Sizewell C

Regulated investment with predictable returns

22 July 2025

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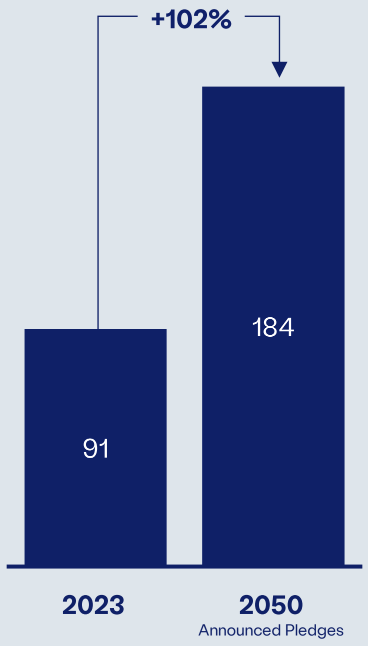
Certain figures shown in this presentation were rounded in accordance with standard business rounding principles and therefore there may be discrepancies.

All adjusted figures are before exceptional items and certain re-measurements. Adjusted operating profit includes share of joint ventures and associates after interest and taxation. A reconciliation of different operating profit measures is provided in the Group Financial Review in the most recently published results announcement.

Nuclear power is crucial for the future of the energy system

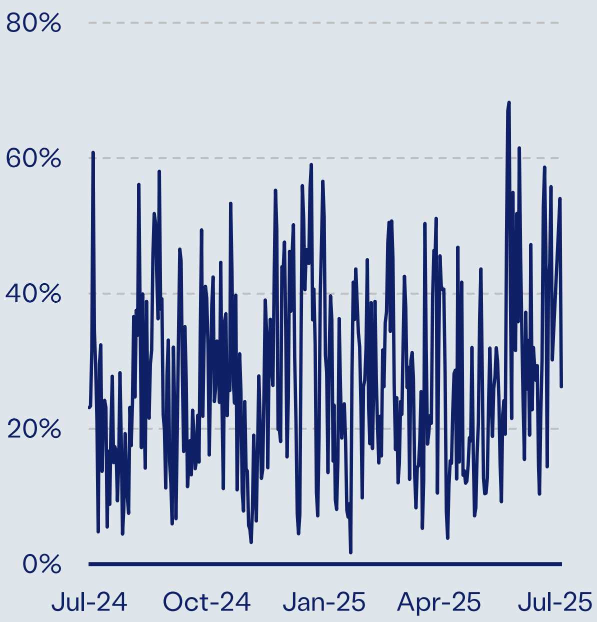
More electrified…

Global electricity consumption[1] (EJ)



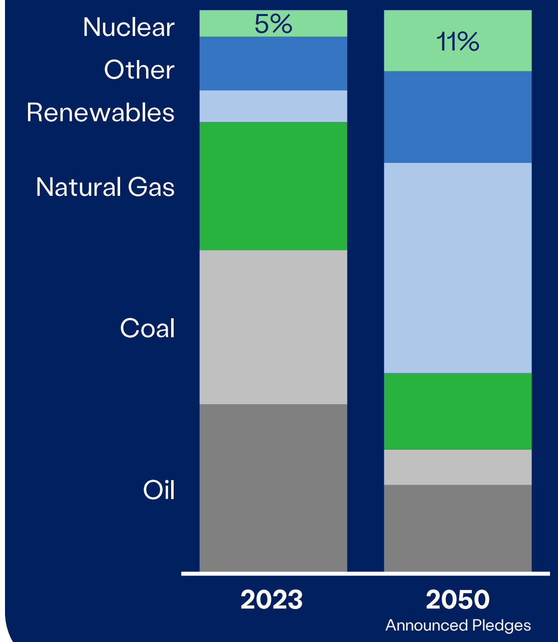
…more intermittent…

UK wind share of generation output %

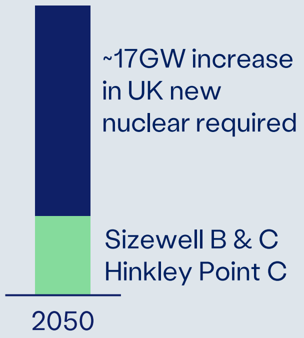


…with nuclear providing zero-carbon 24/7 baseload

Global primary energy mix[1] (%)



UK nuclear ambitions (2050)



