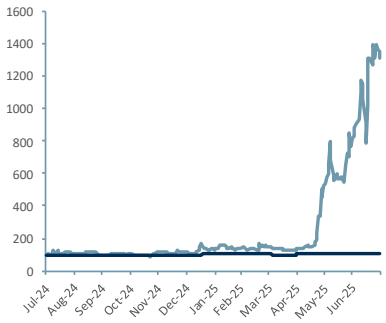
UPDATE

Value Range

GBp 858 – 902



MAST.L (lighter line) vs. FTSE 350 price relative

Thursday, 31 July 2025

Intrinsic Price GBp	880
Value Range Low	858
Value Range High	902
Implied MCAP (£m)	116.54
Implied EV (£m)	115.97
Standard List	MAST
Financial YE	31-Dec
Currency	GBP
Business Activity	
Utilities Renewable Energy	
Key Metrics	
Close Price GBp	79.00
MCAP (£m)	10.47
Net Debt (Cash) (£m)	-0.57
EV (£m)	9.90
52 Wk Hi GBp	88.00
52 Wk Lo GBp	5.20
Key Ratios	
Net Cash / Shareholder Equity %	5.42%
FX Rate USD/GBP	0.86

Utility Sector Research
LSE ESCC Transition Index
Analyst Team
+44 20 7419 7928
energy@acfequityresearch.com

Mast Energy Developments

Megawatt Momentum

Mast Energy Developments plc (MAST.L, ESCC Transition) is a flexible power generation plant owner, developer and operator targeting >300 MW of new, grid critical, generation for the UK flexible power market by 2030. *Our current value range is based only on the first 150 MW*. Since our initiation MAST recently bought exclusive rights to five sub-5 MW flexible-generation sites from Green Light Energy (GLE). The transaction cost £50k (£2k per MW) – in a 50% cash and equity at £0.77 p/s deal raising MAST's portfolio >2x to 48 MW. Each site has grid and gas access and planning precedent (planning attitude of the local authorities has been a key verification and diligence item). GLE upside comes from MAST shares, GLE is locked-in for 6 months and the GLE/MAST framework is targeting a scalable 100 MW pipeline. Capex/MW likely reduced.

- Cost £50k (£2k per MW) –50% cash/equity at £0.77 p/s;
- Portfolio 'doubles' from 23 MW to 48 MW;
- Each 5 MW site has grid and gas access plus planning precedent;
- GLE / MAST framework targets scalable 100 MW pipeline;
- Deal utilises CMP446 fast-track (<5 MW) grid-connection reform.

Our current expected dilution value range is provided in the full DCF below; it is based only upon the first 150 MW of the medium term project of 300 MW and our meta-analysis of % warrants typically exercised. Shares in issue used at the date of this note 13,248,927

GBp (m)	MCAP	EV	ROIC %	RoE %	NCO	FCF
TTM	10.47	9.90	-55.15%	-139.75%	-1.22	-2.00

Multiples	EV/Revs	D/E	Trail PE	BV/S	P/B	Current
TTM	53x	1.62	-6.08x	0.00x	93.88x	0.19x

TABLE OF CONTENTS

Investment Case - Refinements 3
Recent Progress Update 4
Reciprocating Gas Turbines – Why Invest 6
Risks 7
Valuation – Reminder From Initiation Note 8
Warrants – Package vs. Exercise Reality 9
Investment Conclusions 10
Financial Metrics Historical 11
Notes [Intentionally Blank] 12
Disclosures 14

TABLE OF EXHIBITS

Exhibit 1: Product Pipeline & Milestones 5
Exhibit 2: Why Developers Choose Reciprocating (Recip) Engines 6
Exhibit 3: ACF's MAST Cash Flow Model Prior to GLE Deal 8
Exhibit 4: ACF's MAST WACC, DCF and Value Range Prior to GLE Deal 8
Exhibit 5: Initiation Note Reminder Valuation & Peer Snapshot 10
Exhibit 6: Initiation Note Reminder - Bear Base Bull 10

Summary Metrics (m)	2023A	2024A
Revenue	0.34	0.74
EBTIDA	-3.37	-0.77
EBIT	-3.49	-0.94
EBT	-3.54	-1.10
NI	-3.54	-1.10
EPS (Dil)	-0.02	0.00
FCFE	0.10	4.86
	NoSh	Fully diluted
NoSh (m)	13.25	13.25
Implied price GBp	880	880
NoSh (m) expected dilution (Exp D)	**156.47**	**217.13**
Implied Exp D intrinsic prices for 150 MW GBp	**74.46**	**53.65**
NoSh (m) full theoretical dilution		417.13

Key Metrics	GBp	adj.
MCAP (m)	10.5	10.5
Net Debt (Cash) (m)	(0.6)	(0.6)
EV (m)	9.9	9.9
52 Wk Hi	88.00	88.00
52 Wk Lo	5.20	5.20
Free Float	74.0%	32.5%
Effective Free Float	73.2%	31.7%
M-Score	N/A	N/A

*Key Metrics FCF adj.	2023A	2024A
CPS ($)	-0.05	-0.22
CPS (Exp D) ($)		-0.01
CPS (FD) ($)		-0.01
P/CPS	-1439.4x	-365.0x
P/CPS (Exp D)	NM	-5981.5x
P/CPS (FD)	NM	-11491.0x

Our value range is based on the first 150 MW of the medium term project of 300 MW and our price per share value range is based on expected full dilution(Exp D) of 217m shares based on our meta-analysis of the proportion of warrants typically exercised from warrant packages and our subsequent median estimate of ~20% - see warrant section below).

