DBO at 31 December 2024 by approximately £153m.

d) Financial impact of defined benefit pension schemes

The amount recognised in the consolidated balance sheet in respect of the Group's funded defined benefit retirement benefit plans is as follows:

	2024	2023
	£m	£m
Present value of defined benefit obligations ("DBO")	(5,007)	(5,995)
Fair value of scheme assets	5,456	6,112
Surplus in scheme	<b>449</b>	<b>117</b>

There was an additional amount of £11m (2023: £13m) included within other liabilities that relate to unapproved pension scheme amounts. The movement of £2m is recognised in actuarial reserves.

The recognition of a surplus is determined by IAS 19 and applying IFRIC 14. The Group considers that under the Pension scheme rules, the Group has an unconditional right to a refund of surplus after all pension payments have been made. As such the surplus has been recognised as the amount that the Group has a right to receive as a refund.

The costs associated with the Scheme are as follows:

	Total 2024 £m	Total 2023 £m
Service cost	12	14
Past service cost (including curtailments)	(27)	(80)
Administration expenses	5	-
<b>Recognised in arriving at profit before taxation and finance costs</b>	<b>(10)</b>	<b>(66)</b>

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Interest cost on DBO	263	259
Interest income on scheme assets	(270)	(292)
<b>Recognised in other finance income</b>	<b>(7)</b>	<b>(33)</b>
<b>Total pension costs recognised in the income statement</b>	<b>(17)</b>	<b>(99)</b>

The movements in the present value of defined benefit obligations in the current year were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
<b>At 1 January</b>	<b>5,995</b>	<b>5,666</b>
Current service cost	12	14
Interest cost on DBO	263	259
Actuarial gains from change in demographic assumptions	(12)	(104)
Actuarial (gains)/losses from change in financial assumptions	(940)	266
Actuarial (gains)/losses from experience	(17)	247
Net benefits paid	(268)	(274)
Contributions by employees	1	1
Past service cost (including curtailments)	(27)	(80)
<b>At 31 December</b>	<b>5,007</b>	<b>5,995</b>

Movements in the fair value of scheme assets in the current year were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
<b>At 1 January</b>	<b>6,112</b>	<b>6,250</b>
Interest income on scheme assets	270	292
Actuarial loss	(716)	(225)
Contributions by employer	61	68
Net benefits paid	(268)	(274)
Deficit Repair Payments	(4)	-
Contributions by employees	1	1
<b>At 31 December</b>	<b>5,456</b>	<b>6,112</b>

Breakdown of scheme assets:

	2024	2023
	£m	£m
<b>Equities by region:</b>		
United Kingdom	47	31
Europe	95	60
North America	285	168
Asia Pacific	8	18
Japan	26	15
Emerging Markets	9	3
Other	13	2
<b>Total Equities:</b>	<b>483</b>	<b>297</b>
<b>Bonds by rating:</b>		
AAA	240	213
AA	3,971	4,460
A	93	68
BBB	157	151
Non-investment grade *	452	369
Private debt *	104	183
Other*	18	139
<b>Total Bonds:</b>	<b>5,035</b>	<b>5,583</b>
Real Estate *	286	529
Private Equity *	519	591
Systematic Multi-Asset Fund *	160	145
Cash	77	241
Derivatives*	(1,398)	(1,414)
Other *	294	140
<b>Total scheme assets</b>	<b>5,456</b>	<b>6,112</b>

\* The following scheme assets are unquoted.

As at 31 December 2024, the scheme held repurchase transactions. The net value of these transactions is included in the value of bonds in the table above. The value of the funding obligation for the repurchase transactions is £1,530m at 31 December 2024 (2023: £1,543m).

Equity and bond classifications above represent those investments where the underlying exposure is exclusively within those asset classes. Investments in diversified funds and private equity and debt funds are included within the “other” category above. The assets of the pension scheme do not include any financial instruments which have been issued by the Company nor any property or other assets which are in use by the Company in either the current or prior year.

The investment strategy is determined by the Scheme Trustees.

e) Profile of the pension scheme

Current year

The Defined Benefit Obligation (DBO) includes benefits for current employees, former employees and current pensioners. Broadly, about 11% of the DBO is attributable to current employees, 29 % to deferred pensioners and 60% to current pensioners.

The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is approximately 16 years.

Prior year

The Defined Benefit Obligation (DBO) includes benefits for current employees, former employees and current pensioners. Broadly, about 11% of the DBO is attributable to current employees, 31% to deferred pensioners and 58% to current pensioners.

The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the consolidated scheme as a whole, the duration is approximately 17 years.

g) Sensitivity of pension defined benefit obligations to changes in assumptions:

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and inflation rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, holding all other assumptions constant.

	<b>2024</b> <b>£m</b>
Impact of a 25bp increase in discount rate	(187)
Impact of a 25bp decrease in discount rate	195
Impact of a 25bp increase in inflation rate	149
Impact of a 25bp decrease in inflation rate	(158)

In calculating the sensitivities, the present value of the obligation has been calculated using the projected unit credit method at the end of the reporting period which is consistent with how the defined benefit obligation has been calculated and recognised on the balance sheet.