1. International Energy Agency (2024) World Energy Outlook 2024. EJ – exajoules.

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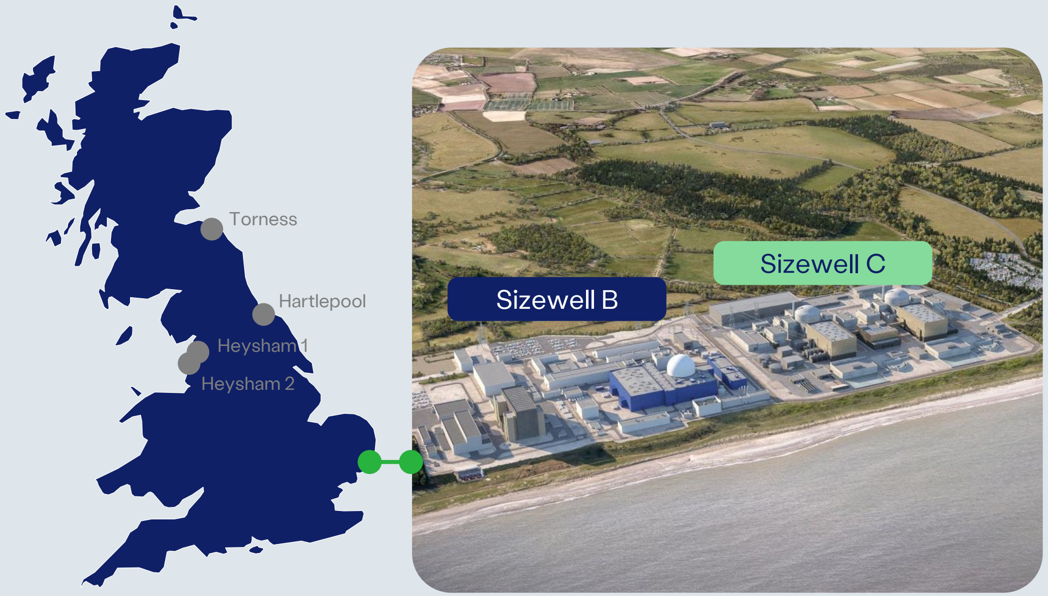
Sizewell C: a project of national importance

- **Critical to UK energy security and decarbonisation**
  - 3.2GW capacity – 2 x 1.6GW European Pressurised Reactors
  - Power for ~6 million homes – ~7% of UK demand
  - 60+ year operational life
- **De-risked development**
  - Benefiting from Hinkley Point C – over 80% of above ground design replicated
  - World-class development consortium
- **Supports job creation and building crucial skills**
  - 10,000 jobs at peak construction and 1,500 apprenticeships
  - ~1,000 long-term, high skill jobs during operations
  - Building skills to support future projects
- **Delivered via UK Government-backed public-private partnership**
  - Strong investor incentives for timely, cost-effective delivery



UK Government | centrica | EDF | La Caisse | AMBER INFRASTRUCTURE GROUP A BOYD WATTERSON GLOBAL COMPANY

A unique investment opportunity…

- **Regulated Asset Base model with no pre-productive capital and protections against delays and cost overruns**
- **Inflation-protected regulated returns**
  - Allowed return on equity 10.8% real (WACC 6.7%)
  - IRR >12%[1]
- **Phased investment capped at £1.3bn** for 15% stake; ~£750m cash yield during construction
- Centrica share of equity **RAB grows to ~£3bn** by start of commercial operations
- **Earnings accretive from 2026**
- **Supportive to credit profile** – regulated earnings, non-recourse debt

15%

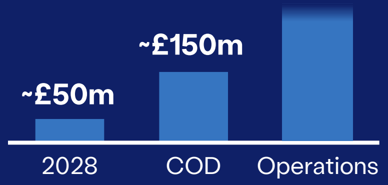
Centrica ownership

£1.3bn

Capped investment

10.8% real (CPIH)

Return on equity during construction and initial operations



EBITDA[2]

1. See Appendix for calculation methodology.
2. Centrica EBITDA. End of 2028 run-rate, COD – Commercial Operations Date.

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...which creates future options

1 Optimisation of our share of zero carbon baseload electrons

2 Route to market services on additional volumes

3 Right of first offer in the event of future government sell-downs[1]

1. Pro rata with partners based on existing shareholding.

Financial overview

Regulated returns

- **10.8% real** allowed return on equity during construction and initial operations
  - **>12% IRR**[1]
  - Downside case > 10% IRR[2]
- **Inflation-protected** returns
- **Incentives** to deliver the project on time and on budget
- Supports investment grade credit rating

Phased investment

- **£38bn** total construction costs[3]
  - Mid-late 2030s COD[3]
- **Centrica's 15% share of equity funding capped at £1.3bn**
  - ~40% invested by the end of 2028
- **Cash returns during construction of £0.8bn**
  - Net annual cash flow to Centrica turns positive in mid-2030s

Comprehensive protections

- **Funding obligation capped through cost threshold mechanism**
- **Non-recourse project debt**, with **cost of debt passed through RAB** model
- **Risk sharing mechanism –** returns continue to accrue during construction even in event of delay
- **Comprehensive Government Support Package** to mitigate low-probability, high-impact risks

1. Based on LRT scenario – see Appendix for details.
2. Based on HRT scenario – see Appendix for details.
3. Sizewell C management cost and schedule estimate. Real 2024 basis.

