PART OF THE octopusenergy GROUP

Kraken Technologies Limited

Annual Report and Consolidated Financial Statements

9 months to 31 January 2025

Contents

Forewords

Amir Orad – Chief Executive Officer

I joined Kraken Technologies in June 2024, and the pace of progress since then has been extraordinary. Kraken continues to demonstrate that technology can be a genuine force for good, accelerating the energy transition, improving efficiency and innovation across utilities, and helping them lower operational and system costs while delivering best-in-class customer service. Few companies have the opportunity to deliver global impact while building a sustainable business. Kraken is doing exactly that.

At the centre of this progress is the AI-powered Kraken Operating System, an end-to-end operating system built for utilities. Built on a unified data model and cloud-native architecture, it is data-driven by design, processing billions of data points daily to support real-time decision-making across customer operations and asset flexibility. We continue to invest heavily in artificial intelligence and automation to ensure the platform remains efficient, resilient, and scalable.

The Kraken Operating System supports both customer and flexibility operations. Our customer management products serve utilities across residential and commercial and industrial customers, as well as distribution network operations, while our flexibility products span the full spectrum of assets, from consumer-owned electric vehicles and batteries to large-scale generation. Continued improvements in our operating model and commercial discipline underpin this progress and position Kraken for long-term success.

The 2025 financial period has been a year of acceleration. We've entered new markets, strengthened existing partnerships, and delivered strong growth. We have more than 62 million contracted customer accounts on Kraken, at 31 January 2025 versus 30 April 2024 representing a period growth of 24%. Contracted recurring revenues increased by 58% to £334 million, at 31 January 2025 versus 30th April 2024. Scale matters, but what truly differentiates Kraken is the combination of exceptional people, a highly scalable platform, and a clear sense of purpose. The same values that drove our success in energy are now shaping our progress in new sectors such as water and broadband, and across new geographies.

As we look ahead, Kraken is entering an exciting new chapter focused on its upcoming independence, growth, and impact as we complete our transition to a fully standalone business. With a strong global pipeline, a scalable platform, and a culture rooted in innovation and purpose, we are well positioned for the years ahead.

I joined Kraken because I believe deeply in the role that great technology can play in transforming essential services, and that conviction continues to guide my focus as we help our customers succeed, transform utilities worldwide, and play a meaningful role in building a more sustainable future.

Amir Orad
Chief Executive Officer

James Eddison – Chief Technology Officer and Co-founder

The 2025 financial period has been a defining year for Kraken's technology. Our focus has been on extending platform capability while strengthening the architectural foundations required to support a broader range of utilities, markets, and use cases at global scale.

A major focus this year has been evolving the Kraken Operating System to be more open, configurable, and extensible. Through Open Kraken and self-service capabilities, utilities and partners can integrate new assets, markets, and workflows more quickly, reducing delivery complexity and increasing operational independence. This is central to enabling the Kraken Operating System to support utilities with very different starting points, regulatory environments, and technology estates.

During the period, we strengthened the platform through the integration of Energetiq and Jedlix. Energetiq expanded our capabilities in distribution networks and settlement, extending the Kraken Operating System further upstream into grid operations. Jedlix brought deep expertise in electric vehicle smart charging and OEM integrations, accelerating our ability to support consumer flexibility at scale. In both cases, the focus has been on fully integrating teams and technology into the core platform, rather than operating standalone products.

Flexibility remains a core strength of Kraken. Through Residential Flex, fully integrated with Kraken Customer, utilities can offer simple, consumer-centric propositions such as cheaper electric vehicle charging, with devices responding automatically to prices and system conditions. During the period, the platform exceeded 370 thousand consumer devices delivering 2.7 GW of flexible capacity across residential and grid-scale assets, demonstrating the maturity of Kraken's ability to combine consumer participation and system-level optimisation in a single, integrated capability.

We continue to invest in artificial intelligence and automation where it delivers real outcomes, embedding intelligence into optimisation, forecasting, and customer operations while improving developer productivity and system reliability.

Our focus remains simple: keep building technology that utilities can trust with critical operations. I am extremely proud of the Kraken engineering teams and excited about what we will build next.

James Eddison
Chief Technology Officer and Co-founder

Strategic report

What we do

Kraken Technologies Group (‘Kraken’, ‘the Group’) is a pioneering provider of technology solutions for utilities. The Group operates the Kraken Operating System (‘Operating System’), an AI enabled, end-to-end cloud operating system built for utilities, spanning generation, distribution and supply.

The Operating System comprises two core product groups supporting customer and flexibility operations. Customer operations cover the full lifecycle from meter to cash, including consumer engagement, billing and service for residential, commercial and industrial, as well as distribution network operators. Flexibility operations enable optimisation of residential devices such as electric vehicles, heat pumps, home solar, and batteries and the optimisation and control of large scale assets including grid batteries, solar and wind farms.

The Operating System unifies data, automation, and artificial intelligence in a single platform designed for utility operations. Continuous software delivery enables clients to benefit from regular enhancements without disruption. Critically, the platform has been proven through the delivery of large-scale, complex migrations, completed safely and at pace, enabling utilities to transition from legacy systems while maintaining service continuity and reducing execution risk.

Beyond technology delivery, the key reason utilities choose Kraken is our close partnership in supporting deep organisational and cultural transformation. By modernising core systems and ways of working, we help utilities become modern data driven organizations, increase employee engagement, achieve sustained operational efficiencies, improve customer satisfaction, and build the capability to innovate at pace. This unique combination of technology and transformation is a key reason why utility leaders repeatedly choose Kraken to support complex, enterprise-wide change.

Kraken is built to empower utilities to lead the energy transition and create a smarter, fairer energy system for both consumers and businesses.

Operational review

This financial period the Group has seen a number of significant and transitional changes as it moves towards its next phase.

Highlights this financial period include:

We took steps to operate independently from Octopus Energy Group

Over the course of the financial period to 31 January 2025, Kraken took important steps towards operational separation from Octopus Energy Group Limited (‘OEGL’). After developing its own independent IT functions, systems access, global offices, bank accounts and contracts, Kraken hired the Group’s first Chief Executive Officer, Amir Orad, in June 2024.

In September 2025, subsequent period end, Kraken publicly announced its intention to formally demerge from OEGL with a plan to legally separate in the next 18 months.

Major milestone in the US market

In the 2025 financial period, Kraken laid the crucial groundwork to serve fully integrated utilities in the US market, by expanding our US presence and opening an office in New York City, and Kraken has since welcomed several new US-based members of the senior leadership team. In addition to the new Chief Financial Officer, Tim Wan, who joined from Asana, Kraken also welcomed a new Chief Legal Officer, Kristina Agassi, formerly of Sisense, as well as new Global VP for Customer Success, Kelly James, who joins the Group from Salesforce. Finally, Alex Shulman, Ernst & Young Cloud Security leader, joined as Chief Information Security Officer.

We grew with clients and partners

Kraken grew its partner network this period, announcing new deals across Europe, Champion Energy Services in Texas, United States and MAINGAU Energie Hesse, Germany. Kraken also expanded in the telecommunications space, with UK broadband provider TalkTalk signing terms subsequently in February 2025.

Migrations also reached new milestones. EDF Energy completed the transfer of 5.8 million customer accounts onto Kraken (1.2 million of which were migrated in the period).

In the water sector, Portsmouth Water and Leep were the first water companies to complete migration, along with the continued migration of the Severn Trent customer accounts onto the platform (1.8 million accounts in the period).

We made some strategic acquisitions

In July 2024, Kraken acquired Energetiq (Energetiq Pty and Energetiq Services Pty), an Australian energy billing reconciliation software provider. Energetiq opened the distribution network market for Kraken, establishing the Group as the operating system for the full energy value chain – generation, distribution and retail.

Also in July 2024, Kraken acquired Jedlix (Jedlix B.V.), a Dutch electric vehicle (EV) smart charging software developer. The acquisition delivers an international catalogue of API integration with manufacturers such as Renault, Polestar and Kia, and agreements with energy companies, including Engie and Luminus. These agreements expand Kraken's existing catalogue and enhance the Group’s position as the leading enabler of flexible demand management.

We brought KrakenFlex into the single Kraken platform

In the 2025 financial period, the KrakenFlex brand was incorporated into the main Kraken business. This is made up of GenerationFlex and ResidentialFlex.

Kraken’s GenerationFlex product, which delivers control and optimisation of renewable generation and large batteries, grew to manage around half of the UK’s battery sites. The GenerationFlex business has taken its first steps into Italian and German markets. ResidentialFlex product enables consumers to effortlessly charge their cars and heat their homes at the cleanest, most affordable times – fully automated by Kraken to maximise savings and minimise emissions.

In the 2025 financial period, Kraken opened its state-of-the-art Tech Centre in Manchester, a dedicated R&D centre to supercharge the integration of consumer devices onto Kraken.

Since the balance sheet date, Kraken has announced its first ResidentialFlex customers outside of the OEGL, through partnerships with EDF Energy and E.O.N Next in the UK.

We continue to invest in AI

In the 2025 financial period, Kraken hired its first dedicated Chief AI Officer, Assaf Biderman. Assaf joined Kraken from MIT’s Senseable City Lab, which he co-founded.

With this announcement came the commitment to accelerate our investment in our AI capabilities; both in our offerings and our internal tooling. The 2025 financial period has seen the introduction of code assistants to our developer work with AI improving efficiency and efficacy across the board.

We’ve extended Magic Ink, our flagship gen AI customer service product, to five languages across ten clients in six different countries. Our clients have seen efficiency savings of up to 33% in cost-to-serve using Magic Ink. E.ON Next and Good Energy joined us at our first Impact event in May to discuss their success with Magic Ink – which is writing up to 60% of their emails in response to customer queries.

Financial review

Kraken Group has seen numerous operational changes in the past nine months as described above, and at the same time managed to grow its customer base and deliver high quality services globally. Further to this, it's the first year of preparing consolidated financial statements (together with the associated comparatives) with the accounting reference period also being shortened to January.

As of 31 January 2025, Kraken Group had 62.7 million contracted accounts on the platform which equated to £334.1 million of contracted annual recurring revenue (CARR[1]) which is a 58% growth on the last financial year (2024: £212.1 million). This growth is attributed to organic growth of customers who have are established on the Kraken platform and the winning of several large new clients including MAINGAU Energie and Champion Energy Services.

From other key Kraken products there are 372 thousand renewable energy devices being managed by Residential Flex at the end of the financial period (2024: 155.4 thousand) which highlights the growth in products to optimise energy efficiency.

6.1 million customer accounts have been migrated onto the platform during the period, mainly driven by the completion of the Energy Queensland Limited ('EQL') migration and the continued migration of Tokyo Gas and Severn Trent Water customers. Revenue generated from migrations during the financial period was down by 81% (9 months 2025 versus 12 months 2024) from the last year to a total of £6.8 million which is part of the intentional strategic shift away from non-recurring revenue in the current period. Licensing recurring revenue increased by 59% in the period to £152.5 million (9 months 2025 versus 12 months 2024), further demonstrating Kraken's emphasis on growing long term recurring revenue.

This being the first period of reporting consolidated Kraken Group figures, revenue has increased by £20.4 million despite the 3 month shorter reporting period. Gross margin has increased only by a marginal 1.3% in the period which is due to the increase in investment in infrastructure costs where Kraken is undergoing additional software testing and efficiency improvements to enable the technology to be used by larger scale clients and in new industries. This period also saw an increase in hiring of direct employees and contractors at the end of Jan 2025 who are working on the delivery and implementation of the Kraken platform, and who in many cases are hired ahead of large migrations to facilitate set up and a smooth client experience.

Administrative expenditure increased by £32.2 million in the period (9 months 2025 versus 12 months 2024) due to software capitalisation rates increasing expensed developer time as Kraken matures and services its large customer base as well as efforts for operational separation from OEGL. Kraken has developed its own independent IT functions, systems access, global offices, bank accounts and third-party contracts. As well as this, Kraken has hired and expanded its own marketing, legal and finance teams along with scaling up its core senior leadership team to facilitate the growth opportunities ahead. The business also invested in new long-term leases across Europe and APAC, further solidifying its presence on a global scale.

In the balance sheet, Kraken saw an increase in trade and other payables mainly relating to an increased loan drawdown from OEGL to assist with funding of the current year acquisitions and the increased administrative expenditure incurred as part of the preparation to separate from OEGL mentioned above.

