



EDF ENERGY HOLDINGS LIMITED

# ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2025

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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 2025.

### 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 build, power and serve “an Electric Britain”, believing it is the country’s best chance of an affordable and secure low carbon future. It does this by leading the transition to a low-carbon energy system in five key areas of activity:

- Nuclear: The generation of zero carbon electricity, decommissioning services, the construction of a new nuclear power station at Hinkley Point C and Sizewell C, and the support of other UK new nuclear projects.
- Retail: The provision of electricity, gas and energy services to residential and small business customers. Providing products and services to support customers to electrify and decarbonise their homes and businesses, including, through full ownership of Electric Vehicle (EV) charging provider Pod, EDF Heat Pumps and Contact Solar.
- Business and Wholesale: The provision of electricity, gas and energy services broadly to large enterprises, the public sector and asset owners. Providing flexible asset owners (including homes and businesses) with optimisation services;
- Renewables: The development, construction and operation of wind and solar power generation and large battery storage facilities in the UK and Ireland through EDF Power Solutions 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 and Arabelle Solutions.

In the UK, EDF Energy believes electrification is key to improving affordability, strengthening energy security, and tackling climate change. EDF Energy supports the UK government's ambition to reach the Net Zero target by 2050. By switching more activities from fossil fuels to electricity and building the infrastructure to produce low carbon power, Britain can meet its energy, security and climate goals. Electrifying heat, transport, industry and other sectors will protect customers from global energy price volatility and create economic opportunities for businesses and communities. In an increasingly complex and interconnected energy system, the scope of EDF Energy’s capabilities in the UK constitutes a strategic advantage.

The latest version of EDF Energy's “An Electric Britain” progress report outlines the company's progress and plans to help electrify Britain, by expanding access to clean energy and helping homes, businesses, and public services transition to a secure, affordable, low carbon electricity supply. These include helping customers “save cash and save carbon”, minimising environmental impacts and making a positive social contribution in the UK.

### Customers

EDF Energy supplies 3.5 million homes and businesses with electricity, gas and other services, with the mission of helping customers save cash and carbon, in line with the Ambitions 2035 project.

With the acquisition and integration of Pod, CB Heating Ltd (rebranded EDF Heat Pumps), Contact Solar and other 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.

EDF Energy is the UK's largest supplier of electricity to business and the public sector. In the UK, EDF Energy is working together to offer a wide range of decarbonisation solutions to its customers, including electric mobility, low-carbon heating, micro electricity generation, renewable energy power purchase agreements (PPAs), flexibility services and meters combined with data services.

EDF Energy is a leading optimiser of batteries in Great Britain, the largest off-taker of renewable energy through Power Purchase Agreements (PPAs) and uses its route to 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 2024, EDF Energy's nuclear fleet produced 12% of the UK's electricity generation. All the advanced gas-cooled reactors (AGR) have been extended beyond their original 25 year design life. In addition to the extension to all four operational AGR's announced in 2024, EDF Energy also confirmed further life extensions for two of its UK nuclear power stations, Heysham 1 in Lancashire and Hartlepool in Teesside in September 2025. 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 is being considered.

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.

EDF Energy is responsible for eventual de-fuelling of all seven AGR plants before handing over to the Nuclear Restoration Services (NRS), which has been designated by the UK government to carry out the subsequent decommissioning activities. The first AGR defueling was completed in April 2025, on time and on budget, and the Hunterston B site licence will be transferred from EDF Energy to NRS in 2026 for decommissioning. The second AGR, Hinkley Point B will also follow in 2026, the Office for Nuclear Regulation (UK Nuclear regulator) declared the site fuel free on 13 January 2026. One of EDF's other AGR stations, Dungeness in Kent, is currently in the defueling stage.

## Nuclear New Build

The UK Government believes that nuclear energy will play a key role in building a clean electricity system by 2030 and that it is essential to develop nuclear capacity in Britain to achieve the country's carbon neutrality target by 2050 and reduce our reliance on importing energy from abroad.

In partnership with CGN, EDF Energy is building two new reactors (3.26 GW in total capacity) based on European Pressurised Reactor (EPR) technology at Hinkley Point C in Somerset. At the end of 2025, about 14,000 people are working on the site to build the plant, and the construction site is expected to support 71,000 jobs nationwide by the end of construction.

A replica 3.26 GW EPR project at the Sizewell site in the Suffolk reached Final Investment Decision (FID) in July 2025. 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 project aims to provide 1,500 apprenticeship places and support 70,000 jobs. As of December 2025, the British government holds 44.9% of the shareholding of the project, EDF Energy holds 12.5%, La Caisse 20%, Centrica 15% and Amber Infrastructure 7.6%

EDF Energy is further supporting the nuclear programme in the UK by enabling next generation nuclear technology beyond these two EPR projects, including at other EDF Energy owned sites.

## Section 172 (1) Statement

### Introduction

EDF is one of Britain's biggest energy suppliers, powering 3.5 million homes and organisations. As the UK's biggest generator of zero carbon electricity<sup>1</sup>, EDF is helping build Britain's own wind, nuclear and solar energy supply.

The main activity of the Company 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"), 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 the 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.

In 2025, the Company refreshed its company-wide strategy to "An Electric Britain". The Company purpose and strategy is set out in the annual "An Electric Britain" progress report (available online) and is published on the EDF UK website. EDF UK's goal is to build, power and serve "an Electric Britain", believing it is the country's best chance of an affordable and secure low carbon future. EDF UK and its constituent BUs are well placed to play a key role in the electrification of Britain, with significant presence across the electricity value chain. Further information on the Company's strategy can be found in the Long-Term Strategy section on page [2](#).

In 2025 EDF UK's refreshed purpose and strategy was 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. Employees played an important role in shaping this new strategy, through company-wide consultation, which included the use of focus groups and a poll. The results were closely balanced with 45% of people saying the strategy should remain, and 55% said it was time for a change, highlighting the value of employee input in long-term decision making. Actively involving employees ensures that their views are considered, that the Company's strategic priorities reflect the perspectives of those who support the delivery of them.

This statement describes the actions taken by Directors to fulfil their responsibilities to promote the success of the Company and the wider EDF UK, in accordance with the Section 172 of the Companies Act 2006, for the financial year ending 2025. 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.

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 Executive Team ("ET") representative on the EDF Group Corporate Social Responsibility ("CSR") Strategic Committee, which oversees the strategic management and coordination of all CSR issues.

While the Company doesn't need to give 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 EDF UK, 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 wider EDF UK, 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 an electric Britain.

In 2025, EDF Group appointed a new Chief Executive Officer (CEO), who subsequently joined the Company's Board. This leadership transition prompted further changes at a Board level, including three resignations and three corresponding appointments. The new EDF Group CEO previously served as a director of EDF subsidiary, Arabelle Solutions UK Limited, bringing extensive experience in the nuclear sector to support the strategic direction of EDF Group and EDF UK.

On appointment, Directors are provided with the EDF UK 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 are 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 centres) 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 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 has authority to delegate FALs to the ET where appropriate, to discharge the needs of each BU, and support the ET to delegate their FALs to Leaders in 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 *An Electric Britain*, and the control action that is being taken to mitigate these risks. 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 to 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.

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 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 Reports. 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 have any 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 Ambitions 2035, as well as their respective BU's plans, progress, and achievements. Communication methods include email, video, all-staff webinars, face-to-face meetings, town halls, Q&A sessions, and informal gatherings during the ETs monthly all-day meetings at different offices. In 2025, a new format of "live expos" were introduced, where employees met with various representatives from the business to discuss electrification, debt and services and solutions that EDF UK offer. These live expos have allowed for greater engagement with employees by encouraging active discussion and open dialogue on key areas of the business.

A particular focus is placed on leadership communications with the top 100 Directors of the Company, featuring bi-monthly webinars and one full-day face-to-face meeting each year. EDF Group colleagues are regularly invited to the face-to-face meeting 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
- Neurodiversity; and
- Outreach.

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 EDF UK can improve as an organisation. At the end of 2025, 39.1% 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.

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 2025 were 81%, this gave a representative view of how employees feel, and gave insight on what the company should focus on and improve. In 2025, scores for engagement and diversity reached new highs, with 89% of participants saying they'd recommend EDF as a good place to work.

In 2024 EDF UK concluded its research into our 'Employee Value Proposition' (EVP). Data was captured from around 7,500 people through EDF's annual 'My EDF' survey, 'My Voice' surveys, 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. EVP integration – the implementation of the EVP internally has included development and deployment of multiple [employee](#) experience projects, employee communications and office visuals.
2. Internal Mobility – following outcomes from the EVP research, the People Innovation team are investigating improvements to internal mobility across business units and as well as across all EDF UK entities, to ensure EDF UK retain talent.
3. Inclusive recruitment practice - Since May 2023, all managers and those involved in recruitment are expected to complete a short E-Learning 'just in time' of their recruitment activity. This is with the aim of improving candidate experience to increase engagement and ensure a genuine message of "Everyone's Welcome" is broadcast and received.
4. Employer Brand & Onboarding Experience – The Company has launched 'Success is Personal' and is attracting talent, building potential talent pools and improving the awareness of EDF UK as an employer across social channels. The successful enhancement of the onboarding portal now means that candidates can learn more about EDF, become more aware of our culture and get introduced to key stakeholders prior to their start date to ensure retention of all attracted talent.
5. Pay Transparency – alongside the Pay Transparency EU Directive, the Reward Team have been enhancing visibility for our employees on their reward packages, including a live total reward statement and more accessible video explanations of pay and bonus.
6. Everyone's Welcome – Following an independent review, our three key leadership courses will be revised to make sure 'Inclusive Leadership' is paramount throughout. Training and socialising of Cultural Intelligence and Psychological Safety is being carried out across EDF UK.
7. Building a Respectful and Inclusive Workplace – With a clearer focus on inclusion, in May 2025 EDF UK launched a new mandatory E-Learning package, "Building a Respectful and Inclusive Workplace" to bring people up to date with legal changes and focus on inclusive behaviours. By the end of 2025, nearly 10,700 employees have completed the training.
8. Net zero commitments – To support An Electric Britain 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, and extending the offer to include preloved vehicles and second car options. In addition, e-bikes are included in the Company's cycle-to-work program.

## Suppliers

EDF UK is an active supporter of the United Nations Global Compact ("UNGC"). The UNGC's ten core principles form part of the supplier onboarding process across EDF UK. The UNGC 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. EDF UK publishes the *Sustainability and Ethics – Supplier Requirements Manual* on its website, demonstrating its ongoing commitment to ethical and responsible supply chains. The manual sets out EDF UK's expectations when selecting third parties and outlines the standards required across its supply chain. EDF UK is committed to working collaboratively with suppliers to deliver excellence in all areas. This is achieved by ensuring the right people, with the right skills, are in place to provide works, materials, goods, and services at the right time. 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.

In 2025, EDF UK partnered with two leading modern slavery charities, 'Stop the Traffic' and 'Justice & Care', in order to strengthen awareness and understanding of modern slavery within the utilities sector. This collaboration aims to increase awareness, enhance resilience and support better decision-making, ensuring robust compliance across EDF UK and our supply chain.

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. This policy is due to be reviewed again in 2026. To ensure these standards are maintained, in 2025 new training was rolled out internally across EDF UK on how to spot signs of Modern Slavery, to ensure staff are reminded of the importance of this topic, and our collective duty to call out suspicious practices.

## Customers

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

EDF UK are also committed to supporting its most vulnerable customers through a wide variety of schemes. In 2025, EDF UK announced a £30 million Winter Support Package to help customers. The support package will extend support to more customers throughout the year, building on work already under way, including:

- Partnering with TellJo to use real time wellbeing data to identify and help vulnerable customers earlier;
- Expanding expert frontline teams so more customers with complex needs get tailored, hands-on help;
- Relaunching our Sunday Saver offer, offering free electricity on Sundays to customers who cut usage during the week;
- Strengthening partnerships with Citizens Advice Plymouth, IncomeMax and Charis Grants to deliver financial and energy advice; and
- Continuing to offer our customers fixed products that will help them save money against the Office of Gas and Electricity Markets ("Ofgem") price cap.

Evidence shows that timely support makes a real difference. In 2024, EDF UK cleared £1.5 million in customer debt, and nine out of ten of those supported remained debt free for at least 12 months in relation to their energy bills. By August 2025, EDF UK had provided advice and support to 237,000 households struggling with their energy bills building on the thousands of customers who received support in 2024.

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 to be able to monitor feedback and address negative responses by implementing improvements, and relaying feedback to the relevant teams. In 2025, EDF UK's Trustpilot score increased to 4.8, 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 2025, the Directors have remained mindful of the diverse range of stakeholders that the Company collaborates with, recognising the important roles each can play in supporting an Electric Britain. 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. A first of a kind Partnership Agreement was signed between EDF Power Solutions and the four recognised Trade Unions, GMB, Prospect, Unison and UNITE the Union in 2024. Formal arrangements have been developed throughout 2025 including the setting out of a Partnership Forum, Health, Safety and Environment Committee and early work on a People and Skills Forum to support compliance in relation to the Fair Work Charter.

The Company and its subsidiaries work with external stakeholders to make sure latest updates across the energy industry are clear. These include trade associations, industry bodies government, and regulators. In 2024, to develop a transparent conversation and relationship with Ofgem, EDF UK began holding quarterly calls with them, and these meetings have continued through-out 2025. As a result, the Company can discuss market developments, challenges, key insights and proposed reforms, to gain a deeper understanding of existing policies and processes. Whilst the foundations of this open dialogue began in 2024, 2025 has been an important year to build and embed this relationship, with EDF UK taking a more proactive approach to engagement. 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.

The Company continue to engage with political stakeholders and decision makers who shape the policy which can impact our business. It's essential for EDF UK to work with government, so issues affecting the energy industry are discussed in an open and transparent manner. Having direct communication with political and regulatory stakeholders helps them better understand EDF UK's business and enhances our insight into the factors shaping policymaking. This is supplemented by our participation in trade associations and industry bodies.

In 2024, the Company joined forces with Octopus Energy, to establish a jointly owned, campaign organisation, Electrify Britain, a groundbreaking initiative aimed at creating a greener, more affordable energy system. This partnership focuses on achieving net zero through electrification. Aligning with EDF's overall ambition of An Electric Britain, 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 electrification 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 EDF UK's 'An Electric Britain - Progress Update 2025', 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 and other sustainability topics.

EDF UK is committed to social responsibility, community engagement and environmental sustainability, which are underpinned by various corporate policies (available online). EDF UK 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 with local communities is undertaken 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 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 2025, EDF UK acquired the remaining share capital of EV charging solutions provider, Pod. Prior to this, EDF UK held a 53% shareholding in the business, and as a result Pod has been delisted from the London Stock Exchange, bringing the company into EDF UK's portfolio of low carbon technologies. This affirms the Company's commitment to strengthening Britain's energy security by accelerating electrification. This acquisition comes just over a year after EDF UK acquired Contact Solar, a solar panel and battery storage specialist, who provide domestic and commercial solar and battery storage solutions across the UK, and two years after the acquisition of CB Heating, a national heat pump installation company. By investing in renewable 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.

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. The current nuclear fleet has been supporting UK economic growth since 1976, together contributing over £123 billion to the UK economy while the construction of Hinkley Point C (HPC) is providing a significant economic boost and supporting the local supply chain. So far, the HPC project has created more than 26,000 jobs, with 35% of workers gaining employment from areas of recognised deprivation. The HPC project has also helped with a 25% growth in the demographic of younger people aged 25-39 in the local area, three times greater than the national average. The Company understands the potential for disruption in the area around HPC. Throughout the process, the HPC team has continuously communicated with the local area to better understand how they can work together to support the local community. As the HPC project 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. For every £1 spent at Hinkley Point C, a further £2.29 is generated in wider economic value within the South West. The latest HPC Socio-economic Impact Report (available online) demonstrates that the project is successfully meeting its ambitious targets to deliver a lasting legacy.

To support communities near our renewable energy sites, each of our operational projects have a dedicated fund, which provides a valuable opportunity to engage with each local community and their interests to provide benefits to communities that will be impacted by new energy infrastructure. These funds go towards renovation projects, to helping people learn new skills and find work and making donations to local charities. In 2024, the amount EDF power solutions gave to community groups and initiatives across the UK and Ireland totalled over £2.8 million. The Fallago Environment Fund is a unique windfarm community fund that supports local and regional projects across the Scottish Borders, reaching a milestone in 2024 with £2 million donated to 164 initiatives that enhance the area's built, natural, and cultural environment.

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 2025, EDF UK raised £303,000 through a series of company-wide fundraising events, and efforts from our people including skydives, marathons, endurance challenges and international expeditions. So far, over the course of the two years of the partnership, the total raised is above £514,000.

### **Key decisions made by the Board in 2025:**

To support principal decision-making, each BU is responsible for engaging with stakeholders, evaluating feedback and escalating key information to the Board. In 2025, 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. Supporting Employees**

Equity, diversity and inclusion (EDI) remain key priorities for the Company and were a focus of Board discussion in 2025. The Directors emphasised the importance of fostering an inclusive workplace culture where employees feel engaged and valued, with the Company continually seeking ways to strengthen this approach. Ensuring all employees feel included, is central to building a diverse workforce that brings a breadth of skills and perspectives to the organisation. The Board recognises that promoting diversity and inclusion, is critical to individual and organisational success. To provide a clear framework for implementing these principles, the Company introduced three core pillars in 2025: (i) inclusive leadership, supported by leadership development programmes addressing EDI expectations; (ii) cultural intelligence, including education for leaders and teams; and (iii) psychological safety, with practical actions to embed these behaviours. The consideration of these topics at a Board level demonstrates its commitment to employee wellbeing and a culture where everyone's welcome.

#### **2. Supporting Customers**

In 2024, EDF successfully completed the migration of its entire customer base to Kraken, a cutting-edge platform designed to deliver more efficient and responsive customer service. This platform improves billing, reduces debt, and cuts call wait times, to help support our customers. Since the migration, the Board has closely monitored Kraken's performance and the impact of this investment. In 2025, the Board noted a significant improvement in customer satisfaction, reflected in EDF's Trustpilot score rising from 4.13 at the start of the migration in 2023 to 4.8 in 2025, highlighting the positive outcomes of investing in technology to drive efficiency and deliver the best service to our customers. By prioritising customers in its decision-making, the Board ensures that the best interests of customers are considered, which in turn supports the long-term success of the Company as a whole.

#### **3. Setting the EDF strategy**

In 2024, EDF Group launched Ambition 2035, aimed to lead the new electric revolution and build the energy system of tomorrow. Since then, the Company has reviewed its strategy in light of the evolving energy landscape where energy security, affordability and decarbonisation matter more than ever. In 2025, the Company's new strategic ambition was discussed at the Board, in light of the ever-changing market context, in order to achieve net zero. In 2025, the Board discussed EDF UK's role in delivering this ambition, focusing on energy security and how its interconnected businesses can work together to achieve net zero. EDF UK concluded that our strategic direction is appropriate, as demonstrated by the progress EDF UK made in 2025: from Sizewell C's investment decision, to progress at Hinkley Point C, the expansion of Dalkia, and Customers becoming one of the best employers to work for, as well as ongoing safe nuclear generation and growth of EDF UK's renewables capability. These successes highlight the strength of EDF UK's five families and central functions working collaboratively. 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. Embedding key strategic objectives into Board decision-making supports the Company's success and longevity, balancing stakeholder interests, customer needs, environmental priorities, and business performance.

## Key performance indicators

In 2025, we continued to measure progress against our key ambitions. Our key Group ambitions and related measures for 2025 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, (b) Operating cash flows, and (c) Operating expenses (excluding Customers acquisition costs).
- 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 RPV Site Installation** - This metric relates to the date on which the Reactor Pressure Valve at the HPC site is to be installed. This indicator was removed in 2025.
- **MEH Bulk Installation (Earned Hours)** – 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.
- **Unit 2 Dome Lift Complete** - New 2025 KPI: This metric relates to the timing of the dome for Hinkley Point C’s second reactor building being successfully lifted into place. The major milestone closes the roof on the second reactor building, allowing the second nuclear reactor to be installed in 2026.
- **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.
- **Nuclear Output** - New 2025 KPI: This metric measures the volume of output in TWh, as generated by the Nuclear Fleet during the calendar year.
- **Trust Pilot** – This metric relates to the year-end customer rating on Trust Pilot out of 5.
- **Kraken Benefits Delivery** - This metric measures the average number of customers on the new platform supported by each Customer Service Advisor as at year end.

- **EBS Total Contracted Value GM** - New 2025 KPI: This metric measures the EBS total contracted value Gross Margin of all sales made in 2025 irrespective of contract delivery dates.