Allowed return fixed into 2040s

Commencement | COD[1] | COD+3yrs | 60+ years

Agreed regulatory period
(Set by Secretary of State)

5-year periodic regulatory reviews
(Set by Ofgem)

Financing during construction

- Allowed returns set until Post Construction Review period completed
  - Revenue Commencement expected Q4-2025
- Centrica gross investment ~£500m cumulative to end of 2028; ~£1bn by 2033
- Gearing 65% of RAB; debt costs passed through
- Incentives to deliver project on time and below budget through cost sharing mechanism and WACC adjustments
  - No other incentives / penalties during construction period

Cost of equity (real)	10.8%
Cost of debt (real)	4.5%
Debt target	65%
WACC (pre-tax)	**6.7%**

1. Commercial Operations Date – see Appendix for details.
2. Post Construction Review – see Appendix for details.

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Centrica's funding obligation capped

Sizewell C management estimate

- £38bn capital cost[1]
- Mid-late 2030s COD

Lower Regulatory Threshold ("LRT")

- Moderate outcome
- £40.5bn[1] cost threshold

Higher Regulatory Threshold ("HRT")

- Severe outcome
- £47.7bn[1] cost threshold

Sizewell C cost estimate £38bn[1]

LRT £40.5bn[1]

HRT £47.7bn[1]

Up to LRT	Between LRT and HRT	Above HRT
• **100%** of construction costs added to RAB; • Plus **50%** of cost saving below LRT added to RAB	• **50%** of construction costs added to RAB	• **£1.3bn capped commitment;** No obligation on Centrica to fund beyond HRT • If market financing not available, Government to fund[2], with no impact on Centrica's RAB

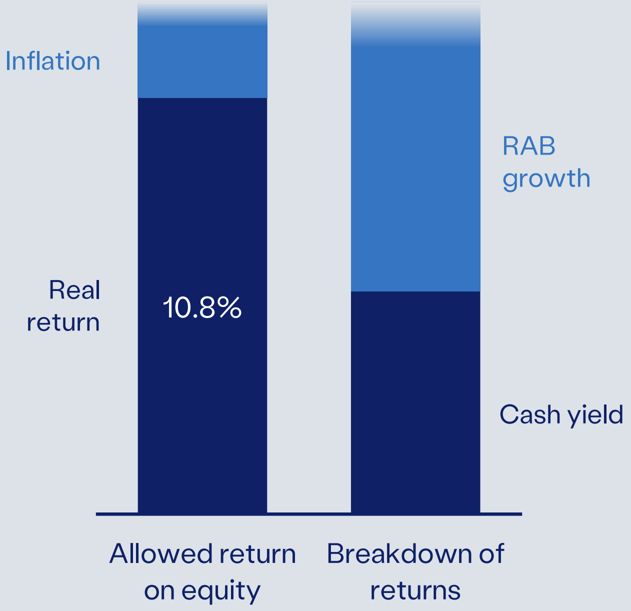
>12% IRR[3]

>10% IRR[3]

1. Real 2024 basis.
2. If Government chooses not to fund, project is discontinued with compensation paid – see Appendix for details.
3. See Appendix for details. Diagram not to scale.

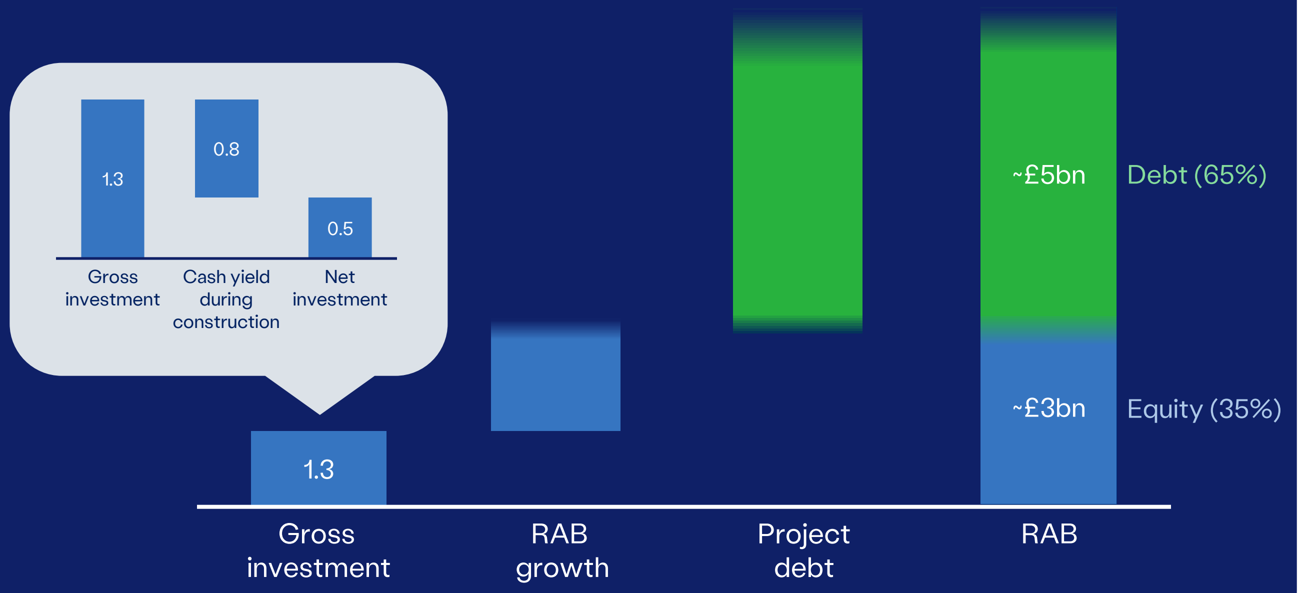
Centrica's equity RAB grows to ~£3bn by COD