KPIs

	9 months to 31 January 2025 (m)	12 months to 30 April 2024 (m)	% change
Total Kraken Customer contracted accounts	62.7	50.5	24%
Total accounts live on Kraken platform[1]	41.3	32.8	26%
Total revenue	£163.8	£143.4	14%
Total recurring revenue[2]	£152.5	£95.8	59%
Operating profit	£0.6	£31.3	-98%
EBITDA	£35.0	£67.4	-48%
Kraken Customer Contracted ARR[3]	£334.1	£212.1	58%

[1] Meterpoints which are being serviced on the Kraken Customer platform at period end, excludes other products.

[2] Licensing revenue recorded in the period.

[3] Annual recurring revenue from contracts to service on the platform but not necessarily live and active, excludes other products.

Future developments

In May 2025, Kraken achieved a key milestone by partnering with National Grid. The utility manages generation, distribution and retail for over 6.5 million energy customers across New York and Massachusetts. Kraken received regulatory approval – a key step for the firm’s growth in the US market.

As mentioned above, in September 2025, OEGL announced its intention to spin off Kraken Technologies Limited into a standalone Group, with the separation of the two companies’ stock registers to be undertaken in the coming months. This will allow the business to operate independently and become more agile in its ability to focus resources and to shift into new and emerging markets.

Engaging with our stakeholders

This report sets out how the Group's Directors comply with the requirements of Section 172 Companies Act 2006, including employee engagement, and how these requirements are considered in OEGL Board's[4] decision making throughout the financial period

Further details on stakeholder engagement are set out on page 12 within the Governance report.

It is the OEGL Board's priority to ensure that the Directors have acted both individually and collectively in good faith, and in the way that they consider would be most likely to promote the success of Group for the benefit of its members as a whole and with regard to all its stakeholders. The requirements of Section 172 of the Companies Act can be summarised as follows:

A Director of a company must act in the way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the company.

The following paragraphs summarise how the Group's Directors fulfil their duties. In all cases the OEGL Board is responsible for setting and monitoring these high standards and receives regular updates for discussion at Board meetings.

Risk management

Risk management is a key function of the OEGL Board's role in oversight of the business and Kraken's success in achieving its strategic objectives and mission. The Board regularly reviews risks through the monthly management reporting process and during quarterly meetings. The principal risks and uncertainties facing the Group are outlined later in the strategic report.

Our people

People are the most important part of Kraken, and the OEGL Board is passionate about creating a business which people want to be part of. We treat our employees with the respect they deserve, both for their dedication to developing a modern software platform, as well as the breadth of experiences to which people want to be a part.

The OEGL Board puts particular focus on nurturing a culture of autonomy, empowerment and trust, and encouraging straightforward, honest and transparent communication. It monitors employee engagement through regular updates from the Senior Management Team on data from Officevibe (internal employee ratings and feedback) and Glassdoor (external). The OEGL Board also maintains its accessibility via ad hoc but regular engagement with the Kraken employee community often in the form of visits to Kraken's London headquarters or regional offices.

[4] There is no Kraken standalone board at present and Kraken continues to be governed by the OEGL Board mainly consists of Directors/shareholder representation at a OEGL level and at each key subsidiary and accordingly matters are considered at a OEGL level or Company level depending on their nature and whether they are common to more than one subsidiary or not. The comments throughout the Annual Report and Financial Statements reflect the activity of the Directors through either OEGL or Company meetings and in respect of the activities of OEGL or Company as relevant and as appropriate to the matter involved.

To ensure merit based human resource management, we must ensure access to the full population of talent therefore, gender diversity, and diversity more generally, is a topic that is important to the Group and is actively monitored and encouraged. There are various initiatives in recruitment, development and workplace flexibility intended to make continued progress on this. These include a 'Kraken Ladies' community, a partnership with SheCanCode and sponsoring various events such as Reframe Women in Tech and Karren Brady's Women in Business & Tech Expo. Practically all permanent staff own shares or are granted share options in the Group, so derive added benefit from the ongoing growth and success of the business, helping to align employee values with those of shareholders.

Informal, regular access to our Senior Management Team drives accountability at all levels. We achieve this via several channels – from open internal messaging to a weekly 'Family Dinner' where all members of staff across the world are invited to the same online meeting to learn about the latest business developments. These meetings are regularly hosted and/or attended by one or more of our Founders (who are Directors). During these sessions, employees are encouraged to ask questions directly and to celebrate the achievements and challenges of their teams together.

Our customers

Kraken exists to revolutionise the energy and wider utilities sector through the software we license, in the form of a subscription service, to clients and the Board is committed to executing this. When implementing Kraken, as well as great technology, we also deliver business model transformation which we believe results in improved operating efficiency, greater staff satisfaction and outstandingly positive experiences for end-customers.

Our mantra is to offer straightforwardness and trust by breaking down traditional service barriers, instead championing simple processes and nurturing honest relationships between the team and our clients. The result is closely monitored with dedicated client leads giving regular updates to the Board on customer success and satisfaction. The fundamental principles of pragmatism, simplicity and honesty are ingrained in all areas of the business, including the Board.

Suppliers

We carefully select partners and suppliers to work with on a number of factors including their reputation within their industry and ability to demonstrate care and quality throughout their process. Our onboarding process is grounded in our business and personal principles.

Community and environment

Our technologies support system-wide change to facilitate the most effective and efficient use of energy. Through this we are helping the world accelerate the energy transition through digitisation of utilities. We see consumer flexibility as key to achieving this by enabling the shifting of consumption to times when renewable power is cheap and abundant.

During the period Kraken has progressed with its plans to establish itself in the market by growing its development hubs globally and locally to increase its reach and regional expertise. This has helped to accelerate the localisation of the platform in different regions and has allowed access to a wider pool of tech talent.

Ultimate shareholders

We are committed to openly engaging with our shareholders and all shareholder interests are represented at the OEGL Board meetings. The Board comprises representatives from each of our five major external shareholders and convenes formally on a quarterly basis to review business performance and discuss strategic topics and opportunities. In addition to these meetings, Kraken provides a monthly financial performance reporting pack to all of our investor shareholders and reserves time with each of them to cover any resulting queries. Finally, the

Group maintains ongoing accessibility and engagement with its shareholders via the Strategic Finance and Communications teams.

Business conduct

We aim to provide technology to help utilities deliver energy in ways which are more innovative, economical and with an accelerated adoption of renewable energy. The OEGL Board is responsible for setting and monitoring these high standards of business conduct, including the culture and reputation of the Group, and receives regular updates at OEGL Board meetings.

The Senior Management Team is deeply engaged in the detail of the business and relationships with key stakeholders, and it has a fundamental understanding of our customers.

This sets the expectation across the business that excellent customer service is at the centre of what we do and is borne of a detailed understanding of our value chain and the high ethical and operational standards to which we work. We also apply this philosophy to supplier relationships, which we know work best when there is a deep understanding and appreciation of the activities each party undertakes and the constraints under which they work.

Our Group Board considers key stakeholders in all of its key decisions

The OEGL Board carefully considers its key stakeholders when making strategic decisions. An example is highlighted below:

Investment in Kraken's international growth

During the year, one of the key decisions made by the Board was to plan for further investment in Kraken's international headcount and global growth.

This investment was made with multiple stakeholders in mind. For our clients, including third-party licensees, expanding the Kraken team enables the continued delivery of high-quality services and enhances the platform's capacity to support large-scale migrations and operations. For employees, this initiative creates new opportunities across regions, supporting professional development within a fast-growing technology environment. For shareholders, expanding Kraken's international presence is a critical step towards scaling the platform and driving long-term sustainable growth and profitability.

Approved by the Board and signed on its behalf by:

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S Jackson
Statutory Director, Octopus Energy Group CFO and Co Founder
29 December 2025

Registered office: UK House, 4th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
Registered number: 12014731

Governance

Kraken Technologies Limited does not meet the thresholds requiring mandatory disclosure under the Companies (Miscellaneous Reporting) Regulations 2018.

However, as a wholly owned subsidiary of OEGL, the Group follows OEGL's governance framework, which is aligned with the Wates Corporate Governance Principles for Large Private Companies (2018).

Governance oversight, risk management, and stakeholder engagement are coordinated at Group level, with representation from Kraken within Group leadership and governance forums.

Principal risks and uncertainties

The OEGL Board and Senior Management Team identify, assess, and manage risks associated with Kraken's business objectives and strategy in the following categories:

Cash flow and liquidity risk

Kraken is a prudently managed and strongly backed business with a clear focus on sustainable growth. The Group manages cash responsibly and maintains clear visibility over its funding requirements. While currently loss-making as it continues to invest in scaling operations and international expansion, Kraken benefits from high gross margins and stable, predictable income streams from ongoing licensing of the Kraken platform to existing clients.

The Group operates a long-range forecast model that generates a rolling forecast for income statement, balance sheet and monthly peak cash (and potential variances to) over the next five years. Through this, Kraken can plan cash flow and funding.

Commercial risk

The Group faces several types of commercial risk in the course of its operations.

1. **Customer concentration risk**: Kraken has a single significant client during the financial period to 31 January 2025. However, that client has an extremely variegated customer base that has provided a strong, diverse credential which has resulted in commencing several material clients in calendar 2025.

2. **Competition risk:** from established multinational companies as well as regional and local providers. Kraken also faces competition from new entrants who bring niche products to the market. The Group monitors the market regularly to ensure that we are aware of the offerings on the market and that we can maintain our competitive edge. This matter should be considered together with the disclosures in the 'Cyber security risk' section below.

3. **Intellectual property risk:** protecting Intellectual Property ('IP') is crucial to the success of the Group as any misappropriation or misuse would have an adverse impact on competitive position. This risk is mitigated through strong IP protection provisions in both employment contracts and contracts with counterparties including Kraken licensing agreements.

4. **Global regulations and compliance:** the Group has clients spread globally and must manage an international workforce. Kraken prioritises training of all employees to ensure that they have the knowledge and skills to succeed and provide services to clients across the world.

Cyber security risk

Artificial intelligence and data-driven risks give rise to data protection, bias and regulatory compliance risk. In the future, quantum computing risk could render cryptographic standards obsolete, increasing the risk of a cyber-attack and data compromise. Kraken continues to strengthen its security controls to address both the cyberattacks it detects, and cyber risks that are tracked through internal risk management processes. Kraken is monitoring against a broad range of cyberattacks, including unauthorized access, malware, and vulnerability exploitation. Additionally, specialized tools further monitor Kraken's cloud environments from issues such as misconfiguration, weak access controls, and attempts to steal sensitive data. Kraken is continuously improving its detection and response capabilities, uplifting its controls and expanding third-party risk assessments.

Growth in the number of end-customers on the Kraken platform has resulted in an increase in the amount of data held. Personal data includes data defined as special category data under General Data Protection Regulation ('GDPR'). Kraken continues to improve controls around data security with a particular focus on making data retention periods more granular for clients, improving access controls, introducing new data monitoring solutions, and enhancing the visibility and auditability.

Operational risk

Operational risk, stemming from potential weaknesses or failures in a business's systems and controls, remains a focus in our commitment to sustainable growth. Over the past financial period, Kraken has continued to fortify its controls and refine processes, placing a particular emphasis on bolstering the integrity and security of our core Kraken platform and business information technology ('IT') systems. Rigorous assessments, both internal and external, are conducted regularly to evaluate the potential impact and likelihood of process failures, ensuring a proactive approach to mitigating operational risks. Kraken obtained ISO/IEC 27001:2022 certification in August 2024.

By subjecting various aspects of our platform and systems to external scrutiny, we aim to identify vulnerabilities and implement robust security measures.

In tandem, the Group has a disaster recovery policy and plan tailored to current business requirements. This is designed to address the timely restoration of IT systems but also helps provide a holistic approach to business continuity as well as helping minimise disruption in the face of unforeseen events. Kraken is committed to staying ahead of emerging threats by embracing industry best practices and fostering a culture of continuous improvement. Kraken employs feedback and lessons from regular audits, reviews, and incident retrospectives, using these insights to continuously refine and improve our systems and processes. This proactive stance positions us to navigate the evolving technology landscape with resilience, fortifying the foundation on which our operational success is built.

Financial risk

The Group operates with many customers and suppliers around the world and conducts business in various foreign currencies. As a result, the Group is exposed to foreign exchange risk, which arises from the potential impact of currency fluctuations on its financial performance and position. The business intends to implement hedging strategies in the future to limit this exposure.