The results for 2025 and 2024 for the Group wide KPIs presented to the Remuneration Committee were:

Categories	Measure	2025	2024
Social	TRIR <sup>(1)</sup> (per 1,000,000hrs)	0.58	0.63
	RIDDOR accident frequency rate (HPC site only; per 100,000hr)	0.043	0.050
	Diversity (%)	41.4 %	36.1 %
	Engagement index (%)	81 %	81 %
Financial <sup>(2)</sup>	Earnings before interest, tax, depreciation, and amortization (£m) <sup>(2)</sup>	1,940	2,873
	Operating cash flows <sup>(3) (4)</sup> (£m)	1,604	2,386
	Operating expenses (excluding customers acquisition costs) <sup>(5)</sup>	(1,622)	N/A

The results for 2025 and 2024 for the business specific KPIs presented to the Remuneration Committee were:

Categories	Measure	2025	2024
Business	RPV Site Installation (Completion Date)	N/A	03 Dec 2024
	MEH Bulk Installation	11%	6%
	Unit 2 Dome Lift (Completion Date)	17 Jul 2025	N/A
	Decommissioning – Fleet Flask <sup>(6)</sup>	91 %	92 %
	Nuclear Output (TWh)	32.9	N/A
	Trust Pilot (out of 5 star rating)	4.8	4.7
	Kraken Benefits Delivery (Customers/Customer Service Advisors)	2,216	2,084
	EBS Total Contracted Value GM (£m)	202	321

(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 £44m (2024: £29m) 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 (£1,604m) and the consolidated cash flow statement (£3,162m) is mainly due to the reclassification in the management accounts of tax (£177m) (2024: (£662m)) offset by working capital (£53m) (2024: (£328m)), know how revenue £1,382m and net investments of £532m (2024:£196m).

(4) Operating cash flow excludes Nuclear New Build results.

(5) The main difference in operating expenses (excluding customers acquisition) between the Group's management accounts (£1,622m) and consolidated income statements (£1,723m) is mainly due to the consolidation of Arabelle Solution £44m and statutory adjustment/classification £57m.

(6) 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 £604m (2024: £1,728m). The profit for the year after taxation was £284m (2024: £874m). Dividends of £310m (2024: £800m) were paid to the parent company, EDF Energy (UK) Limited and dividends of £135m (2024: £355m) were paid to the non-controlling interest during the year. The net assets at the end of the year amounted to £33,208m (2024: £29,008m (restated))

Group sales for the year amounted to £13,935m, a decrease of 6%. Operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional costs for the year of £1,896m has decreased in comparison to 2024 (£2,902m). 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 decline in operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional costs is explained by the 4.4TWh decrease in nuclear power output due to longer unplanned outages, particularly at Hartlepool, and a busier maintenance programme, together with the impact of lower market prices on realised nuclear prices. Sales activities are also facing stiffer competition in a context of lower market price volatility.

## Review of the business

### Generation

#### Nuclear Operations

EDF Energy has eight nuclear power stations in the UK, one of which entered the defueling phase (Dungeness B) in 2021 and two of which (Hunterston B and Hinkley Point B) that have been verified as fuel-free. Hunterston B has been transferred to Nuclear Restoration Services (NRS) in April 2026 and Hinkley Point B is expected to be transferred by end of 2026. The total generating capacity was 5.9GW during 2025 (2024 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. Safety performance has been relatively stable, with respect to radiological, environmental and fire. In 2025, two Level 1 events were recorded on the International Nuclear Event Scale (INES scale - level 1 events are described as anomalies and are the lowest on the 7 point 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 2025, the average individual dose received by all EDF Energy plant staff was approximately 0.020 mSv (2024: 0.042 mSv). The highest individual dose received in 2025 was 4.4546 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 economic viability to meet the required level of nuclear safety. This is determined at each statutory 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 PSR was submitted to the ONR in January 2024, with a decision letter received in January 2025. The letter confirmed that there were no significant safety concerns or challenges to continued operation.

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. Since EDF Energy acquired British Energy, the average plant life extension for AGRs has been eight years.

In September 2025, it was announced the decision to extend by one year the lifetime of Hartlepool and Heysham 1 to March 2028.

### Operational review of the existing nuclear operations fleet

The five nuclear power plants produced 32.9 TWh in 2025, a 12% reduction in output compared with 2024 (37.3TWh) and caused mainly by an extended outage at Hartlepool power station.

An additional statutory outage, a turbine rotor exchange on one unit at Hartlepool and further unplanned losses principally at Hartlepool, Heysham 1 and Heysham 2 nuclear power plants reduced the producible electricity in 2025. In 2024 the output was limited by the shutdowns of the four units in Heysham 1 and Hartlepool nuclear power plants after the failure of a steam valve at Heysham 1 at the end of 2023.

### Thermal generation

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. Potential development projects are being considered for the Cottam land for once decommissioning and demolition is complete.

West Burton A (WBA) closed on 31 March 2023, after 57 years of service. The decision to close the plant is in line with EDF Energy'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.

WBA is the chosen site for the first prototype fusion energy plant, a project called STEP (Spherical Tokamak for Energy Production) lead by UK Industrial Fusion Solutions (UKIFS), the project aims to demonstrate net energy from fusion by the 2040's. UKIFS currently have a land option with WBA, available until 2030.

### Customers

EDF Energy is responsible for the supply of gas and electricity and related services to residential and business customers across Great Britain and the wholesale market optimisation of EDF Energy's generation and customer assets. The size of business customers ranges from large public sector contracts to small privately-owned businesses. EDF Energy adopts different risk management strategies for residential and business customers.

EDF Energy is one of the UK's leading energy suppliers in energy efficiency installations through the Energy Company Obligation (ECO) Scheme and provides other "beyond supply" services to customers, such as energy asset management and optimisation, and the same and facilitation of electric vehicles (EVs), heat pumps and solar panels.

### Domestic customers

EDF Energy supplied 9.942TWh of electricity (2024: 10.522 TWh) and 24.343TWh of gas (2024: 25.318 TWh) for the domestic segment in 2025. As at 31 December 2025, EDF Energy had 2.94 million electricity accounts (2024: 3.1 million) and 2.06 million gas accounts (2024: 2.2million). The 2025 churn (around 5%) reflected a decrease compared to 2024 (around 9.7%). EDF Energy's market share decreased from 9.5% at the end of 2024 to 9.1% (as of the most recent report, 31 October 2025).

To support its most vulnerable customers through winter, EDF Energy is investing £30 million, an increase in funding for the fourth year running. This support helps customers struggling with debt, working alongside partners to help the most vulnerable, both financially and by helping keep them warm and and insulate their homes. EDF Energy remains highly engaged with Government and regulators, both bilaterally and in partnership with other suppliers via the industry body Energy UK, to review issues such as supplier resilience, the future of the Default Tariff Cap methodology and Government support for consumers. This includes advocating for a social tariff to be implemented for the most vulnerable customers.

In 2024, EDF Energy completed the migration of c.5.8 million residential and Small Business customers onto Kraken Technologies' market-leading platform. This has enabled the company to deliver highly rated customer service, demonstrated by achieving an "Excellent" TrustPilot rating (4.8/5) in 2025, the joint highest of large energy suppliers in the UK market.

### Non-domestic customers

EDF Energy supplies c.302k Small Business (SB) customers (2024: c.364k) and c.17.7k Industrial and commercial (I&C) customers (2024: c.17k), of whom c.15.8k are medium business customers (2024: c.15k) and c.1.9k are large business customers (2024: c.2k). Our I&C business (EDF Business Solutions - 'EBS') also supplies several large public sector customers, including Crown Commercial Services, which is a government agency assigned to procure a broad range of goods and services for the England and Wales public sector, such as the Ministry of Defence and the National Health Service (NHS). This contract is the largest energy contract by volume in the UK.

In 2025, the non-residential segment supplied a total of 36.31TWh of electricity to non-domestic customers, of which 2.56TWh was supplied to Small Business customers and 33.75TWh to I&C customers. In total, EDF Energy supplied 2.66TWh of gas to non-domestic customers, of which 1.49TWh was supplied to Small Business customers and 1.17TWh to I&C customers.

The business customer electricity market in the UK is c.155.1TWh in total, making EDF Energy the largest supplier to business customers by volume and number of meters, supplying c.22.7% of the business market. EDF Energy's volume supplied to the non-domestic electricity market has increased by 1.5TWh year on year thanks to strong growth in our I&CS business.

In Small Business, the number of customer accounts has slightly decreased by c.5.2% this year, but EDF Energy remains the 2nd largest Small Business supplier in the UK.

EDF Energy's Medium Business has once again delivered a strong sales performance and has driven significant improvements in customer service to consolidate its leadership position on the market. It has continued to grow its gas business, which supplied c.6.1k meter points at 2025 year end (2024: c.4.7k).

In the Large Business segment, the continuation of a targeted new-business approach has led to the successful acquisitions of two new customers in 2025. Additionally, 53 Large Business contracts have been renewed. We have supplied c.18TWh (2024: 15TWh) under our contracts to customers in the public sector.

In the electricity purchase market, EDF Energy has remained the largest PPA renewable power off-taker (based on owned and third party capacity) in Great Britain according to the latest industry market report by Cornwall Insight. Contracts were signed with 571 renewable sites. This includes 16 new renewable sites providing additional capacity to the GB grid of which five were new Corporate PPAs across solar and wind projects.

### The aftermath of the energy crisis

After significant volatility in 2021 and 2022, the wholesale energy markets for gas and power steadied in 2023 and have remained relatively stable since. Nevertheless, wholesale and retail prices remain higher than before the energy crisis, and the risk of short term 'spikes' in prices remains.

EDF Energy still faces significant risk to its hedging strategy due to demand volatility, as weather remains the key driver of customer consumption and there remains a degree of uncertainty over customer energy use which has evolved markedly since the Covid-19 pandemic and the 2021-22 energy crisis. Geopolitical uncertainty, particularly in Russia and the Middle East, further increases market volatility and raises risks around liquidity. The possibility of regulatory change continues to represent a critical risk to EDF Energy. This could come in the form of changes to ability to recover debt from customers, ability to generate profit through pricing, and in support for renewables and low-carbon generation which is central to EDF Energy's long-term strategy. Energy retail remains a high-profile issue for both domestic and business customers whilst energy costs continue to remain high.

EDF Energy is very actively engaged with the Office of Gas and Electricity Markets (Ofgem), the UK Government, its opposition, and other industry stakeholders in discussions on market regulation reform and how to support customers through 2026 and beyond on the journey to Net Zero and an electric Britain.

## Ongoing Energy Market Conditions

Geopolitical uncertainty, particularly in Russia and the Middle East, further increases market volatility and raises risks around liquidity. We are actively monitoring and responding to market movements driven by the current situation in Iran; we have initiated regular board-level forums to oversee this and have adjusted our hedging strategy accordingly. We have also remained active in the market, providing timely and transparent market insight through briefings and webinars for our largest customers.

## Wholesale Market Services

### General principles

EDF Energy's energy purchasing and risk management policies ensure that EDF Energy's activities are optimised and its services delivered at a competitive price while limiting its gross margin volatility. Business & Wholesale Services (BWS) manage the wholesale market risk within pre-defined risk limits and a control framework. It provides an interface with the wholesale markets, via EDF Trading. BWS also provides modelling services to the whole of EDF Energy, as well as negotiating and managing asset backed commercial structures with third parties including providing route to market and optimisation agreements for producers.

### Electricity supply and sale

Since April 2010, 20% of the output from nuclear production has been sold to Centrica, a minority shareholder of the current nuclear fleet, under the agreements entered into with Centrica.

The remaining 80% is sold internally under the same transfer price as used for the transaction with Centrica, based on published market prices, smoothed over forward electricity futures prices where liquidity allows.

Over and above its own generation, EDF Energy also sources electricity through export power supplied from PPAs which are mainly with renewable and Combined Heat & Power (CHP) generators. In 2025, EDF Energy acquired approximately 10TWh through this channel.

WMS Flexibility Services offer customers Route to Market and Optimisation Services for storage (e.g. batteries) and small-scale generation (e.g. 'gas peakers') to earn revenues from Wholesale Trading and Flexibility Ancillary Services. In 2025 it secured 2.96MW of new battery optimisation contracts and agreed contract renewals with existing battery partners representing 49.9MW. It also secured 140MW from new gas peaker contracts, while agreeing contract renewals with existing gas peaker partners representing 20MW. For delivery in 2025, EDF Energy was a net buyer in the wholesale market of approximately 10.2TWh (including structured trades), having sold approximately 26.9TWh and bought 37TWh.

## Electric Vehicles (Pod)

EDF Energy previously held a majority (c.53%) stake in Pod Point Group Holdings Ltd ('Pod') from November 2021, when it was subject to an Initial Public Offering (IPO). On 4 August 2025, EDF Energy purchased all remaining shares of Pod, taking full ownership of the company and de-listing it from the London Stock Exchange. This acquisition provides an opportunity to provide even greater support and long-term stability, helping the business navigate a challenging market and continue to deliver for its customers. Supporting the UK's transition to electric vehicles (EVs) strengthens EDF's ability to help people save money and cut carbon - a core part of our purpose.

In 2025 Pod installed c.22k domestic Plug-in-Vehicle (PiV) charge points. These sales were achieved despite the ongoing cost of living crisis that has slowed growth in the EV market. EDF Energy estimates that it currently has c.109k customers with EVs, of which c.31k have a specific tariff designed for EVs.

## Heat Pumps (EDF Heat Pumps)

In 2025, EDF Energy has completed c.1.6k heat pump sales (gross) and has installed c.1.1k heat pumps. This represents a c.5% increase in sales and 18% increase in installs for 2025 vs. 2024.

## Solar Panels and Batteries (Contact Solar)

In February 2024, EDF Energy acquired Contact Solar, a leading residential solar PV install company. Contact Solar has completed c.3.3k solar sales (gross) and has conducted c.2.3k PV / Battery installs. This represents a c.74% increase in sales and an 81% increase in installs for 2025 vs. 2024, driven by significant increase in leads generated by EDF Energy and passed to Contact Solar vs 2024.

## 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 along with the UK Government was also the developer of a nuclear power plant project at Sizewell in the Suffolk region (the Sizewell C project) based on EPR technology, which has now entered the construction phase following the project's Financial Close on the 4th of November 2025 and in which EDF Energy has retained a minority 12.5% as well as a being a significant supply chain partner, for example the nuclear island and steam turbine packages.

## Hinkley Point C (HPC)

At 31 December 2025, EDF Energy owned 76.7% (2024: 72.6%) of HPC, with CGN holding the remaining 23.3%.

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 2025, the Hinkley Point C project completed a series of milestones:

- In January, Framatome started the fit-out of the Remote Station Shutdown Room in Unit 1 Safeguarding Building 3. This is the back-up to the Main Control Room in the unlikely event it goes offline. In March 2025 the first level concrete was poured around the spent fuel pool in the Unit 1 Fuel Building
- On 17th July Unit 2's 245-tonne Dome was safely lifted into its Reactor Building over a period of six hours, this was 18 months after Unit 1 dome lift.
- In August four Medium Head Safety Injection Pumps were installed – one for each of Unit 1's Safeguard Buildings. The pumps form part of the Residual Heat Removal System.
- In September the first electric switchgear cabinet was installed in the Unit 1 safeguard building.
- In October the Outfall Tunnel and its connection to Unit 1 and Unit 2 outfall buildings was completed. The works on the offshore Outfall Tunnel were complete in July with the final concrete pour for the triple point connection taking place in late September.

## Project Costs and Schedule

The review of the Hinkley Point C project in January 2024 had led to a reassessment of the construction schedule and cost, with 3 scenarios to consider:

- a first scenario with a target of starting production of Unit 1 in 2029,
- a second scenario (base case) leading to a start of production in 2030, and
- an unfavourable scenario that could lead to a start of production of Unit 1 in 2031, i.e. 12 months more than the base case.

The project now plans to start production of Unit 1 in 2030. The cost of the project is now estimated at around £35 billion (in 2015 monetary value). A delay of 12 months would lead to an additional cost of around £1 billion (in 2015 monetary value). At the end of 2025, construction costs incurred for the entire project amounted to £31.88 billion (nominal value), or £25.10 billion (in 2015 monetary value).

At the end of 2025, the Company recorded an impairment of £2,155m mainly due to a reduction in the contract for difference strike price of £3/MWh (in 2012 monetary value) to £89.5/MWh (in 2012 monetary value) at the time of Sizewell C's final investment decision, also due to the 12 months delay from the COD of Unit 1 related to MEH works and the increase in the estimated construction costs. This is partially offset by the impact of macroeconomic factors (see further details in note 20 of the financial statements).

### Financing of the project

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 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. The shareholders' agreement gives CGN the option to contribute to project financing at any time.

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

The Office for Nuclear Regulation (ONR) ensures close monitoring of the project with a particular focus on health and safety of nuclear sites and cyber-security with planned, emergent and unannounced inspections taking place across the project. ONR have approved the update to our regulatory approved arrangements for the Nuclear Safety Committee management under Nuclear Site Licence LC13. As part of its Flexible Permissioning regime, the ONR issued a decision of no objection to support the release of the Tertiary Hold Point to install the first Emergency Diesel Generator in HPC Unit 1. Workshops have been held with ONR this year to review and ensure our regulatory engagement remains efficient and effective. ONR are undertaking future permissioning planning activities as the HPC project moves towards the on-site fuel delivery phase. Legal proceedings have been initiated by the ONR against NNB for an alleged offence under Reg 13 (1) of the Construction (Design and Management) Regulations 2015 linked to the fatal incident in November 2022. NNB have entered a plea of Not Guilty to the charge. The matter has been listed for trial at Bristol Crown Court for 4-6 weeks beginning in January 2028.

### Contract for Difference (CfD)<sup>3</sup>

HPC Project Company, NNB Generation Company (HPC) Limited, and the Department of Energy and Climate Change (DECC) (now Department for Energy Security and Net Zero (DESNZ)) 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 the 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 maximum 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:

- following the financial close of Sizewell C on 4th November 2025, the strike price for HPC was reduced from £92.50 to £89.50 2012/MWh;
- the strike price is indexed to UK inflation through the Consumer Price Index (CPI);
- the term of the exercise of the mechanism is a maximum of 35 years; in view of the delay of unit 1, which is expected to be commissioned after 30 April 2029, and of unit 2, which is expected to be commissioned

<sup>3</sup> Terms of the contract are available on the UK government website: <https://www.gov.uk/government/publications/hinkley-point-c-documents>.

after 31 October 2029, the 35-year period will be reduced commensurately with the deadline overrun beyond these 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's negotiations regarding the Sizewell C nuclear project, in November 2022, 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 following unit 1's start date, and to review certain conditions for the costs corresponding to decommissioning and waste management operations (Funded Decommissioning Programme).

## Sizewell C

Sizewell C ("SZC") is a project to build a nuclear power plant with two EPRs at Sizewell, in the Suffolk region of England. SZC is expected to have a total capacity of 3.2 GW supplying electricity to 6 million households for 60 years.

The project is based on HPC's replication strategy, replicating as much of HPC's design and supply chain as possible. SZC 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.

Since Financial Close on the 4th November 2025 EDF Energy holds 12.5% equity ownership as a minority shareholder of SZC and is accounted for using the equity method in the company's accounts. SZC has its own leadership team which will make decisions and lead the plant's construction as an independent company.

### Final Investment Decision (FID)

On the 22nd July 2025, SZC reached Final Investment Decision and on the 4th of November reached Financial Close. EDF Energy plans to invest a maximum of £1.1 billion during the construction period and will have a stake in the project of 12.5%, alongside the UK government with 44.9%, La Caisse with 20%, Centrica with 15% and Amber Infrastructure with 7.6%. EDF Energy did not invest new cash at financial close due to the reimbursement of the development costs incurred since 2015.

Sizewell C has secured £5 billion in export credit financing guaranteed by Bpifrance AE, as well as a term loan from the UK National Wealth Fund up to £36.6bn. These debt facilities have been achieved following an Investment Grade credit ratings from Moody's, S&P and Fitch.

### Construction

Construction works are underway and as of October 2025, SZC has nearly 2000 people on site.

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 have 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 as part of reaching Financial Close.

### 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.

SZC Limited's economic licence was granted to it at Financial Close by the UK electricity and gas regulator, Ofgem and the project will receive an authorised revenue throughout the construction phase, 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 development costs incurred up to the entry into force of the RAB licence are included in the RAB and recovered under the Revenue Collection Agreement which was signed at Financial Close between SZC and Low Carbon Contracts Company Ltd.

In the operations phase Ofgem will set an authorised revenue level for the project, reviewed every five years, to enable SZC to recover costs and to remunerate capital invested in an incentive regulatory framework also financed via UK consumer bills.

In addition to the RAB model, the Sizewell C project benefits 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.

## **Bradwell B**

The project was not developed further in 2025.

## **Cottam**

On the 14th September 2025 EDF announced its intention to work with Holtec International to develop Holtec's SMR-300 small modular reactors at the former Cottam coal-fired power station in Nottinghamshire, to provide clean, secure power to new, advanced data centres on the site.

## **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 Tariff Cap and Ban on Acquisition Tariffs**

Ofgem introduced a cap on default tariffs for residential customers on 1 January 2019. The price was initially set every six months, based on the average of wholesale prices from the previous six months. However, as part of its response to the energy crisis, Ofgem amended its approach and began to update the Default Tariff Cap on a quarterly basis.

The ban on acquisition-only Tariffs (BAT) prevents suppliers from offering fixed-term deals exclusively to new customers, ensuring that any discounted deals are also available to existing customers. While originally intended to run until March 2023, Ofgem have extended it four times, and it will now remain in place until at least March 2027.

These measures have steadied the market and prevented short-termism from suppliers. Along with the falling wholesale prices and the change in Default Tariff Cap methodology, these measures have helped suppliers to recoup heavy hedging losses suffered during the energy crisis of 2021 and 2022.

