Octopus Energy Limited

Annual Report and Financial Statements 2025

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What we do

As part of the Octopus Energy Group (OEGL, 'the Group'), Octopus Energy Ltd (OEL) supplies electricity and gas to 6.1 million customers across Great Britain as of 30 April 2025 (at year end, the acquisition of Bulb and its 1.3 million customers remained in a separate entity, Octopus Energy Operations Ltd (OEOL), owned by OEL). We are the most awarded energy supplier in the country, built on a foundation of obsessively delivering outstanding customer experience.

Our mission is to transform the energy sector by advocating for fair customer protection and leveraging technology to develop innovative products that support the UK's transition to a decarbonised future through the acceleration of electrification. Enabled by Kraken, the proprietary tech platform developed by Kraken Technologies (also part of OEGL), we are at the forefront of providing exceptional customer service, as well as fair and transparent pricing.

At the heart of OEL are our dedicated Energy Specialists. Their unwavering commitment to helping customers earned us recommendation from *Which?* for a record eight consecutive year in 2025, and since year end we have been ranked as the top-rated energy supplier by Ofgem's Energy Consumer Satisfaction Survey.

> *"Our role is simple. We will bring about a sustainable global energy system faster and cheaper through technology."*
>
> Greg Jackson, CEO and Founder

Operational review

This year marked another period of impressive growth for OEL, with our customer base reaching 6.1 million by year end (FY24: 5.3 million).

In January 2025, including the UK customers served through OEOL, Octopus Energy became the UK's largest household energy supplier, with an overall market share of 24%[1]. In just nine years we have gone from new entrant to the UK's largest domestic energy supplier, a speed and scale of disruption unprecedented in the utility sector in the UK. We now supply (together with OEOL) almost a quarter of all UK households, and accounted for 42% of all domestic customer switches in the UK during FY25. Reaching this position is a significant milestone, but the focus remains firmly on what lies ahead: accelerating the transition to cheaper, cleaner energy for every household.

Net customer acquisition remained strong, with customer numbers growing organically by over 800,000 during the year. We strengthened our reputation for outstanding customer service in FY25, with more than 300,000 new Trustpilot reviews, a market-leading rating of 4.8, and recognition as a *Which?* Recommended Energy Supplier for the eighth consecutive year. Customers continued to benefit from consistently low call wait times of under one minute, reflecting our focus on rapid, high-quality support.

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[1] Cornwall Insights, *Octopus Energy becomes GB's largest household supplier,* January 2025.

Energy prices remained elevated in the period, and inflation and rises in living costs continued to create a challenging environment for many of our customers. In response, we have continued to work tirelessly to support them through initiatives such as the Octo Assist Fund, distribution of electric blankets, and maintaining our policy of keeping Standard Variable Tariff (SVT) prices below the price cap through reduced standing charges, at a cost of £45m. We also continued to innovate in offering new ways for customers to save money on their bill this year by rolling out Free Electricity Sessions, which encourage users to take advantage of cheap, clean electricity when it is abundant.

None of this would have been possible without our incredible team of employees. Despite rapid growth this year, we have maintained very strong employee experience scores, with a Glassdoor rating of 4.3 well above the platform's average of 3.75 and improving on our score last year of 4.1.

Octopus Energy continues to drive innovation in flexibility, which is set to play a crucial role in the future energy system, and we are accelerating our global leadership on flexibility. Across OEL and OEOL (but predominantly driven by OEL):

- We expanded our smart tariff portfolio, with Intelligent Octopus portfolio growing by over 70% year-on-year, comprising approximately 1.7 GW of distributed power capacity under management.
- By year end, we had 278,000 Electric Vehicles (EVs) (FY24: 156,000) on Intelligent Octopus Go, our smart tariff that optimises charging for the cheapest and greenest times. Now the UK's most popular EV smart-charging tariff, it has helped save thousands of tonnes of CO_2 while significantly reducing our customers' EV charging costs.
- Additionally, over 100,000 customers are now using our Agile and Tracker smart tariffs, which pass through daily price signals, enabling them to shift their consumption to times when there is more abundant clean power and lower their bills.

We maintained our commitment to engaging with policymakers and the Regulator to foster a stable and sustainable market that prioritises customer protection. Octopus has consistently offered existing customers its best deals, and we believe the ban on acquisition-only tariffs is improving the market by encouraging other suppliers to do the same. We also focused on discussions regarding the future of the price cap and initiatives promoting greater consumer flexibility, such as the smart meter rollout.

OEL has continued to receive industry recognition, both within and beyond the Energy sector – including:

- Uswitch Energy Awards 2025: Octopus Energy won several major awards, including:
  - Overall Customer Satisfaction (for the second year in a row)
  - Best Customer Service
  - Best Value for Money (joint first place)
- Institute of Customer Service: The Company was listed as the 'Highest Rated Energy Company' for the second consecutive year in January 2025.
- UK Company Culture Awards: 'Best Company to Work For 2025'.
- *Which?* Recommended Provider: Octopus Energy was named a '*Which?* Recommended Provider' for an unprecedented eighth consecutive year.
- Ofgem and Citizen's Advice Energy Consumer Satisfaction Survey (early 2025): Octopus was the only supplier with a "significantly higher proportion of customers who said they were satisfied or very satisfied" for customer service and overall satisfaction. They also had the fewest complaints of any major UK energy firm in the first three months of 2025.

Financial review

Despite the impact of several headwinds, including the warmest spring on record[2] which reduced consumption, the final settlement of the government's Energy Price Guarantee, (EPG) and the recognition of a liability relating to the Energy Intensive Industries (EIIs) Support Levy, revenue increased by 22% year-on-year to £9.72 billion (FY24: £7.97 billion) and gross margin remained steady at 8.4% (FY24: 8.5%).

The proportion of customers on our Fixed Tariff product increased significantly during the period, with a majority of our customer base now on fixed rather than our SVT. This strategic shift serves a dual purpose: it offers customers a better offer than the price cap with greater price certainty, and it allows Octopus to manage risk more effectively. We simultaneously upheld our commitment to our SVT customers by keeping prices below the price cap through reduced standing charges and continued our support for vulnerable customers via the Octo Assist Fund and the distribution of electric blankets.

Bad debt charge for the year decreased from 2.9% to 2.5% of revenue. This improvement is driven by the continuous work we do to support customers struggling with their energy bills, offering tools to help manage consumption and payments, along with support through our Octo Assist Fund, payment plans, and energy-saving tips.

Operating margin moved from 2.3% to 2.2%. We maintained profitability, despite impacts from exceptional and one-off events, due to our excellent underlying business fundamentals and competitive advantage, driven by tech-led operational efficiencies, innovative products, and outstanding customer service.

The Company's working capital ratio (current assets divided by current liabilities) increased from 0.8 to 0.9 and our net asset position moved to £321 million after the issue of a share for £500 million during the year to Octopus Energy Group Limited. The Company closed the year in a strong cash position, with no intercompany loans outstanding as of the year end.