Investment Case - Refinements

MAST develops small unobtrusive packets of under-utilised industrial/agricultural land into distributed, grid critical, 5-10 MW Reciprocating Gas Turbine (RGT) plants. Smaller projects, up to 5 MW are treated preferentially by the grid for approval and connection. MAST is currently using Jenbacher low carbon engines. The engines run on a diversified revenue stack which smooths revenue volatility. The capacity market (CM) guaranteed payments provide an annuity spine.

The 8.1 MW Pyebridge site is the first within the MAST portfolio to become revenue generating - two recently refurbished Jenbacher engines (gensets) are generating 5.4 MW, ~£86k pcm (excludes CM income) or ~£109/MWh, which is around 50% above the 2024 UK day-ahead average power price.

Our model scenarios suggest FCF breakeven between 12 MW and 14.6 MW production. Pyebridge is generating at 5.4 MW and in our initiation note there are a further 17.6 MW in the MAST portfolio that could switch on within 12-18 months. We also anticipated MAST's development portfolio would rise by a further 50 MW to 73 MW by 1H26E. MAST is targeting 300 MW of generation mid-term. Following the GLE deal, in our assessment, MAST is likely to exceed our 73 MW estimate before our 1H26E target. We estimate both that the CAPEX for the new 25 MW GLE portfolio is likely to be at least 5% lower and the 'GLE' portfolio could come online within 11-16 months. Funding facilities are already in place for close to the entire upgraded portfolio of 48 MW. All of which suggests potential improvements in valuation.

Market Opportunity – Four policy/legal changes have recently unblocked the connection market for smaller flex power operators such as MAST.L, speeding up approvals, reducing costs and removing zombie developers, which also removes a critical distortion for investors funding these projects. In addition, National Energy System Operator (NESO, formerly National Grid ESO) forecasts UK demand-side flexibility must rise from 2 GW to 10-12 GW by 2030 to achieve a zero-carbon grid by 2035. With RGT capacity projected to double to 15 GW over the same period, the addressable UK market exceeds GBP 5bn of estimated capital investment opportunities.

Differentiation & IP - MAST's Statkraft PPA with real-time trading algorithms optimises dispatch, extracting a 40% price premium vs. the market for MAST.L's Pyebridge plant. Pybridge's refurbished Jenbacher engines meet The Medium Combustion Plant Directive (MCPD) emissions standards, keeping carbon intensity below 400 g/kWh. Hydrogen/biogas feedstock convertibility extends CM eligibility beyond 2040.

Catalysts

1. Bordesley commissioning & CM registration 4Q25E. **2.** Site acquisition targets of 50 MW by 1H26E. **3.** FCF breakeven during YE26E. **4.** Government CM rule changes favouring hydrogen-capable engines (initial decision expected 2026).

Recent Progress Update

In the UK, G99 refers to Engineering Recommendation G99, a standard set by the Energy Networks Association (ENA) that governs the connection of generation equipment to the distribution network (11 kV to 132 kV). It is critical for all generation projects from 16 A per phase (~3.68 kW) up to 50 MW and includes the rules for sites below 10 MW.

Capacity market payments create a revenue spine for MAST.L

**Paul Venter is a director of MAST.L*

£5 million Equity Fundraise – 11 July 2025 - MAST recently completed a £5m gross proceeds equity fund eliminating historical debt and supplying growth capital. This, in our view, is a positive turning point transaction that reveals the first part of the runway along which MAST can begin to deliver and gets the company above water. We believe that positive reinforcement of funding and delivery will bring other investors into the market and broaden MAST's funding options, which could lead to a material reduction in MAST's cost of capital in due course. The equity fund raise delivered the following:

• Balance-sheet now essentially debt-free; project runway secured.
• £10m of warrants at £0.04 could provide follow-on capital if exercised – however based on historical performance of warrant packages in both the UK and US markets, warrant packages tend to be exercised at around 20% - see analysis and considerations as to why expected dilution is usually not nearly as high as theoretical full dilution at the end of this note.
• Fortified Securities received broker warrants equal to 6 % of funds raised.
• Key shareholders (*Paul Venter, RiverFort) agreed to six-month lock-ins.
• Celia Li appointed as Independent NED to enhance brand and IR capability.

Acquisition of 25 MW Development Portfolio for £50k – 22 July 2025 - MAST bought exclusive rights to five ~5 MW flexible-generation sites from Green Light Energy (GLE). Apart from the exceptionally attractive cost at £2k per MW vs. an historical £60k per MW, having looked at the deal in more detail we infer that capex may per MW may well fall meaningfully for these MAST 'GLE' 5 MW projects, perhaps by ~5% from our current ~£739k / MW assumption.

• Transaction cost £50k (equating to £2k per MW) – 50% cash, 50% equity at £0.77 per share (p/s)

• MAST MW portfolio up 2.09x or 108.7% from 23 MW to 48 MW; each site has grid and gas access plus planning precedent (the planning precedent is key and is likely to have been of critical importance in the due diligence and verification work). We would ordinarily expect that the relevant local authorities have been approached to assess if planning applications were likely still to be welcomed irrespective of planning precedents, in order to assess timelines for delivery and practical feasibility) prior to approving the deal with GLE.