### **ECO4 and Warm Home Discount**

ECO3 ended on 31 March 2022. It was replaced in summer 2022 with the fourth iteration of the ECO scheme called ECO4 which covers a four-year period until 31 March 2026. Like ECO3, the ECO4 scheme places an obligation on larger suppliers to promote energy efficiency measures that help low income and vulnerable

customers achieve notional bill savings. The UK Government have confirmed that it will end its ECO scheme in December 2026.

Alongside this, the Government introduced the Great British Insulation Scheme (GBIS) in 2023 which runs in parallel until 31 March 2026. The GBIS scheme is designed to widen the eligibility criteria for households to be able benefit from energy efficient measures when they did not meet the qualifying criteria to be able to benefit from the ECO4 scheme. In 2025, EDF Energy's total committed spend on the ECO4 and GBIS was increased to £129m.

The ECO scheme and GBIS are being replaced by the Warm Homes Plan (WHP). WHP will focus on the delivery of more comprehensive home energy upgrades at no cost for low-income households coordinated by a dedicated agency, local authorities and Distribution Network Operators (DNOs), and a push towards solar PV and low-carbon heating through low/zero interest loans funded by the Government.

The Warm Home Discount (WHD) scheme also continues to run annually until winter 2030/2031. The level of support given to qualifying households under the scheme is currently £150 for eligible customers.

### Financial Resilience

In 2023, Ofgem introduced rules to ensure that all energy suppliers hold sufficient liquidity based on customer credit balances, and that they can meet their obligations under the Renewables Obligation (RO) scheme. In particular, EDF Energy must hold a minimum 20% of customer credit balances as cash and fully ring-fence RO requirements for domestic customers with purchased certificates or collateral.

In 2024, Ofgem introduced minimum capital targets for suppliers based on the number of domestic customers they supply. These measures are designed to ensure that suppliers have access to enough capital to fulfil their regulatory obligations on an ongoing basis. Suppliers are obligated to report their net assets to Ofgem monthly, ensuring that any signs of financial distress are identified quickly and alternative sources of capital can be sourced if necessary. EDF Energy is fully compliant with these requirements.

### 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

EDF Energy remains committed to its Smart Meter installation programme and upgrading the UK's energy infrastructure to enable concepts such as smart grids and time-of-use tariffs, which contribute to grid resilience as the UK moves towards a low carbon future.

Energy suppliers in the UK were required to take "all reasonable steps" to install smart meters for their residential and small business customers before the end of December 2021.

From January 2022 to December 2025, the obligation on all suppliers was to achieve annual minimum installation targets, reaching a final target of 76% of homes and businesses having a smart meter installed. These targets have been challenging given that smart meters remain optional for customers and churn in the industry has been low. EDF Energy remains committed to delivering smart meters to all residential and small business customers who want to benefit from this technology, but like all other major suppliers it was not able to achieve the minimum prescribed targets, mainly due to an increasing number of customers refusing smart meters. Government is currently consulting on the framework for the remainder of the smart meter rollout post December 2025, which for domestic customers will require suppliers to take all reasonable steps to install smart meters in 100% of homes by 2030, and for non-domestic that any new fixed term contract entered into after January 2027 must contain a term that requires the customer to have a smart meter installed.

In 2025, EDF Energy installed a further c.178k smart meters and at the end of 2025, c.69% of EDF Energy customers in scope for the rollout have smart meters. This meant that EDF Energy has installed a total of c.3.7 million smart meters to date.

## Electricity Market - policy interventions

The three most significant elements of the Electricity Market Reforms introduced over a decade ago 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 a 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 2025 Autumn Budget that it will remain at £18/tonne until March 2028.

In a related development in 2025 the UK and EU announced an intention to link their respective emissions trading schemes. Linkage should support well-functioning carbon markets and help to minimise burdens in relation to trade between the UK and the EU.

The Capacity Market (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 amendments to the scheme.

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 a roughly annual basis. Allocation Round 7 (AR7) introduced a range of changes to the scheme including extending contract lengths from 15 to 20 years. The results for AR7 for offshore wind were announced on 14 January 2026 with the government contracting for a record amount of new capacity – results for onshore wind and solar will be released in early February 2026. Preparations are in progress for Allocation Round 8 to launch later in 2026.

### **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 considered a wide range of topics relating to the operation of GB electricity markets and associated policies. A second REMA consultation was published in 2024 which narrowed down options under consideration but included a major reform option of introducing zonal wholesale markets. In July 2025 the government announced that it would not take forward the option of zonal markets but would instead progress reforms to a national wholesale market. The government is expected to publish further details on its national market reform plans in early 2026 – these are anticipated to involve a greater role for strategic planning of generation and network investment, alongside reforms to network charging and the operation of the Balancing Mechanism.

## Network Charging

In summer 2025 DESNZ published an update on their Review of Electricity Market Arrangements. This set out their intention to retain a single national GB wide electricity market rather than move to a zonal market, which had been under consideration. To support this reformed national pricing approach, DESNZ highlighted the importance of reforming network charging (TNUoS) to be more predictable, alongside reforms to other locational investment levers, with the overall intent to reduce uncertainty and support long term investment. DESNZ is expected to publish their Reformed National Pricing Delivery Plan imminently which will set out more details on the next steps and scope of reforms to TNUoS. Their intention is to work closely with OFGEM to develop TNUoS reforms and have set 2029 as a backstop date for delivery.

## 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 44 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 Energy's engineering expertise/knowledge. The estimated lifespan of the stations is based on EDF Energy'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 Energy 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 Energy operates a PWR station, Sizewell B, with a current scheduled closure date of 2035 and Long-Term Operation business case to 2055 has been approved, conditional to agreeing a Contract for Difference with the UK Government. 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 2 and Torness were extended by two years to March 2030 +/- two years. In September 2025 Heysham 1 and Hartlepool's generating lifetimes were extended by a further 12 months out to March 2028 +/- one year.

## 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. To mitigate this, defueling safety cases are being produced and sites prepared to start defueling operations ahead of the scheduled closure date. 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.

Three AGR stations have ended generation, Dungeness B is defueling, Hunterston B and Hinkley Point B have achieved fuel free verification and are progressing to asset transfer. Defueling preparations are progressing for the four generating AGRs ready to defuel in advance of downside end of generation dates. 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 the performance of suppliers, including ability of the MEH (Mechanical, Electrical & HVAC) Alliance to meet installation rates and the integration of the suppliers on site, availability of a capable construction workforce, design stability and configuration control, equipment qualification, physical and cyber security, asset preservation and maintenance and confidence in the achievement of the commissioning schedule. The existing management controls, including oversight through a NNB Generation Company (HPC) 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. In 2025 a final investment decision was also achieved for the Sizewell C project, with the project now proceeding to full construction. EDF is taking a 12.5 per cent stake in the project working alongside the government and other new shareholders in the form of La Caisse, Centrica and Amber Infrastructure. Sizewell C is being funded via the newly established Regulated Asset Base (RAB) model for new nuclear.

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.

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.

### 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/tonne until March 2027.

### 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 an increase in the value of growth assets and additional contributions net of outflows to members have resulted in an increase in the surplus measured on a technical provision basis in the year to 31 December 2025. The IAS 19 discount rate has marginally increased over the same period and for the same reasons as set out for the evolution in the technical provision surplus, the IAS 19 surplus has risen over the year to 31 December 2025. High interest rates, closure to future accrual for most members and members leaving the Company 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 43 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 Energy 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

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 is already affecting the frequency and intensity of natural hazards. Extreme weather events have become more frequent in the UK and are expected to continue to increase and, if unmitigated, the associated risks are likely to impact EDF Energy's activities. Extreme high temperatures and flooding resulting from coastal storm surges and intense rainfall are identified as key climate-related risks to EDF Energy's nuclear power stations.

EDF Energy is proactively identifying, assessing, and mitigating the physical risks posed by climate change across both its existing and new nuclear assets. Drawing on the latest climate science, EDF Energy continuously evaluates the effectiveness and adequacy of its mitigation and adaptation measures to ensure long-term asset resilience and operational safety. This work is set out in the most recent update to EDF Energy's Climate Change Adaptation Plan. Further detail on EDF Energy's approach to risk management is provided in the section 172 statement. Climate risk 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 (aligned with above 4°C global temperature rise by 2100).

Safety cases for existing licensed sites assess resilience to extreme weather and flooding events with return periods of up to one in 10,000 years over the full operational life of the stations. New nuclear power stations are designed for at least 60 years of operation, followed by decommissioning, with on-site fuel storage included within the design basis. Climate resilience is embedded from the outset, supported by detailed studies undertaken as part of Development Consent Order and site licence applications. Periodic Safety Reviews and supporting monitoring arrangements ensure that emerging physical risks are systematically evaluated and that adaptation measures remain effective throughout the plant lifecycle. In addition, a recent programme in Nuclear Operations has completed a detailed review of the potential impacts of meteorological and hydrological hazards on our Nuclear Operations assets. Safety cases for climate-related hazards have been updated, with ongoing assessment of evolving flooding risks.

EDF Energy has also established a strategic Climate ADAPT Programme to facilitate the long-term management of wider climate-related physical impacts by nuclear power station licensees. The Programme has established a governance structure and is implementing integrated climate change risk management arrangements, informed by ISO14090:2019 Adaptation to Climate Change – Principles, Requirements and Guidelines. This includes roll-out of site-specific climate change risk assessments and adaptation plans, starting with Sizewell B, cognisant of the 20-year life extension ambition.

## Transition risk

The purpose of EDF Energy is to drive the energy transition towards an Electric Britain, a secure, affordable, low-carbon future for everyone. The purpose is aligned with the UK Government's commitment to net zero greenhouse gas emissions by 2050 and is a UK articulation of the EDF Group 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 2025, 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>1</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>2</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>3</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.

**Scenarios**

**Rapid transition: *Net Zero 2050 scenario*** - 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. *Net Zero 2050* corresponds to an orderly transition based on the rapid implementation of decarbonisation policies and technological innovation.

**Central: *Below 2 °C scenario*** - 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. *Below 2°C* is an orderly transition scenario with uniform climate policies across the regions.

**Slow transition: *Current Policies Scenario*** - 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.

**Model**

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 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.

<sup>1</sup> Companies Act 2006, Chapter 46, section 414CB- Contents of non-financial and sustainability information statement

<sup>2</sup> Assuming useful economic life of Sizewell B to 2055

<sup>3</sup> Task force on Climate-related Financial Disclosures

The potential for risks and opportunities to materialise in any scenario is subject to uncertainty, as is the ability for EDF 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 accelerating shift towards electrification in the UK, underpinned by well-established governance, strategy, and risk management processes that support resilience to climate-related uncertainty. This strength is reflected in robust commercial arrangements for existing assets, a disciplined investment profile, and an expanding portfolio of low-carbon solutions, including EDF Heat Pumps, Contact Solar, and POD, which was fully acquired in August 2025.

EDF Energy recognises the importance of continuously enhancing climate-related reporting and scenario analysis and is committed to doing so on an annual basis, working closely with the EDF Group to reflect evolving best practice and emerging risks and opportunities.

## **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 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 £1,069m is recognised at 31 December 2025 (2024: £998m) relating to the obligations for renewable energy certificates to be surrendered at that date (see note 32). At 31 December 2025, £395m (2024: £406m) of these obligations are covered by purchased certificates recorded as inventories (see note 27).

## **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 for unburnt fuel. Details of these provisions can be found in note 32 and 33.

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 32).

### **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 20).

## 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.

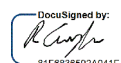
## Going concern

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 available surplus cash. The Group manages its capital and supports its credit rating through focusing on its net debt which comprises borrowings (note 30), 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 46), 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 next 12 months. 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

DocuSigned by:  
Robert Guylér

Robert Guylér

Director

22 June 2026

## DIRECTORS' REPORT

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The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2025.

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 (Resigned 1 July 2025)
- Veronique Lacour
- Simone Rossi
- Xavier Ursat
- Sylvie Jehanno
- Etienne Dutheil
- Luc Remont (Resigned 7 May 2025)
- Brice Bohuon (Resigned 1 September 2025)
- Caroline Chanavas (Resigned 1 September 2025)
- Alex Chisholm
- Bernard Fontana (Appointed 17 July 2025)
- Claude Laruelle (Appointed 1 November 2025)
- Elisabeth Terrail (Appointed 1 November 2025)
- Nicolas Machtou (Appointed 1 November 2025)

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 2025, 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

- Under the Energy Savings Opportunities Scheme (ESOS) Regulations, a progress update for Phase 3 (2024-2027) was carried out in December 2025. This showed that ESOS claims attributed to 7,157 MWh of savings in 2024, and 27,941 MWh of savings in 2025.
- Heysham 2 completed a project to improve their auxiliary steam system on Unit 1 in December 25. This saves up to 13,140 MWh annually through efficiency gains and reduce environmental impact of using oil-fired plant i.e. carbon emissions and waste disposal.
- Dungeness B reduced gas circulator, main motor and shutdown feed pump usage through cold defueling operations backed by the cold defueling safety case. This equates to an estimated annual energy reduction of 5,200 MWh (2025 saving - approx. 3,900 MWh).
- Dungeness B completed the commissioning of a new water treatment trailer facilitating the shutdown of condensate systems and main cooling water pumps. This equates to an estimated annual energy saving of 17,280 MWh (2025 saving – approx. 2,880 MWh).
- Sizewell B completed a monitoring and diagnostics project which optimises winter cooling water pump usage. This equates to an estimated annual energy saving of 168 MWh (2025 saving – approx. 168 MWh).
- Hinkley Point B optimised number of gas circulators required for defueling through the natural circulation safety case from two to one. This equates to an estimated annual energy saving of 72 MWh (2025 saving - approx. 54 MWh).
- Hinkley Point B removed all fuel from reactor 3 early allowing the shutdown of gas circulators and main feed systems. This equates to an estimated annual energy reduction of 248.4 MWh (2025 saving - approx. 41.4 MWh).

## Hinkley Point C

- The Hinkley Point C construction site continues to drive down the reliance on mobile diesel generation plant, with progressive connections to the grid from January to December 2025 the number of generators on site dropped from 28 to 16 reducing the amount of diesel used in generators by 75%.
- Corporate and Engineering support offices relocated to the refurbished Aztec 1000 in November 2025, delivering a significantly improved energy rating, over 50% lower predicted energy use, and on-site solar power.
- The On-Site Waste Consolidation Centre helps maximises load consolidation and efficiency. In 2025, site performance improved, with the average consolidation factor rising to 6.34 truckloads into one, delivering fuel savings from reduced transport.
- In 2025, the Hinkley Point C project developed an Asset RePurposing System to enable cross-contractor reuse on site, cutting waste and extending asset life, with the system allowing savings, including carbon, to be calculated from early 2026.

## Arabelle Solutions

- Insulation material has been added within a boiler room which creates a saving of 0.9 tonnes of CO<sub>2</sub>e per annum.
- Process chillers were surveyed and all chillers aged 20 year or over are to be replaced over a 5-year program with an expected saving when complete 1.6 tonnes of CO<sub>2</sub>e per annum.
- Water flow reduction valves have been added where practicable across site which reduce water flow by 20%.
- Continuation of LED lighting in newly re occupied office areas to replace inefficient bulbs.

#### All Company

- LED upgrades continue to be rolled out across all locations, where possible.
- We continue to install Pod workplace charging points across our sites. We continue to convert our light vehicle fleet, cars and vans, to EV100 qualifying vehicles at the first replacement opportunity, wherever possible. We have committed to convert our fleet to EV100 qualifying vehicles by 2030.
- The Energy Management Team have a programme of activities to reduce consumption across the estate.
- Additional PV installation completed at Hove. Since installation, the panel have produced 42.6MWh.
- Exit from one of our data centres has resulted in a reduction in energy consumption because of moving to cloud solutions, and the rationalisation of data centres continues.

### Prior 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>e 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.

### Breakdown of Emissions by Scope

Fuel Type	Consumption (kWh)			Emissions (tonnes of CO <sub>2</sub> e)		
	2023	2024	2025	2023	2024	2025
Scope 1: Combustion of fuel for transport purposes	39,482,756	64,759,046	68,424,421	10,025	16,519	17,826
Scope 1: Combustion of gas for heating purposes	967,453	10,679,623	10,159,281	177	1,953	1,859
Scope 2: Purchased electricity	1,289,992,465	1,314,872,955	1,221,611,690	267,124	272,245	216,225
Scope 3: Business Travel emissions	4,360,278	4,742,771	3,846,177	1,057	1,146	935
<b>Total</b>	<b>1,334,802,952</b>	<b>1,395,054,395</b>	<b>1,304,041,569</b>	<b>278,383</b>	<b>291,863</b>	<b>236,845</b>

Consumption of gas for heating purposes data corrected for 2023 and 2024 following actual meter read data being received

In 2025, our direct carbon emissions categorised under Scope 1 amounted to 19,685 tonnes of CO<sub>2</sub>e, with the sources being gas consumption for heating in our properties and fuel for transport. Our gas emissions saw a decrease from 1,953 tonnes of CO<sub>2</sub>e in 2024 to 1,859 tonnes of CO<sub>2</sub>e in 2025 due to lower gas consumption across our estate. Our gas consumption emissions saw a significant rise from 2023 to 2024 due to the acquisition of Arabelle Solutions who at that time accounted for 78% of our annual gas consumption. Furthermore, emissions from transportation fuels in EDF-owned or operated vehicles increased by 8% in 2025 compared to 2024, a rise attributed to the continued fuel needs at the Hinkley Point C construction project.

Indirect carbon emissions under Scope 2 totalled 216,225 tonnes of CO<sub>2</sub>e, stemming from electricity consumption in our offices and assets, marking a decrease of 21% over the previous year. This decrease is due to our power stations using less electricity from the grid than they were in 2024. We have expanded our emissions monitoring to include new buildings and the consumption of our recent acquisition, Pod.

Scope 3 emissions, associated with reimbursable business travel, decreased to 935 tonnes of CO<sub>2</sub>e, a decrease of 18% from 2024 due to lower expense claims compared to the prior year.

EDF Heat Pumps, Contact Solar & Arabelle Solutions, wholly owned by EDF, are included from our 2024 reporting onwards. We fully acquired Pod in August 2025, and they have been included from January to December 2025 within our 2025 reporting. Pod, a listed company prior to full acquisition, completed their own SECR reporting in 2024 which was reported separately to our results.

Beyond our SECR requirements, we are also disclosing our 2025 indirect Scope 3.3 emissions from electricity sold to customers, which totalled 3.2 million tonnes of CO<sub>2</sub>e, compared with 2.4 million tonnes of CO<sub>2</sub>e in 2024. The 2024 emissions were previously reported as 1.9 million tonnes of CO<sub>2</sub>e but have since been updated following the receipt of revised electricity data. The increase in Scope 3.3 emissions between 2024 and 2025 is due to lower electricity generation output within our own operational fleet and our route to market services, which led to increased reliance on electricity imported from the UK grid to meet our customer demand which increased by 2% year on year.

Our Scope 3.11 emissions from gas sold to customers totalled 6.4 million tonnes of CO<sub>2</sub>e in 2025, compared with 6.5 million tonnes of CO<sub>2</sub>e in 2024. This reduction reflects lower customer gas consumption during the year, an overall reduction by 1.6%.

These emissions are disclosed to enhance transparency and to help identify opportunities to support our customers in reducing their carbon footprint. EDF Energy are actively working with customers to lower these emissions through energy-efficiency measures and the adoption of low-carbon technologies such as heat pumps and solar panels.

### Energy Intensity Ratio

EDF Energy's energy intensity ratio for SECR purposes is tonnes of CO<sub>2</sub>e/GWh of energy used. The carbon intensity for 2025 was 182 tonnes of CO<sub>2</sub>e/GWh. This is an improvement compared to 2024 (209 tonnes of CO<sub>2</sub>e/GWh) due to lower overall energy consumption.

### 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).

### Dividends

Dividends of £310m (2024: £800m) were paid to the parent company and dividends of £135m (2024: £355m) were paid to the non-controlling interest during the year.

### Political contributions

During the year, the Group made no political contributions (2024: £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 44.

### 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 "Our stakeholders" – 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. Please see "Our stakeholders" on page 6.

## **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 2026 in accordance with the provisions of the Companies Act 2006. The Directors have been authorised to determine the remuneration of the auditors.

## **Events since the balance date**

Subsequent events are disclosed in note 46 of the financial statements.

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

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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).