On capital adequacy, we continue to work constructively with Ofgem under the new framework introduced this year, a set target of £115 per dual fuel customer, despite the standard being set at a level that does not take into account the material off-balance-sheet arrangements in place and being well beyond anything required in any of the world's largest deregulated markets. OEL's capital position remains solid, supported by significant liquidity and long-term trading arrangements that shield us from collateral requirements and provide structural protection against market volatility. These factors make OEL financially resilient, with the Company continuing to exceed the Regulator's minimum capitalisation requirements, (Capital Floor),and on an agreed pathway to meet the Capital Target.

[2] Source: UK Met Office; +1.4°C above the long-term climatological average (includes March, April and May 2025).

Key Performance Indicators (KPIs)

	30 April 2025	30 April 2024	% change
Customers[3] (million)	6.1	5.3	15.1%
Trustpilot score	4.8	4.8	–%
Glassdoor score	4.3	4.1	7.3%
Revenue (£ billion)	9.72	7.97	22.0%
Gross margin (%)	8.4	8.5	1.7%
Operating profit (£ million)	223.3	183.6	22%
Net profit (£ million)	171.8	156.1	10%
Net assets/(liabilities) (£ million)	681.3	(1.6)	41290%

Future developments

The Directors expect the Company to continue growing organically during the forthcoming year. The Company will also complete the consolidation of Bulb through hive up from OEOL, which will increase customer numbers within Octopus Energy Ltd and allow for greater economies of scale.

[3] This includes customers acquired through the purchase of Shell Energy Retail Limited during FY24. It excludes Bulb customers that continue to be held within a separate company, OEOL, a subsidiary of OEL.

Engaging with our stakeholders

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

Further details on stakeholder engagement are on page 14 within the Corporate Governance Report.

It is the 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 OEL for the benefit of its members as a whole and with regard to all its stakeholders. The requirements of Section 172 of the Company 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 Directors fulfil their duties. In all cases, the 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 Board's role in oversight of the business and the Company's success in achieving its strategic objectives and mission. The Board regularly reviews risks through the monthly management reporting process and during quarterly Board meetings.

Management also reviews risks on a weekly basis through a series of detailed operations' reporting packs. OEL balances risk and agility through a sophisticated mix of stress testing, reporting and frequent senior-level oversight across the spectrum of risks. This enables the Company to understand and prepare for the impact of risk crystallisation and react quickly when required.

The principal risks and uncertainties facing OEL are detailed later in this strategic report.

Our people

People are the most important part of the Company and the Board is passionate about creating a business which people want to be part of. Everything we have built at OEL was built by our people and the continuous feedback loop from the people who make up our business allows us consistently to find better ways of working together.

The 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)

[4] The Board has mostly consistent Directors/shareholder representation at a Group level and at each key subsidiary and accordingly matters are considered at a Group 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 Accounts reflect the activity of the Directors through either the Group or Company meetings and in respect of the activities of the Group or Company as relevant and as appropriate to the matter involved.

and Glassdoor (external).

The Board also maintains its accessibility via ad hoc but regular engagement with the OEL employee community often in the form of visits to OEL's London headquarters or regional offices.

All permanent staff own shares or are granted share options in OEGL, so that they 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. Our Founders (who are Directors), and occasionally other members of the Board, typically host these or attend these meetings. During these sessions, employees are encouraged to ask questions directly to the CEO, CFO and CTO and to celebrate the achievements and challenges of their teams together.

Our customers

OEL is built on a foundation of obsessively trying to deliver outstandingly positive experiences for customers and the Board is committed to upholding and promoting this. The fundamental principles of pragmatism, simplicity and honesty are ingrained in all areas of the business, including the Board. It monitors customer engagement through regular updates from the business on a whole range of customer metrics including Trustpilot scores, quarterly complaints performance, customer switching data, and market research including Customer Happiness Index (CHI) and Net Promoter Score (NPS). The result of this focus across all areas of the business, including the Board, is very high engagement with our customers.

Further details are set out within the Corporate Governance section.

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, including our undertakings and provisions outlined in our Modern Slavery Statement.

We operate in accordance with the guidelines recommended by the Office of the Small Business Commissioner, which oversees the Prompt Payment Code, for all suppliers. This ensures that suppliers are paid on time, provides them with clear guidance on our payment processes, and encourages good practice throughout the supply chain.

Community and environment

The Company is helping the world move towards a decarbonised future, further strenghtened by renewable power generation and consumption. Our use of technologies support system-wide change to end the world's reliance on fossil fuels. We see consumer flexibility as key to achieving this by enabling the shifting of consumption to times when renewable power is cheap and abundant. We are also strong supporters of locally sourced renewable energy, pioneering local energy innovation with numerous tech trials and constantly growing our base of 'community energy' contracts.

The business also uses funds under its own control to support vulnerable and low-income households who are struggling with their energy bills. We did so in the UK through a combination of a pricing strategy that was set below the price cap across the whole year, and the decision to provide millions of pounds in energy credit to support more than 90,000 of our customers in financial hardship (i.e., Octo Assist Fund). Additionally, we provided tens of thousands of its vulnerable customers with electric blankets, relief from standing charges for certain periods of time (i.e., 'standing charge holidays'), and winter fuel payments to some of its pensioner customers that missed out on the government programme.

On top of that, we employ social workers in every one of our UK's locations to help customers receive the right level of support, and we made hundreds of thousands of visits to people's homes to help them cut bills and save energy through simple but effective measures, like thermostats, timers, and basic draught proofing.

Shareholders

We are committed to openly engaging with our shareholders and all shareholder interests are represented at the Company's Board meetings. Our Board is attended by representatives from two of the Group's five major external shareholders and convenes formally on a quarterly basis to review business performance and discuss strategic topics and opportunities. Additionally, the shareholders meet annually for an Octopus Energy Group Strategy Day where they engage with Senior Management around longer-term strategic matters and topics that relate to the Company. In addition to these meetings, the Company 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 Company maintains ongoing accessibility and engagement with its shareholders via the Strategic Finance and Communications teams.

The Board has appointed members for the Audit, Risk and Compliance Oversight Committee, with duties covering financial and non financial reporting, internal controls and risk management systems, risk and compliance and external audit. Finally, the Group maintains ongoing accessibility and engagement with its shareholders via the Strategic Finance and Communications teams.

Business conduct

We aim to supply energy and services in ways which are economically, environmentally and socially responsible. The 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 Board meetings.

The Company abides by our Modern Slavery Statement and is committed to ensuring that all operations are compliant with relevant laws. We also apply this philosophy to supplier relationships by carefully selecting partners and suppliers to work with based on a number of factors, including their integrity within their industry.

The Senior Management Team keeps the Board up to date with the business and relationships with key stakeholders, including customers. They monitor various forms of customer communication closely and all handle some customer communications directly to retain a first-hand understanding of customer and employee sentiment and the impact of our actions on customers as a business.

Our Board considers key stakeholders in all of its key decisions

Here is an example of a decision the Board made this year which demonstrates how key stakeholders have been taken into account:

Acquisition of Shell Energy Retail Ltd (SERL, since renamed Octopus Energy Operations 2 Ltd, or OEOL2)

The Board's decision to acquire SERL considered several key stakeholders. For customers, it allows us to provide outstanding customer experiences to more people and the swift migration to Kraken ensured a seamless experience. For shareholders, this strategic move supports long-term value growth by expanding our market share in the UK and Germany.