Allowed return split between cash yield and RAB reinvestment



£1.3bn gross investment delivers equity share of RAB of ~£3bn

(LRT case, £bn)



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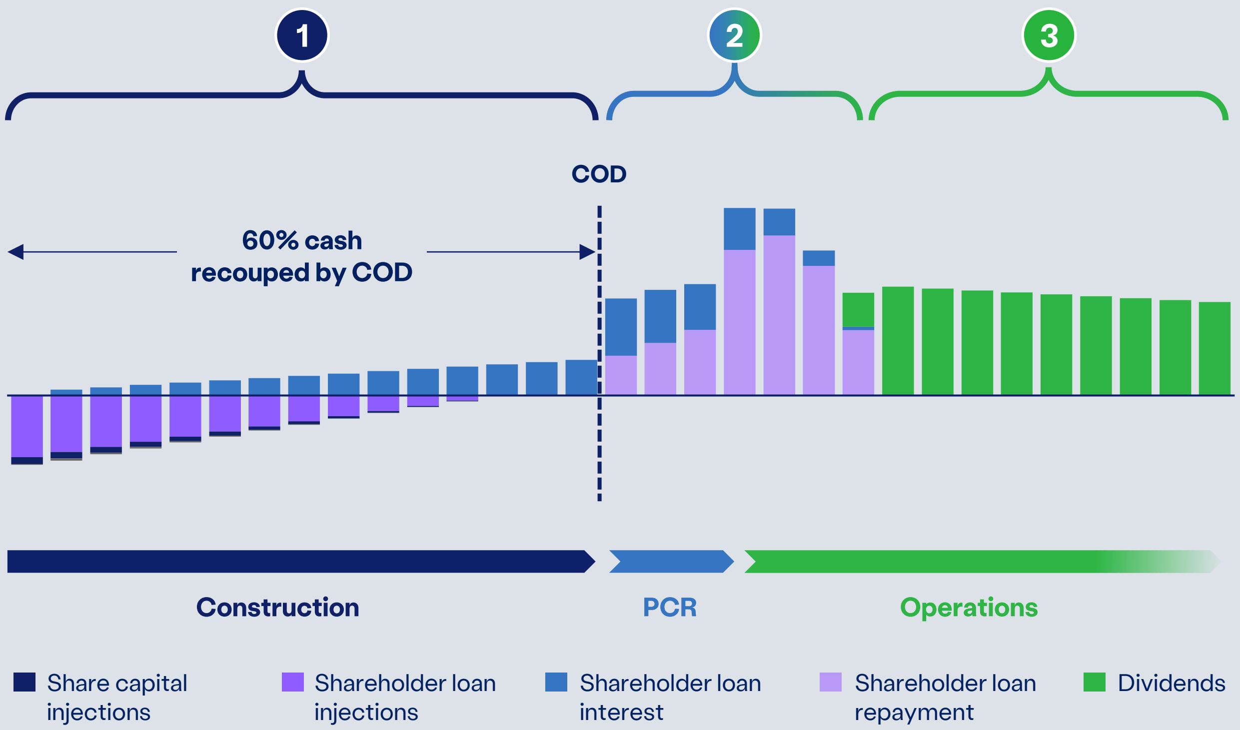
Cash returns accelerate from COD

Illustrative Centrica free cash flow profile[1]



1. During construction, **distributions subject to 6% cash yield cap on cumulative gross investment**
   - £0.8bn cash return during construction from 6% yield
   - Net annual cash flow to Centrica turns positive from mid-2030s; project fully self-funding from late-2030s
2. Post COD, **distributions via shareholder loan repayment and interest**; step-up in distributions as **yield cap removed, allowed revenues increase, and project re-gears to 65% of RAB**
   - Centrica earnings and cash-flow accelerate
3. Once shareholder loan fully repaid, **any distributions made via dividends**

1. Based on LRT scenario; not to scale – actual phasing may vary.

Governance and regulatory framework mitigates risk

Stable and predictable investment

- Regulated returns
- Phased capex
- Non-recourse debt
- Comprehensive Government Support Package[1]