There have been no changes in the methodology for the calculation of the sensitivities since the prior year.

## 45. Financial Instruments

The table below shows the carrying value of Group financial instruments by category:

	31 December 2024			31 December 2023			
	Note	Current	Non-current	Total	Current	Non-current	Total
		£m	£m	£m	£m	£m	£m
<b>Financial assets</b>							
Derivatives at fair value through profit and loss:							
Commodity purchase contracts		-	-	-	5	3	8
Derivatives designated in cash flow hedge:							
Commodity purchase contracts		207	31	<b>238</b>	254	36	<b>290</b>
Cash and cash equivalents (i)	27	3,246	-	<b>3,246</b>	3,464	-	<b>3,464</b>
Loan receivables at amortised cost (ii)	24	125	3,471	<b>3,596</b>	177	3,157	<b>3,334</b>
Trade and other receivables (iii)	29	2,921	-	<b>2,921</b>	3,232	-	<b>3,232</b>
NLF and Nuclear liabilities receivable	26	1,141	12,241	<b>13,382</b>	1,060	10,326	<b>11,386</b>

- (i) The fair value of cash and cash equivalents approximate the carrying value due to the short maturity.
- (ii) The fair value of loan receivables approximates the carrying amounts since these loans are considered payable on demand from a market participant perspective even if no fixed repayment terms are set. Non-financial assets in note 24 have been excluded from the analysis above.
- (iii) The fair value of trade receivables measured at amortised cost approximate the carrying value.

	31 December 2024			31 December 2023			
	Note	Current	Non-current	Total	Current	Non-current	Total
		£m	£m	£m	£m	£m	£m
<b>Financial liabilities</b>							
Derivatives at fair value through profit and loss:							
- Commodity purchase contracts	32	(6)	(7)	<b>(13)</b>	(8)	(4)	(12)
Derivatives designated in cash flow hedge:							
- Commodity purchase contracts	32	(329)	(81)	<b>(410)</b>	(495)	(490)	(985)
Borrowings at amortised cost (iv)	31	(62)	(2,121)	<b>(2,183)</b>	(313)	(2,122)	(2,435)
Other liabilities at amortised cost (v)	30	(3,952)	(283)	<b>(4,235)</b>	(4,211)	(344)	(4,555)
Lease obligations	37	(20)	(64)	<b>(84)</b>	(13)	(72)	(85)
Contingent consideration (v)	30	-	(1)	<b>(1)</b>	-	(1)	(1)

- (iv) The fair value of variable interest rate borrowings approximates its carrying amount as the interest rates charged are considered market related.
- (v) The fair value of current other liabilities and contingent consideration approximates the carrying value due its relatively short maturity. Non-financial liabilities in note 30 have been excluded from the analysis above.

Derivatives at fair value through profit and loss reflect the change in fair value of those foreign currency forward contracts and commodity purchase forward contracts that are intended to reduce the level of foreign currency and price risk exposures. Derivatives designated in cash flow hedge reflect the change in fair value of those commodity purchase forward contracts designated as cash flow hedges to hedge highly probable forecast transactions. The line item of the consolidated balance sheet where the hedging instruments are reported is 'Derivative financial instruments.

#### Fair value of assets and liabilities

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.
- The fair value of derivative instruments is calculated using quoted prices.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Note	2024 £m	2023 £m
Level 2*			
Derivatives at fair value through profit and loss:			
- Commodity purchase contracts (i)	32	(13)	(12)
Derivatives designated in cash flow hedge:			
- Commodity purchase contracts (i)	32	(172)	(985)

\* There have been no transfers between levels during the period.

- (i) The fair value of commodity purchase contracts is determined based on quoted wholesale market prices and constitutes level 2 on the fair value hierarchy.

### Hedging activities

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivatives are commodity price risk, interest rate risk and foreign currency risk.

The Group has the following commodity price purchase contracts designated in a cash flow hedge:

		Net notional			Total	Fair value (£m)
		< 1 year	1-5 years	> 5 years		
31 December 2024						
Electricity	Millions of MWh's	(2)	9	-	7	(305)
Gas	Millions of therms	739	39	-	778	128
31 December 2023						
Electricity	Millions of MWh's	5	6	-	11	(762)
Gas	Millions of therms	553	26	-	579	(223)

The Group uses cash flow hedging principally for the following purposes:

- to hedge future cash flows related to expected sales and purchases of electricity and gas using forwards.

The possible sources of hedge ineffectiveness arise from timing differences or cancellation of expected sales and purchase of commodities or a change in credit risk of either counterparties.

The fair values of derivatives designated in a cash flow hedge are as follows:

		Assets	Liabilities	Fair value
		£m	£m	£m
31 December 2024				
Commodity purchase contracts	Commodity price risk	238	(410)	(172)
31 December 2023				
Commodity purchase contracts	Commodity price risk	290	(1,275)	(985)

### Financial risk management objectives

The Group is exposed to a variety of financial risks including capital risk, commodity price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group seeks to minimise the effect of these risks using financial instruments to hedge risk exposures. The use of derivative financial instruments is governed by the Group's approved risk management policies and consistent with the Group's risk mandate. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes. The accounting treatment for financial instruments entered into is detailed in note 2.