Principal risks and uncertainties

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

Wholesale market risk

The Company follows a strict and sophisticated hedging policy, and does not speculate on market movements, nor assumes or relies on market movement in either direction.

For each customer that is acquired or renewed onto a fixed price contract, OEL makes forward commitments for power and gas delivery for the duration of the term offered to the customer, allowing for some expected attrition. Daily adjustments are made to correct the wholesale position for variances in demand and renewable generation versus forecast.

For customers in the UK on standard variable price contracts, the Company executes a rolling hedge that follows the price-cap methodology as set by Ofgem which operates on a three-month cycle. Due to the price cap calculation, we are able to amend the pricing of this product to reflect the hedge cost and therefore benefit from relatively stable margins in the variable book to the extent that customer refixing behaviour is stable.

This approach largely locks in margin for customers across the life of their contracts and provides a basis for financial planning. Variances to expected margin for fixed products result from 'shaping loss' (tailoring a hedge constructed from freely available market products to the specific consumption shape of the Group's portfolio) and 'imbalance costs' (consumption turns out differently from hedged-for expectations). These risks are monitored closely.

Cash flow and liquidity risk

We are a prudently run, profitable and strongly backed group of businesses. The Group manages cash responsibly and has clear sight to expected cash requirements, using both a multi-year long-term monthly financial model and a short-term daily cash flow model that covers 13-week timespan.

The Company monitors financial risks at a business unit level which is then consolidated to report to shareholders at Board meetings. It undertakes stress and sensitivity testing on forecast performance to ensure that sufficient capital is maintained through a set of quantified 'liquidity buffers' which reserve significant capital specifically to absorb potential liquidity risks. The stress testing includes the impact of cold weather and correlated material increases in wholesale price for this additional consumption volume, customer payment distress and other performance/macro-driven potential shocks.

The Company operates financial models on two levels:

1. Detailed daily cash flow model that provides sight to the next three months. This is formally reviewed together with key liquidity drivers and other performance indicators on a weekly basis to ensure that short-term liquidity is optimised and to give early sight to potential changes in peak funding requirement.
2. Long-range forecast model that generates a rolling forecast for Profit and Loss (P&L), Balance Sheet and monthly peak cash (and potential variances to) over the next three years. Through this, the Company can plan cash flow and funding.

There are four principal risks to liquidity and the Company monitors these closely as well as utilising proprietary modelling/forecasting tools:

1. Mark-to-market risk that arises from commodity price movements. The Company is not exposed to mark-to-market related liquidity risks as a result of the terms of an agreement with our wholesale supplier providing hedging services which removes the risk of cash calls resulting from wholesale market price changes,

resulting in increased protection from short-term liquidity pressures.

2. Customer account management: the Company undertakes careful, systematic monitoring and management of customer accounts to ensure that monthly direct debit amounts are suitable for consumption levels to avoid excessive debt/credit building up.
3. Customer attrition risk: the business has extensive data sets that enable sophisticated prediction of customer attrition, both at an individual customer level and across the portfolio, and aims to minimise it through investing in brand, customer experience and account features. The Company has also been careful to acquire customers across a range of channels to reduce the concentration of attrition risk.
4. Weather risk: the Company generally hedges to seasonally normal temperatures and when weather causes deviations customer consumption can outturn higher or lower than hedged leaving an exposure to, at times, volatile prompt prices. Exposures are mitigated by forecasting weather up to two weeks out and proactively placing trades to meet forecasted deviations. Additionally, the Company holds sufficient capital to protect against a modelled P5 deviation.

Additionally, the Group maintains a mixture of equity and secured credit facility funding to ensure there is sufficient capital for current and future OEL operations, including under stress scenarios. As for counterparty risk, the Group allocates its significant cash reserves across a number of different investment grade institutions, guaranteeing diversification to its funds, and constant access to liquidity even under stress scenarios.

Commercial risk

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

Risk generated by the competitive environment, against which we are well placed thanks to the competitive advantage from our brand and customer loyalty, and access to the Group's proprietary software platform and associated highly efficient operating model in retail supply.

We take a robust and proactive approach to managing credit risk in the retail business, with a strong focus on both debt prevention and resolution. Debt prevention is embedded in our broader business strategy and begins even before customer onboarding. This includes our acquisition approach, credit scoring processes wherever allowed by law, and management of payments. Prevention efforts continue throughout the customer lifecycle, supported by Kraken's advanced debt management capabilities.

Nonetheless, some customers inevitably fall into arrears. To address this, we operate a sophisticated debt resolution programme. While underpinned by advanced technology, it remains fundamentally a human-led operation. Our approach is designed to engage with customers at the right time, using the most appropriate interventions to achieve positive outcomes. For some, this means proactively offering support; for others, it involves more escalated actions to prevent further financial deterioration.

This year, we enhanced our technical and operational capabilities and made the strategic decision to bring our collections operations in-house. This move has reduced our reliance on third-party debt collection agencies, improved our collections performance, and delivered significant seven-figure cost savings.

There is supplier risk associated with our energy procurement as a result of the trading agreement in place, which allows the majority of power and gas purchased to be placed with only one supplier. As mitigants, this supplier is comfortably rated above the investment grade threshold, and we are actively diversifying procurement through the expansion of our PPA portfolio, which provides access to multiple counterparties, short- and long-term price stability, and increased exposure to renewable generation.

Operational risk

Operational risk arises from a weakness or failure in a business's systems and controls. The Company continues to enhance its controls and processes, particularly with respect to its IT system and security. The potential impact and likelihood of processes failing is assessed on a regular basis and aspects have been subject to external assessment. Where these likelihoods are felt to be outside of the Directors' appetite for risk, management actions and/or control improvements are identified to bring each potential risk back to within acceptable levels. The Company also has a disaster recovery plan in place covering current business requirements.

OEL is built to minimise significant risks arising from operational process and system changes. By drawing on data from Kraken and other external sources (e.g. weather data that feeds proprietary forecasting models), the Company is able to maintain a granular, continuously updated view of key metrics in energy. By automating processes which elsewhere are delivered by humans and spreadsheets, the Company is able to deliver additional control and reliability through automated software testing and defined coding standards – as well as reducing manual error.

OEL continues to improve its security controls to address both the cyberattacks it detects and cyber risks that are tracked through internal risk management processes. Attacks seen in the year include credential stuffing, phishing attacks and device malware attempts that are commonplace in any business. These incidents were minor and mitigated, with no impact on OEL or Kraken's systems that we are aware of.

For the corporate IT environment, we continue to finetune our Software-as-a-Service (SaaS) tools and put greater emphasis on identity and zero-trust controls. We educate all staff to work securely whether they are working in one of our offices or any other location, avoiding the operational impact of losing a business location. Through our supplier review processes and business continuity planning we monitor and manage risks from supply chain attacks and disruption.

Kraken continues to harden the application and the Cloud services we use. Reliance on Cloud has some risks associated with it which are mitigated through close supplier relationships. Kraken has a dedicated, rapidly growing security and privacy team with over 30 team members as well as dedicated CISO and Deputy CISO. During the last year, Kraken has started building its own Cyber Defence Centre that includes cyber security and incident response, across Europe, Asia and the Americas.