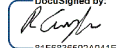
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required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

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Robert Guyler

Director

22 June 2026

# Independent auditors' report to the directors 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 2025 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;
- the company financial statements have been properly prepared in accordance with FRS 101 "Reduced Disclosure Framework"; 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 Balance Sheet as at 31 December 2025;
- the Company Balance Sheet as at 31 December 2025;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Company Statement of Changes in Equity 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 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 2025 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 directors 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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

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

22 June 2026

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £m	2024 £m
Revenue	4	13,935	14,829
Fuel, energy and related purchases	6	(9,648)	(9,290)
Materials and contracting costs		(605)	(550)
Personnel expenses	10	(754)	(809)
Other operating expenses	8	(763)	(1,127)
Other operating income	14	69	115
Net impairment of financial and contract assets	7	(338)	(266)
<b>Operating profit before depreciation, amortisation, impairment, loss on derivatives and net exceptional items</b>		<b>1,896</b>	<b>2,902</b>
Gain on derivative commodity contracts	5	3	–
Depreciation and amortisation	5	(577)	(740)
Impairment of non-current assets	21	(2,127)	(557)
Net exceptional income/(costs)	13	1,255	(22)
<b>Operating profit</b>		<b>450</b>	<b>1,583</b>
Finance income	11	1,351	1,180
Finance costs	12	(1,197)	(1,035)
<b>Profit before tax on ordinary activities</b>		<b>604</b>	<b>1,728</b>
Taxation on profit on ordinary activities	15	(313)	(724)
Share of loss of associates	24	(7)	(130)
<b>Profit for the year</b>		<b>284</b>	<b>874</b>
Profit attributable to:			
Equity holders of the parent		282	741
Non-controlling interest	35	2	133
		<b>284</b>	<b>874</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024 (restated*)
Note	£m	£m
Profit for the year	284	874
<b>Items from continuing activities that will not be reclassified subsequently to profit or loss:</b>		
Net actuarial gain on defined benefit pensions	43	253
Income tax effect	(7)	(63)
<b>Items from continuing activities that may be reclassified subsequently to profit or loss:</b>		
<b>Net gain/(loss) on cash flow hedges:</b>		
Gain on cash flow hedges	41	812
Share of other comprehensive (loss)/gain of an associate*	24	4
Income tax effect	–	(203)
<b>Net loss on Fair Value Through Other Comprehensive Income:</b>		
Loss on Fair Value Through Other Comprehensive Income	–	(2)
<b>Total other comprehensive income</b>	<b>284</b>	<b>1,675</b>
Total other comprehensive income attributable to:		
Equity holders of the Company	278	1,504
Non-controlling interest	35	171
	<b>284</b>	<b>1,675</b>

The income tax effect on defined benefit pensions includes a deferred tax charge of £17m (2024: £73m) and a current tax credit of £10m (2024: £10m).

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2025

	Note	2025 £m	2024 (restated*) £m
<b>Non-current assets</b>			
Goodwill	18	2,999	2,999
Intangible assets	21	286	271
Property, plant and equipment	22	23,761	21,201
Right-of-use assets	36	270	203
Financial assets	23,44	4,570	3,471
Interest in associates*	24	320	854
NLF and Nuclear Liabilities receivable	25	11,837	12,241
Post-employment benefits asset	43	550	449
Derivative financial instruments	31	15	31
		<b>44,608</b>	<b>41,720</b>
<b>Current assets</b>			
Cash and cash equivalents	26	4,626	3,246
Inventories	27	2,328	2,261
Financial assets	23	171	125
Trade and other receivables	28	3,031	2,984
Derivative financial instruments	31	39	207
NLF and Nuclear Liabilities receivable	25	745	1,141
Current tax asset		81	34
		<b>11,021</b>	<b>9,998</b>
<b>Total assets</b>		<b>55,629</b>	<b>51,718</b>
<b>Current liabilities</b>			
Other liabilities	29	(3,992)	(3,952)
Borrowings	30,44	(83)	–
Derivative financial instruments	31	(203)	(335)
Provisions	32	(1,817)	(2,002)
Obligations under leases	36	(35)	(20)
		<b>(6,130)</b>	<b>(6,309)</b>
<b>Net current assets</b>		<b>4,891</b>	<b>3,689</b>
<b>Total assets less current liabilities</b>		<b>49,499</b>	<b>45,409</b>

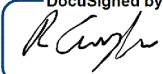
**EDF ENERGY HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 December 2025**

		2025	2024
	Note	£m	(restated*) £m
<b>Non-current liabilities</b>			
Other liabilities	29	(439)	(283)
Borrowings	30	(2,128)	(2,183)
Derivative financial instruments	31	(34)	(88)
Provisions	32	(13,193)	(13,643)
Deferred tax liability	34	(352)	(140)
Obligations under leases	36	(145)	(64)
		<b>(16,291)</b>	<b>(16,401)</b>
<b>Total liabilities</b>		<b>(22,421)</b>	<b>(22,710)</b>
<b>Net assets</b>		<b>33,208</b>	<b>29,008</b>
<b>Equity</b>			
Share capital	38	15,219	10,854
Share premium reserve		199	199
Capital reserve	39	10,005	10,009
Merger reserve	40	(2)	(2)
Hedging reserve*	41	(166)	(149)
Retained earnings*		1,728	2,003
Foreign currency translation reserve*		(23)	(21)
<b>Equity attributable to equity holders of the Company</b>		<b>26,960</b>	<b>22,893</b>
Non-controlling interest*	35	6,248	6,115
<b>Total equity</b>		<b>33,208</b>	<b>29,008</b>

\*Notes:

- The 2024 comparatives accounts have been restated following review of the allocation of the Group's share of profit in associates. See note 1
- The amount of goodwill is restated and does not correspond to the figures in 2024 financial statements since adjustments to the final valuation of acquisition of Arabelle Solutions were made, as detailed in note 17.

The financial statements of EDF Energy Holdings Limited (registered number: 06930266) on pages 44 to 129 were approved by the Board of Directors on 19 June 2026 and were signed on its behalf by:

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Robert Guyler

Director

22 June 2026

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £m	2024 £m
<b>Net cash from operating activities</b>	42	<b>3,162</b>	<b>1,740</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	22,36	(5,155)	(5,756)
Proceeds from disposal of property, plant and equipment	22	3	16
Payment made for the acquisition of Contact Solar	17	–	(16)
Payment made for the acquisition of Arabelle	17	–	(154)
Disposal of discontinued operation, net of cash		–	17
Purchase of other intangible assets	21	(87)	(89)
Loan to parent company	22	(639)	–
Disposal of controlling interest in Sizewell C	19	–	(260)
Interest received		374	411
Loan to associates	23	(497)	(120)
Loan to third parties*	23	–	(232)
Loan repayment from associates**	23,24	530	19
Dividend from associates	24	14	–
Proceed on disposal of investment	13	12	–
Investment in associate	24	(32)	–
<b>Net cash used in investing activities</b>		<b>(5,477)</b>	<b>(6,164)</b>
<b>Financing activities</b>			
Dividends paid to parent	16	(310)	(800)
Dividends paid to non-controlling equity holders	16	(135)	(355)
Payment of principal elements of lease liabilities	36	(37)	(32)
Proceeds received from borrowings in the year	30	18	9
Repayment of borrowings	30	(2)	(161)
Proceeds on share issue to parent undertaking	38	4,365	3,738
Capital contribution from non-controlling interest	35	–	1,997
Payment made for the acquisition of non-controlling interest in Pod		(12)	–
Interest paid		(192)	(190)
<b>Net cash generated from financing activities</b>		<b>3,695</b>	<b>4,206</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,380</b>	<b>(218)</b>
Cash and cash equivalents at 1 January		3,246	3,464
<b>Cash and cash equivalents at 31 December</b>		<b>4,626</b>	<b>3,246</b>

\*In 2024, this includes deferred consideration of £117m upon disposal of land to Sizewell C.

\*\*Includes £527m development cost reimbursed by Sizewell C to the Company. See note 24 for more details.

## Reconciliation to the consolidated cash flow statement

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	2025 £m	2024 £m
Cash and cash equivalents at 31 December	27	4,626	3,246
<b>Balances per Consolidated cash flow statement</b>		<b>4,626</b>	<b>3,246</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium reserve	Capital reserve	Foreign currency translation reserve (restated)*	Hedging reserve (restated)*	Merger reserve	Retained earnings (restated)*	Total	Non-controlling Interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>At 1 January, 2024 (restated*)</b>	<b>17,116</b>	<b>199</b>	<b>9</b>	<b>(22)</b>	<b>(761)</b>	<b>(2)</b>	<b>2,636</b>	<b>19,175</b>	<b>7,251</b>	<b>26,426</b>
Profit for the year	-	-	-	-	-	-	741	741	133	874
Other comprehensive income for the year**	-	-	-	1	612	-	150	763	38	801
<b>Total comprehensive income for the year</b>	-	-	-	<b>1</b>	<b>612</b>	-	<b>891</b>	<b>1,504</b>	<b>171</b>	<b>1,675</b>
Equity dividends paid (Note 16)	-	-	-	-	-	-	(800)	(800)	(355)	(1,155)
Issue of capital (Note 38)	3,738	-	-	-	-	-	-	3,738	1,997	5,735
Capital reduction (Notes 38 and 39)	(10,000)	-	10,000	-	-	-	-	-	-	-
Loss of control of subsidiary (Note 19)	-	-	-	-	-	-	-	-	(3,792)	(3,792)
Other changes in equity (i)	-	-	-	-	-	-	(724)	(724)	843	119
<b>At 31 December 2024 (restated*)</b>	<b>10,854</b>	<b>199</b>	<b>10,009</b>	<b>(21)</b>	<b>(149)</b>	<b>(2)</b>	<b>2,003</b>	<b>22,893</b>	<b>6,115</b>	<b>29,008</b>
Profit for the year	-	-	-	-	-	-	282	282	2	284
Other comprehensive (loss)/income for the year**	-	-	-	(2)	(17)	-	15	(4)	4	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>(2)</b>	<b>(17)</b>	-	<b>297</b>	<b>278</b>	<b>6</b>	<b>284</b>
Equity dividends paid (Note 16)	-	-	-	-	-	-	(310)	(310)	(135)	(445)
Issue of capital (Note 38)	4,365	-	-	-	-	-	-	4,365	-	4,365
Other changes in equity (i)	-	-	(4)	-	-	-	(262)	(266)	262	(4)
<b>At 31 December 2025</b>	<b>15,219</b>	<b>199</b>	<b>10,005</b>	<b>(23)</b>	<b>(166)</b>	<b>(2)</b>	<b>1,728</b>	<b>26,960</b>	<b>6,248</b>	<b>33,208</b>

(i) £262m (2024:£724m) represents reallocation of retained earnings to non-controlling interest on account of goodwill and equity contribution (see note 35). £4m relates to the capitalisation of PodPoint acquisition costs (see note 39)

\*The statement of changes in equity has been restated following review of the allocation of the group's share of an associate's share of profit, hedging reserve and foreign currency translation reserve (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 page 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 39. 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.

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

From 1 January 2025, the following standards and amendments are effective in the Group’s consolidated Financial Statements:

- Amendments to IAS 21 Lack of Exchangeability

#### 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 amendment had no impact on the Group’s operations or 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 2025 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 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 Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the 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 2025 reporting period.

## Restatement of investment in associates and equity reserves

In 2025, following a review of the Group's share of interest in associates, it was identified that there was an error in the carrying value of interest in associates as it did not include the share of interest in associates' other comprehensive income and some historical share of profit. The error resulted in a material understatement of interest in associates at 31 December 2024 and prior financial years, and a corresponding understatement of the Group's retained earnings, other comprehensive income, conversion reserve and hedge reserve. 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
<b>Statement of changes in equity at 01 January 2024</b>			
Retained earnings	2,472	164	2,636
Foreign currency translation reserve	–	(22)	(22)
Hedging reserve	(741)	(20)	(761)
<b>Statement of changes in equity at 31 December 2024</b>			
Retained earnings	1,839	164	2,003
Foreign currency translation reserve	–	(21)	(21)
Hedging reserve	(132)	(17)	(149)
<b>Statement of other comprehensive income at 31 December 2024</b>			
Share of other comprehensive gain of an associate	–	4	4
<b>Balance sheet as at 01 January 2024</b>			
Non-current asset			
Interest in associates	340	123	463
<b>Balance sheet as at 31 December 2024</b>			
Non-current asset			
Interest in associates	728	126	854

## 2. Material accounting policy information

### 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 each year. A list of main subsidiaries and associates is presented in note 11 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. 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 [130](#) to [142](#) 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 available surplus cash. The Group manages its capital and supports its credit rating through focusing on its net debt which comprises borrowings (note 30), 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 46), 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 next 12 months. 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.

### **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.

## Finance 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.

The NLF receivable and the nuclear liabilities receivable 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. Each year the financing charges in the income statement include the revalorisation of these receivables required to match the revalorisation of the nuclear liabilities.

## Finance costs

Finance costs of debt are recognised in the income statement over the term of such instruments, at a constant rate on the carrying amount.

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. Each year the financing charges in the income statement include the revalorisation of liabilities required to discharge one year's discount from provisions made in prior years and restate these provisions to current price levels.

## 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 45 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
Network assets	4 to 20 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 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 joint 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 not control or joint control over those policies.

The results, 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 associates in excess of the Group's interest in those associates are not recognised, except 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., a discount on acquisition) is credited to 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 as 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 aggregate of the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

When the eliminated gain on transaction with associates exceeds the carrying amount of the investment; the internal profits are reversed through profit or loss, with a corresponding recognition of deferred income. The deferred income is subsequently recognised in profit or loss on a straight-line basis over the relevant period.

## 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*

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.

### *Equity*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## 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 44.

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 commodity risk and 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 30.

### 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.

## 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 £423m (2024: £185m liability) in respect of accelerated capital allowances for HPC has been accounted for and is included in the amounts disclosed in note 34.

### 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, 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 12% (2024: 9%) change in these underlying assumptions would impact revenue by £106m (2024: £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 £882m (2024: £1,063m). 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 Company'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 32. 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 the real discount rate would result in a reduction to the provision of £1.7bn and a -1% change would result in an increase of £2.5bn. Any changes to the qualifying liabilities would result in an equal movement to the NLF receivable.

## Pension

The pension surplus is calculated by independent qualified actuaries, based on actual payroll data and 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 about pensions can be found in note 43.

## 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 £nil (2024: £228m) and a fixed asset impairment of £2,127m (2024: £329m) was recognised in the year. Further detail on the assumptions used and sensitivity analysis in the calculation can be found in note 20.

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

The useful economic lives of the AGR 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 Company aligns the useful economic lives (UEL) with the station technical expectations.

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.

In September 2025, it was announced that the expected end of operational lives for Hartlepool and Heysham 1 would be extended from 2027 to 2028 (+/- one year). Since British Energy was acquired by EDF Energy, the AGR lifetimes have been extended by an average of a further eight years.

The impact of the 1-year life extension for Hartlepool and Heysham 1 resulted in a reduction in Nuclear Liabilities of £127m with an equal reduction in the Nuclear Liabilities receivable and a decrease of £7m in the Unburnt fuel provision with an equal decrease in Unburnt fuel asset

## 4. Revenue

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

	2025 £m	2024 £m
Sales to external customers	13,935	14,829
<b>Total revenue</b>	<b>13,935</b>	<b>14,829</b>

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

	2025 £m	2024 £m
Revenue from energy supply contracts (i)	13,893	14,788
Revenue from equipment sales and engineering services	42	41
<b>Total revenue</b>	<b>13,935</b>	<b>14,829</b>

The timing of revenue recognition is as follows:

	2025 £m	2024 £m
Revenue recognised over time	13,928	14,819
Revenue recognised at a point in time	7	10
<b>Total revenue</b>	<b>13,935</b>	<b>14,829</b>

(i) During 2024 the Group recognised £10m of revenue in relation to the Energy Bills Discount Scheme (EBDS) and accrued income at the year end of £65k. The scheme closed on 31 March 2024 and therefore, there is no impact in the 2025 financial statements.

## 5. Profit for the year

	2025 £m	2024 £m
Profit for the year was derived at after charging/(crediting) the following:		
Research and development costs	21	16
Personnel expenses (note 10)	754	809
Auditors' remuneration for audit services (see below)	4	4
Net foreign exchange (gains)/losses (notes 11 and 12)	(2)	6
Impairment of non-current assets (note 20)	2,127	557
Amortisation of intangible assets (note 21)	60	89
Loss on disposal of subsidiary (note 13)	–	192
Depreciation of property, plant and equipment (note 22)	508	641
Depreciation of right-of-use asset (note 36)	9	10
Cost of inventories recognised as expense (note 27)	1,793	1,713
Gain on derivative commodity contracts	(3)	–
Fair value (gain)/loss on foreign currency derivatives (notes 11 and 12)	(8)	8
Movement in onerous contract provision (note 32)	(2)	(11)
Electricity generator levy expense (EGL) (note 8)	45	416

The analysis of Auditor's remuneration is as follows:

	2025 £m	2024 £m
Fees payable for the audit of the Company's and the Group's accounts, including audit-related assurance services*	1	1
For the audit of the Company's subsidiaries pursuant to legislation	3	3
<b>Total audit fees</b>	<b>4</b>	<b>4</b>
<b>Total fees</b>	<b>4</b>	<b>4</b>

\*Half-year review fees payable for the audit of the Company and the Group's accounts amount to £0.2m (2024: £0.1m)

## 6. Fuel, energy and related purchases

	2025 £m	2024 £m
Purchase of energy	5,727	5,530
Distribution and transmission	2,384	2,374
Renewable obligation certificates	1,448	1,327
CO2 emission certificates	59	44
Other energy related purchases	30	15
<b>Total fuel, energy and related purchases</b>	<b>9,648</b>	<b>9,290</b>

## 7. Net impairment of financial and contract assets

	2025 £m	2024 £m
Net movement in the expected credit loss (note 28)	(220)	100
Impairment losses on trade receivables (i)	(118)	(366)
<b>Total impairment on financial and contract assets</b>	<b>(338)</b>	<b>(266)</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

	2025 £m	2024 £m
ECO expense	133	177
Data communication, internet and managed services costs	223	220
Smart meter rental	90	96
Other operating expenses	272	218
Electricity generator levy	45	416
<b>Total other operating expenses</b>	<b>763</b>	<b>1,127</b>

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

## 9. Directors' remuneration

In 2025, 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.

	2025 £m	2024 £m
Aggregate remuneration	2	2
<b>Total remuneration</b>	<b>2</b>	<b>2</b>

	2025 Number	2024 Number
Members of defined benefit pension scheme	–	1

	2025 £m	2024 £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 2025.

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £21,743 (2024: £21,379) 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:

	2025 £m	2024 £m
Wages and salaries	678	726
Social security costs	101	88
Other pension costs	159	150
Severance provision / (release)	2	(4)
Less: Capitalised costs	(186)	(151)
<b>Total Personnel expenses</b>	<b>754</b>	<b>809</b>

Not included in the above are payroll costs of £84m (2024: £49m) which have been capitalised in property, plant and equipment and £142m (2024: £146m) which have been recovered from the NLF.

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

	2025 Number	2024 Number
Generation business unit	5,261	5,224
Customers business unit	3,608	3,696
Nuclear New Build business unit	1,879	2,026
Technical Services business unit	492	437
Corporate and Steering functions	912	893
<b>Total monthly average employees</b>	<b>12,152</b>	<b>12,276</b>

## 11. Finance income

	2025 £m	2024 £m
Interest on short term deposits	372	384
Other finance income	3	34
Pension scheme interest	26	7
Unwinding of discount on NLF receivable	940	755
Foreign exchange gains	2	–
Fair value gains on foreign currency derivatives	8	–
<b>Total finance income</b>	<b>1,351</b>	<b>1,180</b>

## 12. Finance costs

	2025 £m	2024 £m
Interest on bank loans and overdrafts	165	152
Interest expense on leases	10	3
Unwinding of discount on provisions	75	86
Unwinding of discount on Nuclear Liabilities	943	757
Fair value losses of foreign currency derivatives	–	8
Net foreign exchange losses	–	6
Other interest costs	6	31
<b>Total finance costs</b>	<b>1,199</b>	<b>1,043</b>
Less: Amounts capitalised	(2)	(8)
<b>Total finance costs</b>	<b>1,197</b>	<b>1,035</b>

Capitalised costs relate to interest expenses on leases and fair value losses of foreign currency derivatives entered in to for the purpose of constructing Nuclear New Build assets. The costs are capitalised within Assets under Construction in Property, Plant and Equipment.

## 13. Net exceptional income/(costs)

	2025 £m	2024 £m
Customers business unit (i)	(97)	(10)
Nuclear Operation business unit (ii)	4	219
Nuclear New Build business Unit (iii)	1,348	(231)
<b>Total net exceptional income/(costs)</b>	<b>1,255</b>	<b>(22)</b>

(i) In 2025, Customers business unit incurred a net write off amounting to £86m in relation to indirect tax matters along with £11m (2024: £10m) in severance costs.

(ii) In 2025, the transactions included in the Nuclear Operations business unit are:

- An In 2025, £46m of restructuring costs related to severance were incurred in respect of the preparation and station transfer of Hunterston and Hinkley to Nuclear Restoration Services (NRS) during 2026. These are disclosed as exceptional items as they are not part of underlying business activities and are not reimbursable by the NLF.
- An assessment of the costs associated with the transfer of the AGR stations to NRS which are not funded by the NLF resulted in a £43m reduction to the Decommissioning provision.
- There was a reduction of £7m in the provision for remediation/decontamination costs related to the land the Group sold at Sizewell B in 2024 and included as an exceptional item in the prior year. The remaining provision is now £9m following the reduction. The current estimate of potential reimbursement of remediation/decontamination costs are recorded within other liabilities (note 29).

In 2024, the most significant transactions were:

- £172m was relating to a profit on disposal of land to Sizewell C, after provision for potential reimbursement of remediation / decontamination costs incurred by the purchaser (capped at 20%).
- £26m 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. In addition,
- £26m of a credit relating to enriched uranium pellets recovered fuel from Dungeness B reinstated to inventory, that were previously written off in 2021.