Changes in tax rates, tax laws, and the timing and outcome of tax examinations could affect our results of operations. This is mitigated by our Tax team which ensures we are up-to-date and compliant with the applicable tax requirements in the markets we operate in.

Approved by the Board and signed on its behalf by:

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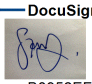

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S Jackson
Statutory Director, Octopus Energy Group CFO and Co Founder
29 December 2025

Registered office: UK House, 4th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
Registered number: 12014731

Directors' report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the period ended 31 January 2025. These financial statements represent the first consolidated financial statements of the Group. During the period, the Company has changed its financial year end to 31 January, previously a 30 April 2025 year end and therefore this reporting period is 9 months.

Future developments

We've included a statement on future developments in the Strategic report which you can find on page 5.

Events after balance sheet date

Subsequent to the reporting date, OEGL announced its intention to spin off Kraken into a standalone Group. The separation is intended to enable Kraken to pursue independent global expansion, attract new investment, and focus on the further development of its AI-powered utility operating platform, while OEGL continues to concentrate on its energy supply operations.

This event occurred after the reporting period and does not give rise to any adjustment to the amounts recognised in these financial statements.

Research and development activities

We invest in the development of our own technologies and products. Kraken is continuously developing and improving its products to meet the needs of its customers. Kraken will make research and development expenditure credit claims where this research and development qualifies.

Dividends

The Directors did not recommend an interim or final dividend to be paid during the period (2024: £nil).

Engaging with employees and other stakeholders

We have included a statement on engaging with our people and other stakeholders in line with our Section 172 requirements in the Strategic report, which you can find on page 5.

Financial risk management objectives and policies

The Group has a strict risk assessment and management policy in which the main risks to the business are considered. These include cash flow and liquidity risk, and financial risk. The Group has policies in place in order to mitigate these risks – for further detail please refer to Principal risks and uncertainties on page 13.

Political donations

The Group has not made any donations or incurred any expense to any registered UK political party or any political organisation in the UK, EU or elsewhere (2024: £nil).

Existence of branches outside the UK

At the end of the financial period to 31 January 2025, the Group has branches in Spain, Italy, France and Germany through its subsidiary Kraken Labs Limited.

The Group also has operations in Switzerland, Netherlands, Australia, New Zealand, Japan and the United States of America.

Policy on employing people living with disabilities

At Kraken, we work hard to hire, promote and treat people on the basis of their merits and abilities. Our people are our strongest asset and the unique skills and perspectives people bring to the team are the driving force of our success.

For employees with disabilities, whether they are new hires or existing employees who acquire a disability during their employment, we are committed to ensuring their continued career development, success, and integration. While we adopt an autonomous approach, leaving teams to manage training and development in the way that suits them best, we ensure that all necessary adjustments and accommodations are made to provide disabled employees with the resources and support they need. In the case of an employee acquiring a disability, we ensure that appropriate adjustments are made, including training or role modifications, to enable them to continue in their role or transition to a new position that better fits their abilities. Teams are encouraged to foster an inclusive environment and support all employees in their career progression.

As an equal opportunity employer we do not discriminate on the basis of any protected attribute, and we welcome applications for employment from anyone. Our commitment is to provide equal opportunities, an inclusive work environment, and fairness for everyone.

Some examples of what we have been doing include:

- All of our job adverts are gender neutral, avoiding language that could discourage certain genders or demographics from applying.
- We have rolled out unconscious bias, diversity and inclusion training for hiring managers and interviewers, and always prioritise diverse interview panels to ensure a fair recruitment process.
- We have eliminated gender bias from the pay structure of field roles, so that all new starters are within salary bands.
- We have partnered with professional associations, community groups, and educational institutions to seek out candidates from underrepresented groups.
- We offer inclusive benefits that cater to the needs of all genders, such as parental leave policies, flexible working arrangements, and support for employees as needed.

The list above certainly is not exhaustive and all employees can get involved in making their organisation, departments and teams feel like home for everyone. Those in leadership positions are expected to set an example on this, but that does not stop anyone taking the initiative and making a great idea happen.

Energy and carbon reporting

The Group is a subsidiary undertaking that is included in the consolidated environmental performance disclosures including disclosures required under Streamlined Energy and Carbon Reporting ("SECR") of the ultimate parent entity the Octopus Energy Group Limited, which can be found within their 'Sustainability report' section, which is publicly available on the Companies House. As such, it is not required to provide a separate SECR disclosure.

Going concern

The Group's financial statements have been prepared on a going concern basis. In assessing the appropriateness of this basis, the Directors have considered both macroeconomic and entity-specific factors. Key considerations include:

- Macro factors: The current economic environment, including inflationary pressures, interest rate trends, and broader market conditions affecting the events and technology sector in which the Group operates.
- Micro factors: The Group's accumulated profits, net assets position, liquidity and cash flow forecasts, committed funding lines, and the ability to meet current and long-term liabilities as they fall due. Operational plans, cost management measures, and anticipated revenue streams over the next 12 months have also been considered.

Based on these factors, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for at least 12 months from the date of approval of these financial statements.

Directors

The Directors who served throughout the period, and subsequently, were as follows: G Jackson, S Jackson, J Eddison, C Hulatt, S Rogerson, and J Bowie.

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the financial period and remain in force at the date of this report.

Auditor

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

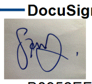
- so far as that Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:



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S Jackson
Statutory Director, Octopus Energy Group CFO and Co Founder
29 December 2025

Registered office: UK House, 4th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
Registered number: 12014731

Directors' responsibility statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with IFRS Accounting Standards as issued by the IASB. The Directors have also chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the 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 company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the Directors are required to:

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

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of Kraken Technologies Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Kraken Technologies Limited (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2025 and of the Group's loss for the 9 month period then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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 which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and Parent Company statements of financial position;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 26 and C1 to C16.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The corresponding figures in consolidated financial statements are unaudited.

Conclusions relating to going concern

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.

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 Parent 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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Parent 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory framework that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. This included General Data Protection Regulation ('GDPR').

We discussed among the audit engagement team including component audit teams and relevant internal specialists such as tax, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in concerning the risk of management bias and potential manipulation of financial data arising from the migration of the accounting system from Aqilla to NetSuite. This risk was considered significant due to the inherent complexities of system transitions and the potential for misstatement during data transfer.

- We obtained the FY25 Trial Balance from NetSuite and performed a detailed comparison of the General Ledger (GL) account descriptions against those in the legacy Aqilla accounting software. This procedure was conducted to assess the consistency and accuracy of GL account descriptions following the system migration. Our audit procedures to address this risk included a detailed comparison of General Ledger account descriptions and code mappings between the legacy Aqilla system and the new NetSuite system to assess the consistency and accuracy of data migration.
- An inspection of accounting entries recorded in the Aqilla system subsequent to the entity's official transition date to NetSuite, to understand the rationale for such entries and to assess potential control weaknesses or data integrity concerns.
- Dual-population testing covering both pre- and post-migration periods for entities undergoing the system change, to ensure the completeness and accuracy of the data transfer.
- Engagement of IT specialists to review the governance and control documentation supporting the migration process and to assess the design and observable implementation of associated controls, with a specific focus on data security and retention.

The assumed fraud risk of revenue recognition is also examined on the risk that performance obligations are not presently met and revenue associated with the customer contracts of the business are overstated at year end. The risk was considered significant due to the complexity of the fee structures within the contracts and the material nature of the cumulative transactions.

- We have obtained a list of all executed contracts from management and reviewed all contracts within the listing to identify all fee structures within the agreement. The fee structures would be identified and assessed against whether they were considered active within the period.

- We examined each new contract within Financial Period 2025 to identify whether deferred income components could be present within the agreement and assessed the relevant performance requirements against the total recognised.
- A search of traditional media and company media releases was undertaken to identify whether any additional arrangements were missing form the listing. The searches included historical testing of subscription and migration transactions and historical financial statement disclosures including Directors Report.

The business as a software development enterprise undertakes material research and development activities to enhance its existing software platform and develop new modular offering. The capitalisation of costs into software balances is subjective and requires significant management judgement in the determination of the allocated expenses. We have identified a significant risk associated with the capitalisation of payroll costs due to the management judgement applied and quantum of the balance.

- Held inquiries of senior management and financial reporting teams to understand the capitalisation process and methodology followed including changes from prior periods. Where relevant controls were examined to conclude on the robustness of the process.
- We have examined management's technical assessing and testing methodology for the determination of the capitalised expenditure for alignment to the relevant accounting standards.
- Reperformed on a sample basis management's determination of capitalised employee costs and assessed the appropriateness of the capitalised elements.
- Assessed management's capitalisation of directly associated operating expenses and concluded on the relevance and appropriateness of the policy application including capitalised proportion.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anthony Matthews (FCA) (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

29 December 2025

Consolidated income statement

For the period ended 31 January 2025

	Notes	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Revenue	4	163,803	143,355
Cost of sales	5	(47,467)	(28,460)
Gross profit		**116,336**	**114,895**
Administrative expenses	5	(115,727)	(83,549)
Operating profit		**609**	**31,346**
Finance income	7	205	65
Finance expense	7	(5,828)	(4,302)
(Loss)/profit before tax		**(5,014)**	**27,109**
Income tax credit/(expense)	8	2,351	(9,692)
(Loss)/profit for the period attributable to the equity shareholder of the parent		**(2,663)**	**17,417**

The notes on pages 30 to 60 form part of these financial statements.

Consolidated statement of comprehensive income

For the period ended 31 January 2025

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
(Loss)/profit for the period attributable to the equity shareholder of the parent	**(2,663)**	**17,417**
Items that may be reclassified to the income statement in subsequent years		
Exchange (losses)/gains on translation of foreign operations	(241)	2
Other comprehensive (loss)/gain for the period	**(241)**	**2**
Total comprehensive (expense)/income for the period	**(2,904)**	**17,419**

The notes on pages 30 to 60 form part of these financial statements.

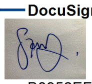
Consolidated statement of financial position

At 31 January 2025

	Notes	31 January 2025 £000	30 April 2024 unaudited £000
Non-current assets			
Property, plant and equipment	9	9,680	6,585
Right-of-use assets	10	13,128	9,161
Goodwill	11	16,106	12,909
Intangible assets	12	138,539	112,803
Other receivables	14	3,453	1,475
Total non-current assets		**180,906**	**142,933**
Current assets			
Trade and other receivables	14	48,172	44,765
Cash and cash equivalents	15	30,520	18,834
Inventory	16	739	586
Total current assets		**79,431**	**64,185**
Current liabilities			
Trade and other payables	17	(107,478)	(57,596)
Lease liabilities	18	(2,240)	(885)
Total current liabilities		**(109,718)**	**(58,481)**
Non-current liabilities			
Trade and other payables	17	(1,631)	(1,559)
Lease liabilities	18	(11,833)	(8,843)
Deferred tax liability	19	(3,482)	(11,224)
Total non-current liabilities		**(16,946)**	**(21,626)**
Net assets		**133,673**	**127,011**
Capital and reserves			
Called up share capital	21	–	–
Share option reserve	22	17,397	9,068
Translation reserve	22	(239)	2
Retained earnings	22	116,515	117,941
Total equity		**133,673**	**127,011**

The notes on pages 30 to 60 form part of these financial statements. The consolidated financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:



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S Jackson
Statutory Director, Octopus Energy Group CFO and Co Founder
29 December 2025

Registered office: UK House, 4th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
Registered number: 12014731

Consolidated statement of changes in equity

For the period ended 31 January 2025

	Called-up share capital £000	Share option reserve £000	Translation reserve £000	Retained earnings £000	Total equity £000
At 1 May 2024 unaudited	**–**	**9,068**	**2**	**117,941**	**127,011**
Comprehensive expense for the period	–	–	–	(2,663)	(2,663)
Other comprehensive loss	–	–	(241)	–	(241)
Total comprehensive expense for the period	**–**	**–**	**(241)**	**(2,663)**	**(2,904)**
Common control reserve	–	–	–	1,237	1,237
Award of share options	–	8,329	–	–	8,329
At 31 January 2025	**–**	**17,397**	**(239)**	**116,515**	**133,673**

Comparative information for the prior period has not been presented, as these are the Group's first consolidated financial statements. In Management's view, in the context of these accounts, the absence of comparative information is not material and does not affect the understanding of the Group's financial position or performance.

The notes on pages 30 to 60 form part of these financial statements.