Kraken's continuous integration and deployment (CI/CD) approach means that Kraken is typically updated through over 150 small changes per day across all clients' instances, with full rollback available, as opposed to a more traditional release cycle. Kraken's ability to rely on the modern Cloud platform capabilities to manage data from across the business and across functions reduces risk of error in translation, extraction and manipulation.

Organic growth of OEL has resulted in an increase in the amount of data held. This includes personal data, including data defined as special category data under General Data Protection Regulation (GDPR). OEL takes the risk of a data breach very seriously not only from the perspective of the potential impact of fines through GDPR (or any other relevant privacy laws and regulations) and the impact of reputational damage on business goals, but also the human impact on its end customers.

We continue to work with Kraken to improve controls around data security, which include access control and Cloud data security monitoring. Kraken also focuses on making data retention periods more granular, improving access controls across the application and support services and continuing to ensure the auditability of actions involving customer data.

Regulatory risk

Government regulation and decisions relating to the transition to net zero can have an impact on much of OEL. The Regulation and Policy teams monitor changes through regular engagement with the Regulator and other bodies. Our operational teams also have detailed knowledge of the requirements, and our product teams participate in advisory boards and committees to help shape future regulation. We also maintain relationships with government departments and other stakeholders to ensure our business model is well understood and the implications for retailers and customers of policy changes are considered.

In FY25, for the UK retail businesses we have been engaging with the Regulator on important issues including price protection, proposed changes to standing charges, the financial resilience framework and delivery of programmes to enable greater consumer flexibility. We also engage regularly on wider energy transition policy issues which materially impact our customers including the need for planning reform, market reform and levy reform. The Board is updated on material regulatory changes both while they are being developed and when implemented.

Approved by the Board and signed on its behalf by:

S Jackson
CFO and Co-founder
31 October 2025

Registered office: UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
Registered number: 09718624

Corporate governance – Wates Principles

The Group is committed to and has applied the principles of corporate governance contained in the Wates Corporate Governance Principles for large private companies for the year ended 30 April 2025. Further explanation of how each principle has been applied is set out below.

Principle One: Purpose and Leadership

Our vision is to drive the renewable energy transition cheaper and faster through technology – for customers and the planet. The Company is deeply committed to enabling decarbonisation of our energy system, and all its products and services are positioned to help achieve this. OEGL is part of the UN Race to Zero and Utilities for Net Zero Alliance (UNEZA), helping build momentum around the shift to a decarbonised energy system through our involvement in Business Ambition for 1.5°C (OEGL), and our leading position in Tech Zero. OEGL has committed to setting both near-term and long-term net zero targets with the Science Based Targets Initiative (SBTi). OEGL has approved near- and long-term science-based emissions reduction targets with the SBTi. Committed to reaching net-zero greenhouse gas emissions across the value chain by FY40 from an FY24 baseline year.

OEL's Board comprises investor representatives and founding executives. The Board believes that the OEL mission is of utmost importance with all members supporting OEL's vision and bringing different expertise and perspectives.

Customer centricity is at the heart of the Company's ethos, and this is a key focus for all Board members. In practice, this means holding ourselves to a higher standard than just 'treating customers fairly' and instead means a relentless focus on how we can create and deliver an even better customer experience for retail customers.

The Company's culture of autonomy, empowerment, and trust was established by its founders and early management, all of whom remain in the C-suite, along with initial investor Octopus Capital. For more detail on how the Board engages with our people, please see 'Engaging with our stakeholders'. The relatively flat hierarchy cultivated across the Company provides managers with strong visibility across team practices and processes. Additionally, this allows employees access to appropriate channels both within and outside their teams in the event of a need to raise conduct or practice concerns.

The Company's strategy is based on the principles of a future energy system powered by renewables, value flowing to an empowered consumer, and the role of technology in driving efficiency and cost reduction. These principles serve as a constant reference point for decisions made throughout the entire business.

For additional information on our vision and purpose, please refer to the strategic report – What we do (see page 3).

Principle Two: Board Composition[5]

The Board comprises six members:

- Two representatives from Octopus Capital, OEGL's initial investor, with CEO Simon Rogerson serving as the current Chair.
- One member from subsequent separate investors in OEGL.
- Three founders, serving as CEO, CTO, and CFO.

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[5] The Board has mostly consistent Directors/shareholder representation at a Group level and at each key subsidiary and accordingly matters are considered at a Group 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 Accounts reflect the activity of the Directors through either the Group or Company meetings and in respect of the activities of the Group or Company as relevant and as appropriate to the matter involved.

The Chair actively seeks input from all Board members to encourage productive discussions on all matters.

Various external observers, including personnel from OEGL investors, the Director of Strategy, and the Head of Strategic Finance, also attend Board meetings. This ensures a broad spectrum of experience, encompassing both the energy industry and other fields, is present. Additionally, other executives may join meetings as needed to offer their expertise.

The size of the Board has been carefully considered to ensure the propensity for a broad debate as well as efficient decision-making. Board members have deep and current business experience in energy and other sectors.

Communication channels are deliberately open throughout the business, extending beyond top-level management and Executive Directors. A formal and informal communication matrix has been established across all stakeholders, providing open access to the Board, Non-Executive Directors, and observers. This ensures employees are integral to discussions on key decisions, such as major acquisitions or strategic resolutions.

Principle Three: Director Responsibilities

The Board is committed to upholding its accountability and responsibilities, which includes ensuring that its governance processes, systems, and controls are fit for purpose, as well as identifying opportunities for improvement. As the Company continues to grow, the Board recognises the ongoing need to ensure these processes and controls remain adequate.

The Board is kept informed of both financial and non-financial performance through regular updates. This information is then communicated to the Senior Management team by the Strategic Finance team. The Board and observers receive comprehensive monthly financial packs, which include a review of financial results and an update on progress against the budget and forecast. Additionally, ad hoc Board strategy discussion meetings are held periodically.

Last year OEGL created an Audit, Risk and Compliance Oversight Committee, which monitors and reviews the integrity of financial statements, significant reporting issues, accounting and hedging policies, and material financial and non-financial information. Internal working groups are also established flexibly as needed for Operations and Tech requirements (for example, Debt and Payments Working Group) or the Recruitment and Opportunities Working Group self-established by employees to promote ethnic diversity within the business. This self-determining feature is highly celebrated by the management team and will continue to be encouraged going forward.

For further information on how Directors fulfil their roles and discharge their responsibilities, please refer to the Directors' responsibilities statement on page 20.

Principle Four: Opportunity and Risk

The Board is regularly engaged in identifying opportunities to create and preserve value for OEL, as well as being aware of and monitoring major risks to the Company's future via the Audit, Risk and Compliance Oversight Committee. Board approval is required for material investments and other major strategic decisions. Management typically embraces opportunities to move fast in low-risk ways, then learn and scale, but the Board provides guidance on the prioritisation of opportunities, especially at times when there are multiple attractive routes for potential capital investment.