(iii) In 2025, the transactions included in the New Nuclear Build business unit are:

- £46m relates to a provision for reimbursement of premium in relation to HPC financial investment decision (FID) if construction costs are expected to exceed certain amount.
- £12m relates to the proceeds upon disposal of shares in Nuclear Services (Technical) Company Limited.
- The Group received Know how revenue of £1,580m from SZC in return for the project expertise that SZC benefits from. £198m of the know how revenue represents internal margin which is eliminated and is considered as deferred income in other liabilities (note 29).

In 2024, £192m related to loss on disposal from the deconsolidation of Sizewell C, legal fees of £12m previously capitalised and stamp duty of £22m previously capitalised to the carrying value of land, now disposed of to Sizewell C.

## 14. Other operating income

	2025 £m	2024 £m
Service charges income	12	101
Other income	57	14
<b>Total other operating income</b>	<b>69</b>	<b>115</b>

In 2025, service charge income consisted of £12m of charges to Sizewell C Limited and Nuclear Services (Technical) Company Limited for corporate services provided. In 2024, the Group received brand recharge fees of £101m from Électricité de France in relation to the financial years of 2013 to 2018.

Other income in 2025 primarily reflects a £37m one-off credit arising from the release of historical balances identified as part of the Company's review of certain accounts. The remaining other income comprises rental income, proceeds from disposals of fixed assets, and other miscellaneous items.

## 15. Taxation on profit on ordinary activities

(a) Tax charge in the consolidated income statement:

	2025 £m	2024 £m
<b>Current tax</b>		
UK corporation tax charge on profit made in the year	(182)	(396)
Adjustments in respect of previous years' reported tax credits / (charges)	42	(32)
<b>Total current tax charge for the year</b>	<b>(140)</b>	<b>(428)</b>
<b>Deferred tax</b>		
Current year charge	(153)	(298)
Adjustments in respect of previous years' reported tax (charge) / credits	(20)	2
<b>Total deferred tax charge in the year</b>	<b>(173)</b>	<b>(296)</b>
<b>Income tax charge reported in the income statement</b>	<b>(313)</b>	<b>(724)</b>

(b) The tax on profit before tax for the year is higher than (2024: higher than) the standard rate of corporation tax in the UK of 25% (2024: 25%).

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

	2025 £m	2024 £m
Profit before tax	604	1,728
Tax at the UK corporation tax rate of 25% (2024: 25%)	(151)	(432)
Effect of:		
Non-deductible impairment	(142)	(57)
Non-deductible Electricity Generator Levy	(11)	(104)
Non-deductible expenses and non-taxable income	(31)	(101)
Adjustment to prior-year corporation tax credit/(charge)	42	(32)
Adjustment to prior-year deferred tax (charge)/credit	(20)	2
<b>Income tax charge reported in the income statement</b>	<b>(313)</b>	<b>(724)</b>

(c) Other factors affecting the tax 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 £17m (2024: charge of £276m) has been recognised in equity. This consists of a charge of £17m (2024: credit of £73m) in respect of pension movements. There was no charge (2024: charge of £203m) relating to fair value movements arising on derivative instruments.

A current tax credit of £10m (2024: credit of £10m) has also been recognised in equity in respect of pension movements.

The closing deferred tax balance at 31 December 2025 has been calculated at 25%(2024: 25%). 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

	2025 £m	2024 £m
Amounts recognised as distributions to equity holders in the period:		
Dividends paid to parent company	310	800
Dividends paid by subsidiary to non-controlling interests	135	355
<b>Total dividends</b>	<b>445</b>	<b>1,155</b>

The dividends paid by subsidiary to non-controlling interest pertains to Nuclear Operations Business. The interim dividend to parent for 2025 was £0.02 per share (2024: £0.07).

## 17. Business combinations

### Acquisition of Pod

In August 2025, EDF Energy acquired the shares it did not yet own in Pod Point (46.82%), at a price of £0.065 per share. EDF Energy is now the company’s sole shareholder.

### 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 provider 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.

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.

In 2024, the provisional purchase price allocation was 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. During 2025 and within 12 months of acquisition, the purchase price allocation was finalised, resulting in a reduction in the fair value of the net identifiable assets acquired by £16m. The 2024 comparative information was restated to reflect the adjustment to the provisional amounts. As a result, the goodwill of £20m previously reported was adjusted by £16m, this is due to provisions increased by £4m and deferred tax liability increased by £12m.

**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>Restated £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	(13)
Deferred tax liability	(32)
Trade payables	(139)
<b>Net identifiable assets acquired</b>	<b>118</b>
Add: Goodwill (ii)	36
<b>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.

### 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:

	£m
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:

	£m
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.

## 18. Goodwill

	2025	2024 (restated)
	£m	£m
<b>Cost</b>		
<b>At 1 January</b>	<b>5,636</b>	<b>6,785</b>
Additions (note 17)	–	52
Disposals	–	(1,201)
<b>At 31 December</b>	<b>5,636</b>	<b>5,636</b>
<b>Accumulated impairment</b>		
<b>At 1 January</b>	<b>2,637</b>	<b>2,409</b>
Charge for the year (note 21)	–	228
<b>At 31 December</b>	<b>2,637</b>	<b>2,637</b>
<b>Carrying amount at 31 December</b>	<b>2,999</b>	<b>2,999</b>

The amount of goodwill is restated and does not correspond to the figures in 2024 financial statements since adjustments to the final valuation of acquisition of the Arabelle business were made, as detailed in note 17.

## 19. 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:

	£m
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 24)	541
Loss on deconsolidation	<b>192</b>

The loss on deconsolidation was 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.

## 20. Net impairment of non-current assets

### Breakdown of impairments recognised

	2025 £m	2024 £m
Impairment of property, plant and equipment and intangibles	2,127	329
Impairment of goodwill	–	228
<b>Total impairment charge</b>	<b>2,127</b>	<b>557</b>

## Impairment of property, plant and equipment and intangibles

		2025 £m	2024 £m
Nuclear New Build (see note 22)	HPC	2,105	320
Customers (see note 21)	Pod	22	9
<b>Total Impairment of property, plant and equipment</b>		<b>2,127</b>	<b>329</b>

### Nuclear Operations assets (plants in operation)

The recoverable value of EDF Energy's nuclear plants in operation is higher than their book value. It is determined by discounting future cash flows over the assets' useful life. At 31 December 2025, this operating segment is comprised of the Sizewell B PWR plant, assuming that it will remain in operation until 2055, the Torness and Heysham 2 AGR plants, assuming they will remain in operation until 2030, and the Hartlepool and Heysham 1 AGR plants, where the end of operations has been extended by one year to March 2028.

Wholesale energy market prices, while remaining volatile, are currently higher than the prior year, which has benefitted the long-term valuation of the business. Predicted output for 2027 and 2028 have also improved as a result of the review of lifetime that concluded in September 2025 which resulted in Hartlepool and Heysham 1 extending their lives by one year to March 2028. Overall, the test results showed no need for impairment.

Sensitivity tests were conducted on the assumptions to which this operating segment 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 risk of impairment, individually or in combination, all other things being equal.

### Customers assets

In 2025 while the default tariff cap (DTC) is still in place; prices, inflation, and interest rates have stabilised. In addition, the DTC margins have been increased incorporating 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 2025 and our medium-term plan outlook means we do not consider there to be any impairment indicators at present.

The recoverable value of the Customers CGU is higher than in 2024, principally as a result of a more detailed discounted cash flow method that better reflects the operating model, changes in business activities, and the procedures for management reviews and approval of budgets and forecasts. It also results from improved operating margins. The most significant updates to NPV value relate to increase in EBIT % from 1.5% to 1.8% for Residential customers (Domestic) and 1% to 1.2% for EDF Business Solutions and Small Business (Non-domestic) and the inclusion of WMS as a separate business segment instead of allocation to prior Business to Business "B2B" (EBS and Small Business) and Business to Customers "B2C" (Residential) models.

Sensitivity tests were conducted, based on 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).

EDF Energy's valuation of Pod as a stand-alone CGU, based on free cash flow to 2034 and a terminal value, values Pod negatively, reflecting tough competitive conditions in the Electric Vehicle charger market. Given the uncertainty on future value creation and the material uncertainty on forecasted cash flows, a £22m impairment has been booked to fully depreciate the fixed assets.

## Impairment testing of goodwill and HPC

### Impairment of Goodwill

EDF Energy's gross goodwill amounted to £5,636m at 31 December 2025 (2024: £5,636m restated). It mainly results from the takeover of British Energy in 2009 reduced by the portion concerning Sizewell C following loss of control over the project in 2024. The impairment tests conducted in recent years have led to recognition of partial impairment amounting to a cumulative £2,637m (2024: £2,637m).

For the purposes of goodwill impairment testing, all Business Units of EDF Energy are considered together as a single group of cash-generating unit ("CGU"), consistently with the integrated nature of EDF Energy's business model and the way operations, financial performance and governance arrangements are managed. Accordingly, goodwill is tested for impairment at the level of EDF Energy as a whole.

The impairment test of EDF Energy goodwill covers the useful life of industrial assets currently in operation or under construction, with no projection beyond that duration. The WACC determined for goodwill takes account of the WACC applicable to each of EDF Energy's CGUs, including the Hinkley Point C CGU, which benefits from a regulated model.

Given the respective importance of cash flows from each CGU, the overall WACC for EDF Energy's goodwill is 6.95% at 31 December 2025, compared to 6.85% at 31 December 2024.

The test shows that EDF Energy's goodwill has headroom, driven by significant margins in the Group's other CGUs (Nuclear assets (plants in operation), and Customers).

### Impairment of property, plant and equipment on the HPC project

At 31 December 2023, revised assumptions concerning the cost of civil engineering work, extension of the electromechanical assembly phase, and the consequences for the other work, led to recognition of £8,782m of impairment. The assumptions were revised after the announcement on 23 January 2024 that the schedule and cost for construction of the two nuclear reactors had been updated, resulting in convergence towards an operational scenario assuming that electricity generation will begin in 2030 for by HPC Unit 1 and 2031 for Unit 2. The scenario used for the impairment test incorporated the risk of a further one-year deferral compared to the 120-month timetable used for organisation and management of the project.

At 31 December 2024, the impairment test identified impairment of £320m, associated with the negative impact of the decrease in long-term inflation curve assumptions. The operational assumptions remained unchanged.

At 31 December 2025, progress on the MEH phase was 12 months behind the project forecasts presented in early 2024. The operational schedule has therefore been extended by one year from 120 to 132 months for commissioning of the first reactor. Commissioning of the second reactor is still scheduled 12 months after the first.

The impairment scenario used for the 2025 impairment test still incorporates the risk of a one-year deferral of the updated 132-month timetable now used for organisation and management of the project. This scenario covers a possible further delay to the MEH phase or commissioning date. The completion cost for the project under this scenario is estimated at £36 billion (in 2015 values), compared to £34 billion (in 2015 values) in the impairment scenario used at 31 December 2024.

The recoverable value of the HPC project is determined by discounting future cash flows over the assets' expected useful life, taking into consideration a 60-year operating lifespan for the two reactors currently under construction. Future cash flows from these assets are determined by reference to the Contract for Difference (CfD) between EDF Energy 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 reactors are first commissioned: if market prices fall below the CfD strike price, EDF Energy will receive an additional payment. The period covered has been reduced to reflect the updated timetable, as the CfD's end date is contractually defined. Since the final investment decision for Sizewell C announced in November 2025, the CfD strike price has been set at £89.50/MWh (in 2012 sterling, reduced by £3 from the 2024 level) and is indexed on UK inflation via the consumer price index (CPI). Thus, for the operation period covered by the CfD, future cash flows include a long-term inflation rate assumption of 2.2% from 2030 (compared to the 2.0% used in the impairment test conducted at 31 December 2024). For the years of operation after the CfD period, future cash flows include a price assumption based on the CfD strike price of £89.50/MWh (in 2012 sterling), plus UK inflation, in the absence

of external reference price scenarios for that period. This assumption is based on an internal study of electricity market prices in the United Kingdom, which, given the small number of plants (including HPC) 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. The 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 6.9% at 31 December 2025, 10bp higher than in 2024.

Revision of the assumptions used in impairment testing led to recognition of £2,105m of impairment, including £1,556m reflecting the impact of the £3/MWh reduction in the CfD strike price to £89.50/MWh (in 2012 sterling) in application of the final investment decision for Sizewell C.

This impairment to property, plant and equipment is reversible if there is any indication of a significant increase in the value of the asset other than the effect of the passage of time on discounted future cash flows.

#### *Sensitivity analysis*

The book value of the property, plant and equipment on the HPC project, like the book value of EDF Energy's goodwill, remains sensitive to any variation in assumptions. A 30bp increase in discount rates would have a negative impact of £2 billion on the recoverable value. A 10bp decrease in inflation rates after 2030 would have a negative impact of £0.7 billion on the recoverable value. A decrease of £10/MWh (in 2025 values) in electricity prices beyond the post-CfD period would have an impact of £0.6 billion on the recoverable value. A 12-month delay (to the 144-month schedule) in the MEH phase would have a negative impact of £2.4 billion on the recoverable value. A 6-month delay (to the 144-month schedule) in the commissioning phase would have a negative impact of £1.0 billion on the recoverable value.

## 21. 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 2024</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>
Additions	9	-	41	-	-	37	87
Disposals (i)	(567)	-	-	-	-	-	(567)
Transfers	31	-	-	-	-	(31)	-
Reclass	10	-	-	-	-	-	10
<b>At 31 December 2025</b>	<b>306</b>	<b>-</b>	<b>175</b>	<b>147</b>	<b>214</b>	<b>55</b>	<b>897</b>

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	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 2024</b>	(771)	-	(70)	(4)	(203)	-	(1,048)
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>-</b>	<b>(101)</b>	<b>(9)</b>	<b>(205)</b>	<b>(9)</b>	<b>(1,096)</b>
Charge for the year	(22)	-	(29)	(9)	-	-	(60)
Disposals (i)	567	-	-	-	-	-	567
Impairment	(13)	-	-	-	(9)	-	(22)
<b>At 31 December 2025</b>	<b>(240)</b>	<b>-</b>	<b>(130)</b>	<b>(18)</b>	<b>(214)</b>	<b>(9)</b>	<b>(611)</b>
<b>Carrying amount</b>							
<b>At 31 December 2024</b>	<b>51</b>	<b>-</b>	<b>33</b>	<b>138</b>	<b>9</b>	<b>40</b>	<b>271</b>
<b>At 31 December 2025</b>	<b>66</b>	<b>-</b>	<b>45</b>	<b>129</b>	<b>-</b>	<b>46</b>	<b>286</b>

(i) The disposal of IT software relates to the retirement of the legacy billing system as part of the software asset review and subsequent system replacement.

## 22. 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 2024</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
Transfers	1	3	–	–	25	15	(44)	–
Disposals	(5)	(6)	–	(20)	(5)	(46)	(6)	(88)
Disposal of fully depreciated assets	–	–	(1,607)	–	(125)	–	–	(1,732)
Revaluation of final core	–	–	–	(26)	–	–	–	(26)
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>
Additions	2	–	–	131	289	1	4,823	5,246
Transfers	–	3	–	–	–	7	(10)	–
Disposals	(5)	(4)	–	–	–	(25)	–	(34)
Disposal of fully depreciated assets	–	–	–	(23)	(203)	–	–	(226)
Revaluation of final core	–	–	–	(62)	–	–	–	(62)
Reclassification	–	–	–	–	(10)	–	–	(10)
<b>At 31 December 2025</b>	<b>541</b>	<b>8</b>	<b>–</b>	<b>8,704</b>	<b>1,319</b>	<b>96</b>	<b>31,962</b>	<b>42,630</b>

\* In 2024, the amount of Sizewell C assets deconsolidated of £2,874m is presented net of £234m land transaction with EDF Energy Nuclear Generation Limited.

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	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 2024</b>	(526)	(6)	(1,607)	(5,745)	(572)	(121)	(8,787)	(17,364)
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 charge (note 20)	–	–	–	–	–	–	(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>Charge for the year</b>	<b>(2)</b>	<b>(1)</b>	<b>–</b>	<b>(282)</b>	<b>(216)</b>	<b>(7)</b>	<b>–</b>	<b>(508)</b>
Disposals	5	3	–	–	–	25	–	33
Disposal of fully depreciated assets	–	–	–	23	203	–	–	226
Impairment charge (note 20)	–	–	–	–	–	–	(2,105)	(2,105)
<b>At 31 December 2025</b>	<b>(523)</b>	<b>1</b>	<b>–</b>	<b>(6,394)</b>	<b>(676)</b>	<b>(65)</b>	<b>(11,212)</b>	<b>(18,869)</b>
<b>Carrying amount</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>
<b>At 31 December 2025</b>	<b>18</b>	<b>9</b>	<b>–</b>	<b>2,310</b>	<b>643</b>	<b>31</b>	<b>20,750</b>	<b>23,761</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 £20,622m at 31 December 2025 (2024: £17,960m). The recoverability of the balance of assets in the course of construction relating to HPC at 31 December 2025 is dependent upon the forecast profitability of HPC, where an impairment charge of £2,105m (2024: £320m) related to the project has been incurred further is disclosed in note 20.

A right-of-use depreciation charge of £68m (2024: £65m) is capitalised within additions for the year relating to the amortisation of the restoration provision within the right-of-use asset. Refer note 36 for more information.

### Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 December 2025 was £2m (2024:£8m). The rate used to determine the amount of borrowing costs eligible for capitalisation is the EIR (Effective interest rate) of each specific borrowing.

## 23. Financial assets

	Non-current		Current	
	2025	2024	2025	2024
Loans receivable carried at amortised cost				
Loans to associates (i) (ii) (iii) (iv)	1,014	514	6	4
Loans to parent company (v)	3,439	2,800	125	121
Loans to third party (vi)	–	40	40	–
Deferred consideration upon disposal of land to Sizewell C (vii)	117	117	–	–
<b>Total financial assets</b>	<b>4,570</b>	<b>3,471</b>	<b>171</b>	<b>125</b>

(i) In 2025, an additional £196m (2024: £107m) loan was advanced to EDF Energy Renewables Limited at 3.5% (2024: 3.5%) plus SONIA in relation to working capital funding, which will mature in 2028. The carrying amount of this loan at 31 December 2025 is £637m (2024:£440m).

(ii) In 2025, a further amount of £18m (€21m) (2024: £10m (€12m)) was advanced to EDF Renewables Ireland at 3-month EURIBOR + 2% in relation to any matters related to the advancement of future development in Ireland. In 2025, no repayments were made on this facility with interest accrued amounting to £5m. The total balance of £93m (€106m) (2024: £67m (€81m)) matures in 2030 .

(iii) In 2025 £3m was repaid by EDF Energy Services Limited on its facilities with EDF Energy Customers Limited. The loans accrue interest at a rate of 6.28% and 1.92%, and mature in 2028.

(iv) In 2025, a loan was advanced to Sizewell C in the amount of £282m as a shareholder loan to support the ongoing project. The loan accrues interest at 9% and matures in 2075.

(v) In 2022, a loan of £2,235m was advanced to EDF at compounded daily SONIA plus 0.464% 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. In 2025, an amount of £639m was advanced to EDF as part of a Guarantee and Indemnity arrangement. The loan accrues interest at a rate of 4.30% and matures in 2041.

(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.

## 24. 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	
	2025	2024	2025	2024
	£m	£m	£m	Restated* £m
Non-current assets	7,356	3,332	1,874	1,420
Current assets	1,698	4	527	385
Non-current liabilities	(8,054)	–	(1,179)	(804)
Current liabilities	(752)	–	(812)	(539)
<b>Net assets</b>	<b>248</b>	<b>3,336</b>	<b>410</b>	<b>462</b>
Equity attributable to owners of the company	216	2,795	101	113
Non-controlling interest – Group share of equity	32	541	252	289
Non-controlling interest – Other	–	–	57	60
Sales	–	–	265	260
Profit/(loss) for the year	6	–	(13)	(215)
Other comprehensive (loss)/income that may be reclassified to profit or loss in the subsequent periods, net of tax	–	–	(40)	7
Total comprehensive income/(loss)	6	–	(53)	(208)
Group's share of profit/(loss) for the year (i)	25	–	(18)	(123)
Group's share of other comprehensive (loss)/income	–	–	(19)	4
Dividends received from associates during the year	14	–	–	–

**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	
	2025	2024	2025	2024
	£m	£m	£m	Restated* £m
Net assets of associate	248	3,336	410	462
Group's ownership interest	528	541	252	289
Elimination of Group's share of land sale (i)	–	(24)	–	–
Reimbursement from associates (ii)	(496)	–	–	–
Carrying amount of the Group's interest	<b>32</b>	<b>517</b>	<b>252</b>	<b>289</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. In 2025, the internal margin of land sale transaction was realised.

(ii) Sizewell C reached Final Investment Decision on 22 July 2025 and achieved Financial Close on 4 November 2025. Upon Financial Close, Sizewell C reimbursed the Company for development costs incurred since 2015.

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

	2025 £m	2024 £m
The Group's share of loss from operations	(14)	(7)
Aggregate carrying amount of the Group's interest in associates	36	48

**Total of all associate balances:**

	2025 £m	2024 Restated* £m
The Group's share of loss from operations	(7)	(130)
Aggregate carrying amount of the Group's interest in associates	320	854

\*In prior periods, Group's share of other comprehensive loss of £4m in EDF Energy Renewables Limited was not considered in determining the Group's share of investment in associates. In addition, there was a misstatement in the share of profit or loss of associate consisted of £164m related to periods prior to 1 January 2024. These values have been restated to reflect the current position in line with IAS 28.