Robust governance structure

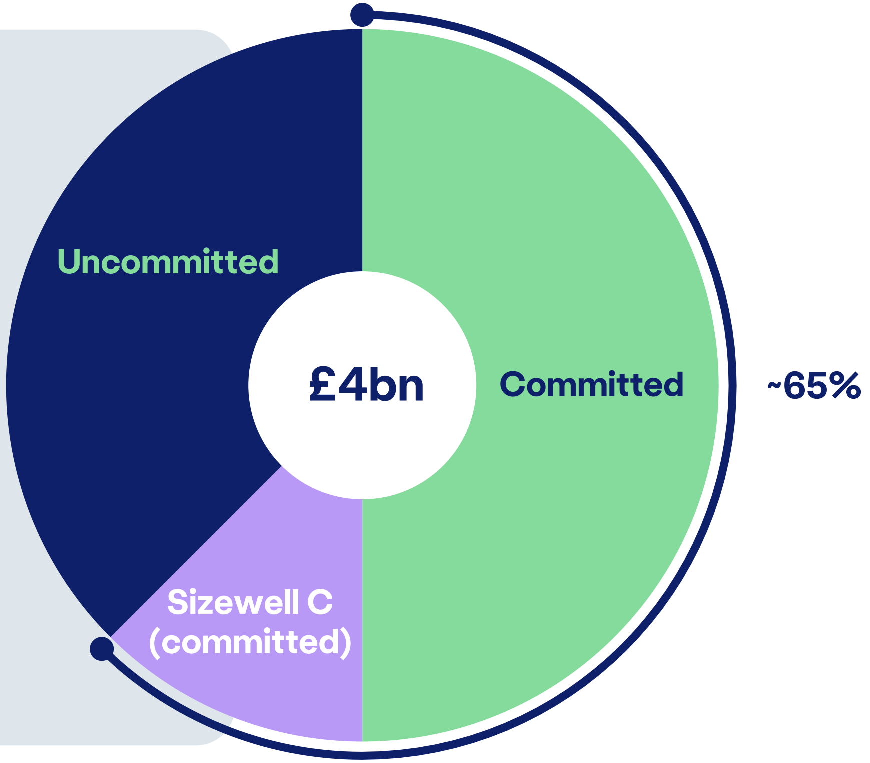
Centrica	Amber Infrastructure[2]	EDF	La Caisse	HM Government[2]
15%	7.6%	12.5%	20%	44.9%

- Centrica will have one board seat, providing influence and transparency
- Fundamental decisions require approval of all 10%+ shareholders, giving Centrica an effective veto
- Other key decisions have a 75% shareholder approval threshold
- Robust related party matters regime

1. See Appendix for details.
2. Amber Infrastructure Group has the right to acquire a further 2.4% stake from HM Government within 24 months of Revenue Commencement. Amber Infrastructure Group, a Boyd Watterson Global Company, investment adviser to International Public Partnerships Limited. Amber will also manage NLF's SZC investment.

~65% of investment programme now locked-in

- **£2.5bn of £4bn investment programme now committed**
  - ~£500m for 2025 – 2028 on Sizewell C
  - ~£1.7bn in total now committed to regulated / contracted assets – Sizewell C, MAP, Irish Peakers
- **£1.5bn still to be committed**
  - Attractive returns remain core focus
  - Regulated / contracted returns preferred
  - Significant opportunity set under review



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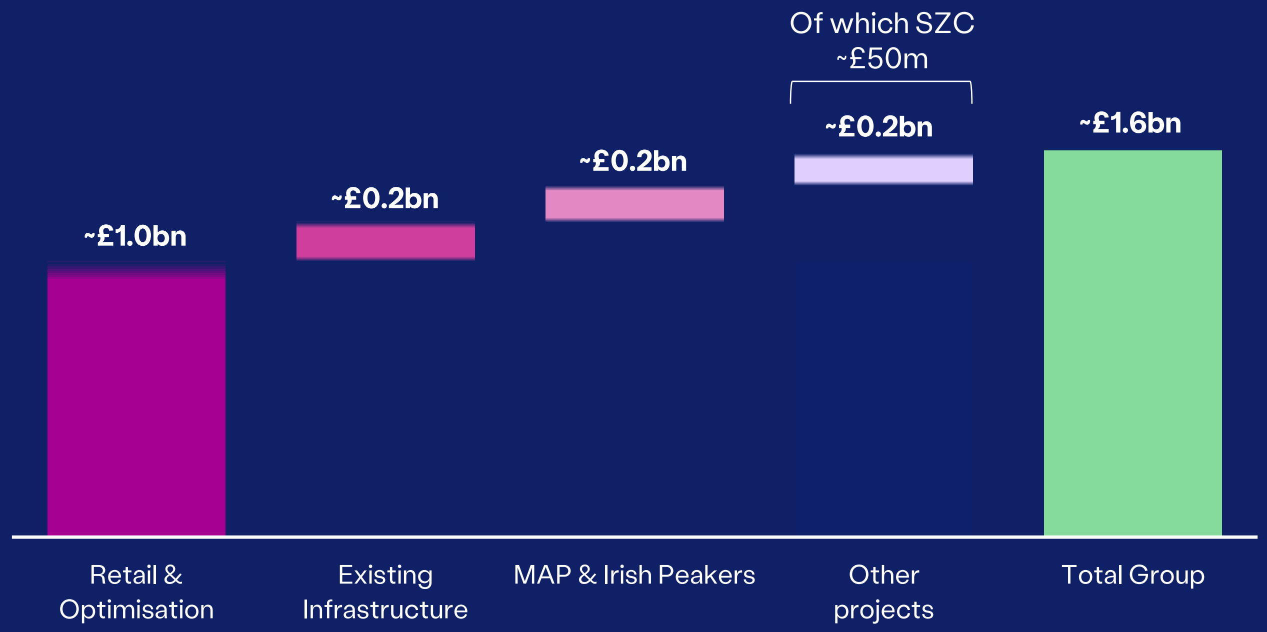
Immediate earnings accretion while derisking future growth