### Capital risk management

The Group manages its capital through focusing on its net debt which comprises borrowings including lease obligations, derivative liabilities and accrued interest and deducting cash and cash equivalents.

Given that the Group is a wholly-owned subsidiary, any changes in capital structure are achieved through additional borrowings from other companies within the EDF group or from capital injection from its immediate parent company. The Group is not subject to any externally imposed capital requirements.

### Commodity price risk management

Commodity price risk arises from the necessity to forecast customer demand for gas and electricity effectively and to procure the various commodities at a price competitive enough to allow a favourable tariff proposition for our customers. Due to the vertically-integrated nature of the Group, the electricity procured from the generation business provides a natural hedge for the electricity demand from the retail business.

The residual exposure to movements in the price of electricity, gas, coal and carbon is partially mitigated by entering into contracts on the forward markets, and the exposure to fluctuations in the price of uranium is mitigated by entering into fixed price contracts.

Risk management is monitored for the whole of EDF Energy through sensitivity analysis in line with the Group's risks mandate. The commodity price risk exposure is detailed in the sensitivity analysis below:

	Loss before tax	Hedge reserve	
	2024 £m	2024 £m	2023 £m
Increase/(Decrease) of 10% in electricity price	-	(30)	(77)
Increase/(Decrease) of 10% in gas price	-	13	(22)
Increase/(Decrease) of 10% CO <sub>2</sub> emission certificates price	(1)	-	-

There have been no changes in the method of preparing the sensitivity analysis.

### Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate instruments and through the use of a cross currency swap agreement. The Group's policy is to use derivatives to reduce exposure to short-term interest rate fluctuations and not for speculative purposes. The cross currency swap is designated in a hedging relationship as a cash flow hedge.

The interest rate profile of interest-bearing borrowings and lease obligations were as follows:

	2024 £m	2023 £m
Floating rate borrowings	1,397	1,548
Fixed rate borrowings	786	887
Floating rate lease obligations	84	85

The weighted average interest rates for all borrowings and lease obligations were as follows:

	2024	2023
Weighted average fixed interest rate %	6.5%	6.7%
Weighted average floating interest rate %	5.7%	5.5%
Interest rate sensitivity		

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date, assuming that the rate change took effect at the start of the reporting period and remained in place for the full period, and assuming the closing borrowing and cash position was in place throughout the year. There has been no change in the method of preparing the sensitivity analysis during the year.

### Foreign currency risk management

The Group is exposed to exchange rate fluctuations as a result of Euro denominated debt and commodity purchase contracts. Foreign currency exposures arising from Euro denominated commodity contracts are managed using foreign currency forward contracts. The Group's policy is to enter into cross currency interest rate swaps and foreign currency forward contracts to convert all foreign currency denominated debt and obligations into GBP.

At the balance sheet date, the following foreign currency derivatives were outstanding:

	Notional amount to be received				Notional amount to be given				Fair value £m
	<1yr £m	1-5yrs £m	>5yrs £m	Total £m	<1yr £m	1-5yrs £m	>5yr s £m	Total £m	
At 31 December 2024									
Foreign currency forwards	436	33	-	469	478	39	-	517	-
At 31 December 2023									
Foreign currency forwards	58	86	-	144	65	97	-	162	-

### Sensitivity analysis

If exchange rates increased by 10%, the profit before tax would be £1m higher (2023: £22m lower loss). The cross currency swap was settled in June 2023 hence no exchange rate impact on the hedge reserve.

### Counterparty and credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group has no significant concentration of external credit risk, with exposure spread over a large number of external counterparties and customers. Due to the nature of the Group's trading with other EDF group companies in Europe, there are large trading balances with other Group companies, however these are not considered to be a risk.

The Group's counterparty credit risk is measured, monitored, managed and reported in accordance with the Group's credit risk policy. The policy sets out the framework that dictates the maximum credit exposure

that the Group can incur to each of its counterparties based on their public credit rating (or where counterparty is not publicly rated, a rating calculated using an in-house scoring model). The Group uses a variety of tools to mitigate its credit exposure, for example, requesting parent company guarantees, letters of credit or cash collateral, agreeing suitable payment terms and netting provisions.

The majority of energy trading exposure is held against investment grade counterparties. For commercial customers with poor credit ratings, the Group on occasion will receive security deposits which can be used in the event of default by the customer. The Group also faces counterparty risk through the ability of key suppliers to deliver to contract. Such suppliers are subject to credit risk reviews and continual monitoring.

Balances are written off when recoverability is assessed as being remote. The assessment considers the age of debt balances and takes account of the credit worthiness of some customers and considers whether they remain ongoing customers. Amounts overdue but not written off are fully or partially provided for in accordance with the Group's positioning policies. Money recovered relating to balances previously provided against or written off is credited to the income statement on receipt.

The maximum credit risk exposure is derived from the carrying value of financial assets in the financial statements, in addition to the credit risk arising from the provision of support and guarantees as detailed in the table below.

	2024 £m	2023 £m
Guarantee provided by subsidiary relating to performance of contractual obligations	416	452

#### Liquidity risk management

Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due because it has inadequate funding or is unable to liquidate its assets. The Group manages liquidity risk by preparing cash flow forecasts and by ensuring it has sufficient funding to meet its forecast cash demands.