Details of the Group's associates at 31 December 2025 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%
Near 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%
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%
EDF Energy Renewables Holdings Limited(8)	Holding company	24.99%	24.99%

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Dorenell Windfarm 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	24.50 %	24.50 %
Beechgreen Energyfarm 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 %
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 %

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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 %
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 Ltd(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 %
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	49.00 %	49.00 %
The Ethical Renewable Company Limited(8)	Dormant company	49.00 %	49.00 %

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Wicklow Windfarm Holdings Limited(9)	Renewable energy generation	38.22 %	38.22 %
Codling Holdings Limited(12)	Renewable energy generation	19.11 %	19.11 %
Codling Wind Park Limited(12)	Renewable energy generation	19.11 %	19.11 %
Codling Wind Park III Limited(12)	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	50.00 %	49.00 %
Dalkia Engineering Holding Limited(2)	Development of generation and supply	50.00 %	49.00 %
Dalkia Energy Services Ltd(2)	Energy management services	50.00 %	49.00 %
Dalkia UK Holding Limited(2)	Development of generation and supply	50.00 %	49.00 %
Dalkia Operations Holding Limited(10)	Holding company	50.00 %	49.00 %
DK Low Carbon Solutions Ltd(2)	Development of generation and supply	50.00 %	49.00 %
Dalkia Engineering Ltd(3)	Development of generation and supply	50.00 %	49.00 %
Dalkia Facilities Holdings Limited(5)	Holding company	50.00 %	49.00 %
Dalkia Facilities Limited(7)	Development of generation and supply	50.00 %	49.00 %
Environmental Engineering Limited(10)	Holding company	50.00 %	49.00 %
Dalkia Operations Limited(10)	Development of generation and supply	50.00 %	49.00 %
DK WHS Limited(10)	Development of generation and supply	50.00 %	49.00 %
Dalkia Scotshield Limited(11)	Development of generation and supply	50.00 %	49.00 %
Power and Nuclear UK Limited(10)	Dormant company	50.00 %	49.00 %
Leven Energy Services Limited(10)	Development of generation and supply	50.00 %	49.00 %
Dalkia Facilities Northern UK Limited(10)	Development of generation and supply	50.00 %	49.00 %
MSS Clean Technology Limited(10)	Technical services	50.00 %	49.00 %
Environmental Engineering (UK) Limited(10)	Development of generation and supply	50.00 %	49.00 %
Medical & Scientific Structures Limited(10)	Dormant company	50.00 %	49.00 %
Juniper Energy Limited(8)	Dormant company	24.50 %	24.50 %
Damsongreen Energyfarm Limited(8)	Development of generation and supply	49.00 %	49.00 %
Poplar Windfarm Holdings Limited(8)	Development of generation and supply	49.00 %	49.00 %
Maplegreen Energyfarm Limited(8)	Development of generation and supply	49.00 %	49.00 %
Firgreen Energyfarm Limited(8)	Development of generation and supply	49.00 %	49.00 %
Hollygreen Energyfarm Limited(8)	Development of generation and supply	49.00 %	49.00 %

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Laurelgreen Energyfarm Limited(8)	Development of generation and supply	49.00 %	49.00 %
SAS Energy Limited(8)	Dormant company	49.00 %	49.00 %
Elver Wind Park Limited(12)	Renewable energy generation	49.00 %	49.00 %
Coldwinters Energy Limited(9)	Technical services	49.00 %	49.00 %
Electrify Britain Limited(13)	Public relations and communications activities	50.00 %	49.00 %
Sizewell C (Holding) Limited (14)	Holding company	12.50 %	12.50 %
Sizewell C Limited (14)**	Development of generation and supply	12.50 %	12.50 %
Orion Holdings 1 Limited(8)	Holding company	49.00 %	49.00 %
Orion Holdings 2 Limited(8)	Holding company	49.00 %	49.00 %
Blue Planet Solar Limited(8)	Production of electricity	26.46 %	26.46 %
Gate Burton Energy Park Limited(8)	Production of electricity	49.00 %	49.00 %
Nuclear Services (Technical) Company Limited	Technical services	51.71 %	51.71 %

\* 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 22a St James'S Square, London, United Kingdom, SW1Y 4JH
- 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 25 North Wall Quay, Dublin 1, D01 H104, Ireland
- 10 1 Old Park Lane, Urmston, Manchester, England, M41 7HA
- 11 1 Rutherglen Links, Rutherglen, Glasgow, Scotland, G73 1DF
- 12 C/o Azets, Units 15/16, The Courtyard Carmanhall Road, Sandyford, Dublin 18, D18 Yd27, Ireland
- 13 28 Leeds Road Ilkley, England LS29 8DS
- 14 25 Cophall Avenue, London, England EC2R 7BP

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

## 25. NLF and nuclear liabilities receivable

	At 31 December 2025			At 31 December 2024		
	Non-Current	Current	Total	Non-Current	Current	Total
	£m	£m	£m	£m	£m	£m
Nuclear liabilities receivable	134	87	221	205	83	288
NLF receivable	11,703	658	12,361	12,036	1,058	13,094
<b>Total NLF and Nuclear liabilities receivable</b>	<b>11,837</b>	<b>745</b>	<b>12,582</b>	<b>12,241</b>	<b>1,141</b>	<b>13,382</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. Please see Note 2 for further details.

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

## 26. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	77	136
Short-term deposits	125	367
Cash pooling with parent company	4,424	2,743
<b>Total cash and cash equivalents</b>	<b>4,626</b>	<b>3,246</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.

The Group cash balance includes £18m (2024: £17m) of cash which must be maintained as a minimum cash balance in some entities, in accordance with contractual obligations with financial institutions.

## 27. Inventories

	2025 £m	2024 £m
Raw materials and consumables	283	189
Carbon certificates	9	12
Renewable obligations certificates	395	406
Nuclear fuel	1,387	1,333
Other nuclear fuel and uranium	432	406
Work in progress	10	5
Provision on inventories of raw material	(188)	(90)
<b>Total inventories</b>	<b>2,328</b>	<b>2,261</b>

The cost of inventories recognised as an expense during the year in respect of continuing operations was £1,793m (2024: £1,713m). The cost of inventories recognised as an expense in respect of the write-downs of inventory to net realisable value is £14m (2024: £14m).

Inventories of £1,495m (2024: £1,420m) are expected to be held for a period of over 12 months largely relating to nuclear fuel inventory.

## 28. Trade and other receivables

	2025 £m	2024 £m
Trade receivables (i)	2,484	2,159
Expected credit loss (ii)	(793)	(573)
Unbilled revenue	882	1,084
Value added tax receivable	2	43
Other debtors (iii)	396	208
Advance payments	60	63
<b>Total trade and other receivables</b>	<b>3,031</b>	<b>2,984</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 45. 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 £557m (2024: £578m) and business receivables of £737m (2024: £737m), which represents the receivable and provision of billed debt.

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

	<b>2025</b>	<b>2024</b>
	<b>£m</b>	<b>£m</b>
<b>At 1 January</b>	<b>(573)</b>	<b>(652)</b>
Amounts recovered during the year	–	5
(Increase)/decrease in allowance recognised in the income statement	(220)	100
Reclassification of expected credit loss	–	(26)
<b>At 31 December</b>	<b>(793)</b>	<b>(573)</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.

iii. Other debtors include a net balance amounting to £126m (2024: £nil) in relation to recoverable indirect tax balances.

**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:

<b>2025 Ageing</b>	<b>Gross trade receivables overdue</b>	<b>Expected credit loss</b>	<b>Net trade receivables overdue</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Not yet due	920	(17)	903
Overdue by up to 6 months	614	(125)	489
Overdue by 6-12 months	297	(116)	181
Overdue by more than 12 months	653	(535)	118
<b>Total</b>	<b>2,484</b>	<b>(793)</b>	<b>1,691</b>

<b>2024 Ageing Restated*</b>	<b>Gross trade receivables overdue</b>	<b>Expected credit loss</b>	<b>Net trade receivables overdue</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Not yet due	835	(30)	805
Overdue by up to 6 months	578	(91)	487
Overdue by 6-12 months	314	(146)	168
Overdue by more than 12 months	432	(306)	126
<b>Total</b>	<b>2,159</b>	<b>(573)</b>	<b>1,586</b>

\*This note has been restated to reflect the revised ageing approach applied in the current year.

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.

## 29. Other liabilities

	2025 £m	2024 £m
Trade creditors (i)	3,096	2,786
Other payables	205	428
Accruals	577	619
Deferred income (ii)	21	28
Nuclear liabilities (note 33)	87	83
NLF liabilities	6	8
<b>Total other liabilities due within one year</b>	<b>3,992</b>	<b>3,952</b>
Deferred income (iii)	198	1
Nuclear liabilities (note 33)	134	205
NLF liabilities	47	49
Contract Liabilities	47	17
Unfunded pension scheme	13	11
<b>Total other liabilities due after one year</b>	<b>439</b>	<b>283</b>
<b>Total other liabilities</b>	<b>4,431</b>	<b>4,235</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 to Sizewell C in 2024. See further details in note 13.
- (iii) The deferred income relates to the elimination of internal margin on the payment received from Sizewell C for expertise provided to Sizewell C (note 13).

The Group offers its suppliers a mechanism that allows suppliers to transfer their receivables from EDF Energy 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 Energy. 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 £69m as at 31 December 2025 (2024: £89m) out of which the suppliers have received payment from the finance provider of £48m as at 31 December 2025 (2024: £68m).

## 30. Borrowings

	2025 £m	2024 £m
<b>Current</b>		
EDF Energy UK Loan (ii)*	83	–
<b>Non-current</b>		
£101m Bradwell B land deposit (iii)	101	101
EDF Energy UK Loan (i)(ii)*	692	745
Triodos bank loan (iv)	–	2
EDF Pension loan (v)	1,335	1,335
<b>Total borrowings due after one year</b>	<b>2,128</b>	<b>2,183</b>
<b>Total borrowings</b>	<b>2,211</b>	<b>2,183</b>

\* The prior period balances has been re-presented to reflect the loan's classification as non-current in line with its contractual maturity.

- (i) 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 loan has annual interest at 6.87% and matures in June 2028
- (ii) In 2024, EDF Energy (UK) Limited provided a EUR Loan to EDF Energy Holdings Limited of £63m (€74m) with an interest rate of 1.5% + EURIBOR. In 2025, there was a further drawdown of this loan amounting to £18m (€21m). At 31 December 2024, the maturity date of this loan was in January 2026 and was subsequently extended to 2030.
- (iii) On 1 March 2017, Bradwell B paid deposits of £21m to Northern Power Limited and £80m 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.
- (iv) 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 3.55% and matures on 31 December 2025. £1.2m received on 1 July 2022 has annual interest at 4.99% 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. The prior year balance was repaid during the current year.
- (v) During 2023, EDF provided a pension loan facility of £1,335m to the Group. This loan has annual interest at 0.92% + 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.

## 31. Derivative financial instruments

	2025 £m	2024 £m
<b>Current</b>		
Derivatives that are designated in a cash flow hedge:		
- Commodity purchase contracts	(160)	(122)
Derivatives at fair value through profit and loss (FVTPL):		
- Commodity purchase contracts	(4)	(6)
<b>Total current derivative financial instruments</b>	<b>(164)</b>	<b>(128)</b>
<b>- Current assets</b>	<b>39</b>	<b>207</b>
<b>- Current liabilities</b>	<b>(203)</b>	<b>(335)</b>

	2025 £m	2024 £m
<b>Non-current</b>		
Derivatives that are designated in a cash flow hedge:		
- Commodity purchase contracts	(15)	(50)
Derivatives at fair value through profit and loss (FVTPL):		
- Commodity purchase contracts	(4)	(7)
<b>Total non-current derivative financial instruments</b>	<b>(19)</b>	<b>(57)</b>
<b>- Non-current assets</b>	<b>15</b>	<b>31</b>
<b>- Non-current liabilities</b>	<b>(34)</b>	<b>(88)</b>

Further details of derivative financial instruments are provided in note 44. 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.

## 32. Provisions

The movements in provisions during the current year are as follows:

	1 January 2025	Arising in the year	Utilised in the year	Released in the year	Change in estimate	Unwinding of discount	31 December 2025
	£m	£m	£m	£m	£m	£m	£m
Renewable obligation certificates	998	1,430	(1,359)	–	–	–	1,069
Decommissioning on non-nuclear stations	31	–	(8)	–	(4)	2	21
Restructuring costs	12	59	(24)	–	–	–	47
	13,012	–	(601)	–	(1,081)	922	12,252
Nuclear liabilities (note 33)							
Provision for unburnt fuel at station closure	1,135	(54)	(5)	–	–	62	1,138
Onerous contracts	4	2	–	(2)	–	–	4
Other contracts*	239	37	(21)	(7)	–	–	248
Restoration provision	214	8	–	–	(2)	11	231
<b>Total provisions</b>	<b>15,645</b>	<b>1,482</b>	<b>(2,018)</b>	<b>(9)</b>	<b>(1,087)</b>	<b>997</b>	<b>15,010</b>

	At 31 December 2025			At 31 December 2024		
	Current	Non-current	Total	Current	Non-current	Total
	£m	£m	£m	£m	£m	£m
Renewable obligation certificates	1,069	–	<b>1,069</b>	998	–	<b>998</b>
Decommissioning on non-nuclear stations	8	13	<b>21</b>	18	13	<b>31</b>
Restructuring costs	41	6	<b>47</b>	12	–	<b>12</b>
Nuclear liabilities (note 33)	659	11,593	<b>12,252</b>	935	12,077	<b>13,012</b>
Provision for unburnt fuel at station closure	–	1,138	<b>1,138</b>	–	1,135	<b>1,135</b>
Onerous contracts	4	–	<b>4</b>	2	2	<b>4</b>
Other contracts*	36	212	<b>248</b>	37	202	<b>239</b>
Land restoration	–	231	<b>231</b>	–	214	<b>214</b>
<b>Total provisions</b>	<b>1,817</b>	<b>13,193</b>	<b>15,010</b>	<b>2,002</b>	<b>13,643</b>	<b>15,645</b>

\*During 2025, the purchase price allocation relating to the acquisition of Arabelle Solutions was finalised. The opening and comparative balances of other contracts have been restated to reflect an increase in provisions of £4m as an adjustment to the provisional amount. Refer to note 17.

Provisions related to environmental scheme include the provision for renewable obligations certificates 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 costs provision covers the costs of severance related to restructuring which has been announced to impacted employees. It is expected to be utilised in 2026 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 increases to the provision are recorded through a corresponding increase to property, plant and equipment and depreciated over remaining station life; any decreases to the provision are recorded through an equivalent decrease to property, plant and equipment - up to a maximum of the prevailing net book value (NBV) of the station asset - and depreciated over remaining station life. In the eventuality that the reduction in the unburnt fuel provision is larger than the remaining NBV of the station asset, the excess reduction above the NBV is charged to the Income Statement. 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 £2m 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 £8m (2024: £80m) provision was recognised for land restoration. The total land restoration provision amounts to £231m as at 31 December 2025 (2024: £214m) and is based on the best estimate of the expenditure required to settle the present obligation.

### 33. Nuclear liabilities

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”) which commenced in 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 Nuclear Restoration services (NRS), which will then take charge of decommissioning and bear the associated costs.

The signature of these agreements has no accounting consequence for decommissioning provisions or the receivable representing reimbursements to be made by the NLF and the UK government at December 2025. Nuclear decommissioning liabilities and the associated assets will be de-recognised during the agreement’s operational implementation phase.

	Radioactive waste				Total £m
	Spent fuel £m	Transport & Disposal £m	Retrieval & Processing £m	De- commissioning £m	
<b>At 1 January 2024</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>
Unwinding of the discount	74	84	31	754	943
Updated cash flows	6	(46)	(11)	(834)	(885)
Discount rate update	(15)	(41)	(18)	(134)	(208)
Operating costs	11	2	–	–	13
Payments in the period	(128)	–	–	(562)	(690)
<b>At 31 December 2025</b>	<b>997</b>	<b>1,198</b>	<b>433</b>	<b>9,845</b>	<b>12,473</b>

Nuclear liabilities are included in the balance sheet as follows:

	2025 £m	2024 £m
Other liabilities:		
- amounts due within one year (note 30)	87	83
- amounts due after more than one year (note 30)	134	205
Provision for liabilities:		
'- amounts due within one year (note 32)	659	935
'- amounts due after more than one year (note 32)	11,593	12,077
	<b>12,473</b>	<b>13,300</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 NRS 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.

In September 2025, the Group announced the planned life extension of Hartlepool and Heysham 1 power stations by one year (from a planned closure date of 31 March 2027 to 31 March 2028).

The Integrated Plan (IP) 26 was approved by the Non-NDA Nuclear Liabilities Assurance team (NLA) in December 2025, which updated the cost estimates for AGR Defueling, AGR Deconstruction, Sizewell B Decommissioning and the Uncontracted Liabilities, and included the updated end of generation assumption for Hartlepool and Heysham 1 power stations.

The cost estimates from IP26 (based on NDA approved closure dates), updated for the additional spent fuel management costs associated with Sizewell life extension from 2035 to 2055 form the basis of the nuclear liabilities as at 31 December 2025.

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 2025, 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 3.4% used in 2024, to 3.5% used in 2025.

## 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				2025 Total £m	2024 Total £m
	Spent fuel	Transport & Disposal	Retrieval & Processing	Decomm- issioning		
	£m	£m	£m	£m		
Undiscounted	3,441	6,524	2,618	21,985	34,568	35,084
Discounted	1,270	1,228	439	9,848	12,785	13,619
Accrued to date	997	1,198	433	9,844	12,472	13,300

The difference between the undiscounted and discounted amounts reflect 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 already been loaded to the reactor at December 2025 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 £m	Radioactive waste – Transport & Disposal £m	Radioactive waste – Retrieval & Processing £m	Decomm- issioning £m	2025 Total £m	2024 Total £m
Within five years	419	303	91	3,468	4,281	4,637
6 – 10 years	178	164	59	3,636	4,037	4,298
11 – 25 years	457	196	20	4,930	5,603	5,953
26 – 50 years	1,352	850	212	2,403	4,817	4,462
51 years and over	1,035	5,011	2,236	7,548	15,830	15,734
	<b>3,441</b>	<b>6,524</b>	<b>2,618</b>	<b>21,985</b>	<b>34,568</b>	<b>35,084</b>

## 34. 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 £m	Retirement benefit obligations £m	Fair value of derivative instruments £m	Losses £m	Other £m	Total £m
<b>At 1 January 2024</b>	(174)	(26)	247	423	(26)	444
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
Charge to equity:						
- current year	–	(73)	(203)	–	–	(276)
Business acquisition(s)	–	–	–	–	(12)	(12)
<b>At 31 December 2024</b>	<b>(654)</b>	<b>(108)</b>	<b>45</b>	<b>591</b>	<b>(14)</b>	<b>(140)</b>
Credit/(charge) to income:						
- current year	(221)	(8)	–	31	45	(153)

	Accelerated capital allowances £m	Retirement benefit obligations £m	Fair value of derivative instruments £m	Losses £m	Other £m	Total £m
- adjustments in respect of previous years' reported tax charges	(27)	–	–	14	(7)	(20)
Charge to equity:						
- current year	–	(17)	–	–	–	(17)
Business acquisition(s)					(22)	(22)
<b>At 31 December 2025</b>	<b>(902)</b>	<b>(133)</b>	<b>45</b>	<b>636</b>	<b>2</b>	<b>(352)</b>

The Group has unrecognised tax losses of £nil (2024: nil). The losses give rise to a deferred tax asset of £nil (2024: £nil) 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:

	2025 £m	2024 £m
Deferred tax liabilities	(1,070)	(764)
Deferred tax assets	718	624
<b>At 31 December</b>	<b>(352)</b>	<b>(140)</b>

Of the total deferred tax balance, there are no deferred tax assets that are expected to be recovered within twelve months after the reporting period.

## 35. Non-controlling interest

There are two material non-controlling interests (NCI) in the Group. Material NCI includes Lake Acquisitions Limited (holding entity in the nuclear operations business) which is 80% (2024: 80%) owned by the Group and NNB Holding Company (HPC) Limited which is 76.70% (2024: 72.58%) owned by the Group. Ownership percentages also reflect the voting rights.

The Group previously held a majority (c.53% stake in Pod Point Group Holdings Ltd ("Pod") from November 2020. On 4 August 2025, EDF Energy purchased all remaining shares of Pod, taking full ownership of the company. The principal activities of the aforementioned companies take place in the United Kingdom.