• GLE's upside, in our view, comes from holding MAST shares, GLE's allocation is locked-in for six months; The MAST GLE framework targets a scalable 100 MW pipeline. GLE is effectively a specialist in identifying appropriate sites, saving MAST time (and probably costs too) thereby helping improve the probability of reaching FCF positive in line with our estimates or beating them by bringing MW on stream earlier.

• Utilises CMP446 fast-track (<5 MW) grid-connection reform – a key reform that plays to a MAST portfolio strategic sweet spot by obviating the need for a Transition Impact Assessment (TIA) on projects <5MW, this reduces cost (no TIA study fees, reduces bureaucratic friction), risk and time (potentially by months) thereby improving project viability and accelerating revenue streams.

Exhibit 1: **Product Pipeline & Milestones**

Site	MW	Status	Capacity-Market Contract	Next Catalyst
Pyebridge	8.1	Operating	T-1 2024-25 (£35.8k/MW) + T-1 2025-26 £20k/MW + T-4 2026-27 £63k/MW + T-4 2027-28 (£65k/MW) + T-4 2028-29 (£60k/MW)	3rd genset live 3Q25E
Hindlip	7.5	FID / Powertree JV	T-1 2025-26 targeted	EPC award 4Q25E
Bordesley	5.0	Shovel-ready	T-4 2025-40 (£30.6k/MW)	Debt or JV funding
MI	5	Optioned		Planning secured
RN	5	Optioned		Planning secured
RW	5	Optioned		Planning secured
WF	5	Optioned		Planning secured
DR	5	Optioned		Planning secured
Current Total	48	Majority of funding options/requirements in place		
Interim Pipe	150			100 MW of Projects
Pipeline	300+	LoI stage	N/A	M&A news-2025-26

Sources: ACF Equity Research; Company Reports.

Scale roadmap

• **Phase 1** (2025-26): commission Bordesley, complete Hindlip FID, add 30 MW operating capacity.

• **Phase 2** (2026-28): roll up operating sites ≥300 MW, portfolio refinancing.

• **Phase 3** (2028-30): integrate 100 MWh of Battery Energy Storage Systems (BESS) and pilot 20% hydrogen (or 80% biogas) blend, extending CM eligibility beyond 2040.

The combination of repeatable engineering, contract-backed revenues and SPV-level leverage underpins the funding of MAST's goal of >300 MW of generation while limiting parent-company dilution for shareholders. The GLE deal with a framework to reach 100 MW, faster and at potentially lower capex across the MAST 'GLE' portfolio, is a significant step forward.

Reciprocating Gas Turbines – Why Invest

A gas fired reciprocating engine (also called a piston engine) uses pistons that move up and down inside cylinders. This motion is converted into rotational energy via a crankshaft (similar to a car engine)
• Gas is combustion occurs within the cylinder.
• The piston compresses the air-fuel mixture, ignites it, and the explosion pushes the piston down.
• This up-and-down motion is referred to as reciprocating motion.

OCGT - open cycle gas turbine is a type of continuous combustion engine.
• Air is compressed by a compressor.
• Fuel is injected and combusted in a combustion chamber.
• The hot gases expand through a turbine, spinning it to generate power.
• The exhaust gases are released directly into the atmosphere (hence "open cycle").

Lower Heating Value (LHV) measures the efficiency of fuel conversion in power generation systems. LVH represents the amount of heat released by a unit of fuel when it is completely combusted, excluding the latent heat of vaporization of water

Recip projects (industry shorthand for gas-fired reciprocating-engine power projects) are small- to mid-scale generating plants that use multiple high-speed internal-combustion engines—*large versions of marine or locomotive engines*—optimised to run on natural gas or, increasingly, hydrogen blends or biogas. Within the UK flexible-power gas market recip gas turbines complement open-cycle gas turbines (OCGTs) and batteries by providing ultra-fast start-up, high cycling capability and synchronous grid services.

How they work

• **Technology:** Each Jenbacher engine module in MAST's case, is a spark-ignition or lean-burn four-stroke reciprocating (piston) engine. Other gas fired reciprocating engine OEMs in the 2MW to 20MW range include **MTU** (A Rolls-Royce (RR.L) brand) **Wärtsilä's** (WRT1V.HE) **34SG and 50DF** and **Siemens** (SIE.DE) **E-series**.

• **Configuration:** Sites often aggregate several ~2.5–20 MW engines into total capacities of 5–100 MW, new and refurb installs increasingly use containerised packages for rapid installation.

• **Start-up and ramping:** Hot starts occur in tens of seconds; cold starts in two to three minutes, with full load achievable in under 30 seconds.

• **Efficiency window:** Gas fired reciprocating engines electrical efficiency is roughly 43% (LHV) at full load—higher than small open cycle gas turbines (OCGTs) and resilient at part-load.

Exhibit 2: **Why Developers Choose Reciprocating (Recip) Engines**

We have cut our weighted average time range assumption from planning to operation (revenue generation) to 11-16 months from 12-18 months based on the GLE deal dynamics and changes to the grid connection process that speed up/favour sub 5MW projects.