Uncommitted borrowing facilities are maintained with several banking counterparties and EDF to meet the Group's normal and contingency funding requirements. On 31 December 2024, the Group had available £400m (2023: £800m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met representing both inter-group and external funding.

As 31st December 2024, the trade payables financed by the suppliers with Santander amounts to £68m. As such it is not considered to have any significant exposure to the Group's liquidity risk.

The tables below detail the contracted maturity for all financial liabilities, based on undiscounted contractual cash flows, which includes both principal and interest payments:

	<b>&lt;1 year £m</b>	<b>1-2 years £m</b>	<b>2-5 years £m</b>	<b>&gt; 5 years £m</b>	<b>Total £m</b>
<b>At 31 December 2024</b>					
Commodity purchase contracts	(335)	(78)	(10)	-	(423)
Borrowings	(196)	(125)	(996)	(4,674)	(5,991)
Other liabilities	(4,054)	(86)	(140)	(106)	(4,386)
Lease obligations	(25)	(21)	(55)	(63)	(164)
Contingent consideration	-	(1)	-	-	(1)
<b>At 31 December 2023</b>					
Commodity purchase contracts	(762)	(535)	(2)	-	(1,299)
Borrowings	(457)	(135)	(1,066)	(7,675)	(9,333)
Other liabilities	(4,149)	(87)	(204)	(53)	(4,493)
Lease obligations	(17)	(14)	(33)	(54)	(118)
Contingent consideration	-	(1)	-	-	(1)

## 46. Related parties

During the year, the Group entered into the following transactions with related parties who are not members of the Group:

		<b>Sales to related parties £m</b>	<b>Purchases from related parties £m</b>	<b>Interest paid to related parties £m</b>	<b>Interest received from related parties</b>
Transactions with associates	2024	-	(205)	-	36
	2023	-	(192)	-	-
Transactions with other EDF Group companies	2024	17	(471)	(144)	339
	2023	33	(429)	(136)	280
Derivatives with other EDF Group companies	2024	1,264	(3,655)	-	-
	2023	2,633	(8,257)	-	-

At the year end, Group companies had the following outstanding balances with related parties who are not members of the Group:

		Amounts owed by related parties £m	Amounts owed to related parties £m
Transactions with associates	2024	518	(168)
	2023	417	(167)
Transactions with other EDF Group companies	2024	6,272	(2,813)
	2023	4,931	(2,652)
Derivatives with other EDF Group companies	2024	238	(423)
	2023	298	(1,315)

EDF Energy Holdings Limited trades with other group companies which are part of the EDF Group. The prices for derivative contracts with related parties reflect the prevailing market prices at each contract's inception. The amounts outstanding at year end are unsecured and will be settled in cash. No guarantees have been given or received.

The Group enters into derivative contracts to sell and purchase commodities at normal market prices with another EDF group company. The Group also enters into foreign exchange forwards and swaps as well as interest rate swaps with other EDF Group companies.

The table above includes loans, bonds and overdraft payable to other EDF Group subsidiaries of £2,080m (2023: £2,332m) and loans receivable from EDF Group companies of £2,800m (2023: £2,800m). For details, refer note 24.

#### Transactions with key management personnel

	2024 £m	2023 £m
Short-term benefits	4.7	4.7
Post-employment benefits	0.1	0.2
Other long-term employee benefits	1	-
<b>Total transactions with key management personnel</b>	<b>5.8</b>	<b>4.9</b>

Key management personnel comprise members of the Executive Committee, a total of seven individuals at 31 December 2024 (2023: eight). The Executive Committee is a cross-business unit committee of senior staff who take part in the decision-making for the Group.

## 47. Events after the balance sheet date

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On 30 January 2025 an agreement was reached to form a new joint venture between EDF Energy Nuclear Generation Limited (ENGL), NNB Generation Company (HPC) Limited (HPC Genco) and Sizewell C Limited (SZC). This new joint venture will assume ownership of Nuclear Services Technical Limited (NSCo) (previously 100% owned by EDF Energy Holdings Limited). The parties to the joint venture will own NSCo in equal shares of 33% each.

In March 2025, a Guarantee and Indemnity was signed between EDF Energy Holdings Limited (the guarantor) and SZC to guarantee the financial obligations of Framatome in relation to the SZC project. As part of this Guarantee and Indemnity, a loan agreement was signed between EDF Energy Holdings Limited and Electricité de France for £639m.

In May 2025, EDF Energy Holdings Limited signed a credit facility (£4.0bn) with Electricité de France for the period starting January 2026 until September 2026.

In June 2025, the Government announced additional fundings of £14.2bn to Sizewell C project.

In June 2025, EDF Customers Limited reached an agreement to acquire the remaining 46.82% stake in Pod Point for approximately £5m, at a price of £0.065 per share.

## 48. Parent undertaking and controlling party

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EDF Energy (UK) Limited holds a 100% interest in EDF Energy Holdings Limited and is considered to be the immediate parent company.