The Board dedicates significant time to larger risks, especially financial ones. To inform decisions, the team employs multi-dimensional scenario planning. The Senior Management Team and Group analysts, in collaboration with Board members, regularly assess and reassess both opportunities and any material risks that emerge.

Principle Five: Remuneration

Remuneration and employee equity allocation have been delegated to Senior Management and are managed through Board-approved policies. As founders and significant shareholders, our Executive Directors' interests are inherently aligned with the Group's performance, behaviours, purpose, values, and strategy. However, as the Group's operations expand, so does the need for more sophisticated remuneration and oversight and therefore the Group plans to establish a Remuneration Committee.

Principle Six: Stakeholder Relationships and Engagement

The Board recognises its influence on stakeholders and is committed to promoting the values of fairness and transparency in these relationships. For certain stakeholders, such as potential investors and suppliers, the Board acts as an enabling channel.

Board members are able to participate in the weekly 'Family Dinner', an all-company meeting where topics both positive and negative are discussed in an informal, open forum. The gathering serves as a vital channel for communicating the latest Group strategy and developments to employees. Additionally, members of the Senior Management Team occasionally ask more senior employees to contact Board members directly via email or phone to provide project updates or seek advice.

Employee wellbeing is formally monitored using Officevibe, a platform enabling daily (or as frequent as desired) feedback on happiness levels. Should ratings decline, Team Leaders address the team to understand and quickly resolve any challenges in an environment that encourages honest feedback.

For further information on how we engage with our stakeholders, please refer to our Section 172 statement on page 7.

Directors' report

Future developments

We've included a statement on future developments in the Strategic Report which you can find on page 6.

Events after balance sheet date

There have been no events after the balance sheet date with a material impact on the Company.

Research and development activities

In FY25, there was expenditure of £Nil incurred for research and development activities (FY24: £Nil)[6].

Dividends

The Directors did not recommend an interim or final dividend to be paid during the period (FY24: £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 7.

Environmental reporting exemption

The company has taken advantage of the exemption from the requirements to produce a Streamlined Energy and Carbon Report (SECR) for the financial year ended 30 April 2025. This exemption is applicable under Paragraph 20D(7)(a) of Schedule 7 to the Large and Medium sized Companies and Group Regulations 2008. Consequently, the Directors' Report does not include energy and carbon information.

Financial risk management objectives and policies

The Company has a strict risk assessment and management policy in which the main risks to the business are considered. These include wholesale market risk, credit risk, cash flow and liquidity risk. The Company has policies in place to mitigate these risks.

With strict and sophisticated hedging policies, we ensure a prudent and tech-led approach to wholesale risk. Alongside cash flow management and planning, the Company ensures there is sufficient capital for current and future operations. For further detail on financial risk management please refer to principal risks and uncertainties on page 10.

Political donations

The Company hasn't made any donations or incurred any expense to any registered UK political party or any political organisation in the UK, EU or elsewhere (FY24: nil).

Existence of branches outside the UK

The Company does not have any branches in or outside the UK.

Policy on employing people living with disabilities

At OEL, we work hard to hire, promote and treat people based on 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

[6] Most R&D expenditure on Octopus Energy branded products and services sit in other OEGL entities.

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 based on 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've been doing include:

- Our job adverts are gender neutral, avoiding language that could discourage certain genders or demographics from applying.
- We've 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've eliminated gender bias from the pay structure of field roles, so that all new starters receive the same starting salary.
- We've 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 work arrangements, and support for employees transitioning genders.

The list above certainly isn't 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 doesn't stop anyone from taking the initiative and making a great idea happen.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Directors have assessed the liquidity of the business through a detailed going concern forecast and considered the associated hedge position required, which is procured through a third party without collateral requirements. This includes consideration to ensure compliance with the requirements of Ofgem's financial resilience requirements for UK suppliers. Following the injection of share capital in the period the Company continues to exceed the Regulator's minimum capitalisation requirements, (Capital Floor), and has an agreed pathway to meet the Capital Target.

The ongoing financial support of Octopus Energy Group continues to be in place with net assets of c£1.5bn and cash and cash equivalents of c£1.5bn disclosed in the Consolidated Statement of Financial Position in their Annual Report and Financial Statements for the year ended 30 April 2025.

There are significant peaks and troughs through the year with April generally the low point of the cash flow cycle. On the basis of funding available from OEGL, along with available facilities and trading lines, the forecast cash flow shows ample headroom through the going concern period even under stressed conditions reflecting reasonable sensitivities identified. The general approach to hedging expected supply requirements is set out on page 10 along with consideration of the Company's principal risks and uncertainties.

The Company has evolved a sophisticated financial forecasting model which it tracks and calibrates carefully based on actual performance and changes in both the Company's hedge book and forward wholesale market prices. Existing and new regulatory requirements arising over the period have been considered, and assumptions of increased customer gains and losses (together with increased numbers of fixed price contracts) included. The Directors have also actively considered downside sensitivities of cash flows from operations including that which would arise from a cold winter and associated higher pricing. The Directors have evaluated risks based on historical weather data, which is used to model a range of increased consumption that could arise from an unusual, sustained cold winter weather event. This is considered together with significant but correlated wholesale price increases.

The going concern analysis is based on the assumption that while a portion of customers will remain on or be acquired through our standard variable tariff, benefitting from current price cap protections, the majority will opt for or switch to our fixed products. This reflects a more competitive market environment compared to the period since the energy crisis.

Directors

The Directors who served throughout the year were as follows: C Hulatt, J Eddison, G Jackson, S Jackson, 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 year 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:

S Jackson
CFO and Co-founder

31 October 2025

Registered office: UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN

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 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 these 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.

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.

Financial statements

Independent auditor’s report to the members of Octopus Energy Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Octopus Energy Limited (the ‘company’):

- give a true and fair view of the state of the company’s affairs as at 30 April 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation 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 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.

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.

Our evaluation of the directors’ assessment of the company’s ability to continue to adopt the going concern basis of accounting included:

- financing and hedging facilities including nature of facilities, repayment terms and any covenants;
- linkage to business model and medium-term risks;
- compliance with legislation and associated regulatory requirements;
- assumptions used in the forecasts including customer behaviours and seasonality;
- amount of headroom in the forecasts;

- sensitivity analysis including cold winter scenarios; and
- sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

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 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 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 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 company's industry and its control environment, and reviewed the company'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 company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company 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 company's ability to operate or to avoid a material penalty. These included the group's operating licence and UK Electricity and Gas Acts, Utilities Act, Energy Act, and licenses, and associated applicable commitments that apply to the UK energy industry including Ofgem's Capital Adequacy framework and Renewable Obligation Certificates (ROCs).

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

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 company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

Anthony Matthews FCA

(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

31 October 2025

Statement of profit and loss

For the year ended 30 April 2025

	Notes	30-Apr 2025 £m	30-Apr 2024 (Restated*) £m
Turnover	4	9,722.0	7,972.7
Cost of sales	5	(8,905.4)	(7,291.3)
Gross profit		**816.6**	**681.4**
Administrative expenses	5	(593.3)	(497.8)
Operating profit		**223.3**	**183.6**
Finance income	8	44.4	22.9
Finance expense	8	(27.5)	(5.8)
Profit on ordinary activities before taxation		**240.2**	**200.7**
Tax on profit	9	(68.4)	(44.6)
Profit for the financial year		**171.8**	**156.1**

All amounts recognised in the statement of profit or loss relate to continuing operations for the years ended 30 April 2025 and 30 April 2024.