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	
	2025	2024 (restated)*	2025	2024 (restated)*
	£m	£m	£m	£m
Non-current assets	17,288	17,711	21,279	18,748
Current assets	3,440	3,722	1,676	368
<b>Total assets</b>	<b>20,728</b>	<b>21,433</b>	<b>22,955</b>	<b>19,116</b>
Current liabilities	1,227	1,521	1,115	1,061
Non-current liabilities	13,564	14,188	371	329

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	Lake Acquisitions Limited		NNB Holding Company (HPC) Limited	
	2025	2024 (restated)*	2025	2024 (restated)*
	£m	£m	£m	£m
Equity attributable to owners of the company	5,937	5,724	21,469	17,726
<b>Total equity and liabilities</b>	<b>20,728</b>	<b>21,433</b>	<b>22,955</b>	<b>19,116</b>
<b>Turnover</b>	<b>2,913</b>	<b>4,040</b>	<b>1</b>	<b>1</b>
Profit/(loss) attributable to owners of the company	630	909	(484)	(195)
Profit/(loss) attributable to the non-controlling interests	157	227	(147)	(74)
<b>Profit/(loss) for the year</b>	<b>787</b>	<b>1,136</b>	<b>(631)</b>	<b>(269)</b>
Total other comprehensive income/(loss) attributable to owners of the company	21	153	–	–
Total other comprehensive income/(loss) attributable to the non-controlling interests	5	36	–	–
<b>Total other comprehensive</b>	<b>26</b>	<b>189</b>	<b>–</b>	<b>–</b>
Dividends paid to non-controlling interests	135	355	–	–
Net cash inflow from operating activities	1,173	2,105	1,729	394
Net cash outflow from investing activities	(439)	(342)	(5,083)	(4,118)
Net cash (outflow)/ inflow from financing activities	(675)	(1,892)	4,365	3,738
<b>Net cash (outflow)/inflow</b>	<b>59</b>	<b>(129)</b>	<b>1,011</b>	<b>14</b>

\*The comparative summarised consolidated financial information for Lake Acquisitions Limited and NNB Holding Company (HPC) Limited has been restated to correct prior year presentation.

For Lake Acquisitions Limited, adjustments were made to: non-current assets (£2,462m), current assets (£68m), current liabilities (£58m), non-current liabilities (£98m), and equity attributable to owners (£2,551m), primarily due to corrections to goodwill allocation, VAT reclassification, and previously omitted statutory adjustments.

For NNB Holding Company (HPC) Limited, adjustments were made to: non-current assets (£81m), current assets (£71m), current liabilities (£171m), non-current liabilities (£931m), and equity attributable to owners (£1,092m), reflecting the correction of prior year omitted statutory adjustments at the entity level.

These restatements relate solely to presentation and classification and have no impact on the Group's overall consolidated financial position or results..

The cumulative non-controlling interest position for the Group is shown below:

	Lake Acquisitions Limited		NNB Holding Company (HPC) Limited	
	2025	2024	2025	2024 (restated)*
	£m	£m	£m	£m
Balance at beginning of year *	1,182	1,272	4,902	4,651
Profit/(loss) arising during the year	157	227	(147)	(74)
Net actuarial gain/(loss) on defined benefit pensions	4	38	–	–
<b>Total other comprehensive income/(loss)</b>	161	265	(147)	(74)
Acquisition of non-controlling interest	–	–	285	325
Dividends paid	(135)	(355)	–	–
<b>Balance at end of year</b>	<b>1,208</b>	<b>1,182</b>	<b>5,040</b>	<b>4,902</b>

\*The balance at the beginning of the year 2024 has been restated to correct the allocation of £78m capital contribution between NNB Holding Company (HPC) limited and the aggregate carrying amount of immaterial NCI.

Aggregate information of NCI that are not individually material:

	2025 £m	2024 (restated)* £m
The NCI's share of loss from operations for the year	(8)	(16)
Reallocation to retained earnings on account of Pod reacquisition	(23)	–
Aggregate carrying amount of immaterial NCI *	–	31

Total of all NCI balances:

	2025 £m	2024
The NCI's share of loss from operations for the year	2	133
The NCI's share of other comprehensive income (loss)/income for the year	4	38
Aggregate carrying amount of NCI	6,248	6,115

## 36. 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:

	Land	Buildings	Other PPE (including vehicles)	Total
	£m	£m	£m	£m
<b>Cost</b>				
<b>At 1 January 2024</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>
Additions*	–	155	2	157
Disposals	(1)	(15)	(2)	(18)
Movement in land restoration provision	(2)	–	–	(2)
<b>Remeasurement due to sub-lease arrangement</b>	<b>–</b>	<b>(4)</b>	<b>–</b>	<b>(4)</b>
<b>At 31 December 2025</b>	<b>200</b>	<b>240</b>	<b>17</b>	<b>457</b>
<b>Accumulated depreciation and impairment</b>				
<b>At 1 January 2024</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>
Charge for the year	(22)	(52)	(3)	(77)
Disposals	1	8	2	11
<b>At 31 December 2025</b>	<b>(93)</b>	<b>(81)</b>	<b>(13)</b>	<b>(187)</b>
Carrying amount				–
<b>At 31 December 2024</b>	<b>131</b>	<b>67</b>	<b>5</b>	<b>203</b>
<b>At 31 December 2025</b>	<b>107</b>	<b>159</b>	<b>4</b>	<b>270</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 £nil provision (2024: £80m) 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.

In 2025, the company entered into new lease agreements for buildings which resulted in the recognition of £8m of restoration provision.

Set out below are the carrying amounts of lease liabilities and movement during the period:

	2025	2024
	£m	£m
<b>As at 1 January</b>	<b>84</b>	<b>85</b>
Additions	140	78
Early terminations	(7)	(50)
Interest	11	3
Payments	(48)	(32)
<b>As at 31 December</b>	<b>180</b>	<b>84</b>

	2025	2024
	£m	£m
Current	35	20
Non-current	145	64
<b>Total</b>	<b>180</b>	<b>84</b>

Further maturity analysis can be found in note 44

The following amounts are recognised in profit or loss:

	2025	2024
	£m	£m
Depreciation for right-of-use assets	77	75
Capitalised depreciation expenses	(68)	(65)
<b>Net depreciation expense</b>	<b>9</b>	<b>10</b>
Interest expense of lease liabilities	10	3
Capitalised interest expense	(4)	(2)
<b>Net interest expense of lease liabilities</b>	<b>6</b>	<b>1</b>
<b>Total amount recognised in income statement</b>	<b>15</b>	<b>11</b>

Amounts recognised in the statement of Cash flows:

	2025	2024
	£m	£m
Total cash outflows for leases	48	32

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 2025.

## 38. Commitments and contingent liabilities

### Capital and other commitments

At 31 December 2025, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £4,146m (2024: £4,315m).

At 31 December 2025, the Group had entered into operating purchase commitments amounting to £761m (2024: £440m).

At 31 December 2025, the Group had contracted to purchase power, gas and other fuel to the value of £13,958m (2024: £15,037m).

At 31 December 2025, the Group had entered into contractual commitments to the purchase of nuclear fuel amounting to £492m (2024: £501m).

At 31 December 2025, the Group had contracted to commit equity into Sizewell C amounting to £752m (2024: £nil).

### Contingent liabilities

The Group has given letters of credit and guarantees to the value of £1,683m (2024: £780m) 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 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. So far £6.5m incentivisation income has been received for the timely defueling of Hunterston B in 2025.

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.

## 38. Share capital

Authorised, issued, called up and fully paid

	2025 Number	2024 Number	2025 £m	2024 £m
Ordinary shares of £1.00 each	15,219,464,321	10,854,464,321	15,219	10,854

In 2025, 4,365,000,000 shares (2024: 3,738,000,000 shares) were issued at par for consideration of £4,365m (2024: £3,738m). In 2024, 10,000m ordinary shares were cancelled as part of a capital reduction which was transferred to the Company's capital reserves.

## 39. Capital reserve

	2025 £m	2024 £m
Capital reserve	10,005	10,009

Acquisition costs of £3.9m incurred in relation to the acquisition of Pod Point were capitalised in 2025 resulting in a reduction in the capital reserve.

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 38.

£9m of the capital reserve balance 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.

## 40. Merger reserve

The merger reserve (debit balance) of £2m (2024: £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.

## 41. Hedging reserve

The following is the analysis of the split as at the reporting date:

	2025 £m	2024 £m Restated
Cash flow hedging reserve	(166)	(149)

Set out below is the reconciliation of the hedging reserve and includes both cash flow hedge movements and cost of hedging movements:

	2025 £m	2024 £m Restated
Balance at start of the year (restated)	(149)	(761)
Net gains arising on changes in fair value:		
- Commodity purchase contracts	419	1,640
Net losses transferred to loss for the year:		
- Commodity purchase contracts	(419)	(828)
Share of other comprehensive (loss)/income of associate	(17)	3
Deferred tax on net gains/(losses) in cash flow hedge	-	(203)
<b>Total movement in the year</b>	<b>(17)</b>	<b>612</b>
<b>Balance at end of the year</b>	<b>(166)</b>	<b>(149)</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 hedge reserve note has been restated to reflect the Group's share of the hedge held by EDF Power Solutions Limited. EDF Energy identified the prior-year impact during the reconciliations performed as part of their consolidation process. Refer to note 1 for further details.

The maturity analysis of the amounts included within the hedging reserve is as follows:

	2025 £m	2024 £m Restated
Less than one year	(160)	(122)
Between one to five years	(15)	(55)
Greater than five years	(35)	(17)
Total fair value losses of instruments in a cash flow hedge:	<b>(210)</b>	<b>(194)</b>
Deferred taxation	44	45
<b>Balance at end of the year</b>	<b>(166)</b>	<b>(149)</b>

During the year a loss of £419m (2024: £828m) was recycled from the hedging reserve and included within fuel, energy and related purchases in relation to contracts which had matured.

## 42. Notes to the cash flow statement

	2025 £m	2024 £m
<b>Profit before tax on ordinary activities</b>	604	1,728
Adjustments for:		
Depreciation of property, plant and equipment	516	651
Amortisation of intangible assets	60	89
Onerous contract provision release	–	(11)
Impairment	2,465	824
Gain on derivatives	(3)	–
Gain on disposal of PPE	(1)	(6)
Provision for Renewable Obligation Certificates (ROCs)	1,448	1,338
Non-nuclear decommissioning provision release	10	(13)
Investment income	(1,351)	(1,180)
Finance costs	1,197	1,035
Non-cash other operating income	(52)	–
Decrease in provisions	(24)	(24)
Difference between pension funding contribution paid & cost charged	(49)	(50)
Net exceptional costs	325	22
<b>Operating cash flows before movement in working capital</b>	<b>5,145</b>	<b>4,403</b>
Increase in inventories (excluding ROCs)	(74)	(111)
Payment of ROCs and carbon	(1,396)	(1,213)
Decrease/(increase) in trade and other receivables	(308)	(170)
Decrease in other liabilities (excl. nuclear liability)	(28)	(507)
<b>Cash generated by operations</b>	<b>3,339</b>	<b>2,402</b>
Income taxes paid	(177)	(662)
<b>Net cash from operating activities*</b>	<b>3,162</b>	<b>1,740</b>

\*Net cash from operating activities for the year ended 31 December 2025 includes £1,580m Know how revenue received from SZC in return for the project expertise that SZC benefits from. Net exceptional costs in cashflow statement differs from the presented in the consolidated income statement as a result of this cash impact. Refer to note 13 for more details.

### 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 36)	Borrowings (note 30)	Total liabilities from financing activities
<b>At 31 December 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	–	<b>(100)</b>	<b>(100)</b>
<b>At 1 January, 2025</b>	<b>84</b>	<b>2,183</b>	<b>2,267</b>
Financing cash flow	(48)	16	(32)
New Leases	140	–	140
Lease termination	(7)	–	(7)
Interest expense	11	12	23
<b>At 31 December 2025</b>	<b>180</b>	<b>2,211</b>	<b>2,391</b>

## 43. 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 Scheme 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 under section 9 (2B) of the Pension Schemes Act 1993 which altered, both adversely or favourably, the section 9 (2B) rights awarded to members.

The decision was appealed to the Court of Appeal, and, in July 2024, the Court of Appeal upheld the decision of the High Court. The case has the potential to cause significant issues in the pensions industry. In June 2025 the Government announced that it will "introduce legislation to give affected pension schemes the ability to

retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Scheme obligations will otherwise be unaffected and the Government will continue to maintain its robust framework for the funding of defined benefit pension schemes in order to protect people's hard-earned pensions."

Legislation was enacted in the Pension Schemes Act to allow defined benefit (DB) pension schemes to retrospectively validate historic rule amendments affecting contracted-out benefits that were previously deemed void. The Group Trustees will work with the advisers to ensure retrospective compliance.

### 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 2022 and showed a surplus of £1.25bn. The valuation as at 31 March 2022 was completed at the end of March 2023. The Company paid additional contributions and contributions in respect of ongoing benefit accrual. The Group expects to make additional contributions amounting to £32m in 2026.

#### a) Risks associated with the pension scheme

The defined benefit pension Schemes typically exposes the Company 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 underperform corporate bonds, then this will lead to an increased deficit/reduced surplus. The Scheme holds growth assets (multi-asset strategies, equities etc) 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's 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:

	2025	2024
	% p.a.	% p.a.
Discount rate	5.65 %	5.55 %
Rate of increase in salaries DBO assumption	2.80 %	2.85 %
Rate of increase in salaries Service assumption	2.80 %	2.80 %
RPI inflation DBO assumption	2.85 %	2.95 %
RPI inflation Service Cost assumption	2.85 %	2.90 %
Rate of increase of pensions in deferment Pre-2001 joiners	2.90 %	3.00 %
Rate of increase of pensions in deferment Post-2001 joiners	2.70 %	2.80 %

The table below shows details of assumptions around mortality rates used to calculate the IAS 19 liabilities:

	2025	2024
Life expectancy for current male pensioner aged 60 years	26	26
Life expectancy for current female pensioner aged 60 years	28	28
Life expectancy at 60 for future male pensioner currently aged 40 years	28	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 S4 "All" tables for male members and SAPS S4 "Mid" tables for female members (2024: SAPS S3 "All" tables for male members and SAPS S3 "Mid" tables for female members). Future improvements in mortality rates are assumed to be in line with the CMI 2024 Core Projections Model subject to a 1.25% p.a long-term rate of improvement. Increasing the life expectancy by 1 year would increase the DBO at 31 December 2025 by approximately £138m. Reducing the life expectancy by 1 year would reduce the DBO at 31 December 2025 by approximately £140m .

**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:

	2025	2024
	£m	£m
Present value of defined benefit obligations ("DBO")	(4,906)	(5,007)
Fair value of scheme assets	5,456	5,456
Surplus in scheme	550	449

There was an additional amount of £11m (2024: £11m) included within provisions that relate to unapproved pension scheme amounts. The movement of £1m 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:

	<b>Total 2025 £m</b>	<b>Total 2024 £m</b>
Service cost	8	12
Past service cost (including curtailments)	–	(27)
Administration expenses	4	5
<b>Recognised in arriving at profit before taxation and finance</b>	<b>12</b>	<b>(10)</b>
Interest cost on DBO	270	263
Interest income on scheme assets	(296)	(270)
<b>Recognised in other finance income</b>	<b>(26)</b>	<b>(7)</b>
<b>Total pension costs recognised in the income statement</b>	<b>(14)</b>	<b>(17)</b>

The movements in the present value of defined benefit obligations in the current year were as follows:

	<b>2025 £m</b>	<b>2024 £m</b>
<b>At 1 January</b>	<b>5,007</b>	<b>5,995</b>
Current service cost	8	12
Interest cost on DBO	270	263
Actuarial losses/(gains) from change in demographic assumptions	20	(12)
Actuarial gains from change in financial assumptions	(187)	(940)
Actuarial losses/(gains) from experience	74	(17)
Net benefits paid	(287)	(268)
Contributions by employees	1	1
Past service cost (including curtailments)	–	(27)
<b>At 31 December</b>	<b>4,906</b>	<b>5,007</b>

	<b>2025 £m</b>	<b>2024 £m</b>
<b>At 1 January</b>	<b>5,456</b>	<b>6,112</b>
Interest income on scheme assets	296	270
Actuarial loss	(67)	(716)
Contributions by employer	61	61
Net benefits paid	(287)	(268)
Administration costs	(4)	(4)
Contributions by employees	1	1
<b>At 31 December</b>	<b>5,456</b>	<b>5,456</b>

Breakdown of scheme assets:

	2025	2024
	£m	£m
<b>Equities by region:</b>		
United Kingdom	36	47
Europe	76	95
North America	293	285
Asia Pacific	12	8
Japan	29	26
Emerging Markets	2	9
Other	1	13
<b>Total Equities:</b>	<b>449</b>	<b>483</b>
Bonds by rating:	–	–
AAA	353	240
AA	2,228	3,971
A	127	93
BBB	231	157
Non-investment grade *	405	452
Private debt *	137	104
Other*	63	18
<b>Total Bonds:</b>	<b>3,544</b>	<b>5,035</b>
Real Estate *	209	286
Private Equity *	478	519
Systematic Multi-Asset Fund *	259	160
Cash	214	77
Derivatives	228	(1,398)
Other *	75	294
<b>Total scheme assets</b>	<b>5,456</b>	<b>5,456</b>

\* The following scheme assets are unquoted.

As at 31 December 2025, 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 £2,272m at 31 December 2025 (2024: £1,530m).

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, 26% to deferred pensioners and 63% 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 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, 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 consolidated scheme as a whole, the duration is approximately 16 years.

**f) 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>2025</b> <b>£m</b>
Impact of a 25bp increase in discount rate	(181)
Impact of a 25bp decrease in discount rate	191
Impact of a 25bp increase in inflation rate	161
Impact of a 25bp decrease in inflation rate	(157)

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.

## 44. Financial Instruments

The table below shows the carrying value of Group financial instruments by category:

	Note	31 December 2025			31 December 2024		
		Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
<b>Financial assets</b>							
Derivatives designated in cash flow hedge:							
Commodity purchase contracts	31	39	15	54	207	31	238
Cash and cash equivalents (i)	26	4,626	–	4,626	3,246	–	3,246
Loan receivables at amortised cost (ii)	23	171	4,570	4,741	125	3,471	3,596
Trade and other receivables (iii)	28	2,971	–	2,971	2,921	–	2,921
NLF and Nuclear liabilities receivable	25	745	11,837	12,582	1,141	12,241	13,382

- (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 23 have been excluded from the analysis above.
- (iii) The fair value of trade receivables measured at amortised cost approximate the carrying value.

	Note	31 December 2025			31 December 2024		
		Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
<b>Financial liabilities</b>							
Derivatives at fair value through profit and loss:							
- Commodity purchase contracts	31	(4)	(4)	(8)	(6)	(7)	(13)
Derivatives designated in cash flow hedge:							
- Commodity purchase contracts	31	(199)	(30)	(229)	(329)	(81)	(410)
Borrowings at amortised cost (iv)	30	(83)	(2,128)	(2,211)	(62)	(2,121)	(2,183)
Other liabilities at amortised cost	29	(3,992)	(241)	(4,233)	(3,952)	(283)	(4,235)
Lease obligations	36	(35)	(145)	(180)	(20)	(64)	(84)
Deferred income (v)	29	–	(198)	(198)	–	(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 deferred income approximates the carrying value due its relatively short maturity. Non-financial liabilities in note 29 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	2025 £m	2024 £m
Level 2*			
Derivatives at fair value through profit and loss:	31	(8)	(13)
- Commodity purchase contracts (i)			
Derivatives designated in cash flow hedge:	31	(175)	(172)
- Commodity purchase contracts (i)			
* 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			Fair value (£m)
		< 1 year	1-5 years	Total	
31 December 2025					
Electricity	Millions of MWh's	18	9	27	(65)
Gas	Millions of therms	813	110	923	(111)
31 December 2024					
Electricity	Millions of MWh's	(2)	9	7	(305)
Gas	Millions of therms	739	39	778	128

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 2025				
Commodity purchase contracts	Commodity price risk	54	(229)	(175)
31 December 2024				
Commodity purchase contracts	Commodity price risk	238	(410)	(172)

### 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.

### 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	
	2025 £m	2024 £m	2025 £m	2024 £m
Increase of 10% in electricity price	–	–	(7)	(30)
Increase of 10% in gas price	–	–	(11)	13
Increase of 10% CO2 emission	–	(1)	–	–

There have been no changes since last year 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:

	2025 £m	2024 £m
Floating rate borrowings	1,418	1,397
Fixed rate borrowings	793	786
Floating rate lease obligations	180	84

The weighted average interest rates for all borrowings and lease obligations were as follows:

	2025	2024
Weighted average fixed interest rate %	6.5%	6.5%
Weighted average floating interest rate % Interest rate sensitivity	4.7%	5.7%

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
	<1yr £m	1-5yrs £m	Total £m	<1yr £m	1-5yrs £m	Total £m	£m
<b>At 31 December 2025</b>							
Foreign currency forwards	109	13	122	148	17	165	–
<b>At 31 December 2024</b>							
Foreign currency forwards	436	33	469	478	39	517	–

### Sensitivity analysis

If exchange rates increased by 10%, the profit before tax would be £1m higher (2024: £1m higher). 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.

	2025 £m	2024 £m
Guarantee provided relating to performance of contractual obligations	438	416

### 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. At 31 December 2025, the Group had available £450m (2024(restated): £900m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met representing both inter-group and external funding.