At 31 December 2024, Electricité de France, a company incorporated in France, is regarded by the Directors as the Group's ultimate parent company and controlling party. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Électricité de France, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

## COMPANY BALANCE SHEET AT 31 DECEMBER 2024

	Note	2024	2023
		£m	£m
<b>Non-current assets</b>			
Financial Assets	9	746	737
Investments in subsidiary and associate undertakings	10	17,602	14,942
		<b>18,348</b>	<b>15,679</b>
<b>Current assets</b>			
Trade and other receivables	11	14	13
Financial Assets	9	598	-
Cash and cash equivalents	12	804	718
		<b>1,416</b>	<b>731</b>
<b>Total assets</b>		<b>19,764</b>	<b>16,410</b>
<b>Current liabilities</b>			
Other liabilities	13	(3)	(19)
Current tax liabilities		(7)	-
Borrowings	14	-	(100)
		<b>(10)</b>	<b>(119)</b>
<b>Non-current liabilities</b>			
Borrowings	14	(746)	(736)
Provisions	15	(146)	(141)
		<b>(892)</b>	<b>(877)</b>
<b>Total liabilities</b>		<b>(902)</b>	<b>(996)</b>
<b>Net current assets</b>		<b>1,406</b>	<b>612</b>
<b>Net assets</b>		<b>18,862</b>	<b>15,414</b>
<b>Equity</b>			
Share capital	16	10,854	17,116
Capital reserve	16	10,000	-
Share premium	17	199	199
Retained earnings/(accumulated losses)		(2,191)	(1,901)
<b>Total equity</b>		<b>18,862</b>	<b>15,414</b>

The Company reported a profit for the financial year ended 31 December 2024 of £510m (2023: loss of £5,520m).

The Company financial statements of EDF Energy Holdings Limited, registered number 06930266, on pages 135 to 149 were approved by the Board of Directors on 18 June 2025 and signed on its behalf by:



Robert Guyler

Director

18 June 2025

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YER ENDED 31 DECEMBER 2024

	Share capital £m	Share premium £m	Capital reserve	Retained earnings/(acc umulated losses) £m	Total shareholders ' funds £m
At 1 January 2023	14,081	199	-	3,619	17,899
Loss for the year	-	-	-	(5,520)	(5,520)
Dividends paid	-	-	-	-	-
Shares issued (note 16)	3,035	-	-	-	3,035
<b>At 31 December 2023</b>	<b>17,116</b>	<b>199</b>	<b>-</b>	<b>(1,901)</b>	<b>15,414</b>
Profit for the year	-	-	-	510	510
Dividends paid	-	-	-	(800)	(800)
Shares issued (note 16)	3,738	-	-	-	3,738
Capital reduction (note 16)	(10,000)	-	10,000	-	-
<b>At 31 December 2024</b>	<b>10,854</b>	<b>199</b>	<b>10,000</b>	<b>(2,191)</b>	<b>18,862</b>

## 1. General information

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EDF Energy Holdings Limited (the “Company”) is a private company limited by shares. It is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company’s registered office is shown on page 1.

### Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) “Reduced Disclosure Framework”. These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework. In addition to the accounting policies stated in the consolidated accounts above, the accounting policies which follow set out those policies which apply in preparing the Company financial statements for the year ended 31 December 2024.

## 2. Material accounting policy information

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The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset. The financial statements are presented in pounds sterling as that is the currency for the primary economic environment in which the company operates.

### Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS101:

- a) The requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- d) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where relevant, equivalent disclosures have been given in the group accounts which are available on the pages above.

## Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## Income Statement

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own income statement or statement of comprehensive income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

## Interest income

Interest income is recognised as the interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

## Dividend income

Dividend income is recognised when the right to receive payment is established.

## Finance cost

Finance costs of debt are recognised in the income statement over the term of such instruments, at a constant rate on the carrying amount.

## Foreign currency transactions and balances

The functional and presentational currency of the Company is pounds sterling. Transactions in foreign currency are initially recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

## Taxation

The income tax expense included in the income statement consists of current and deferred tax.

### Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

### Deferred tax

Deferred tax is provided or recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax arising from (1) the initial recognition of goodwill, (2) the initial recognition of assets or liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences, or (3)

differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, is not provided for.

Deferred tax assets are recognised to the extent it is more likely than not that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Unrecognised deferred tax assets are also re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

### Current tax and deferred tax for the year

Current tax and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### Investment in subsidiaries

Subsidiary undertakings are those entities controlled by the company, and where the substance of the relationship between the company and the entity indicates that the entity is controlled by the company.

The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Considerations in the assessment of control include:

- the purpose and design of the entity;
  - what the relevant activities are and how decisions about those activities are made;
  - whether the rights of the company give it the current ability to direct the relevant activities;
  - whether the company is exposed, or has rights, to variable returns from its involvement with the entity;
- and
- whether the entity has the ability to use its power over the investee to affect the amount of the investor's returns.

The company continues to assess whether it controls an entity if facts and circumstances indicate that there changes to the elements of control.

Investment in subsidiaries is recorded at cost and is subsequently assessed for indicators of impairment. If such factors exist, a detailed impairment test is carried out. Impairment is recognised in the income statement when the recoverable amount of the company's investment is lower than the carrying amount of the investment.