Attribute	Benefit in UK context
Modularity & speed to build	<50 MW sites progress from planning to operation in 11–16 months and can connect at distribution voltage <132kV, bypassing the transmission connection queue, that is currently several years long.
Low minimum stable load	Engines can idle at 10–15% output, allowing plants to track Balancing Mechanism instructions without shutting down.
Rapid cycling capability	Hundreds of start-stop cycles per year with limited maintenance penalties—ideal for frequency response and price-spike capture.
Black-start & islanding	Synchronous generators supply inertia and can self-energise a dead grid, valuable for ESO restoration services.
Scalable CAPEX	All-in capital cost around £850–660/kW remains economic at sub-50 MW scale where turbine economics weaken.
Fuel flexibility	Modern engines accept up to 25% hydrogen blends today and can be converted to 100% hydrogen (or biogas), satisfying future CM decarbonisation rules.

Sources: ACF Equity Research

Risks

Risk	Impact	Probability	Mitigation
Regulatory changes and tighter emissions rules	Revenue loss or higher capital cost	Medium	Active consultations and hydrogen/biogas-ready retrofits
Funding constraints or dilution	Project delays	Medium	RiverFort accordion, Powertree equity and asset-level debt, FCF project funding. Huge warrant packages rarely exercised >20% (ACF meta-analysis).
Gas and carbon-price volatility	Margin squeeze	Medium-Low	Fuel-cost pass-through and optional hydrogen blending
Battery storage cannibalisation	Cashflow variability	Low	Dual-fuel capability and standby Balancing-Mechanism fees / reserve power market still needed
Engine failure or outage	Earnings disruption	Medium	Predictive maintenance and OEM long-term service agreements, exercise revenue protection clauses
Community or planning opposition	Permit delays	Low	ISO 14001 compliance, local benefit funds and transparent ESG reporting

Valuation – Reminder From Initiation Note

Exhibit 3: ACF's MAST Cash Flow Model Prior to GLE Deal

We have moved the 150 MW assumption presentation in the table to sit under 2027E, this is a cosmetic move and has no impact on our valuation model. It now shows when as well as how many MW of generation our valuation ranged is based upon.

MAST - Cash Flow Model														
in £m	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Capacity Assumption (MW)	**150**													
Revenue Capacity Market	4.50	6.75	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Revenue StattKraft	11.34	17.61	36.45	37.73	39.05	40.42	41.83	43.29	44.81	46.38	48.00	49.68	51.42	53.22
Cost of Sales	8.41	12.80	25.99	26.38	26.77	27.18	27.58	28.00	28.42	28.84	29.28	29.72	30.16	30.61
Operating Cost	1.21	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.42	1.44	1.46
Net Ip	1.21	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.42	1.44	1.46
Working Capital	0.28	0.44	0.91	0.94	0.98	1.01	1.05	1.08	1.12	1.16	1.20	1.24	1.29	1.33
Capex	35.60	35.60	35.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash flow pre-tax	**-29.91**	**-25.96**	**-14.04**	**22.40**	**23.27**	**24.18**	**25.38**	**26.38**	**27.41**	**28.50**	**29.63**	**30.80**	**32.03**	**33.31**
Taxes	0.00	0.00	0.00	-4.48	-4.65	-4.84	-5.08	-5.28	-5.48	-5.70	-5.93	-6.16	-6.41	-6.66
Cash flow after-tax	**-29.91**	**-25.96**	**-14.04**	**17.92**	**18.62**	**19.34**	**20.31**	**21.10**	**21.93**	**22.80**	**23.70**	**24.64**	**25.63**	**26.65**
FCF Margin %	**NM**	**NM**	**NM**	**35.0%**	**35.4%**	**35.9%**	**36.7%**	**37.2%**	**37.6%**	**38.1%**	**38.5%**	**39.0%**	**39.5%**	**39.9%**
NPV	-27.23	-21.52	-10.60	12.31	11.64	11.02	10.53	9.96	9.42	8.92	8.44	7.99	7.57	7.16
Total NPV 5-Yr DCF + TV £m	**116**													

Exhibit 4: ACF's MAST WACC, DCF and Value Range Prior to GLE Deal

We expect our capex assumptions for the GLE 25 MWs to be lower by ~5%, we expect 100 MW of projects before 1H26E. If this were to be achieved it would (with timely secured funding), bring forward FCFs. This may in turn reduce risk and our WACC assumption and so raise our NPV..

WACC Calc	
Pre-tax cost of debt	-2.6%
ETR	20.0%
After-tax cost of debt	-2.1%
Current Leverage	78.1%
Debt/(Cash)	4.6
Equity	5.9
Target Leverage	23.9%
D / (D+E)	19.3%
ACF β adj levered	2.00
rf	0.57%
ERP	5.5%
Cost of equity	11.6%
Risk adj.	0.9%
WACC	9.84%

Note: Successful execution of projects and raises my reduce WACC.