Consolidated statement of cash flows

For the period ended 31 January 2025

	Notes	Period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Cash flow from operating activities			
(Loss)/profit after taxation		(2,663)	17,417
Adjustments for:			
Depreciation of property, plant and equipment	5	1,924	1,253
Depreciation of right-of-use assets	5	1,572	803
Amortisation of intangible assets	5	30,658	33,925
Net finance cost		5,623	4,237
Unrealised currency translation gains		(197)	–
Award of share options		5,791	5,577
Taxation (credit)/expense	8	(2,351)	9,692
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(1,243)	29,948
Increase/(decrease) in trade and other payables		13,506	(13,071)
Increase in inventory		(153)	(6)
Cash flow from operations		**52,467**	**89,775**
Corporation tax received		–	682
Net cash generated from operating activities		**52,467**	**90,457**
Cash from Investing activities			
Purchase of property, plant and equipment	9	(4,831)	(5,772)
Purchase of intangible assets		(42,169)	(66,714)
Acquisitions (net of cash acquired)	13	(10,746)	(5,549)
Interest received		205	65
Settlement of deferred consideration		71	(523)
Net cash used in investing activities		**(57,470)**	**(78,493)**
Cash flows from financing activities			
Lease payments	18	(2,084)	(771)
Loan from/(to) ultimate controlling party	23	18,815	(15)
Net cash flow from financing activities		**16,731**	**(786)**
Net increase in cash and cash equivalents		**11,728**	**11,178**
Cash and cash equivalents at the beginning of the period		18,834	7,656
Effect of foreign exchange rates		(42)	–
Cash and cash equivalents at the end of the period	**15**	**30,520**	**18,834**

The notes on pages 30 to 60 form part of these financial statements.

Notes to the consolidated financial statements

1. Company information

Kraken Technologies Limited (the Company, and together with its subsidiaries, the Group) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is shown on the Company information page. The Group is a provider of technology solutions for the energy and utilities sectors.

2. Significant accounting policies

2.1 Basis of preparation

This is the first year of preparing consolidated financial statements (together with the associated comparatives) with the accounting reference period also being shortened to January. The consolidated financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards and IFRS Accounting Standards as issued by the IASB and with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. 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 a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The consolidated financial statements are prepared in Sterling (£), which is the functional currency of the Company and presentational currency of the Group. Foreign operations are included in accordance with the policies set out in note 2.13.

There are no new or revised financial reporting standards that impact on the Group's consolidated financial statements. Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 January 2025 reporting periods and have not been early adopted by the Group. IFRS 18 will have a very significant impact on the financial statements. An assessment is currently being undertaken and its impact is yet to be finalised. Other standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions hence they have not been presented in detail in these financial statements.

Rounding is taken to the nearest thousand.

The reporting period selected has been nine months to 31 January 2025. This is in order to align the Group with competitor companies in the software development sector. The Group will have a 31 January year end in future reporting years. The current period is nine months and the comparative year is 12 months and this should be borne in mind when reading the financial statements.

The material accounting policies adopted are set out below:

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The results of subsidiaries acquired or sold are included in the income statement from, or up to, the date that control passes. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the financial period are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.4 Going concern

The Group's financial statements have been prepared on a going concern basis. In assessing the appropriateness of this basis, the Directors have considered both macroeconomic and entity-specific factors. Key considerations include:

- Macro factors: The current economic environment, including inflationary pressures, interest rate trends, and broader market conditions affecting the events and technology sector in which the Group operates.
- Micro factors: The Group's accumulated profits, net assets position, liquidity and cash flow forecasts, committed funding lines, and the ability to meet current and long-term liabilities as they fall due. Operational plans, cost management measures, and anticipated revenue streams over the next 12 months have also been considered.

Based on these factors, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for at least 12 months from the date of approval of these financial statements.

2.5 Segmental analysis

The Group's operating segments are determined based on the internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Chief Executive Officer, with support from the OEGL Board of Directors, being the individual who is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The principal activity of the Group comprises a single operating segment, the provision of technology solutions for the energy and utilities sectors and is presented as such in the financial statements.

2.6 Revenue

Revenue from contracts with customers is recognised when its performance obligations are satisfied, i.e., when control of an asset (i.e. the goods or services) is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. An asset is transferred when (or as) the customer obtains control of that asset. Depending on the nature of the performance obligations, revenue is recognised either over time or at a point in time.

Revenue is measured as the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, Value Added Tax).

The majority of revenue arose within the United Kingdom; however a portion of revenue is also generated in parts of Europe and Australia.

The Group applies the five-step process set out in IFRS 15, Revenue from contracts with customers, to ensure an appropriate revenue recognition policy is in place, i.e.:

- Identify the contract with a customer.
- Identify the separate performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the separate performance obligations.
- Recognise revenue when/as each performance obligation is satisfied.

The nature of the services the Group provides, and of the amounts which the customer is charged, is such that the result of this process is generally clear, since the services provided are separately identifiable and priced, and the customer is generally invoiced either upfront or on completion of the service. The invoiced prices in the contract are considered standalone selling prices, and therefore determining the transaction price does not require significant judgements.

Revenue streams are analysed as follows:

Recurring licensing revenue

Licensing agreements are in place between Kraken Technologies Limited and its customers. The revenue is generated from licensing and related services. Licensing fees, customer migration and operating services are each recognised over time as the customer uses and benefits from the services simultaneously. The methods used appropriately reflect the pattern of transfer of services to customers.

Non-Recurring Revenue includes both Migration Fee, Performance Fee & Other Fees

Migration fee

Revenue from migrating customers onto the Kraken platform is recognised at the point at which the customer is migrated onto the platform as this is the point at which the customer has access to use and benefit from the software. Migration fees represent the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Performance fee

Revenue is recognised based on contractual milestones achieved throughout the contract term. Where contractual milestones have only been partially met at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the performance obligation at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year

Other revenue

Consultancy fees and other fees charged to customers for building, operating and transformation of their business through the use of Kraken.

A **contract asset** is recognised for revenue where the performance obligation (being the provision of utilisation and subscription services) has been completed, but payment remains conditional on acceptance by the customer. Once invoiced, the amount recognised as contract assets is reclassified to trade receivables. Contract assets arise from unbilled revenue, where services have been provided but not billed.

A **contract liability** is recognised if a payment is received from a customer before the Group transfers the related goods or services or for instances where the customer is invoiced in advance. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.7 Intangible assets

Intangible assets are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation. Intangible assets are amortised over their useful economic life as follows:

- Software development cost: 5 years
- Customer contracts: 10-25 years

Intangible assets acquired as part of a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an asset and are identifiable. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of the Group’s share of its identifiable assets and liabilities of the acquiree at the date of acquisition.

Goodwill is not amortised as it is expected to have an indefinite useful economic life, but is reviewed for impairment on an annual basis.

Software development costs

Software development costs are recognised as an intangible asset when all the following criteria are demonstrated:

- it is technically feasible to complete the software;
- management intends to complete the software;
- there is an ability to use or sell the software;
- it can be demonstrated that the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development are available;
- the expenditure attributable to the software during development can be reliably measured.

Subsequent to initial recognition, software development costs are reported at cost less accumulated amortisation and accumulated impairment losses. Total software development costs less their estimated residual value are amortised over their useful economic life on a straight-line basis over a period of five years. Amortisation starts when the asset is available-for-use. Costs associated with maintaining computer software are recognised as an expense.

Research and other development expenditure that does not meet the criteria for capitalisation as a software development cost are recognised as an expense in the Consolidated income statement.

2.8 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged to write down the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- Fixtures and fittings: 2 to 11 years
- Computer equipment: 3 years
- Office equipment: 3 years

2.9 Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. In accordance with IAS 38, Intangible Assets, goodwill is not amortised, but is reviewed for impairment on an annual basis.

2.10 Inventory

Inventory is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

A financial asset or a financial liability is recognised only when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amount reported in the Consolidated statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

The Group's financial assets comprise cash and cash equivalents (see note 2.11 above), trade receivables, investments in equity, contract assets, prepayments and other receivables.

Trade receivables are initially measured at their transaction price. Other financial assets are measured at their fair value on initial recognition. Financial assets are accounted for on an amortised cost basis, using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Investments in equity are held at fair value, with any gains or losses taken to the consolidated income statement. Transaction costs are expensed and not capitalised within the initial cost of the asset.

The Group recognises a loss allowance, for expected credit losses on its financial assets which are held at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. When the expected credit loss for trade receivables is determined, the Group makes use of the simplified approach, whereby the loss recognised is equal to the lifetime expected credit losses.

Lifetime expected credit losses represent the expected losses that may result from possible default events. The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The expected lifetime credit losses of the trade receivables and contract assets are estimated using a provision matrix. The matrix is based on the Group's historical credit loss experience, adjusted for forward-looking factors, that are specific to the trade receivables.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

When applicable, certain ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

The Group's financial liabilities comprise trade payables, accruals and other payables and lease liabilities.

Trade payables are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method. If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

Lease liabilities are measured in accordance with IFRS 16 (see note 2.14 below). All other financial liabilities are classified as held at amortised cost. These liabilities are initially measured at fair value less transaction costs and subsequently measured using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

For the purpose of presenting consolidated Financial Statements, the assets and liabilities of the Group's non-sterling functional currency subsidiary undertakings, joint ventures and associates are translated into pounds sterling at exchange rates prevailing at the balance sheet date. The monthly results of these subsidiary undertakings, joint ventures and associates are translated into pounds sterling each month at the average rates of exchange for that month.

2.14 Leases

As a lessee, the Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises right-of-use assets representing the right to use the underlying assets, and lease liabilities representing obligations to make lease payments.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Judgements are involved in determining the lease term, particularly because extension and termination options are included in the property leases across the Group to facilitate operational flexibility. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. Extension and termination options are only included in the lease term if it is reasonably certain that the option will be exercised. The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs that is within the control of the Group.

The group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment and cars that are considered of low value.

Lease payments on short-term leases and leases of low-value assets (less than £5,000) are recognized as expense on a straight-line basis over the lease term.

2.15 Finance income

Interest income is recognised in the consolidated income statement using the effective interest rate method.

2.16 Taxation

Tax is recognised in the consolidated income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group’s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Deferred tax balances are not recognised in respect of temporary differences arising on initial recognition (other than on a business combination) that do not affect profit or loss. In respect of business combinations, deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Pensions

The Group operates defined contribution pension schemes for employees and the pension charge represents the amounts payable by the Group to the schemes in respect of the financial period. These costs are included as part of staff costs (note 5). Differences between contributions payable in the financial period and contributions actually paid are shown as either accruals or prepayments in the Consolidated statement of financial position.

2.18 Share-based employee remuneration

The Group operates equity-settled, share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (e.g. profitability and sales growth targets and performance conditions). The fair value has been determined using the Black-Scholes Model with the use of external valuation support.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based payment compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

2.19 Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. The carrying amounts of provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3. Critical judgements in applying accounting policies and key sources of estimation uncertainty

When preparing consolidated financial statements, management makes a number of 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.

Key source of estimation uncertainty – revenue recognition

In recognising the performance fees under the contract, management is required to make a judgement with respect to the expectation of meeting the performance targets. Performance fees are recognised over time based on the expectation of meeting the performance targets at each reporting date. If performance targets are expected to be met, the related fees are recognised as a percentage of completion at the reporting date.

These estimates are materially sensitive to the assumptions used in determining the portion of revenue to be recognised based on the estimated percentage of project completion at the period end. Further details on revenue recognition can be found in note 2.6.

Key source of estimation uncertainty – Share based payments

Management's judgement is required when determining the most appropriate inputs to the share based payments valuation model including the share price at grant date, the exercise price, the expected volatility and the expected maturity. The fair value of the rights granted was estimated at the dates of grant using a Black-Scholes Model. Changes to management's judgements and estimates could have a material effect upon the fair value of share based payments transactions in the income statement (see note 22).

Critical judgement – change in useful life of software development costs

Previously, the estimated useful life of the software development costs was determined to be three years, reflecting management's best estimate at the time, based on the specific product life cycle of Kraken indicated by the period over which the code is being re-written. However, due to advancements in the understanding of the assets performance and its sustained utility beyond initial projections, management has revised the estimated useful life to five years.

This is management's best estimate of the intangible asset's useful life, over which it is expected to produce economic benefit to the Group. This useful life has been derived from the analysis of coding and performance data and technological trends. Therefore, management believes the revised estimate aligns with the assets economic reality and provides more reliable and relevant financial information.