There is no other comprehensive income or loss and as such no separate statements of other comprehensive income or loss have been prepared. The notes on pages 29 to 48 form part of these financial statements.

* The comparative figures for the year ended 30 April 2024 have been restated following the adoption of FRS101 Reduced Disclosure Framework. An explanation of the transition and the impact of the restatement on the financial performance is set out in Note 2.1 (Basis of Preparation).

Balance sheet

As at 30 April 2025

	Notes	2025 £m	2024 (Restated*) £m
Non-current assets			
Goodwill	10	312.1	273.1
Intangible assets	11	195.3	198.2
Tangible assets	12	14.6	15.2
Investments	13	504.0	193.4
		1,026.0	**679.9**
Current assets			
Debtors – falling due within one year	14	2,497.7	1,639.4
Cash at bank and in hand		580.0	328.1
Inventory	15	93.5	–
		3,171.2	**1,967.5**
Current liabilities			
Creditors – falling due within one year	17	(3,480.2)	(2,575.6)
Net current assets/(liabilities)		**(309.0)**	**(608.1)**
Non-current liabilities			
Creditors – falling due after a year	17	(2.6)	(32.2)
Deferred tax liability	16	(33.1)	(41.2)
Net assets/(liabilities)		**681.3**	**(1.6)**
Capital and reserves			
Called-up share capital	18	–	–
Share premium account	18	500.0	–
Other reserves		22.4	11.2
Profit and loss account		158.9	(12.8)
Shareholders’ equity		**681.3**	**(1.6)**

* The comparative figures for the year ended 30 April 2024 have been restated following the adoption of FRS101 Reduced Disclosure Framework. An explanation of the transition and the impact of the restatement on the financial performance is set out in Note 2.1 (Basis of Preparation).

The financial statements of Octopus Energy Limited (registered number: 09263424) were approved by the Board of Directors and authorised for issue on 31 October 2025. They were signed on its behalf by:

S Jackson
Director

31 October 2025

Registered office: UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN

The notes on pages 29 to 48 form part of these financial statements.

Statement of changes in equity

For the year ended 30 April 2025

	Called up share capital £m	Share premium account £m	Share-based payment reserves £m	Profit and loss account £m	Total £m
At 30 April 2023 and 1 May 2023	–	–	7.1	(169.0)	(161.9)
Employee share scheme options	–	–	4.2	–	4.2
Profit/(loss) for the period	–	–	–	156.1	156.1
At 30 April 2024 and 1 May 2024	**–**	**–**	**11.3**	**(12.9)**	**(1.6)**
Shares issued during the year	–	500.0	–	–	500.0
Employee share scheme options	–	–	3.5	–	3.5
Deferred tax on share scheme	–	–	7.6	–	7.6
Profit/(loss) for the period	–	–	–	171.8	171.8
For the year ended 30 April 2025	**–**	**500.0**	**22.4**	**158.9**	**681.3**

The notes on pages 29 to 48 form part of these financial statements.

Notes to the financial statements

For the year ended 30 April 2025

1. Company information

Octopus Energy Limited ('the Company') is a private company, limited by shares, and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the back cover and the nature of the Company's operations and its principal activities are set out in the strategic report under 'What we do'.

2. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101').

The financial statements have been prepared under the historical cost convention, except where otherwise stated. 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 25.

The functional currency of the Company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the Company operates. The presentational currency is pounds sterling and amounts have been presented in millions to the nearest decimal place (£m).

2.2 Financial Reporting Standard 101 – reduced disclosure exemptions

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

a. Statement of Cash Flows and related notes;
b. Certain disclosures regarding revenue;
c. Certain disclosures regarding leases;
d. The effects of new but not yet effective IFRSs;
e. IFRS 2 *Share-Based Payments* in respect of Group settled share-based payments;
f. Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company (in the current and prior periods including the comparative period reconciliation for goodwill);
g. Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
h. Certain disclosures in respect of Related Party transactions.
i. IAS 1 Presentation of Financial Statements – Paragraphs 10(d), 10(f), 16, 38A, 38B, 40A, 40B, 40C, 40D, 107, 111, 134-136 (specific disclosures relating to statement of financial position presentation, movement on equity, and capital management);
j. IAS 12 Income Taxes – Paragraphs 80(f) (disclosures regarding tax consequences of dividends);
k. IAS 16 Property, Plant and Equipment – Paragraph 74 (disclosure of reconciliation of property, plant and equipment);
l. IAS 24 Related Party Disclosures – Paragraph 17 (disclosure of key management personnel compensation) and paragraph 18 (disclosures in respect of transactions with wholly-owned subsidiaries);

This information is included in the consolidated financial statements of its parent company Octopus Energy Group Limited as at 30 April 2025, which may be obtained from the registered office at UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

2.3 Exemption from preparation of consolidated financial statements

The financial statements contain information about Octopus Energy Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the UK consolidated financial statements of Octopus Energy Group Limited.

2.4 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Directors have assessed the liquidity of the business through a detailed going concern forecast and considered the associated hedge position required, which is procured through a third party without collateral requirements. This includes consideration to ensure compliance with the requirements of Ofgem's financial resilience requirements for UK suppliers. Following the injection of share capital in the period the Company continues to exceed the Regulator's minimum capitalisation requirements, (Capital Floor), and has an agreed pathway to meet the Capital Target.

The ongoing financial support of Octopus Energy Group continues to be in place with net assets of c£1.5bn and cash and cash equivalents of c£1.5bn disclosed in the Consolidated Statement of Financial Position in their Annual Report and Financial Statements for the year ended 30 April 2025.

There are significant peaks and troughs through the year with April generally the low point of the cash flow cycle. On the basis of funding available from OEGL, along with available facilities and trading lines, the forecast cash flow shows ample headroom through the going concern period even under stressed conditions reflecting reasonable sensitivities identified. The general approach to hedging expected supply requirements is set out on page 10 along with consideration of the Company's principal risks and uncertainties.

The Company has evolved a sophisticated financial forecasting model which it tracks and calibrates carefully based on actual performance and changes in both the Company's hedge book and forward wholesale market prices. Existing and new regulatory requirements arising over the period have been considered, and assumptions of increased customer gains and losses (together with increased numbers of fixed price contracts) included. The Directors have also actively considered downside sensitivities of cash flows from operations including that which would arise from a cold winter and associated higher pricing. The Directors have evaluated risks based on historical weather data, which is used to model a range of increased consumption that could arise from an unusual, sustained cold winter weather event. This is considered together with significant but correlated wholesale price increases.

The going concern analysis is based on the assumption that while a portion of customers will remain on or be acquired through our standard variable tariff, benefitting from current price cap protections, the majority will opt for or switch to our fixed products. This reflects a more competitive market environment compared to the period since the energy crisis.