We have made various assumptions based on our meta-analysis (an analysis of the publicly available research) of US and UK warrant deals. In large part only a small fraction of total warrants are ever exercised, we have made certain conservative assumptions. Far fewer warrants may be exercised than we have assumed. Our estimated full dilution is 217m shares. Shares in issue used at the date of this note 13,248,927

Valuation Range						
Projects 150 MW	NPV (£m)	WACC	Risk Adj.	Stake (%)	MAST Share (£m)	
MAST NPV 5-Yr + TV	116.0	9.84%	0.9%	100.00%	116.0	
Total NPV FCF (£m)					116.0	
Net Debt/(Cash)					-0.6	
Fair Value (£m)					116.5	
NoSh (m)					13.25	
Intrinsic Value Per Share GBp					879.62	
VR (low - high) at Current Shares in Issue					**857.63**	**901.61**
NoSh (Expected dilution) (m)					217	
Intrinsic Value Per Share GBp at Expected Dilution					53.67	
Close Price GBp					81.00	
VR (low - high) at Expected Dilution for 150 MW					**52.33**	**55.01**
VR Spread					5.00%	
Implied VR Return (low - high)					-35.4%	-32.1%

Note: implied value range in this ACF research note is based upon diluted shares in issue at the date of this note.

Warrants – Package vs. Exercise Reality

The generalised growing insistence by investors on large warrant packages—followed by frequent failure to exercise those warrants (we estimate that a median of 20% of warrants in a warrant package are exercised) —can be explained by a confluence of behavioural, structural, and financial factors that we describe below:

ACF meta-analysis and fundamental analysis of warrant packages. Our analysis suggests that median execution of warrant packages is 22% of warrants issued. We see this trend deteriorating as warrant packages rapidly get richer (increase in size). We forecast median warrant execution at ~20% of total warrants issued. In the case of MAST this suggests around 50m new shares and £2m additional investment inflow from warrants over and above the 125m pre-paid warrants that are treated as extant equity in most scenarios rather than balance sheet liabilities.

1. Perceived upside without immediate capital commitment - Warrants are provide investors with "free optionality." They offer the right but not the obligation to buy more shares at a fixed price, usually at a premium. This structure appeals to **i)** investors who want upside exposure without deploying more capital immediately; **ii)** risk-averse funds seeking exposure with capped downside. *If the share price doesn't exceed the strike price meaningfully (accounting for opportunity cost or illiquidity), the warrants lapse.*

2. Short-term dilution aversion - Investors negotiate warrant coverage to compensate for near-term dilution from capital raises. However, many investors then avoid exercising these warrants because **i)** exercising the warrants adds further capital exposure; **ii)** the underlying share price underperforms / does not accelerate; **iii)** the original investment thesis or management execution deteriorates post-placement.

3. Poorly designed strike prices and timeframes - Many warrants **i)** have strike prices that are too high relative to realistic valuation scenarios; **ii)** expire too soon (18–24 months) before the company issuer delivers material catalysts; **iii)** lack anti-dilution protections, making them less valuable if further equity is raised below the strike. *Inevitable misalignments between warrant terms and future market conditions leads to a high rate of unexercised warrants.*

4. Fundamental follow-through - Investors may insist on warrants to protect downside or to enhance potential IRRs—but then fail to continue supporting the company fundamentally by **i)** declining to engage in follow-on buying; **ii)** limited continued management engagement; **iii)** no or little effort to support broader capital markets visibility. *Weak secondary market support because of poor fundamental follow through softens the share price, thereby reducing the warrant's intrinsic value and so probability it will be exercised.*

5. Portfolio accounting and risk metrics - Some funds treat warrants as i) "Free" additions with no cost basis on the balance sheet; ii) as tools to enhance or inflate IRR via mark-to-models; iii) portfolio managers are restricted from exercising warrants unless portfolio weightings and liquidity thresholds are met. *This institutional inertia causes many warrants to expire despite being modestly in the money.*

Summary - Warrant packages are often negotiated as psychological or structural "sweeteners," but rarely remain aligned with the capital deployment incentives of the investor post-transaction. ***Unless the core equity story accelerates dramatically, warrant execution rates tend to remain low, we estimate a median of 20% —even among the original backers who demanded them.***

Investment Conclusions

We have valued the first half of the medium term project target of MAST's 300 MW portfolio, i.e. the first 150 MW.

The recent 40:1 consolidation followed by the £5m equity raise and warrant package analysis lead us to expect full dilution of ~217m shares vs. full theoretical warrant based dilution of 417m shares. Our expected full dilution of 217m shares is based on an ACF meta-analysis (we reviewed currently available academic research) and ACF's own experience of warrant packages.

This analysis suggests that median execution of warrant packages is 22% of warrants issued. We see this trend deteriorating as warrant packages rapidly get richer (increase in size). We forecast median warrant execution at ~20% of total warrants issued.

Key investment take-aways

- Flexible power market reciprocal engine sub-segment is critical to UK grid strategy
- Reciprocating gas turbines are critical for renewable and battery grid conversion.
- Grid energy demand is rising aggressively (note expected growth in AI demand).
- Pyebridge cash flow validates the MAST model and could fund organic growth.
- Record Capacity-Market prices secure index-linked annuity streams.
- Hindlip and GLE 'JVs' accelerate portfolio expansion rate.
- Hydrogen/Biogas-ready assets and ESG compliance future-proof exit multiples.
- Market valuation at £0.77m per MW of our forecast 150 MW by 2028E versus £0.35-0.80m per MW private transactions implies significant re-rating potential.
- Project capex reducing, time to market reducing, risk reducing.