Future developments in the software and the passage of time are expected to materially change this assumption in the future due to the growth in the underlying portfolio. Further details on intangible assets can be found in note 2.7 and note 12.

Critical judgement - Acquisition of Assets

During the year, the Group acquired sets of assets and activities. Judgment was applied to determine whether each acquisition constituted a business combination under applicable accounting standards. When the acquired sets included inputs and processes capable of generating outputs, the transactions were accounted for as a business combination. The identifiable assets and liabilities assumed were recognised at their fair values on the acquisition date, including separately identifiable intangible assets such as software development costs, customer acquisitions and fund contracts.

Contingent consideration arrangements, including earn-outs, were recognised at fair value at the acquisition date. Judgment was applied in estimating the likelihood of performance conditions being met and in determining the appropriate classification of the contingent consideration as a financial liability. Contingent consideration classified as a liability is remeasured at fair value at each reporting date, with changes recognised in profit or loss.

Critical judgement - capitalisation of wages and salaries

The capitalisation of development wages and salaries incurred in the creation and production of the Kraken platform has been reviewed during the financial period. Management has assessed the direct attribution of the efforts involved in product development and a judgement has been concluded on to segregate the costs which are development and administrative related.

Employee time has been assessed based on the reviews with employees and managements judgement of the amount of administrative time spent by each of the roles which the Group observes to be the amount of time not capable of being capitalised and is instead expensed as part of operational costs in the profit and loss. The Group capitalises all other salary and wage costs in relation to these employees.

4. Revenue

Revenue includes revenue generated from recurring licence fees, and non-recurring migration fees, performance fees and other revenue. The revenue recognition policies are set out in the revenue accounting policy note above note 2.6.

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Recurring revenue	152,522	95,781
Non-recurring revenue	11,281	47,574
Total revenue	**163,803**	**143,355**

Revenues from the top five customers represent 94% of revenues (2024: 99%). The Group's largest customer represents 46% of its revenues (2024: 34%).

5. Operating profit

Operating profit is stated after charging:

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Staff and contractor costs	17,481	7,770
Inventories recognised as an expense	230	431
Other costs	29,756	20,259
Total cost of sales	**47,467**	**28,460**
Sales and marketing costs	6,120	6,592
Amortisation of intangible assets (note 12)	30,658	33,925
Depreciation of property, plant and equipment (note 9)	1,924	1,253
Depreciation of right-of-use assets (note 10)	1,573	771
Impairment losses on financial assets (note 20)	137	39
Expenses related to short-term leases	482	500
General and administration costs	49,949	16,568
Employee costs	21,448	20,822
Legal and professional costs	3,436	3,079

Total administrative expenses	**115,727**	**83,549**

The analysis of auditor's remuneration is as follows, included in legal and professional fees above:

	9 month period ended 31 January 2025 £000	**Year ended 30 April 2024 unaudited £000**
Fees payable for the audit of the annual accounts*	350	191
	350	**191**

Employee costs comprise:

	9 month period ended 31 January 2025 £000	**Year ended 30 April 2024 unaudited £000**
Wages and salaries	27,298	22,458
Social security costs	4,466	2,249
Post retirement benefits	2,245	993
Share option expense	4,920	2,892
	38,929	**28,592**

The Group has capitalised £36,914,000 of salary costs and share-based payments as part of intangible assets (2024: £42,094,000) which are not included above.

*Audit fees represent the allocation of costs incurred by the Group in connection with the statutory audit of the annual financial statements.

The average monthly number of employees, including executive Directors for the Group, during the financial period was:

	9 month period ended 31 January 2025 £000	**Year ended 30 April 2024 unaudited £000**
Developers	1,072	717
Direct employees	308	244
Administrative employees	116	60
	1,496	**1,021**

6. Key management personnel compensation

The Directors are considered to be the key management personnel of the Group.

Key management personnel remuneration

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Emoluments	497	185
Group contributions to defined contribution pension schemes	18	10
	516	**195**

Other executives who meet the definition of key management personnel are included within key management personnel. The remuneration of key management personnel is included within staff costs (note 5).

Remuneration of the highest paid key management personnel

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Emoluments	144	185
Group contributions to defined contribution pension schemes	8	10
	152	**195**

At the balance sheet date retirement benefits were accruing to one key management personnel in respect of defined contribution pension schemes.

7. Finance income and expense

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Interest receivable	205	65
Finance income	**205**	**65**
Finance charges payable on lease liabilities	(888)	(572)
Other interest payable	(4,940)	(3,730)
Finance expense	**(5,828)**	**(4,302)**

8. Income tax expense

The taxation charge is made up as follows:	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000

Current taxation		
UK corporation tax at 25%	–	11,035
Group relief payable/(receivable)	2,921	(2,006)
Foreign tax	1,089	141
Adjustments in respect of prior years	2,469	(443)
Current tax charge	**6,479**	**8,727**
Deferred tax		
Origination and reversal of timing differences	(5,458)	623
Adjustments in respect of prior years	(3,372)	342
Deferred tax at 25% (2024: 25%)	**(8,830)**	**965**
Income tax (credit)/charge recognised in consolidated income statement	**(2,351)**	**9,692**

Factors affecting the tax for the period

(Loss)/profit before taxation	(5,014)	27,109
Income tax:		
Tax (credit)/charge calculated at UK statutory corporation tax rate of 25% (2024: 25%)	(1,254)	6,777
Effect of:		
Non-qualifying depreciation	81	–
Disallowed expenses and non-taxable income	315	3,344
Group relief surrendered	(2,921)	(2,651)
Group relief receivable	2,921	2,651
Adjustments in respect of prior periods (current tax)	2,469	(443)
Adjustments in respect of prior periods (deferred tax)	(3,372)	457
Movement in deferred tax not recognised	(587)	(367)
Difference in UK and overseas rate	(3)	39
Income tax (credit)/charge	**(2,351)**	**9,692**

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The government of the United Kingdom, where the parent company is incorporated, has enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company would be required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The Group does not expect exposures in any of the jurisdictions in which it operates, as all are expected to meet the conditions for Safe Harbour relief. This information is based on the profits and tax expense determined as part of the preparation of the Group's consolidated financial statements.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

9. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Office equipment £000	Total £000
Cost				
At 1 May 2024 unaudited	4,232	2,222	1,869	8,323
Additions	2,024	546	2,261	4,831
Additions as part of business combinations	–	181	163	344
Exchange differences	–	(14)	–	(14)
At 31 January 2025	**6,256**	**2,935**	**4,293**	**13,484**
Amortisation				
At 1 May 2024 unaudited	(469)	(661)	(608)	(1,738)
Charge for financial period	(559)	(731)	(634)	(1,924)
Additions as part of business combinations	–	(6)	(141)	(147)
Exchange differences	–	5	–	5
At 30 April 2025	**(1,028)**	**(1,393)**	**(1,383)**	**(3,804)**
Net book value				
At 31 January 2025	**5,228**	**1,542**	**2,910**	**9,680**
At 30 April 2024 unaudited	3,763	1,561	1,261	6,585

10. Right-of-use assets

	Buildings £000	Total £000
Cost		
At 1 May 2024 unaudited	9,967	9,967
Additions	5,537	5,537
Exchange differences	3	3
At 31 January 2025	**15,507**	**15,507**
Amortisation		
At 1 May 2024 unaudited	(806)	(806)
Charge for financial period	(1,572)	(1,572)
Exchange differences	(1)	(1)
At 31 January 2025	**(2,379)**	**(2,379)**
Net book value		
At 31 January 2025	**13,128**	**13,128**
At 30 April 2024 unaudited	9,161	9,161

11. Goodwill

	31 January 2025 £000	30 April 2024 unaudited £000
Cost and carrying amount		
Opening balance	12,909	10,288
Additions	3,197	2,621
	16,106	**12,909**

Impairment methodology

Goodwill is not amortised under IFRS but is tested annually for impairment, or more frequently where indicators of impairment arise. This is the first year in which Kraken Technologies Limited has prepared its financial statements under IFRS, and accordingly goodwill has been assessed for impairment as at 31 January 2025.

Cash generating units (CGUs)

Goodwill has been allocated to the Kraken Group cash-generating unit, which represents the lowest level at which management monitors goodwill for internal purposes. The impairment assessment has been performed using a discounted cash flow model, supported by Group cash flow projections based on contracted and highly recurring revenue streams.

Calculation of recoverable amount

The recoverable amount of a CGUs is the higher of its value in use and its fair value less costs of disposal. The recoverable amount calculation is performed annually and requires the Directors to estimate the future cash flows expected to arise from the group of CGUs and a suitable discount rate in order to calculate present value. The corporate planning process includes the preparation of an annual Budget as well as the Group's internally approved 3 Year Plans which provides medium to long term direction for the Group. The cash flows implicit in the 3 year business plans are used as the basis for these calculations.

No asset is impaired below its own recoverable amount. The impairment loss is recognised immediately in separately disclosed items in the income statement. Impairment losses on goodwill cannot be reversed in the subsequent periods.

Key assumptions and valuation approach used in the recoverable amount calculations

Revenue growth rate

Revenue growth rates are based on Group's approved three-year budget plan and the revenue growth rates are then extrapolated by applying a terminal year assumption in the third year.

Long-term growth rate

The long-term growth rate reflects the expected stabilisation of the business as it matures. While SaaS companies typically carry higher risk - supported by industry research indicating WACC levels around 20% and these risks diminish over time as recurring revenues become more predictable. The assumed rate therefore represents a conservative, sustainable growth level in a steady-state environment and is consistent with industry valuation guidance.

Discount rate

The discount rate applied to value-in-use calculations is determined using the Group's Weighted Average Cost of Capital (WACC). The WACC reflects current market assessments of the time value of money and the risks specific to the cash-generating unit. For SaaS businesses, higher rates are typical due to sector-specific risk factors, including reliance on recurring revenues and customer acquisition dynamics. The Group benchmarks its WACC against relevant industry data and reviews the rate periodically to ensure it remains appropriate given market conditions and the Group's risk profile.

Sensitivity

The Group has carried out sensitivity analyses on the reasonably possible changes to key assumptions in the impairment test on the discount cash flows and the Group has assessed the effect on headroom of the following sensitivities individually, and none of these sensitivities analysis has resulted in additional impairment to the Group's goodwill.

- a reduction of 1% in the estimated LTGR; and
- an increase of 1% in the estimated WACC underlying the discount rates.

12. Intangible assets

	Software development £000	**Customer contracts £000**	**Total £000**
Cost			
At 1 May 2024 unaudited	262,271	2,149	264,420
Additions	42,610	806	43,416
Arising from business combinations	7,667	5,311	12,978
At 31 January 2025	**312,548**	**8,266**	**320,814**
Amortisation			
At 1 May 2024 unaudited	(151,361)	(256)	(151,617)
Charge for financial period	(29,808)	(850)	(30,658)
At 31 January 2025	**(181,169)**	**(1,106)**	**(182,275)**
Net book value			
At 31 January 2025	**131,379**	**7,160**	**138,539**
At 30 April 2024 unaudited	110,910	1,893	112,803

Software development cost represents the salaries and other costs associated with the development of the Kraken software. All software development cost assets included above were in use at the reporting period-ends.

The amortisation charge for the financial period is included within administrative expenses (note 5).

13. Acquisitions

During the period ended 31 January 2025, the Group made the following acquisitions:

a) Energetiq Pty Limited and Energetiq Services Pty Limited
b) Jedlix B.V.

The summaries of the assets acquired and liabilities assumed and the purchase consideration are set out below:

a) Energetiq Pty Limited and Energetiq Services Pty Limited

	Total fair value £000
Property, plant and equipment	181
Intangible assets	9,004
Trade and other receivables	1,350
Non-current assets	**10,535**
Trade and other receivables	1,991
Cash and cash equivalents	3,537
Current assets	**5,528**
Total assets	**16,063**
Trade and other payables	(2,428)
Current liabilities	**(2,428)**
Provisions	(402)
Borrowings	(1,350)
Deferred tax liability	(2,296)
Non-current liabilities	**(4,048)**
Total liabilities	**(6,476)**
Net assets of businesses acquired	**9,587**
Amount settled in cash	10,438
Total consideration	**10,438**
Goodwill on acquisition	**851**

On 1 July 2024 the Group acquired 100% of the voting equity interests of Energetiq Pty Limited and Energetiq Services Pty Limited ('Energetiq') for a cash consideration of £10,438,000. Energetiq is a software company that provides network reconciliation services to energy companies in Australia, allowing them to check the accuracy of the bills they receive from networks and the system operator, and challenge any inaccuracies.