Upon disposal of the investment in the entity, the company measures the investment at its fair value. Any difference between the fair value of the company's investment and the proceeds of disposal is recognised in the income statement.

## Investments in associates

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or jointly control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for at cost less, where appropriate, allowances for impairment.

## Financial instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instruments. Detailed information regarding the Company's accounting policies for financial instruments can be found in the Group accounting policies note 2.

## Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including short term deposits with a maturity date of three months or less from the date of acquisition, restricted cash and cash pooled with Group companies.

## Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## 3. Critical accounting judgement and key source of estimation uncertainty

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In the application of the Company's accounting policies, described in note 1, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Impairment of investment in subsidiary and associate undertakings

The Company performs impairment testing of investment in subsidiaries and associates where there is an indication of potential impairment. The impairment review involves a number of assumptions including

discount rates and cash flow forecast. These assumptions are reviewed annually to ensure they are reliable. Further detail on impairment is disclosed in note 8.

#### *EDF Energy Lake Limited*

Sensitivity tests were conducted on the assumptions to which this operating cash generating unit (CGU) is particularly sensitive. A 5% increase or decrease in electricity prices or nuclear power output would increase or decrease the recoverable amount in the range of £400m to £500m respectively. A 50bp increase or decrease in the discount rate would decrease or increase the recoverable amount in the range of £137m to £150m respectively.

#### *EDF Energy Limited ('EEL')*

EEL is a combination of sales and supply business, Thermal and corporate activities.

At 31 December 2024, the Company reassessed the carrying amount of its investment in EEL, which was last impaired in 2021 by £1,325m mainly due to the energy crisis, the disposal of some business and increased operational costs.

The recoverable amount of the investment is determined based on the value in use of the subsidiary which is derived from the aggregation of the recoverable amount of its key underlying business units: (i) customers ii) renewables and iii) corporate entities.

Significant judgement is applied in assessing how recoverable amount of each underlying businesses impacted the overall recoverable amount of the investment.

Management identified the recovery from the energy crisis as a positive indicator. As a result, the energy supply business show signs of improvement. However, the recoverable amount remains constrained due to underperformance and cost structures. As a result, management concluded that the conditions for reversal of the previously recognised impairment have not yet been met.

#### *EDF Energy Topco (NNB) Private Limited ('NNB Topco')*

NNB Topco is the holding company of NNB Generation Company (HPC) Limited. The investment in subsidiary value is sensitive to any unfavourable variation in assumptions. A 30bp increase in discount rates would have a negative impact of £1.4 billion on recoverable value, while an equivalent decrease would have a favourable impact of £1.6 billion. A 10bp increase or decrease in inflation rates would have a positive or negative impact of £0.5 billion on recoverable value respectively. A decrease in the electricity price of £10/MWh beyond the CfD period would have an impact of £0.4 billion.

### **Critical judgements in applying accounting policies**

There are no critical judgments that the Directors have made in the process of applying the accounting policies of the Company, that are deemed to have a significant effect on the amounts recognised in the financial statements.

## **4. Operating loss**

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In 2024 an amount of £14,700 (2023: £14,000) was paid to PricewaterhouseCoopers LLP for audit services relating to audit of the individual entity statutory accounts of the Company. This charge was borne by another Group company. In 2024, amounts payable to PricewaterhouseCoopers LLP by the Company in respect of non-audit services were £nil (2023:£nil).

The Company had no employees in 2024 (2023: none).

## **5. Directors' emoluments**

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None of the Directors received any remuneration for services to the Company during the year (2023: £nil).

## 6. Investment income

	2024 £m	2023 £m
Dividends received from subsidiaries	1,450	800
Interest receivable from other Group companies	97	56
<b>Total investment income</b>	<b>1,547</b>	<b>856</b>

A dividend of £1,450m (2023: £800m) was received from EDF Energy Lake Limited.

## 7. Finance cost

	2024 £m	2023 £m
Interest payable on loans and facilities from other Group companies	70	72

## 8. Impairment

	2024 £m	2023 £m
EDF Energy Topco (NNB) Private Limited (i)	598	6,165
EDF Energy Lake Limited (ii)	237	-
EDF Development Company Limited (iii)	126	-
<b>Total impairment charge</b>	<b>961</b>	<b>6,165</b>

- (i) Investment in EDF Energy Topco (NNB) Private Limited was impaired in 2024 due to the reduction of future revenue forecast because of reduction in long term inflation forecast and in 2023 following the cost and schedule review of New nuclear build project.
- (ii) Investment in EDF Energy Lake Limited was impaired in 2024 following reduction in the medium to long term wholesale energy prices during 2024.
- (iii) Investment in EDF Development Company Limited was impaired following termination of a lease arrangement in 2024.