Investment conclusions – MAST.L provides investors with leveraged exposure to the recently 'unblocked/zombie cleared' UK flexible-power infrastructure at a point when contracted cash flow is about to inflect upwards. **Catalyst path:** Upcoming milestones—Hindlip EPC launch and further acquisitions—should compress MAST.Ls valuation discount. **Valuation and upside**: Applying an FCF terminal valuation (TV) multiple of 14x to a funded 150 MW (50% of the current MAST programme) implies an EV and equity value of at least £116m (MAST is effectively debt free at the date of this note.

Strategic relevance and M&A exit: Consolidators of flexible power capacity are actively sourcing hydrogen-ready assets; MED's cluster of permitted sub-ten-megawatt sites is therefore a potentially attractive bolt-on for larger platforms.

Exhibit 5: **Initiation Note Reminder Valuation & Peer Snapshot**

Peer / Deal	Geography	MW	EV (£m)	EV/MW (£m)	EV/EBITDA
Capital Power PJM deal	USA	2200	1766	0.80	7×
MAST current	UK	150	116	0.77	N/A
West Burton B TotalEnergies	UK	1300	450	0.35	N/A

Sources: ACF Estimates

Exhibit 6: **Initiation Note Reminder - Bear Base Bull**

Scenario MAST.L MW build out rate	2028E MW online	Group FCF 2029E (£m)	EV/MW (£m)	DCF FV Intrinsic p/s (GBp)
Bear slow build	23	2.15	0.37	0.91
Base	150	18.61	0.77	53.67
Bull JV ramp	200	25.23	0.79	73.70

Sources: ACF Estimates

Financial Metrics Historical

MAST.L Financial Metrics H	2021	2022	2023	2024	TTM	2Q23	3Q23	4Q23	1Q24	2Q24
Capital & Debt										
Debt Ratio	49.5%	54.2%	114.8%	130.7%	130.7%	114.8%	114.8%	115.8%	115.8%	130.7%
Debt to Equity	66.5%	103.0%	-525.9%	-369.8%	-369.8%	-525.9%	-525.9%	-362.1%	-362.1%	-369.8%
Short Term Debt / Equity	59.0%	75.1%	-337.5%	-159.1%	-159.1%	-337.5%	-337.5%	-290.7%	-290.7%	-159.1%
LT Debt /Equity	7.5%	27.9%	-188.4%	-210.7%	-210.7%	-188.4%	-188.4%	-71.4%	-71.4%	-210.7%
Debt <=1yr/ Gross Debt	88.7%	72.9%	64.2%	43.0%	43.0%	64.2%	64.2%	80.3%	80.3%	43.0%
Debt>1yr /Gross Debt	11.3%	27.1%	35.8%	57.0%	57.0%	35.8%	35.8%	19.7%	19.7%	57.0%
Debt>1yr/Net Inv. Capital	53.6%	595.5%	-29.8%	-299.5%	-299.5%	44.2%	-29.8%	32.7%	-14.4%	-299.5%
Assets/Equity	198.2%	218.1%	-676.6%	-326.0%	-326.0%	-676.6%	-676.6%	-632.1%	-632.1%	-326.0%
NCO/Gross Debt	-29.7%	-58.9%	-36.0%	-26.9%	-26.7%	-5.8%	-12.2%	-11.9%	-17.7%	-8.0%
SR Liquidity					TTM					
Quick	0.6x	0.2x	0.1x	0.2x	0.2x	0.1x	0.1x	0.2x	0.2x	0.2x
C&CE/ Current Liabs	0.5x	0.1x	0.0x	0.1x	0.1x	0.0x	0.0x	0.1x	0.1x	0.1x
NCO / Total Current Liabs	-0.2x	-0.7x	-0.3x	-0.5x	-0.5x	-0.1x	-0.1x	-0.1x	-0.1x	-0.1x
TCA/ Avg. Daily Costs	5.6x	0.2x	0.1x	0.4x	-1.2x	0.1x	-0.1x	-0.5x	0.6x	0.8x
Turnover x					TTM					
Avg. Inventories/Revs	-28.0x	-0.2x	-0.2x	0.0x	0.0x	0.0x	-0.6x	-0.6x	0.0x	0.0x
Revs/TA	0.0x	0.2x	0.1x	0.2x	0.0x	0.0x	0.0x	0.0x	0.1x	0.1x
Revs/LTA	0.0x	0.2x	0.1x	0.2x	0.0x	0.0x	0.0x	0.0x	0.1x	0.1x
Revs/WCAP	0.0x	-0.7x	-0.2x	-0.3x	0.0x	0.0x	0.0x	0.0x	-0.1x	-0.1x
Margins					TTM					
EBIT M%	-24598.8%	-138.2%	-1023.1%	-127.5%	-127.5%	-1881.3%	-228.4%	-228.4%	-89.4%	-89.4%
Levered FCF M%	-1501.4%	253.0%	28.1%	659.7%	0.0%	0.0%	23.7%	45.2%	0.0%	938.9%
Unlevered FCF M%	-84970.3%	-489.2%	-205.9%	-392.7%	0.0%	0.0%	-146.5%	-1229.2%	-91.1%	-485.9%
NCO M%	-23411.2%	-123.9%	-213.1%	-167.0%	-166.0%	-163.9%	-243.8%	-243.8%	-136.6%	-136.6%
NI M%	-40438.9%	-387.9%	-1037.3%	-148.8%	-149.0%	-1937.1%	-243.3%	-243.3%	-113.3%	-113.3%
EBT M%	-43419.4%	-263.6%	-1037.3%	-148.8%	-149.0%	-1937.1%	-243.3%	-243.3%	-113.3%	-113.3%
EBIAT M%	-21618.2%	-262.5%	-1023.1%	-127.5%	-132.9%	-1881.3%	-267.8%	-228.4%	-89.4%	-89.4%
EBITDA M%	-41689.2%	-247.8%	-989.1%	-105.0%	-99.3%	-367.7%	-174.0%	-174.0%	-71.0%	-71.0%
SGA M%	23641.0%	88.9%	276.1%	103.7%	103.7%	328.7%	154.6%	154.6%	84.5%	84.5%
GP M%	-957.7%	24.9%	34.4%	40.1%	-6.1%	-52.6%	-34.0%	-34.0%	4.5%	4.5%
Returns					TTM					
RoA	-17.2%	-87.1%	-136.0%	-27.2%	-27.2%	-53.2%	-9.5%	-6.8%	-8.4%	-7.5%
RoE	-34.1%	-190.0%	920.5%	88.6%	88.7%	359.6%	64.0%	43.1%	53.1%	24.5%
RoIC	-130.1%	-2748.0%	143.8%	107.9%	112.5%	-82.0%	11.2%	-18.6%	8.5%	27.4%
CRoIC	-475.5%	-1720.0%	29.9%	329.2%	229.7%	-7.1%	10.2%	-19.8%	26.7%	86.5%
RoCE	-19.3%	-52.9%	-1027.3%	-68.6%	-68.6%	-395.2%	-68.0%	-20.6%	-21.3%	-17.4%
GP/Total Assets	-0.4%	5.6%	4.5%	7.3%	-1.1%	-1.4%	-1.3%	-1.0%	0.3%	0.3%
Efficiency					TTM					
Inventory days	-1933.9	-64.1	0.0	0.0	0.0	0.0	-330.3	0.0	0.0	0.0
DPO	2759.8	140.8	1535.6	575.4	324.8	3155.1	2535.8	1670.0	885.9	994.3
Cash Cycle	-4693.7	-204.9	-1535.6	-394.9	-144.4	-3155.1	-2866.1	-1194.6	-706.1	-496.9
Price					TTM					
P/B	374.2x	175.6x	-335.0x	-48.1x	-15128x	-35020x	-49294x	-33191x	-32804x	-15128x
P/TBV	294.9x	131.7x	58.4x	14.7x	4641x	6110x	8601x	5901x	5832x	4641x
P/NCAV		131.7x	58.4x	14.7x	4641x	6110x	8601x	5901x	5832x	4641x
P/NCO	-1896.1x	-289.4x	-177.1x	-48.3x	-15311x	-115083x	-76876x	-76876x	-51294x	-51294x
P/FCF	-561.8x	-218.2x	-177.1x	-20.8x	-9362x	-115083x	-76876x	-76876x	-24849x	-24849x
EV					TTM					
EV/Sales		360.5x	383.4x	86.8x	25419x	188662x	187444x	187442x	70050x	70060x
EV/EBITDA	-1065.3x	-145.5x	-38.8x	-82.6x	-25598x	-51309x	-107705x	-107704x	-98605x	-98618x
EV/EBIT	-1805.5x	-260.9x	-37.5x	-68.0x	-19934x	-10028x	-82061x	-82060x	-78389x	-78400x
EV/FCF	-562.0x	-219.4x	-179.9x	-22.3x	-9365x	-115100x	-76884x	-76883x	-24851x	-24855x
FCF					TTM					
EV/FCF	-56204.8%	-21943.4%	-17990.8%	-2230.2%	-9365x	-115100x	-76884x	-76883x	-24851x	-24855x
uFCF/EV	-0.2%	-1.4%	-0.5%	-4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
lFCF/MCAP	0.0%	0.7%	0.1%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Sources: Refinitiv