The following amounts have been included in the Consolidated Income Statement since the acquisition date in respect of Energetiq:

	Period ended 31 January 2025 £000
Revenue	3,581
Profit for the period	1,256

b) Jedlix B.V.

	Total fair value £000
Property, plant and equipment	19
Intangible assets	3,973
Non-current assets	**3,992**
Trade and other receivables	795
Cash and cash equivalents	22
Current assets	**817**
Total assets	**4,809**
Trade and other payables	(358)
Current liabilities	**(358)**
Deferred tax liability	(993)
Total non-current liabilities	**(993)**
Total liabilities	**(1,351)**
Net assets of businesses acquired	**3,458**
Amount settled in cash	3,866
Fair value of deferred consideration	1,938
Total consideration	**5,804**
Goodwill on acquisition	**2,346**

On 12 July 2024 the Group acquired 100% of the voting equity interests of Jedlix B.V. for a total consideration of £5,804,000. The purchase comprised the software platform, the customer contracts, the employees and any remaining assets and liabilities of the business. The purchase of Jedlix will enable Kraken to accelerate GenerationFlex growth by unlocking brands that have direct relationships with Jedlix, reduce operating costs and enable expansion into the European electric vehicle market.

The investment was made for a cash consideration of £3,866,000 with an additional deferred consideration amounting to £1,938,000. The payment of the deferred consideration is determined by the achievement of entering into customer agreements with up to three significant customers, provided the agreements allow the deployment of Jedlix's platform for data access, telemetry and vehicle control for Kraken third party customers across Europe.

The following amounts have been included in the Consolidated Income Statement since the acquisition date in respect of Jedlix:

	Period ended 31 January 2025 £000
Revenue	671
Profit for the period	3,188

14. Trade and other receivables

	31 January 2025 £000	**30 April 2024 unaudited £000**
Trade receivables	9,158	7,719
Other receivables	21,517	14,898
Corporate income tax asset	–	3,275
Prepayments	7,310	3,314
Contract assets	10,187	15,559
	48,172	**44,765**

Trade receivables and contract assets are shown net of provisions, see note 20 for further details.

Other receivables include £20,443,000 (2024: £12,101,000) due from the related party, OEGL and connected operations as set out in note 23.

Contract assets include accrued income.

Further disclosures relating to trade and other receivables are set out in note 20.

Non-current other receivables

	31 January 2025 £000	**30 April 2024 unaudited £000**
Prepayments	3,453	1,475
	3,453	**1,475**

Prepayments receivable after one year comprise deposit payments in respect of property leases.

15. Cash and cash equivalents

	31 January 2025 £000	30 April 2024 unaudited £000
Cash at bank	30,520	18,834

16. Inventory

	31 January 2025 £000	30 April 2024 unaudited £000
Inventory	739	586

Inventory comprises Gateway Boxes supplied to KrakenFlex customer sites to access KrakenFlex software services.

17. Trade and other payables

	31 January 2025 £000	30 April 2024 unaudited £000
Liabilities held at amortised cost		
Trade payables	(5,251)	(580)
Taxation and social security	(2,671)	(5,055)
Corporate income tax payable	(15,166)	–
Other payables	(68,281)	(41,234)
Accruals	(11,093)	(8,263)
Contract liabilities	(2,871)	(1,095)
Liabilities held at fair value through profit and loss		
Deferred consideration	(2,145)	(1,369)
	(107,478)	**(57,596)**

Liabilities held at fair value through the profit or loss comprise £2,145,000 (2024: £1,369,000) of deferred consideration for business combinations, see note 20 for further details.

Other payables include £62,485,000 (2024: £38,404,000) due from the related party the OEGL and connected operations as set out in note 23.

Further disclosures relating to trade and other payables are set out in note 20.

Non-current trade and other payables

	31 January 2025 £000	30 April 2024 unaudited £000
Liabilities held at fair value through profit and loss		
Deferred consideration	(1,631)	(1,559)
	(1,631)	**(1,559)**

Liabilities held at fair value through the profit or loss comprise £1,631,000 (2024: £1,559,000) of deferred consideration for business combinations, see note 20 for further details.

Further disclosures relating to trade and other payables are set out in note 20.

18. Lease liabilities

The Group has lease contracts for rental premises used in its operations.

The right-of-use assets and lease liabilities shown in the Consolidated statement of financial position are in respect of these leases.

The carrying amounts of right-of-use assets, and the movements during the period, are shown in note 10 above. All payments due on these leases are fixed under the terms of the relevant lease agreements.

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

	31 January 2025 £000	30 April 2024 unaudited £000
Current	(2,240)	(885)
Non-current	(11,833)	(8,844)
	(14,073)	**(9,729)**

The movement in lease liabilities is shown below:

	31 January 2025 £000	30 April 2024 unaudited £000
Opening balance	(9,728)	(286)
Additions	(5,537)	(9,646)
Interest charge	(887)	(572)
Lease payments	2,084	771
Exchange differences	(5)	4
Closing balance	**(14,073)**	**(9,729)**

Maturity analysis of lease liabilities:

	31 January 2025 £000	30 April 2024 unaudited £000
Amounts falling due within		
Less than one year	(2,240)	(885)
Between one and five years	(7,489)	(3,860)
Later than five years	(4,344)	(4,984)
	(14,073)	**(9,729)**

Amounts recognised in the consolidated income statement:

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Interest charge	(888)	(572)
	(888)	**(572)**

19. Deferred tax liability

	31 January 2025 £000	30 April 2024 unaudited £000
Movement in liability		
Opening balance	(11,244)	(10,259)
Credit/(charge) to income statement	8,830	(965)
Credit in equity	2,538	–
Arising on acquisition	(3,626)	–
Closing balance	**(3,482)**	**(11,244)**

	31 January 2025 £000	30 April 2024 unaudited £000
Liability for deferred tax		
Fixed asset timing differences	(5,198)	(11,269)
Short term timing differences	(5,208)	(1,759)
Intangible asset timing differences	6,924	1,804
	(3,482)	**(11,244)**

20. Financial instruments

The Group has the following financial assets and financial liabilities at the reporting dates:

	31 January 2025 £000	**30 April 2024 unaudited £000**
Financial assets		
Current assets		
Held at amortised cost:		
Cash and cash equivalents	30,520	18,834
Trade receivables	9,158	7,719
Other receivables	28,828	21,487
Contract assets	10,187	15,559
Total assets held at amortised cost	**78,693**	**63,599**
Non-current assets		
Held at amortised cost:		
Other receivables	3,453	1,475
Total non-current assets held at amortised cost	**3,453**	**1,475**
Total financial assets	**82,146**	**65,074**
Financial liabilities		
Current liabilities		
Held at amortised cost:		
Trade payables	(5,251)	(580)
Other payables	(86,402)	(46,290)
Accruals	(11,093)	(8,263)
Contract liabilities	(2,871)	(1,095)
Lease liabilities	(2,240)	(855)
Total current liabilities held at amortised cost	**(107,857)**	**(57,083)**
Held at fair value through profit or loss:		
Deferred consideration	(2,145)	(1,369)
Total current liabilities held at fair value	**(2,145)**	**(1,369)**
Non-current liabilities		
Held at amortised cost		
Lease liabilities	(11,883)	(8,844)
Total non-current liabilities held at amortised cost	**(11,883)**	**(8,844)**
Held at fair value through profit or loss:		
Deferred consideration	(1,631)	(1,559)
Total non-current liabilities held at fair value	**(1,631)**	**(1,559)**
Total financial liabilities	**(123,466)**	**(68,855)**

Financial instruments held at fair value

The Group has one class of instrument held at fair value through profit/loss ('FVTPL'), the deferred consideration payable upon the purchase of recently acquired businesses (note 13).

On 12 July 2024 the Group acquired 100% of the voting equity interests of Jedlix B.V. with an element of deferred consideration payable amounting to £1,938,000. The payment of the deferred consideration is determined by the achievement of entering into customer agreements with up to three significant customers, provided the agreements allow the deployment Jedlix's platform for data access, telemetry and vehicle control for Kraken third party customers across Europe.

During the period the Group paid out a total of £1,163,000 in milestone payments on the achievement of conditions in respect of deferred consideration for acquisitions made in prior years.

Financial instruments that are measured at fair value are classified using a fair value hierarchy that reflects the source of inputs used in deriving the fair value. The three classification levels are:

+ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

+ Level 2: 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: from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable market inputs).

The financial liability measured at FVTPL is deemed to be a Level 3 instrument. Fair value is determined by discounting an element of deferred consideration relating to the acquisition of Sennen Tech Ltd of £1,900,000 which is payable in 2027 at a discount rate of 4.03% per annum. Changes in fair value result from variations to the estimated interest rate. The rate used is determined by management based on as assessment of probable future interest rates.

Sensitivity observations on the interest rate show that a +/- 50 bps change to the interest rate would result in a £10,000 increase and decrease respectively in the loss to the Consolidated Income Statement booked annually in respect of the discounting of the deferred consideration payable for the acquisition of Sennen Tech Ltd.

The fair value adjustments are recognised in the Consolidated Income Statement in general and administration costs within administrative expenses.

Movements in the period are as follows:

	31 January 2025 £000	**30 April 2024 unaudited £000**
Opening balance	(2,929)	(713)
Deferred consideration on acquisitions	(1,938)	(2,500)
Paid out on completion of milestones	1,163	–
Fair value (loss)/gain on financial assets at FVTPL	(72)	285
Closing balance	**(3,776)**	**(2,928)**
Current	(2,145)	(1,369)
Non-current	(1,631)	(1,559)
	(3,776)	**(2,928)**

The Group's financial risk management framework addresses the main risks arising from the Group's financial instruments, which are liquidity risk, credit risk and market risk. The Directors review and agree policies for managing these risks, which are summarised below:

Liquidity risk: This is the risk that the Group will have insufficient funds available in the right currency to settle its obligations as they fall due.

The Group manages its cash resources to ensure it has sufficient funds to meet all expected demands as they fall due. Cash management strategies include intra-month, short-term cash flow projections as well as longer term views of monthly cash positions, funding requirements, and financial performance.

Credit risk: Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). The Group's exposure to credit risk is mitigated by the nature of its customer base and payment profiles. Cash collections and aged debtor profile payments are reviewed on an ongoing basis, to ensure any issues are escalated and reviewed. The Group faces credit risk in holding the majority of the Group's cash at a limited number of financial institutions. This risk is mitigated by holding cash in same-day access accounts and through diversification of financial institutions.

Market risk: Market risk is the possibility that changes in interest rates or foreign exchange rates will adversely affect the value of assets, liabilities or expected future cash flows.

Interest rate risk: The Group has no external third-party debt. Amounts borrowed from related parties comprise loans from the parent organisation OEGL and are held within payables due within one year (held within: Other payables - note 23). The rate on these loans is fixed at third-party commercial terms, but the option to waive repayments exists should this be required.

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 January 2025	**Less than one year £000**	**Total £000**
Trade payables	(5,251)	(5,251)
Other payables	(86,121)	(86,121)
Accruals	(11,093)	(11,093)
Contract liabilities	(2,871)	(2,871)
	(105,336)	**(105,336)**

As at 30 April 2024 unaudited	**Less than one year £000**	**Total £000**
Trade payables	(580)	(580)
Other payables	(46,290)	(46,290)
Accruals	(8,263)	(8,263)
Contract liabilities	(1,095)	(1,095)
	(56,228)	**(56,228)**

Credit risk

The Group has adopted the simplified approach under IFRS 9 for measuring expected credit losses on trade receivables. Given the nature of the Group's customer base (predominantly large utilities and energy companies) and strong contractual cash inflows from recurring SaaS subscription revenue, the expected credit losses are immaterial.

Historical default rates are negligible and adjusted using forward-looking macroeconomic factors. The Group maintains a provision of £0.14m (prior year £Nil) representing less than 1% of total receivables.

Accordingly, the carrying value of trade receivables is considered recoverable and no further adjustment is required.