## 9. Financial assets

	2024 £m	2023 £m
<b>Current</b>		
Loans to subsidiaries (i)(iii)	598	-
<b>Non - Current</b>		

Loans to subsidiaries (ii)(iv)	746	737
<b>Total</b>	<b>1,344</b>	<b>737</b>

- i. In 2024, EDF Energy Holdings Limited provided a GBP Loan to EDF Energy Limited of £440m under the £800m facility. This loan has annual interest at 1.36% plus SONIA and matures in Dec 2025.
- ii. In 2024, a further amount of £9m (€11m) was advanced to EDF Energy Limited at 3-month EURIBOR plus 1.5% in relation to any matters related to the advancement of future development in the renewables business in Ireland, which will mature in January 2026.
- iii. In 2024, a loan of £154m was advanced to Arabelle Solution (UK) Limited at an interest rate of 6.7% towards the acquisition of two GE entities (Arabelle UK Services Limited and Arabelle UK Marine Limited). The loan is repayable on demand. The loan accrued interest of £5m in 2024.
- iv. During 2023, EDF Energy Holdings Limited provided a GBP Loan to EDF Energy Limited of £683m. This loan has annual interest at 6.87% and matures on 30 June 2028

## 10. Investments in subsidiary and associate undertakings

Carrying value	Subsidiaries £m	Associates £m	Total £m
<b>At 1 January 2023</b>	18,080	2	18,082
Additions during the year	3,021	4	3,025
Impairment during the year (Note 8)	(6,165)	-	(6,165)
<b>At 31 December 2023</b>	<b>14,936</b>	<b>6</b>	<b>14,942</b>
Additions during the year (i)	3,738	2	3,740
Impairment during the year (Note 8)	(961)	-	(961)
Loss of control of subsidiary (ii)	(660)	541	(119)
<b>At 31 December 2024</b>	<b>17,053</b>	<b>549</b>	<b>17,602</b>

(i) The additions to investment in subsidiaries related to the subscription of £3,738m (2023: £2,898m) additional shares in EDF Energy Topco (NNB) Private Limited. The additions during 2023 also include the subscription of £123m shares in NNB Holding Company (SZC) Limited.

(ii) In December 2024, the Group's shareholding in Sizewell C reduced to 16.23%, in line with the Group's target investment at the Final Investment Decision (FID) date. The UK government has been a shareholder of the project since November 2022. EDF's project funding commitment up to the FID date is subject to a limit that was reached in late 2023, consequently the UK government has been the sole funder of the project. In addition, a leadership team independent of EDF has been established at Sizewell C, with the necessary skills to make decisions and head the plant's construction. Accordingly, the Group has determined that it no longer controls Sizewell but exercises significant influence over the Company and therefore is now accounted for the equity method. Investment of £119m (loan and accrued interest, was transferred to HMG. See further details in note 13 and 14.

The principal subsidiary undertakings at 31 December 2024, which are incorporated in the United Kingdom

and are registered and operate in England and Wales, or Scotland (unless otherwise stated), are as follows:

Name of subsidiary	Principal Activity	Holding %
EDF Energy Nuclear Generation Limited*(1)	Power generation	80%
EDF Energy Nuclear Generation Group Limited*(2)	Holding company	80%
Lake Acquisitions Limited*	Holding company	80%
EDFG Trustee Limited*	Dormant company	80%
Lochside Insurance Limited* (Guernsey)(3)*	Insurance company	80%
Cheshire Cavity Storage 1 Limited*	Gas storage facilities	100%
West Burton Property Limited*	Dormant company	100%
EDF Energy Limited	Sale of electricity	100%
EDF Energy Customers Limited*	Electricity retailing	100%
EDF Energy Lake Limited	Holding company	100%
EDF Energy (Thermal Generation) Limited*	Power generation	100%
EDF Energy R&D UK Centre Limited	Research and development of generation and supply	100%
EDF Development Company Limited	Ownership and management of land	100%
Northern Power Limited(2)	Power generation	100%
EDF Energy Topco (NNB) Private Limited(6)	Holding company	100%
NNB Top Company HPC (B) Ltd*	Holding company	100%
NNB Top Company HPC (A) Ltd*	Holding company	100%
NNB Top Company HPC (C) Limited*	Holding company	100%
NNB Holding Company (HPC) Limited*	Holding company	72.58%
NNB Generation Company (HPC) Limited*	Development of generation and supply	72.58%
NNB Finance Company (HPC) Limited*	Financial activities	72.58%
EDF Energy (TSO) Limited	Technical services	100%

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Pod Point Group Holdings PLC*(4)	Holding company	53.18%
Pod Point Holding Limited*(4)	Holding company	53.18%
Pod Point Limited*(4)	Provision of charging infrastructure for electric vehicles	53.18%
Open Charge Limited*(4)	Financial activities	53.18%
Pod Point Asset One Limited*(4)	Provision of charging infrastructure assets for electric vehicles	53.18%
Pod Point Norge AS (Norway)*(5)	Dormant company	53.18%
CB Heating Ltd *	Development of generation and supply	100.00%
Arabelle Solutions UK Limited	Holding company	100.00%
Arabelle Marine UK Limited*(7)	Development of generation and supply	100.00%
Arabelle Services UK Limited*(7)	Manufacture of electric motors, generators and transformers	100.00%
Nuclear Services (Technical) Company Limited	Technical services	100.00%
Contact Solar Limited*(8)	Construction of utility projects for electricity and telecommunications	100.00%