Underpins end of 2028 run-rate EBITDA



- **EBITDA** contribution of **~£50m by the end of 2028**
- **EBITDA** grows to **~£150m by commercial operations**
- Significant **acceleration in EBITDA, earnings and cash flow** following commercial operations date
- **9% shareholder loan interest** recognised in Group **EBITDA** and Group **AOP**
- **EPS accretion** from 2026
- **~90% of end-2028 run-rate Group EBITDA from activities underway today**

Aligned to our financial framework

01 Maximise sustainable earnings	02 Maintain a strong balance sheet	03 Progressive dividend	04 Investing for value	05 Return surplus capital
Growing our stable, net zero aligned Infrastructure earnings over time	Regulated Infrastructure asset improving business risk profile	Further confidence in our long-term outlook	Regulated investment with capped commitment of £1.3bn phased over construction period	Consistent with balance sheet flexibility
Returns generated during construction	Supporting solid BBB / Baa2 credit metrics	Underpins 2x earnings cover by 2028	Regulated returns, with equity share of RAB growing to ~£3bn by COD	Ongoing buyback programme

A unique opportunity aligned with our strategy

- **Regulated Asset Base model with no pre-productive capital and protections against delays and cost overruns**
- **Inflation-protected regulated returns**
  - Allowed return on equity 10.8% real
  - IRR >12%
- **Phased investment capped at £1.3bn** for 15% stake; £0.8bn cash yield during construction
- Centrica share of equity **RAB grows to ~£3bn** by commercial operations
- **Earnings accretive from 2026**
- **Supportive to credit profile**

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Allowed revenue building blocks

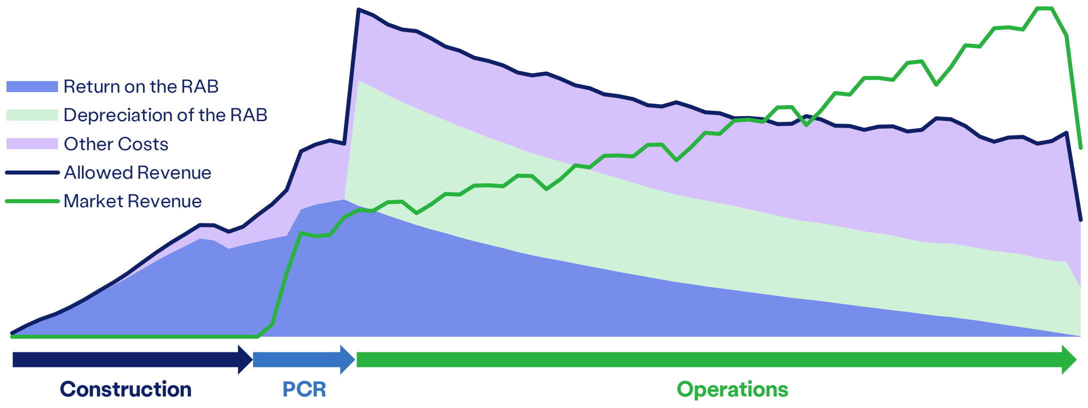
Allowed Revenue during operations (SZC)

Return (RAB x WACC) + Depreciation of the RAB + Tax allowance + Other costs and allowances × Inflation factor (CPIH)

Other costs and allowances (SZC)

Totex + FDP[1] + Passthrough costs + Operational incentives

SZC revenue components (indicative)



Operational incentives (SZC)

Market price incentives
- Achieved price compared to market benchmark
- 50:50 sharing of any over/underperformance

Opex incentives
- Costs forecast for each 5-year price control period
- 50:50 sharing of any cost savings or overruns