	31 January 2025 £000	30 April 2024 unaudited £000
Trade receivables not past due	5,339	6,813
Trade receivables past due	3,675	252
Accounts receivable for related parties	1,447	982
Contract assets	10,095	15,559
Less: allowance for impairment	(137)	–
Net trade receivables and contract assets	**20,419**	**23,606**

2025	Gross trade receivables overdue £000	Provision £000	Net trade receivables overdue £000
Less than 1 month	19,767	(30)	19,737
1 to 2 months	129	(1)	128
2 to 3 months	52	(1)	51
More than 3 months	608	(105)	503
Total	**20,556**	**(137)**	**20,419**

Foreign exchange risk

The Group receives 97% of its revenues in Sterling. Only 3% of its revenues are received in Euros and Australian Dollars. The Group is mainly exposed to foreign currency risk resulting from transactions in Euros and Australian Dollars.

Group capital

The Group's capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value, whilst at the same time operating within a capital framework that interacts efficiently with liquidity risk, credit risk and market risk frameworks discussed above.

Movements in the Group's issued capital, share premium, preference shares, and all other equity reserves attributable to the equity holders of the parent are as set out in the Consolidated statement of changes in equity.

The Group is not subject to any externally-imposed capital requirements.

21. Share capital

	31 January 2025 No.	31 January 2025 £	30 April 2024 unaudited No.	30 April 2024 unaudited £
Allotted, called up and fully paid				
Ordinary shares of £1 each	**100**	**100**	**100**	**100**
	100	**100**	**100**	**100**

22. Capital and reserves

Share option reserve

The Group's employees have been granted share options by the parent company, OEGL. The expense is accounted for based on a reasonable allocation of OEGL's total expense, considering where each individual's employment contract is held and the number of share options granted. The exercise price is set dependent upon the employee's joining date. Options are conditional upon the employee completing four years' service (the vesting period), otherwise employees forfeit their options. The options are exercisable upon a liquidity event arising. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The share-based payment charge included in profit or loss for the period ended 31 January 2025 was £6.90m (year ending 30 April 2024 unaudited: £2.89m).

Details of the number of share options and the weighted average exercise price outstanding during the period are as follows:

	31 January 2025		**30 April 2024 unaudited**	
	Weighted average exercise price £	**Number**	**Weighted average exercise price £**	**Number**
Outstanding at beginning of year	13.50	2,732,198	10.75	1,414,683
Granted during the year	20.30	648,543	16.11	1,441,580
Exercised during the year	–	–	7.88	(32,324)
Lapsed during the year	17.26	(141,286)	13.63	(91,741)
Outstanding at the end of the year	14.51	3,239,455	13.50	2,732,198
Exercisable at year end	–	–	–	–

The range of exercise prices in respect of options outstanding at 31 January 2025 is £6.55 to £25.19 (2024 unaudited: £6.55 to £21.90).

Translation reserve

Represents exchange differences on translation of overseas operations.

Retained earnings

Comprises all current and prior periods retained accumulated profits.

23. Related party transactions

The related parties of the Group comprise its immediate parent company OEGL, the owners of this company (note 25) and the subsidiary undertakings of OEGL which do not form part of the Kraken Group (Company financial statements note C7). Transactions with these related parties are disclosed below:

Transactions with related parties

Transactions between the Group and its related parties comprise:

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 unaudited £000
Sales to related parties	96,475	67,310
Purchases from related parties	(8,163)	(7,307)
Interest charged by related parties	(4,822)	(2,640)

Transactions with related parties are carried out at arm's length terms and conditions.

Balances with related parties

	31 January 2025 £000	30 April 2024 unaudited £000
Amounts receivable from related parties - current		
Other receivables	20,443	12,101

All other amounts owed by related parties are unsecured, interest free and payable on demand.

	31 January 2025 £000	30 April 2024 unaudited £000
Amounts payable to related parties - current		
Corporate income tax payable	(16,596)	–
Other payables	(62,485)	(38,404)

Other payables include an unsecured loan from the ultimate parent company OEGL of £57,219,000 (2024 unaudited: £38,404,000). Interest is accruing on this loan at a rate agreed between the parties. All other amounts owed to related parties are unsecured, interest free and payable on demand.

Transactions with key management personnel

The Directors are considered to be the key management personnel. Key management remuneration is disclosed in note 6. There were no amounts receivable from, or payable to, key management personnel at 31 January 2025 (30 April 2024 unaudited: £nil).

24. Contingent liabilities

The Group has no material contingent liabilities or commitments at period ending 31 January 2025 (30 April 2024 unaudited: nil).

25. Ultimate parent undertaking and controlling party

The immediate parent Company and controlling party is OEGL, a Company incorporated in the United Kingdom and registered in England and Wales. Copies of these financial statements can be obtained from the registered office Octopus Energy Group Limited, UK House, 4th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

Octopus Energy Group Limited is owned by (i) Octopus Energy Holdco Limited (32.07%), which is itself owned by OE Holdco Limited, (ii) OE Holdco Limited (0.16%), (iii) Origin Energy International Holding Pty Ltd (22.18%), (iv) Tokyo Gas United Kingdom Ltd (10.02%), (v) GIM Willow (Scotland) LP (12.78%), (vi) CPP Investment Board (12.31%), (vii) Galvanize Innovation & Expansion Fund I, LP (0.25%), (viii) Lightrock Climate Impact Fund SCSP (0.41%) and (ix) management and employees via a bare trust arrangement with Octopus Nominees Limited (9.82%). It is the opinion of the Directors that the Group and Company have no single controlling party but that OE Holdco has significant influence.

26. Events after the reporting date

Subsequent to the reporting date in September 2025, OEGL announced its intention to spin off Kraken Technologies Limited into a standalone Group. The separation is intended to enable Kraken to pursue independent global expansion, attract new investment, and focus on the further development of its AI-powered utility operating platform, while Octopus Energy continues to concentrate on its energy supply operations.

This event occurred after the reporting period and does not give rise to any adjustment to the amounts recognised in these financial statements.

Company financial statements

Company statement of financial position

At 31 January 2025

	Notes	31 January 2025 £000	30 April 2024 Restated £000
Non-current assets			
Property, plant and equipment	C5	8,462	5,388
Right-of-use assets	C6	9,636	8,937
Investments	C7	21,625	17,583
Intangible assets	C8	140,967	100,813
Other receivables	C9	1,670	1,137
Total non-current assets		**182,360**	**133,858**
Current assets			
Trade and other receivables	C9	66,984	40,803
Cash and cash equivalents		12,770	11,142
Inventory	C10	740	–
Total current assets		**80,494**	**51,945**
Current liabilities			
Trade and other payables	C11	(107,731)	(17,028)
Lease liabilities	C12	(1,297)	(821)
Total current liabilities		**(109,028)**	**(17,849)**
Non-current liabilities			
Trade and other payables	C11	(1,631)	(1,559)
Lease liabilities	C12	(9,215)	(8,690)
Deferred tax liability	C13	(207)	(9,261)
Total non-current liabilities		**(11,053)**	**(19,510)**
Net assets		**142,773**	**148,444**
Capital and reserves			
Called up share capital	C14	–	–
Share option reserve	C14	15,775	6,366
Business combination reserve	C14	(24,896)	–
Retained earnings	C14	151,894	142,078
Total equity		**142,773**	**148,444**

No income statement is presented for Kraken Technologies Limited as permitted under section 408 of the Companies Act 2006.

The total profit for the Company in the 9 month period ended 31 January 2025 is £9,816,000 (year ended 30 April 2024: £34,444,000).

The notes on pages 65 to 75 form part of these financial statements. The Company financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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S Jackson
Statutory Director, Octopus Energy Group CFO and Co Founder
29 December 2025

Registered office: UK House, 4th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
Registered number: 12014731

Company statement of changes in equity

For the period ended 31 January 2025

	Called-up share capital £000	Share option reserve £000	Business combination reserve £000	Retained earnings £000	Total equity £000
At 1 May 2024 (Restated, note C15)	**–**	**6,366**	**–**	**142,078**	**148,444**
Comprehensive income for the period	–	–	–	9,816	9,816
Total comprehensive income for the period	**–**	**–**	**–**	**9,816**	**9,816**
Transfer of trade and assets of subsidiaries	–	–	(24,896)	–	(24,896)
Award of share options	–	9,409	–	–	9,409
At 31 January 2025	**–**	**15,775**	**(24,896)**	**151,894**	**142,773**

The notes on pages 65 to 75 form part of these financial statements.

Notes to the Company financial statements

C1. Presentation of the financial statements

C1.1 Basis of preparation

The Company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition from FRS 102 to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note C15.

The accounting policies used in the Company financial statements are the same as those used in the consolidated financial statements.

For the accounting policies, please refer to the relevant notes to the consolidated financial statements.

C1.2 FRS 101 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), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
e) the requirements of IAS 7 Statement of Cash Flows;
f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
g) the requirements of IFRS 2 Share-based payment disclosures;
h) the requirements in IAS 24 paragraph 17 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f), 135(c)-135(e) of IAS 36 Impairment of Assets;
j) the requirements of paragraph 52 of IFRS 16 Leases.

C2. Accounting policies

The adopted principal accounting policies, which have been applied consistently with the year ended 30 April 2024, are the same as those set out in note 2 to the consolidated financial statements. Those noted below are in addition to those disclosed in the consolidated financial statements and are company specific.

Investments in subsidiaries

Investments in subsidiaries are stated at cost after provision for impairment, where required.

Dividend income

Income is recognised when the Company's irrevocable right to receive the payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably. This is generally when shareholders approve the dividend.

C3. Income statement

In accordance with the exemption permitted by Section 408 of the Companies Act 2006, the Company has elected to present neither a Company income statement nor a Company statement of comprehensive income.

The Auditor's fee recharged by the Group in respect of the audit of the Company's financial statements for the period ending 31 January 2025 was £330,000 (year ending 30 April 2024: £136,000).

C4. Employees and Directors

Employee costs consist of:

	9 month period ended 31 January 2025 £000	Year ended 30 April 2024 £000
Wages and salaries	14,888	22,705
Social security costs	2,522	1,374
Post retirement benefits	590	471
Award of share options	4,907	1,182
	22,907	**25,732**

The average monthly number of employees, including executive Directors for the Company, during the period was:

	9 month period ended 31 January 2025 No.	Year ended 30 April 2024 No.
Developers	411	284
Direct employees	175	168
Administrative employees	45	23
	631	**475**

Directors remuneration

The remuneration of the Directors of the Company is included in note 6 of the Consolidated financial statements set out above.

Share-based payments

The company participates in an equity-settled share-based payment scheme operated by its ultimate parent company, OEGL. The share-based payments expense recognised by the Company is calculated by reference to the number of options awarded to the employees of the Company, not those of the entire Group.

The recognition and measurement principles of IFRS 2, *Share-based Payment*, have been applied in these financial statements.

The total charge recognised in the profit and loss account for the 9 month period was £5.43 million (year ending 2024: £3.76 million).

The company has taken advantage of the disclosure exemptions permitted by FRS 101 in respect of share-based payments, as full details of the group's share option schemes are provided in the consolidated financial statements of OEGL.

Post retirement benefits

The employees of the Company are enrolled in a defined contribution pension scheme managed by a third-party pension provider. For each employee who is a member of the scheme, the Company contributes a fixed percentage of each employee's salary to the scheme. The only obligation of the Company with respect to this scheme is to make the specified contributions.

The cost charged to the Income statement in respect of the Company's retirement benefit schemes during the 9 month period ended 31 January 2025 was £590,000 (year ended 30 April 2024: £471,000).

As at 31 January 2025 contributions of £727,000 (30 April 2024: £521,000) due in respect of the current reporting period had not been paid over to the scheme.

C5. Tangible fixed assets

	Software development £000	**Computer equipment £000**	**Office equipment £000**	**Total £000**
Cost				
At 1 May 2024	3,309	1,320	1,848	6,477
Additions	2,311	740	2,218	5,269
At 31 January 2025	**5,620**	**2,060**	**4,066**	**11,746**
Amortisation				
At 1 May 2024	(168)	(317)	(604)	(1,089)
Charge for financial period	(823)	(739)	(633)	(2,195)
At 30 April 2025	**(991)**	**(1,056)**	**(1,237)**	**(3,284)**
Net book value				
At 31 January 2025	**4,629**	**1,004**	**2,830**	**8,462**
At 30 April 2024	3,141	1,003	1,244	5,388

C6. Right-of-use assets

	Buildings £000	Total £000
Cost		
At 1 May 2024	9,847	9,847
Additions	1,683	1,683
At 31 January 2025	**11,330**	**11,330**
Amortisation		
At 1 May 2024	(710)	(710)
Charge for financial period	(984)	(984)
At 31 January 2025	**(1,694)**	**(1,694)**
Net book value		
At 31 January 2025	**9,637**	**9,637**
At 30 April 2024	8,937	8,937

C7. Investments

	31 January 2025 £000	30 April 2024 £000
Interests in Group undertakings		
Opening balance	17,583	13,984
Investments during the period	16,241	8,399
Transfer of trade and assets	(12,199)	–
Impairment of investment during the financial period	–	(4,800)
Closing balance	**21,625**	**17,583**

Investments during the period comprised the purchase of 100% of the issued share capital of Jedlix B.V., Energetiq Pty Limited and Energetiq Services Pty Limited, for total consideration of £5,804,000 and £10,438,000 respectively.