The liabilities associated to the supplier financing arrangement, as disclosed in note 29, amounts to £69m as at 31 December 2025 (2024: £89m) out of which the suppliers have received payment from the finance provider of £48m as at 31 December 2025 (2024: £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:

	<1 year £m	1-2 years £m	2-5 years £m	> 5 years £m	Total £m
<b>At 31 December 2025</b>					
Commodity purchase contracts	(197)	(33)	(1)	(1)	(232)
Borrowings	(133)	(129)	(958)	(4,593)	(5,813)
Other liabilities	(3,964)	(48)	(98)	(124)	(4,234)
Lease obligations	(41)	(38)	(99)	(121)	(299)
Contingent consideration	-	(198)	-	-	(198)

	<1 year £m	1-2 years £m	2-5 years £m	> 5 years £m	Total £m
<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)

## 45. Related parties

During the year, the Group entered into the following transactions with related parties who are not members of the Group:

		Sales to related parties £m	Purchases from related parties £m	Interest paid to related parties £m	Interest received from related parties	Other income from related parties
Transactions with associates	2025	–	(337)	–	47	1,382
	2024	–	(205)	–	36	–
Transactions with other EDF Group companies	2025	4	(330)	(159)	311	–
	2024	17	(471)	(144)	339	–
Derivatives with other EDF Group companies	2025	1,257	(4,117)	–	–	–
	2024	1,264	(3,655)	–	–	–

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	2025	1,020	(349)
	2024	518	(168)
Transactions with other EDF Group companies	2025	8,316	(2,550)
	2024	6,272	(2,813)
Derivatives with other EDF Group companies	2025	54	(237)
	2024	238	(423)

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 £2,027m (2024: £2,080m) and loans receivable from EDF Group companies of £3,439m (2024: £2,800m). For details, refer note 23.

### Transactions with key management personnel

	2025 £m	2024 £m
Short-term benefits	4.6	4.7
Post-employment benefits	0.3	0.1
Other long-term employee benefits	–	1.0
<b>Total transactions with key management personnel</b>	<b>4.9</b>	<b>5.8</b>

Key management personnel comprise members of the Executive Committee, a total of seven individuals at 31 December 2025 (2024: seven). The Executive Committee is a cross-business unit committee of senior staff who take part in the decision-making for the Group.

## 46. Events after the balance sheet date

In March 2026, Lake Acquisitions Limited entered into an amendment to its existing £200 million revolving credit facility with EDF SA and Centrica plc. The amendment extended the final maturity of the facility to 31 March 2028, with no change to the overall facility limit. The facility continues to bear interest at a floating rate based on SONIA plus a margin of 1.25%, with interest payable at the end of each interest period.

In March 2026, the appointment of Mark Hartley as the next Chief Executive Officer of the Hinkley Point C project was announced, effective from 1 July 2026, at which date Stuart Crooks will step down from his role as Chief Executive Officer. Mark Hartley will be succeeded by John Munro as Managing Director of Nuclear Operations.

In April 2026, a £3.5bn loan facility was signed between EDF Energy Holdings Limited (EEHL) as the issuer and EDF SA as the holder to finance expenditures of the ongoing HPC project. The loan matures on 30 September 2027, at which time full repayment of all amounts drawn is due. The loan accrues interest at a rate of SONIA + 1.325%, payable every six months.

On 1 April 2026, the Hunterston B nuclear power station site licence was transferred to the NDA and is to be decommissioned by the Nuclear Restoration Services (NRS). The transfer resulted in the nuclear liabilities and the NLF receivable on the balance sheet reducing by approximately £980m (approximately £2.5bn on an undiscounted basis). There was no impact on fixed assets as these were written off and disposed of at the end of generation at Hunterston B.

On 15 April 2026, the Supreme Court delivered its verdict in the case of Orsted West of Duddon Sands (UK) Limited (now named Orsted Schrodgers Greencoat WODS Holdco Limited) and others v Commissioners for His Majesty's Revenue and Customs, commonly referred to as Gunfleet Sands. The case was on whether costs of surveys and studies that informed the design of a series of offshore windfarms would qualify for Plant and Machinery Allowances. The Court of Appeal had ruled in favour of the taxpayer, but the Supreme Court overturned that decision and adjudged in favour of HMRC, meaning that these early studies do not qualify. The decision was fact specific and careful analysis will be required to determine how historic spend on surveys, studies, and similar activities meets the condition of being incurred on the provision of plant and machinery. On 2 June 2026, a letter was received from HMRC that updated their interpretation of (1) the deductibility of overhead costs, and (2) the Gunfleet Sands decision. HMRC's updated interpretation applies a narrower view of the phrase 'on the provision of' than that reflected in the Supreme Court judgment. HMRC have subsequently agreed to provide more information around how they expect their interpretation to work in practice. It is currently not practicable to quantify the impact, if any, of HMRC's updated position on the Financial Statements. These events do not change our provision for uncertain tax positions, which already reflected the risk that some related costs would not qualify, nor do they change our critical judgement over uncertain tax positions set out within note 3.

Subsequent to year end, geopolitical tensions have escalated in the Middle East, contributing to increased volatility in global energy markets, including elevated wholesale power prices and changes in fuel and other commodity costs. Management has assessed these developments and concluded that they represent a non-adjusting subsequent event under IAS 10, as they arose after year end. As at the date of approval of these financial statements, these developments have not resulted in a material impact on the Group's financial position or performance. However, the situation remains uncertain and management continue to monitor the situation closely.

In June 2026, EDF Energy Holdings Limited declared a dividend in the amount of £160m to EDF Energy (UK) Limited.

## **47. 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 2025, 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 and smallest 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 2025

	Note	2025 £m	2024 £m
<b>Non-current assets</b>			
Financial Assets	10	1,851	746
Investments in subsidiary and associate undertakings	11	20,785	17,602
		<b>22,636</b>	<b>18,348</b>
<b>Current assets</b>			
Trade and other receivables	12	14	14
Financial Assets	10	663	598
Cash and cash equivalents	13	476	804
		<b>1,153</b>	<b>1,416</b>
<b>Total assets</b>		<b>23,789</b>	<b>19,764</b>
<b>Current liabilities</b>			
Other liabilities	14	(7)	(3)
Borrowings	15	(83)	–
Current tax liabilities		(21)	(7)
		<b>(111)</b>	<b>(10)</b>
<b>Non-current liabilities</b>			
Borrowings	15	(692)	(746)
Provisions	16	(183)	(146)
		<b>(875)</b>	<b>(892)</b>
<b>Total liabilities</b>		<b>(986)</b>	<b>(902)</b>
<b>Net current assets</b>		<b>1,042</b>	<b>1,406</b>
<b>Net assets</b>		<b>22,803</b>	<b>18,862</b>
<b>Equity</b>			
Share capital	17	15,219	10,854
Capital reserve	17	10,000	10,000
Share premium	18	199	199
Retained earnings/(accumulated losses)		(2,615)	(2,191)
<b>Total equity</b>		<b>22,803</b>	<b>18,862</b>

The Company reported a loss for the financial year ended 31 December 2025 of £114m (2024: profit of £510m).

The Company financial statements of EDF Energy Holdings Limited, registered number 06930266, on pages 130 to 142 were approved by the Board of Directors on 19 June 2026 and signed on its behalf by:

DocuSigned by:  
  
81F6836592A941E...  
Robert Guyler  
Director  
22 June 2026

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital £m	Share premium £m	Capital reserve £m	Accumulate d losses £m	Total shareholder s' funds £m
<b>At 1 January, 2024</b>	17,116	199	–	(1,901)	15,414
Profit for the year	–	–	–	510	510
Dividends paid	–	–	–	(800)	(800)
Shares issued (note 17)	3,738	–	–	–	3,738
Capital reduction (note 17)	(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>
Loss for the year	–	–	–	(114)	(114)
Dividends paid	–	–	–	(310)	(310)
Shares issued (note 17)	4,365	–	–	–	4,365
<b>At 31 December 2025</b>	<b>15,219</b>	<b>199</b>	<b>10,000</b>	<b>(2,615)</b>	<b>22,803</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 The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework". In addition to the accounting policies stated in the consolidated financial statements above, the accounting policies which follow set out those policies which apply in preparing the Company financial statements for the year ended 31 December 2025.

## 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 FRS 101:

- 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), 16, 38A, 38B-D, 111 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 88C and 88D of IAS 12 Income Taxes;
- g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- h) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- i) 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;
- j) 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 financial statements 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 next 12 months. 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.

## 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 8.

## 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. 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 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.

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 9.

#### 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 £119m to £130m respectively.

#### EDF Energy Limited ('EEL')

EEL is a combination of sales and supply business, Thermal and corporate activities.

At 31 December 2025, the Company reassessed the carrying amount of its investment in EEL, for which impairments were previously recognised in 2018, 2019 and 2021 due to regulatory changes, adverse market conditions 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 sustained improvements in the customers business, including recovery from the energy crisis, long-term EBIT margin and stabilisation of regulatory and market conditions, as indicators that part of the previously recognised impairment has reversed. Accordingly, an impairment reversal of £1,302m has been recognised as at 31 December 2025, comprising £1,140m relating to FY18 and £163m relating to the portion of the FY21 impairment attributable to Customers. The FY21 portion was calculated as the proportion of the change in the recoverable value of Customers relative to the total change in the recoverable value in 2021, which was then applied to the impairment charged recognised that year. Refer to note 9 for further details.

Sensitivity tests were conducted on the assumptions to which this operating cash generating unit (CGU) is particularly sensitive. A 1% increase or decrease in Residential EBIT would increase or decrease the recoverable amount in the range of £550m to £540m respectively, a 0.5% increase or decrease in SB EBIT would increase or decrease the recoverable amount in the range of £57m to £57m respectively, and a 0.5% increase or decrease in EBS EBIT would increase or decrease the recoverable amount in the range of £590m to £515m respectively.

#### **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 £1.5 billion on the recoverable value. A 10bp decrease in inflation rates after 2030 would have a negative impact of £0.5 billion on the recoverable value. A decrease of £10/MWh (in 2025 values) in electricity prices beyond the post-CfD period would have an impact of £0.5 billion on the recoverable value. A 12-month delay (to the 144-month schedule) in the MEH phase would have a negative impact of £1.8 billion on the recoverable value. A 6-month delay (to the 144-month schedule) in the commissioning phase would have a negative impact of £0.8 billion on the recoverable value.

#### **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 2025 an amount of £15,288 (2024: £14,700) was paid to PricewaterhouseCoopers LLP for audit services relating to audit of the individual entity statutory financial statements of the Company. This charge was borne by another Group company. In 2025, amounts payable to PricewaterhouseCoopers LLP by the Company in respect of non-audit services were £nil (2024:£nil).

The Company had no employees in 2025 (2024: none).

## **5. Directors' emoluments**

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None of the Directors received any remuneration for services to the Company during the year (2024: £nil).

## 6. Investment income

	2025 £m	2024 £m
Dividends received from subsidiaries	540	1,450
Interest receivable from other Group companies	139	97
<b>Total investment income</b>	<b>679</b>	<b>1,547</b>

A dividend of £540m (2024: £1,450m) was received from EDF Energy Lake Limited. During 2025, £139m (2024: £97m) was the total interest received from EDF in relation to the cash pool and on the loans provided for other Group companies (note 19).

## 7. Finance cost

	2025 £m	2024 £m
Interest payable on loans and facilities from other Group companies	80	70

## 8. Exceptional cost

	2025 £m	2024 £m
Premium reimbursement provision	(46)	–
Profit on disposal of investment	12	–
<b>Total exceptional cost</b>	<b>(34)</b>	<b>–</b>

In 2025, £46m relates to a provision for reimbursement of premium in relation to HPC financial investment decision (FID) if construction costs are expected to exceed certain amount. £12m relates to the proceeds upon disposal of shares in Nuclear Services (Technical) Company Limited.

## 9. Impairment

	2025 £m	2024 £m
EDF Energy Topco (NNB) Private Limited (i)	1,974	598
EDF Energy Lake Limited (ii)	–	237
EDF Development Company Limited (iii)	–	126
EDF Energy Limited (iv)	(1,302)	–
<b>Total impairment charge</b>	<b>672</b>	<b>961</b>

- (i) Investment in EDF Energy Topco (NNB) Private Limited was impaired in 2025 primarily due to the increase in the estimated costs construction due to the extension of operational schedule. The impairment in 2024 was related to the reduction of future revenue forecast because of reduction in long term inflation forecast.
- (ii) The investment in EDF Energy Lake Limited was impaired in 2024 following reduction in the medium to long term wholesale energy prices during 2024. No impairment charge in 2025.
- (iii) In 2024, investment in EDF Development Company Limited was impaired following termination of a lease arrangement. No impairment charge in 2025.
- (iv) The investment in EDF Energy Limited was partially reversed in 2025 following the sustained improvement in the long-term profitability of the Customers business, including recovery from the energy crisis, stronger EBIT margin assumptions and stabilisation of market and regulatory conditions. The reversal relates to the impairments initially recognised in 2018 and the portion of the 2021 impairment attributable to the Customers business.

## 10. Financial assets

	2025 £m	2024 £m
<b>Current</b>		
Loans to subsidiaries (i)(iv)	642	598
Loan to ultimate parent (vi)	21	–
<b>Non - Current</b>		
Loans to subsidiaries (ii)(iv)(v)	925	746
Loan to associate (iii)	287	–
Loan to ultimate parent (vi)	639	–
<b>Total</b>	<b>2,514</b>	<b>1,344</b>

- i. In 2024, the Company entered into an £800m loan facility, which is subject to annual extensions each December. The facility bears interest at a margin over SONIA, with the margin repriced annually to reflect prevailing market rates. During 2024, EDF Energy Holdings Limited advanced £440m to EDF Energy Limited at 1.36% plus SONIA which matured in December 2025. In 2025, EDF Energy Holdings Limited provided further drawdowns totalling £196m at a revised interest rate of 1.16% plus SONIA. The maturity of the loan has been extended to December 2026.
- ii. In 2025, a further amount of £18m (€21m) (2024: £9m (€11m)) was advanced to EDF Energy Limited at 3-month EURIBOR plus 1.50% under €105m facility in relation to any matters related to the advancement of future development in the renewables business in Ireland, which matured in January 2026 and is now extended to December 2030.
- iii. In 2025, £282m was advanced to Sizewell C as part of the shareholder loan at an interest rate of 9.00% and matures on 31 March 2075.
- iv. In 2024, a loan of £154m was advanced to Arabelle Solution UK Limited at an interest rate of 6.70% towards the acquisition of two GE entities (Arabelle UK Services Limited and Arabelle UK Marine Limited). The loan was repayable on demand and during 2024 it accrued interest of £5m. In 2025, the agreement was extinguished and a new loan agreement was signed. The loan principal was increased to £157m at an interest rate of 5.84% and matures in October 2027.
- v. During 2024, 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.
- vi. In 2025, a loan of £639m was advanced to the ultimate parent company, Électricité de France at an interest rate of SONIA and matures in 2041. This loan is part of a Guarantee and Indemnity signed between the Company (as the guarantor) and Sizewell C to guarantee the financial obligations of Framatome in relation to Sizewell C project. The loan accrued interest of £20m during the year.

## 11. Investments in subsidiary and associate undertakings

Carrying value	Subsidiaries £m	Associates £m	Total £m
<b>At 1 January, 2024</b>	14,936	6	14,942
Additions during the year	3,738	2	3,740
Impairment during the year (Note 9)	(961)	–	(961)
Loss of control of subsidiary (i)	(660)	541	(119)
<b>At 31 December 2024</b>	<b>17,053</b>	<b>549</b>	<b>17,602</b>
Additions during the year (ii)	4,365	–	4,365
Impairment during the year (Note 9)	(672)	–	(672)
Reimbursement from associates (iii)	–	(510)	(510)
<b>At 31 December 2025</b>	<b>20,746</b>	<b>39</b>	<b>20,785</b>

- (i) 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 as per Equity method of accounting. Investment of £119m (loan and accrued interest) was transferred to HMG. See further details in note 13 and 14.
- (ii) The additions to investment in subsidiaries related to the subscription of £4,365m (2024: £3,738m) additional shares in EDF Energy Topco (NNB) Private Limited.
- (iii) Sizewell C reached Final Investment Decision on 22 July 2025 and achieved Financial Close on 4 November 2025. Upon Financial Close, Sizewell C reimbursed the Company for development costs incurred since 2015.

The principal subsidiary undertakings at 31 December 2025, 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	80.00%
EDF Energy Nuclear Generation Group Limited*(11)	Holding company	80.00%
Lake Acquisitions Limited*	Holding company	80.00%
EDFG Trustee Limited*	Dormant company	80.00%
Lochside Insurance Limited* (Guernsey)(3)*	Insurance company	80.00%
EDF Energy Limited	Sale of electricity	100.00%
EDF Energy Customers Limited*	Electricity retailing	100.00%
EDF Energy Lake Limited	Holding company	100.00%
EDF Energy (Thermal Generation) Limited*	Power generation	100.00%
EDF Energy R&D UK Centre Limited	Research and development of generation and supply	100.00%
EDF Development Company Limited	Ownership and management of land	100.00%
Northern Power Limited(2)	Power generation	100.00%
EDF Energy Topco (NNB) Private Limited(6)	Holding company	100.00%
NNB Top Company HPC (B) Ltd*	Holding company	100.00%
NNB Top Company HPC (A) Ltd*	Holding company	100.00%
NNB Top Company HPC (C) Limited*	Holding company	100.00%
NNB Holding Company (HPC) Limited*(10)	Holding company	76.70%
NNB Generation Company (HPC) Limited*(10)	Development of generation and supply	76.70%
NNB Finance Company (HPC) Limited*(10)	Financial activities	76.70%
Pod Point Group Holdings Limited*(4)	Holding company	100.00%
Pod Point Holding Limited*(4)	Holding company	100.00%
Pod Point Limited*(4)	Provision of charging infrastructure for electric vehicles	100.00%
Open Charge Limited*(4)	Financial activities	100.00%
Pod Point Asset One Limited*(4)	Provision of charging infrastructure assets for electric vehicles	100.00%
Pod Point Norge AS (Norway)*(5)	Dormant company	100.00%
Pod Point Iberia S.L.U*(9)	Dormant company	100.00%
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%
Contact Solar Limited*(8)	Construction of utility projects for electricity and telecommunications	100.00%
EDF Energy Retail Limited*	Dormant company	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 8HB
- 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
- 9 Registered Address: Calle Miguel Íscar 15, 1-C, 47001, Valladolid, Spain
- 10 Registered Address: Building 1000, Park Avenue Aztec West Business Park, Almondsbury Bristol BS32 4SQ
- 11 Registered Address: 6 Atlantic Quay Glasgow G2 8JD

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

As at 31 December 2025 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
EDF Energy Nuclear Generation Group Limited	SC270184
EDF Development Company Limited	06222043
Northern Power Limited	SC155131
EDF Energy (Thermal Generation) Limited	04267569

Details of the Company's associates at 31 December 2025 are detailed in note 24 of the Group financial statements.

## 12. Trade and other receivables

	2025 £m	2024 £m
Amounts owed by other Group companies	14	13
Other debtors	–	1
	<b>14</b>	<b>14</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.

### 13. Cash and cash equivalents

	2025 £m	2024 £m
Cash pooling with ultimate parent	476	554
Short-term deposits	–	250
	<b>476</b>	<b>804</b>

The Company participates in cash pooling with EDF. The balance of cash pooled with the ultimate parent as at 31 December 2025 is £476m (2024: £554m). 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.

### 14. Other liabilities

	2025 £m	2024 £m
Accruals	6	2
Other payables	1	1
	<b>7</b>	<b>3</b>

The Directors consider that the carrying amount of other liabilities approximates to their fair value.

### 15. Borrowings

	2025 £m	2024 £m
<b>Current borrowings</b>		
Loan from immediate parent (ii)	83	–
<b>Non-current borrowings</b>		
Loan from immediate parent (i)	692	746
<b>Total Borrowings</b>	<b>775</b>	<b>746</b>

- (i) In 2023 a loan £683m was received from EDF Energy (UK) Limited with an interest rate of 6.8% and matures in June 2028.
- (ii) In 2024, EDF Energy (UK) Limited provided a EUR Loan to the Company of £63m (€74m) with an interest rate of 1.5% plus EURIBOR. In 2025, there was a further drawdown of this loan amounting to £18m (€21m). The maturity date of this loan was in January 2026 and was subsequently extended to 2030.

## 16. Provisions

	2025 £m	2024 £m
Other contracts	183	146
	<b>183</b>	<b>146</b>

In 2025, the provision of £137m (2024: £146m) is mainly reflecting activities arising from the Nuclear New Build business unit due to arising from the revised costing on the project. These have been incurred by the EDF Energy Holdings Group and are not eligible for capitalisation. Additionally, in 2025, £46m (2024: £nil) relates to a provision for reimbursement of premium in relation to HPC financial investment decision (FID) if construction costs are expected to exceed certain amount. (note 8).

## 17. Share capital

Allotted, called up and fully paid	2025 Number	2024 Number	2025 £m	2024 £m
Ordinary shares of £1.00 each	15,219,464,321	10,854,464,321	15,219	10,854

In 2025, 4,365,000,000 shares (2024: 3,738,000,000 shares) were issued at par for consideration of £4,365m (2024: £3,738m). In 2024, £10,000m ordinary shares were cancelled as part of a capital reduction which was transferred to the Company's capital reserves.

## 18. Share premium

	2025 £m	2024 £m
Share premium reserve	199	199

## 19. 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 £80m (2024: £65m) was payable to the Company's ultimate parent EDF in relation to commitment fees on the available, undrawn facilities. Interest of £139m (2024: £97m) was the total interest received from EDF in relation to the cash pool and on the loans provided for other Group companies.

## 20. 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 2025, 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 and smallest 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.