Notes [Intentionally Blank]

Check the Independence of Research

As a result of MiFID II and the unbundling of commissions in the UK and Europe and various comparable unbundling legislation originating in the US, over time, the payment models for research have changed. This also means that nano to mid-cap and even some larger cap companies can no longer obtain research via their broker or investment banking relationship as it is no longer commercially viable to do so.

Investment (equity) research has always been a business and, as such, has always been paid for. Over its evolution since the 1920s investment research has been paid for using a variety of models. Since the 1950s investment research has been paid for after production and publication either via trading commissions, transaction fees (money raising, IPO, M&A etc.), via stock payments, opaque retainer structures or cross subsidization - investment research paid for in these ways is subject to opaque high levels of bias and is recognized as such and now legislated against by US, UK and EU regulators.

We recommend readers in any market or geography request the following checks are carried out and answered as indicated below in order to obtain investment research that is as independent and with as few biases as possible:

Is the research MIFID II compliant	**YES**	☑
Is the research provided by a broker and paid for after it has been produced.	**NO**	☑
Is the research potentially cross subsidized by other investment banking services.	**NO**	☑
Is the research potentially or actually paid for in shares or other financial instruments.	**NO**	☑
Has the research been paid for in advance of production via cleared funds.	**YES**	☑

I, Christopher Nicholson, hereby confirm that ACF Equity Research Ltd.'s investment research products conform to the above five [5] checks.