Octopus Energy Group Limited has previously received equity injections as well as access to financing through committed loans from banks, trading counterparties and cash generated by other Group businesses. The bank loans are backed by investor guarantees. The business also continues to actively consider further investments and additional working capital facilities or equity injections although the going concern position does not assume these additional facilities in the forecasts. Corporate investment across the Group and acquisition activity is continually monitored to reflect the economic and regulatory environment.

The Company has received a letter confirming ongoing financial support from its parent company Octopus Energy Group Limited that further strengthens the going concern position.

Following the detailed process above the Directors have a reasonable expectation that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Energy supply revenue is recognised on the basis of electricity and gas supplied during the year and is attributable to the supply of electricity and gas.

Revenue recognised includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the year-end. Unbilled revenue is included in prepayments and accrued income to the extent that it is considered to be recoverable, based on historical data.

The Company recognised other revenue based on commission receivable for meter installs.

2.6 Cost of sales

Costs are recognised in line with revenue, with cost of sales recognised as costs relating to procuring and delivering electricity and gas to our customers during the year, as well as the cost to serve customers. Where actual invoices have not been received relating to the year, the latest industry data is used to ensure accuracy of accruals recognised.

2.7 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains or losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time that the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

2.8 Intangible assets

Intangible assets consist of software assets and costs of acquiring customers, which are amortised over the useful economic life of the asset from the point it becomes available for use. Amortisation is recognised as an administrative expense.

Software assets are included at cost to the extent that they can be recovered by future revenues, are amortised over a period of three years on a straight-line basis and are reviewed for impairment annually.

During the financial year, the estimated useful life of intangibles relating to customer acquisition costs was reviewed. It was determined that the estimated useful life should be revised from three years. Customer churn for the business was reviewed and therefore the useful economic life has been updated from three to five years. Further information on this is included in Note 3.

2.9 Tangible assets

Tangible fixed assets are stated at cost, net of any depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs or valuation, less estimated residual value, of each asset on a straight line basis over its useful economic life as follows:

- Equipment: 3 to 10 years

2.10 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), are initially measured at the transaction price (adjusted for transaction cost) and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

A financial asset or a financial liability is recognised only when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amount reported in the 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.

The Company uses forward contracts to hedge power and gas delivery for each of its customers. These contracts are considered to fall outside the scope of the application of IFRS 9 when they are entered into as part of the Group's normal business activity, 'own use' and as such are excluded from application of IFRS 9 or are immaterial to the Group's financial statements.

2.11 Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the life of the lease.

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

The Company 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 Company 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 Company 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.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.13 Pension

The Company operates a defined contribution pension scheme for employees and the pension charge represents the amounts payable by the Company to the scheme in respect of the year. These costs are included as part of staff costs (see Note 6) and pension (see Note 19). Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2.14 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 our 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. Further details can be found in Note 15.

2.15 Share-based payments

Our Parent Company, Octopus Energy Group Limited (OEGL) operates an equity-settled, share based payment scheme, under which the Company receives services from employees as consideration for equity instruments in OEGL. The fair value of the employee services received in exchange for the grant of the equity instrument is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted. The fair value of the equity instruments issued is measured using the Black-Scholes model. The share price from the most recent investment round along with the exercise price, the time to expiration, the risk free rate and a measure of volatility are all inputs into the Black-Scholes model. The expense for the share options granted is recognised over the period between the grant date and the vesting date of those options, which is the period over which all of the specified vesting conditions are satisfied, adjusted for annual attrition rates.

An allocation of OEGL's total share based payment expense is recharged to the Company, based on where each individual's service is rendered, with a corresponding adjustment to equity.

3. Significant judgements and estimates

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

We do not expect material future sensitivities for these estimates.

3.1 Key sources of estimation uncertainty

Revenue recognition

Revenue includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the end of the financial year. This is calculated by reference to data received through third-party settlement systems, together with estimates of consumption not yet processed through settlements. These volume calculations are carried out on a customer by customer basis, and are multiplied by the customers specific tariff to identify the revenue amount. There are also estimates associated with the values recoverable under the Electricity Price Guarantee scheme.

These estimates are sensitive to the assumptions used in determining the portion of sales not billed and based on meter readings at the reporting date. Further details on accrued income can be found in Note 14.

The consumption of energy by customers is dependent on several factors, including weather, cost of living, lifestyle and support received. In order to best estimate our revenue and costs we apply demand elasticity percentages, which estimate how demand may have changed between the most recent consumption data and year end. These percentages are calculated using smart meter data and only needed to be applied to the relatively small percentage of revenue and costs which remained unbilled at year end.

These estimates are sensitive to the assumptions used in determining the portion of revenue not billed and based on meter readings at the reporting date. We do not expect material future sensitivities for these estimates and therefore no further information has been disclosed. Further details on revenue recognition can be found in Note 2.4.

Bad debt provisioning

The Company's key bad debt risk relates to energy customer balances, which are mitigated by a very high penetration of direct debit collections, close monitoring of customer account performance and strict processes for non-payment.

Management assesses billed debt and accrued income to estimate recoverability and a provision is recognised for the estimated balance that is unlikely to be recovered. The provision amount is derived from historic non-payment trends. The rate of provision is calculated based on the age of customer balances, the method of payment involved, and the supply status of the customer. This calculation is reviewed on a regular basis.

Implicit in this method is the assumption that historic performance is reflective of future performance. Significant volatility in both the energy market and broader macroeconomic environment places additional emphasis on the consideration of this assumption. To address this risk, Management reviews a suite of key early warning indicators, macroeconomic data and regulatory changes on a regular basis to ensure that the provision rate assumptions are appropriate, and, where necessary, assumptions are updated.

We do not expect material future sensitivities for these estimates and therefore no further information has been disclosed.

Further details on provisions can be found in Note 14.

3.2 Other key accounting judgements

Amortisation of acquisition costs

An estimate is made by management in determining the amortisation period for customer acquisition costs within intangible assets. We note that there is a rebuttable presumption that amortisation based on the revenue generated by an activity that includes the intangible asset must demonstrate that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. In this case, the intangible asset (being the monies spent in order to gain the customer) and the revenue generated (consumption of energy from the customer) are highly correlated. Had the Company not incurred the cost in order to acquire the customer, there would be no revenue generated from the customer. Therefore, the Company amortises the customer acquisition asset over the period it is expecting to generate revenue from the customer, this is deemed to be five years.

This estimate is dependent on the period for which the Company expects to generate revenue from a customer. In determining the period for which we expect to consume the asset's future economic benefits we have reviewed the historic churn of customers. During the year the estimated useful life was updated from three years to five years following a revenue of customer churn, the financial impact of this was £17m. Any future revision to the amortisation period assumption would be accounted for prospectively, and would impact the amortisation charge in future periods but have no retrospective impact on the carrying amounts as at this year end. Further details on amortisation can be found in Note 11.

We do not expect material future sensitivities for these estimates and therefore no further information has been disclosed.