\*Indirectly held

(1) Registered Address: Javelin House, Building 1420, Charlton Court, Gloucester Business Park, Gloucester, England, GL3 4AE

(2) Registered Address: 6 Atlantic Quay Glasgow G2 8JB

(3) Registered Address: PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET

(4) Registered Address: 222 Gray's Inn Road, London, England, WC1X 8H

(5) Registered Address: Engebrets vei 3 0275 Oslo

(6) Registered Address: 391B Orchard Road, #21-06, Ngee Ann City, Singapore 238874

(7) Registered Address: Newbold Road, Newbold Road, Rugby, Warwickshire, England, CV21 2NH

(8) Registered Address: 316 Blackpool Road Fulwood, Preston, Lancs, England, PR2 3AE

Unless stated otherwise, the registered address of the associates listed above is 11 Bressenden Place, London, SW1E 5BY.

As at 31 December 2024 the following subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies:

Company	Registration number
EDF Energy Lake Limited	09200461
Lake Acquisitions Limited	06612465
NNB Top Company HPC (C) Limited	13815312
NNB Top Company HPC (B) Ltd	09284753
NNB Top Company HPC (A) Ltd	09284749
Arabelle Solutions UK Limited	14767051
EDF Energy Nuclear Generation Group Limited	SC270184
EDF Development Company Limited	06222043
Northern Power Limited	SC155131
EDF Energy (TSO) Limited	03432165

Details of the Company's associates at 31 December 2024 are detailed in note 25 of the Group accounts.

## 11. Trade and other receivables

	2024 £m	2023 £m
Amounts owed by other Group companies	13	13
Other debtors	1	-
	<b>14</b>	<b>13</b>

The amounts owed by other Group companies are owed by subsidiaries of the Company. They are non-interest bearing and are repayable on demand. The Directors consider that the carrying amount of receivables approximates to their fair value.

## 12. Cash and cash equivalents

	2024 £m	2023 £m
Cash pooling with ultimate parent	554	68
Short-term deposits	250	650
	<b>804</b>	<b>718</b>

The Company participates in cash pooling with EDF. The balance of cash pooled with the ultimate parent as at 31 December 2024 is £554m (2023: £68m). Interest is earned on cash pool balance at a rate of overnight SONIA less 0.125%.

Short-term deposits are made for varying periods up to 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents equates to the carrying amount.

## 13. Other liabilities

	2024	2023
	£m	£m
Accruals	2	1
Other payables	1	18
	<b>3</b>	<b>19</b>

The Directors consider that the carrying amount of other liabilities approximates to their fair value.

Interest payable on HMG loan of £19m was transferred as shares to HMG in 2024. See further details in note 14.

## 14. Borrowings

	2024	2023
	£m	£m
<b>Current borrowings</b>		
HMG Grant for SZC	-	100
Loan from immediate parent	-	-
<b>Non-current borrowings</b>		
Loan from immediate parent	746	736
<b>Total Borrowings</b>	<b>746</b>	<b>836</b>

In 2023 a loan £683m was received from EDF Energy (UK) Limited with an interest rate of 6.8% and matures in June 2028. This is in addition to the £53m loan received with interest rate of 5.5% and maturity date to Jan 2024, which is now extended to Jan 2026. In 2024, an additional loan of £9m was received from EDF Energy (UK) Limited with an interest rate of 4.4% and matures in Jan 2026.

On 29 November 2022, HMG officially committed towards the SZC project. with £100m provided as grant towards the SZC project, which was repayable in 2024. In 2024, the share option agreement with HMG was triggered resulting in the conversion of the £100m option fee to HMG shareholding in Sizewell C (Holding) Limited.

## 15. Provisions

	2024 £m	2023 £m
Other contracts	146	141
	<b>146</b>	<b>141</b>

In 2023, reflecting activities arising from the Nuclear New Build business unit, a provision of £141m has been recognised arising from the revised costing on the project. These have been incurred by the EDF Energy Holdings Group and are not eligible for capitalisation.

## 16. Share capital

Allotted, called up and fully paid	2024 Number	2023 Number	2024 £m	2023 £m
Ordinary shares of £1.00 each	10,854,464,321	17,116,464,321	10,854	17,116

In 2024, 10,000m ordinary shares were cancelled as part of a capital reduction which was transferred to the Company's capital reserves. Additionally, 3,738,000,000 shares (2023: 3,034,968,047 shares) were issued at par for consideration of £3,738m (2023: £3,035m).

## 17. Share premium

	2024 £m	2023 £m
Share premium reserve	199	199

## 18. Related parties

The Company has taken advantage of the exemption in FRS 101 Reduced Disclosure Framework from disclosing transactions with other wholly owned members of the Group, which would otherwise be required for disclosure under IAS 24. During the year, interest of £65m (2023: £72m) was payable to the Company's ultimate parent EDF in relation to commitment fees on the available, undrawn facilities. Interest of £97.5m (2023: £56.7m) was received from EDF in relation to the cash pool.

## 19. Parent undertaking and controlling party

EDF Energy (UK) Limited holds a 100% interest in EDF Energy Holdings Limited and is considered to be the immediate parent company.

At 31 December 2024, EDF a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Électricité de France, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.