Christopher Nicholson
Managing Director
Head of Research
ACF Equity Research Ltd

To make an exception to the above principles for one client would be to damage our research brand and the investment all other clients past, present and future have or will make in our independent research services.

Disclosures

Important Research Disclosures

Christopher Nicholson (Head of Research) certifies that (1) the views expressed in this report accurately reflect our personal views about all of the subject companies and securities and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

The analyst(s) responsible for preparing this report received compensation on the basis of a fixed fee paid in advance and is not in any way contingent upon positive opinions and conclusions in its research report. ACF Equity Research does not engage in investment banking, which would create a conflict of interest.

ACF Equity Research's policy is to update research reports as it deems appropriate, based on developments with the subject company, the sector, or the market that may have a material impact on the research views or opinions stated herein.

ACF Equity Research's policy is only to publish investment research that is impartial, independent, clear, fair, and not misleading.

Conflicts of Interest

ACF Equity Research does at its sole discretion engage in the business of investment research production and related services such as capital markets general and specific advice for which it receives a fixed fee payable in advance with companies that are the subject of its research reports and **where this is the case it is clearly stated at the bottom of the first page of the report that the company that is the subject of the report is a client of ACF Equity Research.** Although ACF Equity Research does not permit these factors to compromise its objectivity investors should proceed on the basis that such financial relationships may create a conflict of interest that could affect the objectivity of this report.

This report is not intended to provide personal investment advice. The opinions herein do not consider individuals' circumstances, objectives, needs, or goals, and therefore are not recommendations of any securities, financial instruments, or investment strategies. The reader of this report must make its, his, or her own independent decisions regarding any securities or financial instruments mentioned herein.

This report is not in any sense an offer or solicitation for the purchase or sale of a security or financial instrument. The statements herein have been taken from sources we believe to be reliable, but such statements are made without any representation as to accuracy or completeness or otherwise, except with respect to any disclosures relative to ACF Equity Research or its research analysts. Opinions expressed are our own unless otherwise stated and are subject to change without notice.

In the United Kingdom (UK) ACF Equity Research is regulated by the Financial Conduct Authority (FCA). **In the US** neither ACF Equity Research nor its analyst(s) are a FINRA registered broker-dealer or investment adviser and ACF Equity Research does not provide investment banking services.

This report belongs to ACF Equity Research and is not attributable to the company featured in its report and is based solely on publicly available information about the company featured in the report.

INDEPENDENCE & DISTRIBUTION

ACF Equity Research Ltd is a provider of issuer-pays research with a clearly defined independent ethic. ACF produces accurate, clear, focused research aimed at a professional investment audience. ACF has excellent distribution capabilities and always aims to provide access without restriction to the widest professional audience. ACF offers a range of additional services to support its clients.

DISCLAIMER

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. [The opinions expressed in this report herein do not take into account individual investor circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein.] ACF Equity Research Ltd has based this document on information obtained from sources it believes to be reliable, but which it has not independently verified. Neither ACF Equity Research Ltd. nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. [Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by ACF Equity Research Ltd. with respect to future performance. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.]

IMPORTANT DISCLOSURES FOR U.S. INVESTORS

This research report was prepared by ACF Equity Research Ltd., a company authorized to engage in securities activities in the United Kingdom. ACF Equity Research Ltd. is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended. Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through, a registered broker-dealer in the United States. The analyst who prepared this research report is not registered or qualified with the Financial Industry Regulatory Authority ("FINRA") and may not be associated with a U.S. broker dealer and as such, would not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

[Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.]

LEGAL NOTICE

This report is for authorized use by the intended recipient(s) only. It may contain proprietary material, confidential information and/or be subject to legal privilege. No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of ACF Equity Research Ltd. and ACF Equity Research Ltd. accepts no liability whatsoever for the actions of third parties in this respect.

IMPORTANT ADDITIONAL DISCLOSURES FOR U.K. INVESTORS

The information in this report has been prepared by ACF Equity Research Ltd (ACF). The research is published for information purposes only. It is not intended as an offer or solicitation for the purchase or sale of any securities or any financial instruments.

ACF has based this document on information obtained from sources it believes to be reliable but which it has not independently verified. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of ACF Equity Research Limited. The material should not be regarded by recipients as a substitute for the exercise of their own judgment. Past performance does not guarantee future performance.

The analyst(s) responsible for covering the securities in this report receive compensation based upon, among other factors, the overall profitability of ACF which may, from time to time, solicit business from any of the companies referred to in this report. The analyst(s) responsible for covering securities in this report may not hold a position in any or related securities in this report in ACF's sector universe on in any other sector in which ACF carries out research. The company does not hold any position in the securities mentioned in this report.

This research report and its contents are intended for professional investors and not for retail investors. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of the investment research. ACF Equity Research Limited is authorised and regulated by the Financial Conduct Authority. However the contents of this research report are produced as if ACF Equity Research Limited is unregulated and consequently this report does not contain investment recommendations or ratings.

ACF, its directors, employees and agents accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or part of these materials. The information in this report is provided with the understanding that ACF is not acting in a fiduciary capacity. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall in no way constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Copyright © 2025 ACF Equity Research all rights reserved. Additional information is available upon request.

ACF Equity Research Limited, 125 Old Broad Street, London, EC2N 1AR, U.K.
Tel: +44 (020) 7558 8974
Website: www.acfequityresearch.com