

### Acquisition of the Severn CCGT for c.£370 million

Centrica plc (the "Company", "Centrica") today announces the completion of a significant addition to its flexible generation portfolio with the acquisition<sup>1</sup> of the Severn Combined-Cycle Gas Turbine ("CCGT") power station ("Severn") from the Calon Energy Group for an enterprise value of approximately £370 million, increasing the Centrica Power portfolio to 4GW, including 1GW of assets currently in planning and construction.

Commissioned in Q4 2010 with an operating capacity of 850MW<sup>2</sup>, Severn is one of the most efficient CCGTs in the UK, located in South Wales. It is one of a small number of strategic UK CCGTs capable of delivering flexible power generation at scale.

Severn's scale and flexibility allows it to capture a diverse range of revenue streams, including the capacity market, provision of critical system services to the National Energy System Operator and the sale of power to the wholesale market. Severn is strategically positioned near growing sources of power demand, including data centre developments in South Wales, supporting long term utilisation and revenue visibility. Severn is expected to deliver average capacity market payments of £35 million p.a. until 2030, and annual EBITDA of £30 - £60 million from 2027, with EPS accretion from the first full year following completion<sup>3</sup>.

Natural gas fired generation will continue to play a critical role in maintaining system stability through the UK's energy transition, providing firm and dispatchable power and ensuring security of supply. Severn represents an excellent fit with Centrica's current portfolio and strategy, building on Centrica Energy's existing role managing the plant's route to market, offering the scope to deliver incremental returns through optimisation, and underpinned by supportive market dynamics.

#### **Chris O'Shea, Group Chief Executive of Centrica plc, said:**

*"We are delighted to add the Severn power station and its talented team to Centrica, which brings our total UK and Ireland electricity generation capacity in planning, construction and operation to 4GW. The importance of reliable, flexible generation to balance the system continues to increase, keeping energy supplies secure and affordable as the energy transition progresses. Severn will play an important role in supporting that journey. With the delivery of replacement capacity being impacted by grid access, rising costs and supply chain constraints, alongside the closure of aging gas assets towards the end of the decade, the need for assets like Severn will increase.*

*"Severn is a high-quality asset that strengthens our ability to deliver the dependable power both our customers and our host countries rely upon. With our substantial experience operating critical energy infrastructure, we're confident we can maximise long-term value – supporting energy security, driving attractive returns, and creating real benefits for households, businesses and our shareholders."*

The acquisition of Severn is aligned to Centrica's rigorous financial framework and capital allocation policy, with a further £0.4 billion now committed since our 2025 preliminary results announcement to the Company's investment programme. Accordingly, capital investment in 2026 is expected to be around £1.1 billion.

Centrica will fund the acquisition of Severn entirely from existing cash resources, on a cash-free, debt-

free basis.

**Notes:**

1. Through the acquisition of Severn Power Limited from Severn Power Holdings Limited.
2. 2 x 425MW units.
3. A small net loss is expected in 2026 due to transaction and integration costs, alongside naturally lower revenues in the summer months.

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Citigroup Global Markets Limited is acting as exclusive financial advisor. Slaughter and May is acting as lead legal adviser to Centrica, with Freeths acting as co-counsel.

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