The Group completed an intra-group reorganisation in which the trade, assets and liabilities of its wholly owned subsidiary, Anyskill Technologies GmbH and KrakenFlex Limited, were transferred to the Company via a hive-up arrangement. Following the transfer, Anyskill Technologies GmbH and KrakenFlex Limited became dormant entities.

Impairment

The carrying amounts of the company's investments are reviewed on an annual basis commencing this year to determine if there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. The recoverable amounts of assets are the greater of their fair value less the costs of disposal and their value in use. In assessing the value in use, the estimated future cash flows are discounted to their present values using appropriate discount rates. Impairment losses are recognised when the carrying amount of an asset exceeds its estimated recoverable amount with impairment losses being recognised in operating expenses in the consolidated income statement.

In the prior year as the main revenue generating asset (the Smartpear platform) in Smartpear was no longer in the business, the investment held in Smartpear was impaired to nil.

Interests in Group undertakings

The subsidiary undertakings of the Company are listed below.

Subsidiary undertakings incorporated in the United Kingdom

Name	Address of registered office	Nature of business	Interest 2025	Interest 2024
Kraken Labs Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Business and domestic software development	100%	100%
KrakenFlex Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other information technology service activities	100%	100%
Sennen Tech Ltd	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other information technology service activities	100%	100%
Smart Pear Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other information technology service activities	100%	100%

Subsidiary undertakings incorporated outside the United Kingdom:

Name	Address of registered office	Nature of business	Interest 2025	Interest 2024
Anyskill Technologies GmbH	Gormannstrasse 14, DE-10119 Berlin	Business and domestic software development	100%	100%
Energetiq Pty Limited	Level 27, IBM Centre, 60 City Road, Southbank, VIC 3006 Australia	Business and domestic software development	100%	100%*
Energetiq Services Pty Limited	Level 27, IBM Centre, 60 City Road, Southbank, VIC 3006 Australia	Business and domestic software development	100%	100%*
Jedlix B.V.	Stationsplein 45 D1. 145, 3013 AK, Rotterdam, Netherlands	Business and domestic software development	100%	100%*
Kraken Bilgi ve Teknolojileri Danışmanlık ve Ticaret Limited. Şti.	Yesilce Mah. Emirsah SK. No: 21A Kagithane, Istanbul	Business and domestic software development	100%	100%
Kraken Labs Limited (French branch)	6-8 boulevard Haussmann, 75009 Paris, France	Business and domestic software development	100%	100%
Kraken Labs Limited (Italian Branch)	Via Del Bozzolo 3, 63100 – Ascoli Piceno, Italy	Business and domestic software development	100%	100%
Kraken Labs Limited (Spanish Branch)	Calle Pintor Sorolla, 5 - puerta 2 (46002 - Valencia) Spain	Business and domestic software development	100%	100%
Kraken Labs Limited (German Branch)	August Everding Str. 25, 81671 Munich, Germany	Energy smart meter installer	100%	100%
Kraken Tech Australia Pty Ltd	Level 30, 385 Bourke Street, Melbourne, VIC 3000	Provider of IT engineering services	100%	100%
Kraken Tech NZ Limited	46 Ellice Street, Mount Victoria, Wellington, 6011, New Zealand	Business and domestic software development	100%	100%
Kraken Technologies Japan G.K.	KDX Hakozaki Building 8th Floor, 41-12 Nihombashi Hakozakicho, Chuo-ku, Tokyo, Japan	Business and domestic software development	100%	100%
Kraken Technologies Switzerland Sarl	Route du Verney 20, 1070 Puidoux, Switzerland	Provider of IT engineering services	100%	100%
Kraken Technologies US, Inc	Como Centre, 644 Chapel Street, South Yarra, VIC 3141	Provider of IT engineering services	100%	100%

* The Company has acquired Energetiq Pty Limited and Energetiq Services Pty Limited on 1 July 2024 and Jedlix B.V. on 12 July 2024 to further expand its capability and product and service offering.

C8. Intangible assets

	Software development £000	Customer acquisitions £000	Total £000
Cost			
At 1 May 2024	241,820	298	242,118
Additions	77,089	814	77,903
At 31 January 2025	**318,909**	**1,112**	**320,021**
Amortisation			
At 1 May 2024	(141,305)	–	(141,305)
Charge for financial period	(37,749)	–	(37,749)
At 31 January 2025	**(179,054)**	**–**	**(179,054)**
Net book value			
At 31 January 2025	**139,855**	**1,112**	**140,967**
At 30 April 2024	100,515	299	100,813

Software development cost represents the salaries and other costs associated with the development of the Kraken software. All software development cost assets included above were in use at the reporting period-ends.

C9. Trade and other receivables

	31 January 2025 £000	30 April 2024 £000
Trade receivables	8,878	7,065
Other receivables	21,001	13,071
Current tax asset	2,283	–
Prepayments	6,871	2,999
Amounts owed by Group undertakings	17,856	2,389
Contract assets	10,095	15,279
	66,984	**40,803**

Other receivables include £20,443,000 (2024: £12,101,000) due from the related party, OEGL and connected operations as set out in note 23 of the consolidated Group accounts.

Contract assets include accrued income.

Non-current other receivables

	31 January 2025 £000	30 April 2024 £000
Prepayments	1,670	1,137
	1,670	**1,137**

Prepayments receivable after one year comprise deposit payments in respect of property leases.

C10. Inventory

	31 January 2025 £000	30 April 2024 £000
Inventory	**740**	–

Inventory comprises Gateway Boxes supplied to KrakenFlex customer sites to access KrakenFlex software services.

C11. Trade and other payables

Amounts falling due within one year

	31 January 2025 £000	30 April 2024 £000
Liabilities held at amortised cost		
Trade payables	(3,480)	(5)
Taxation and social security	(3,403)	(4,749)
Current tax liability	(21,086)	(2,053)
Other payables	(65,740)	(996)
Accruals	(10,165)	(6,982)
Contract liabilities	(1,712)	(874)
Liabilities held at fair value through profit and loss		
Deferred consideration	(2,145)	(1,369)
	(107,731)	**(17,028)**

Other payables include £63,129,000 (2024: £Nil) due from the related party the OEGL and connected operations as set out in note 23 of the consolidated Group accounts. Included within this balance is an unsecured loan from the ultimate parent company, OEGL, of £57,219,000 (2024: £Nil). Interest is accruing on this loan at a rate agreed between the parties. All other amounts owed to related parties are unsecured, interest free and payable on demand.

Liabilities held at fair value through the profit or loss comprise £2,145,000 (2024: £1,369,000) of deferred consideration for business combinations, see note 17 of the consolidated Group accounts for further details.

Amounts falling due after one year

	31 January 2025 £000	30 April 2024 £000
Liabilities held at fair value through profit and loss		
Deferred consideration	(1,631)	(1,559)
	(1,631)	**(1,559)**

Liabilities held at fair value through the profit or loss comprise £1,631,000 (2024: £1,559,000) of deferred consideration for business combinations, see note 17 of the consolidated Group accounts for further details.

C12. Lease liabilities

The Company has lease contracts for rental premises used in its operations.

The right of use assets and lease liabilities shown in the statement of financial position are in respect of these leases.

The carrying amounts of right of use assets, and the movements during the period, are shown in note C6 above. All payments due on these leases are fixed under the terms of the relevant lease agreements.

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

	31 January 2025 £000	30 April 2024 * £000
Current	(1,297)	(821)
Non-current	(9,215)	(8,690)
	(10,512)	**(9,511)**

The movement in lease liabilities is shown below:

	31 January 2025 £000	30 April 2024 £000
Opening balance *	(9,511)	–
Additions	(1,682)	(9,646)
Interest charge	(748)	(570)
Lease payments	1,429	705
Closing balance	**(10,512)**	**(9,511)**

Maturity analysis of lease liabilities:

	31 January 2025 £000	30 April 2024 £000
Amounts falling due within		
Less than one year	(1,297)	(821)
Interest charge	(4,871)	(3,707)
Lease payments	(4,344)	(4,893)
Closing balance	**(10,512)**	**(9,511)**

Amounts recognised in the income statement:

	Period ended 31 January 2025 £000	Year ended 30 April 2024 £000
Interest charge	(748)	(570)
	(748)	**(570)**

*Restated to reflect the recognition of Right-of-use asset and lease liability under IFRS 16 on the transition from FRS 102 to FRS 101.

C13. Deferred tax

	31 January 2025 £000	30 April 2024 £000
Movement in liability		
Opening balance	(9,261)	(8,848)
Credit/(charge) to the income statement	6,516	(413)
Credit in equity	2,538	–
Closing balance	**(207)**	**(9,261)**

	31 January 2025 £000	30 April 2024 £000
Liability for deferred tax		
Fixed asset timing differences	(5,198)	(11,154)
Intangible asset timing differences	333	–
Short term timing differences	4,658	1,893
	(207)	**(9,261)**

C14. Capital and reserves

Details of the Company's share capital and share option reserves are included in note 21 and 22 to the consolidated financial statements.

Retained earnings

Comprises all current and prior periods retained accumulated profits. These are distributable to the owners without restriction.

Business combination reserve

The Group completed an intra-group reorganisation in which the trade, assets and liabilities of its wholly owned subsidiaries, Anyskill Technologies GmbH and KrakenFlex Limited were transferred to the Company via a hive-up arrangement (note C7). Following the transfer, Anyskill Technologies GmbH and KrakenFlex Limited became a dormant entities. The Company has therefore applied the predecessor value method, recognising the transferred assets and liabilities at their existing carrying amounts and recording any difference between the consideration, the investment previously recognised, and the net assets acquired directly in equity in the Business combination reserve.

C15. Restatement of prior year

As stated in note 1.1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1.1 have been applied in preparing the financial statements for the year ended 31 January 2025, the comparative information presented in these financial statements for the year ended 30 April 2024 and in the preparation of an opening FRS 101 balance sheet at 1 May 2024.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its previous basis of accounting (FRS 102). An explanation of how the transition from FRS 102 to FRS 101 has affected the Company's equity and profit or loss is set out in the following table and the accompanying notes:

Reconciliation of equity

	30 April 2024 £000
Equity under FRS 102	148,895
Adjustments:	
(a) Lease adjustments (IFRS 16)	(576)
(b) Deferred tax on lease adjustments	146
Equity under FRS 101	**148,444**

(i) Right of use asset and lease liability

Under FRS 101, a right-of-use asset for leased land and buildings has been recognised for £8,937,000 (£9,646,000 less accumulated depreciation of £710,000) and a relative lease liability of £9,511,000 (£821,000 short term liability and £8,690,000 long term liability).

Reconciliation of profit and loss

	30 April 2024 £000
Profit under FRS 102	34,923
Adjustments:	
(a) Lease adjustments (IFRS 16)	(576)
Profit under FRS 101	**34,347**

(i) Administrative expenses

Under FRS 101, a right-of-use asset for leased land and buildings has been recognised with a depreciation charge for the year ended 30th April 2024 of £710,000. This replaces the rent charge previously expensed in administrative expenses within the year of £705,000.

(ii) Interest payable

Under FRS 101, corresponding to the above, a lease liability for leased land and buildings has been recognised with an interest charge for the year ended 30th April 2024 of £570,000.

C16. Events after the reporting date

Subsequent to the reporting date in September 2025, OEGL announced its intention to spin off Kraken Technologies Limited into a standalone company. The separation is intended to enable Kraken to pursue independent global expansion, attract new investment, and focus on the further development of its AI-powered utility operating platform, while Octopus Energy continues to concentrate on its energy supply operations.

This event occurred after the reporting period and does not give rise to any adjustment to the amounts recognised in these financial statements.

Statutory Company information

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