← Subject to 150bps combined cap / floor →

Plant availability incentives
- 100% of revenues retained from above-target availability
- Proportional reduction in allowed revenue below target

Downside floor[2]
- Total aggregate adjustments will not reduce operational revenue to less than 75% of base via "floor level" adjustment
- Adjustment to be repaid over subsequent years by allocating up to 25% of future revenues to repayment

1. Funded Decommissioning Payment.
2. Set out in the economic licence.

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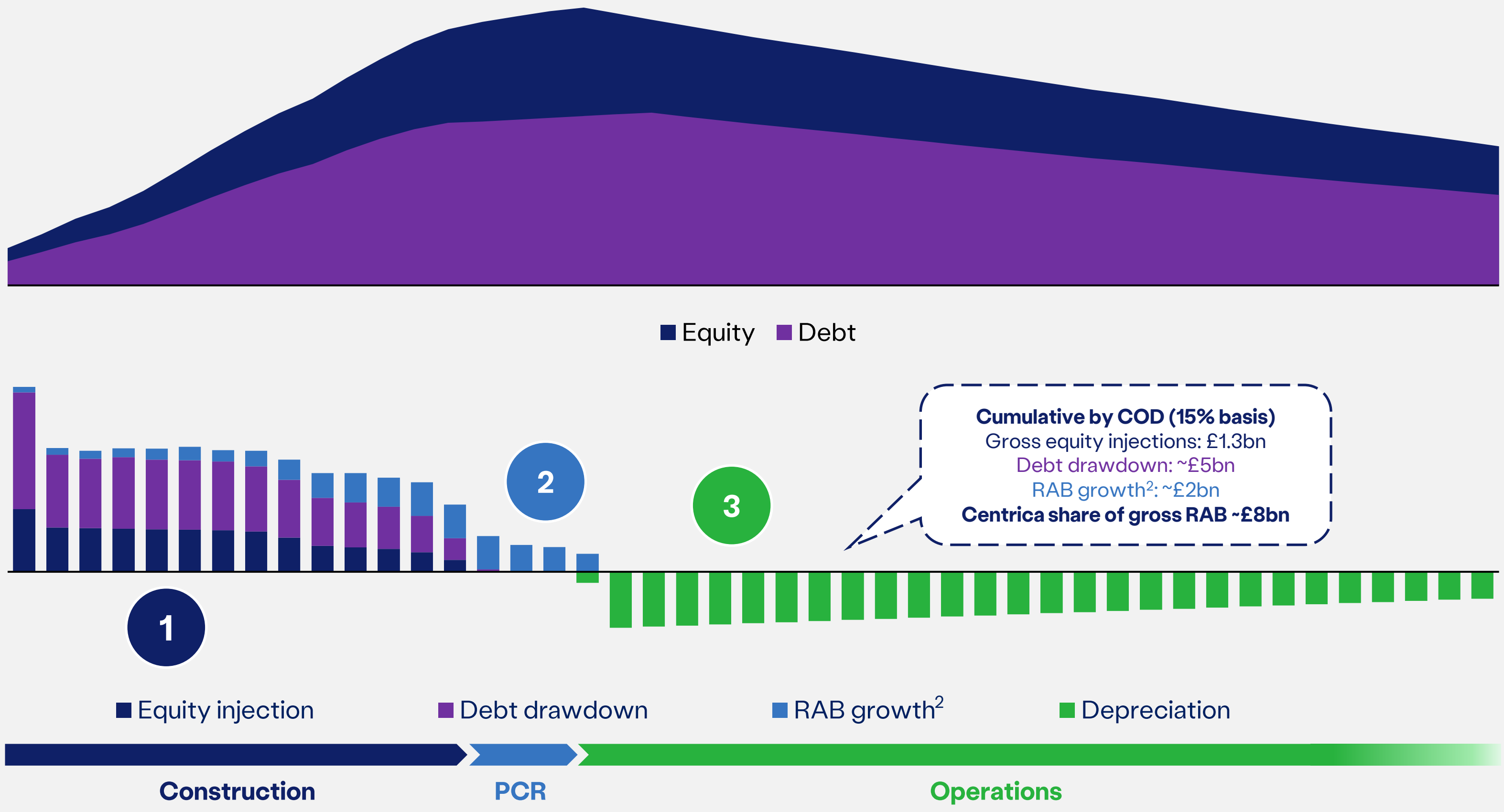
Life of project RAB profile

Illustrative Centrica RAB build-up[1]



1. RAB growth funded through **combination of debt, equity and cash not released** as yield

2. **Cash retained funds increasing proportion of capex**, eventually all, over time. Post COD, shareholder loan capital repayments commence

3. As **RAB depreciates during regulatory operations**, RAB decreases and debt is repaid to maintain gearing at ~65%

1. Charts not to scale; actual phasing may vary.
2. Additional growth coming from (i) cash retained during construction funding RAB additions and (ii) inflation.

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Comprehensive Government Support Package

Potential exposure	Protections in place
Discontinuation	• Compensation in event of government discontinuation • Consists of repayment by government of the RAB and any hedge breaking costs
Liquidity support	• Government provided liquidity facility in event of capital market disruption
Decommissioning	• Decommissioning funded through allowed revenues during operations • Government likely to assume ownership of plant at end of life
Outages	• Liquidity support provided by government for significant plant outages
Nuclear event	• Compensation in the event of a nuclear incident[1]

1. Provided by government in event commercial insurance is non-responsive.

Key assumptions – 1 of 2

Centrica investment parameters

	LRT	HRT
Stake size	15%	
Gross equity investment (capped commitment)	~£1.3bn (to COD)	
Investment phasing	~£500m to 2028 ~£1bn to 2033	
Cash yield received during construction	~£0.8bn (to COD)	
IRR[1]	>12%	>10%

Regulatory returns

Returns during Construction (IWACC)

- Allowed return on equity: 10.8% (CPIH, real)
- Gearing ratio: 65% of RAB
- Cost of debt: 4.5% (CPIH, real)
- IWACC (return on RAB): 6.7%[2]

Structure of equity investment

Structure of equity investment
- 90% shareholder loan
- 10% share capital

Shareholder loan coupon
- 9% p.a.

Cash yield
- Capped at 6% of gross equity invested until COD

Earnings recognition during construction
- 9% interest on shareholder loan recognised in Group EBITDA and Group AOP
- EBITDA of ~£50m by end 2028

1. See slide 24 for calculation methodology.
2. See following slide for detail of IWACC and yield adjustments in event of delay.

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Key assumptions – 2 of 2

Key estimates and regulatory thresholds

	Sizewell C management estimate	Lower regulatory threshold (LRT)	Higher regulatory threshold (HRT)
Cost estimate and regulatory thresholds[1]	£38bn	£40.5bn	£47.7bn
Assumed COD	Mid-late 2030s	End-2039[2]	Nov-2043[2]
Assumed PCR		COD + 3yrs	

Project delivery incentives / penalties

Construction cost

- **Below LRT:** 100% of construction costs plus 50% cost savings added to RAB
- **LRT to HRT:** 50% over-run added to RAB
- **Above HRT:** no impact on Centrica RAB

Construction schedule

IWACC penalty[3] relative to Dec-2039 COD:

- **0-2 years:** no reduction
- **2-4 years:** 50bps reduction (DWACC: 6.2%)
- **+4 years:** 100bps reduction (DWACC: 5.7%)

Delay penalty applies on a go forward basis for period of delay, with no look back and no look forward

Yield cap

- **Up to 2040:** 6%
- **Following three years (2040-2042):** 4%
- **Following three years (2043-2045):** 2%

1. Real 2024
2. Centrica assumption for modelling purposes

Key terms – 1 of 2

Term	Detail
COD / commissioning	• Commercial Operations Date: when both generation units are signed off by the regulator Ofgem as fully commissioned and entering operations • For modelling purposes this is assumed to be end-2039 under LRT (in line with licence target COD) • For modelling purposes this is assumed to be November 2043 under HRT
Commencement / Revenue Commencement	• Date the transaction becomes unconditional, following Secretary of State for Energy Security and Net Zero exercising their discretion to modify Sizewell C's Generation Licence to incorporate the RAB model and allow regulated revenues to be paid to Sizewell C • Expected in Q4 2025
Delay WACC (DWACC)	• WACC during the period of a construction delay
FID	• Date when Centrica makes binding commitment subject to Revenue Commencement • 22 July 2025
Initial WACC (IWACC)	• WACC during construction and Initial Operations • Cost of debt to be adjusted for market conditions and passed through IWACC
Initial Operations	• Period from COD until PCR

Key terms – 2 of 2

Term	Detail
IRR	• Calculated as return on Centrica's unlevered cash injections – Post-tax, nominal; ~2% annual CPIH inflation assumed – Cash injections: all share capital and shareholder loan injections – Return: cash yield + shareholder loan interest and principal repayments – Time period: all cash flows through to PCR and a terminal value of 1.0x RAB
Operations phase	• Commencement of Ofgem regulated operations, post PCR
PCR	• Post Construction Review date set at Commercial Operations Date (COD) plus three years
Regulatory WACC (RWACC)	• WACC during the Operations phase (post-PCR) • Set by Ofgem on a similar schedule as network assets, based on the particular risk profile of Sizewell C
Shareholder loan	• During construction, Centrica adjusted operating profit and EBITDA to include shareholder loan interest at 9%. Shareholder loan and associated interest treated as equity for tax purposes • Loan interest capitalised in Sizewell C associate entity during construction
Yield cap	• Calculated against cumulative gross investment (share capital and shareholder loan injections) until COD • Note: cash not paid out accrued onto loan and paid post COD