4. Revenue

Revenue is all generated by one segment, that of Energy supply and in the UK, hence no segmental or geographical analysis is required. An analysis of the Company's revenue is set out below:

	2025 £m	**2024 (Restated) £m**
Domestic – Electricity*	5,674.7	4,643.4
Domestic – Gas	3,764.1	3,066.0
Commercial – Electricity*	215.6	237.0
Commercial – Gas	15.3	12.9
Other Revenue	52.3	13.4
Total	**9,722.0**	**7,972.7**

* The Company recognised a £44.4m reduction in revenue recoverable from the government (compared to £273m in 2024) related to the Energy Price Guarantee (EPG) and Energy Bills Relief Scheme.

The EPG scheme concluded in March 2025, with customer prices being determined by the Ofgem price cap from 1 July 2023 accordingly. Following the completion of all settlement periods, a final reconciliation was performed by the Department for Energy Security and Net Zero (DESNZ) during the financial year. This resulted in an overall reduction in the final EPG discount amounts applied, which has been recognised as a decrease in revenue.

An amount of £0m (2024: £6m) was received, and applied in settlement of customers' accounts in respect of the Energy Bill Support Scheme. The cash was effectively received from the government and passed on to customers and there was a net £Nil presentation in respect of this cash in the Company's income statement.

Other revenue largely comprises (£45.4m) of commission received from meter installs.

5. Operating profit

The operating profit is stated after charging:

	Notes	2025 £m	2024 (Restated) £m
Direct energy costs		4,249.4	4,160.9
Network transmission costs		2,338.5	1,540.9
Other direct costs		2,317.5	1,589.5
Marketing costs		107.6	56.3
Amortisation of intangibles	10	42.7	54.4
Depreciation of tangible fixed assets	11	8.0	6.0
General admin expenses		48.7	42.8
Provision for doubtful debt		237.3	234.3
Legal and professional		33.8	18.1
Staff and consultancy costs		115.5	85.8
		9,499.0	**7,789.0**

The above presentation reflects the breakdown of operating expenses by function of expense. Included in legal and professional is auditor's remuneration of £1m (2024: £1m) relating to the audit of the financial statements. The Company's auditor did not provide any non-audit services to the Company (2024: nil).

6. Staff costs

The average number of employees, including executive directors, during the year was:

	2025	2024 (Restated)
Administration and sales	2,445	1,713
	2,445	**1,713**

Their aggregate remuneration comprised:

	2025 £m	2024 (Restated) £m
Wages and salaries	84.3	61.2
Social security costs	7.7	5.6
Other pension costs (See Note 20)	3.4	2.5
	95.4	**69.3**

Other pension costs include those items included within administrative expenses.

The company has capitalised £Nil (2024: £Nil) of salary and £Nil (2024: £Nil) of Social Security costs as part of intangible assets.

7. Directors' remuneration and transactions

At the balance sheet date retirement benefits were accruing to Nil Directors (2024: Nil) in respect of defined contribution pension schemes. Three Directors are remunerated by other Group companies and the remaining Directors are employed by the Company's shareholders. None of their remuneration is specifically in respect of the Company.

Directors' remuneration

No remuneration, including salaries, fees, or bonuses, was paid to the Directors by the Company during the year (2024: Nil).

The aggregate amount of emoluments, including any benefits and pensions, paid to or receivable by the Company's Directors in respect of their services as a Director of the Company and/or its subsidiaries was Nil (2024: Nil). This remuneration was borne by other Group companies or by the Company's shareholders.

Retirement benefits were accruing to Nil Directors (2024: Nil) in respect of defined contribution pension schemes.

Directors' advances, credit and guarantees

No advances, quasi-loans, credit, or guarantees were granted by the Company to or on behalf of the Directors (or persons connected with a Director) during the current or prior financial year.

8. Finance income/(expense)

	2025 £m	2024 (Restated) £m
Interest on bank balances	41.7	21.0
Interest on security deposits	2.7	1.9
Finance income	**44.4**	**22.9**
Loan interest payable	(25.3)	(4.0)
Interest on debt factoring arrangement	(2.2)	(1.8)
Finance expense	**(27.5)**	**(5.8)**

9. Tax on profit on ordinary activities

	2025 £m	2024 (Restated) £m
Current tax charge/(credit)		
UK corporation tax (25%)	–	9.4
Group relief	71.2	44.5
Adjustment in respect of previous periods	(2.4)	(3.6)
Total current tax charge	68.8	50.3
Deferred tax		
Origination and reversal of timing differences	(2.8)	(6.4)
Adjustments in respect of previous periods	2.4	0.7
Total deferred tax in the year (see Note 16)	(0.4)	(5.7)
Total tax recognised in Statement of Profit and Loss	68.4	44.6

Deferred tax has been calculated at 25%.

Factors affecting tax credit for the year

The tax assessed for the period is higher (2024:lower) than the standard rate of corporation tax in the UK (25%).
The differences are explained below:

	2025 £m	2024 (Restated) £m
Profit/(loss) on ordinary activities before tax	240.2	201.7
Charge on profit on ordinary activities at blended UK corporation tax rate of 25% (2024: 25%)	60.0	51.0
Effects of:		
Disallowed expenses and non-taxable income	8.3	0.6
Other permanent differences	–	0.5
Adjustments in respect of previous periods (current tax)	(2.4)	(3.0)
Adjustments in respect of previous periods (deferred tax)	2.4	–
Group relief claimed	(71.2)	(0.4)
Group relief payable	71.2	–
Disallowed expenses and non-taxable income	0.1	(4.1)
Share based payment permanent element	–	–
Tax charge for the year	68.4	44.6

The standard rate of tax applied to the reported profit on ordinary activities is 25% (2024: 25%). 25% is the tax rate enacted by the UK government effective from 1 April 2024.

10. Goodwill

	2025 £m	2024 (Restated) £m
Goodwill	312.1	273.1
At 30 April 2025	**312.1**	**273.1**

The Company acquired 100% of the ordinary share capital of Shell Energy Retail Limited during the 2024.

The customer book and related balance sheet positions of Shell Energy Retail Limited were subsequently hived up into Octopus Energy Limited, resulting in the recognition of Goodwill.

The Company has adjusted the provisional amounts initially recognised for the business combination within the 12-month measurement period from the acquisition date resulting in an immaterial £39m increase to Goodwill reflected in the 2025 financial statements.

11. Intangible assets

	Software £m	Customer acquisition £m	Total £m
Cost			
At 30 April 2024	1.1	500.0	501.1
Additions	–	39.8	39.8
Disposals	–	–	–
At 30 April 2025	**1.1**	**539.8**	**540.9**
Amortisation			
At 30 April 2024	(1.1)	(301.8)	(302.9)
Charge for the year	–	(42.7)	(42.7)
At 30 April 2025	**(1.1)**	**(344.5)**	**(345.6)**
Net book value			
At 30 April 2024	–	198.2	198.2
At 30 April 2025	**–**	**195.3**	**195.3**

12. Tangible assets

	Equipment £m	Right of use asset £m	Total £m
Cost			
At 30 April 2024	21.2	10.2	31.4
Additions	7.2	0.1	7.3
Disposals	–	–	–
At 30 April 2025	**28.4**	**10.3**	**38.7**
Depreciation			
At 30 April 2024	(9.4)	(6.8)	(16.2)
Charge for the period	(7.2)	(0.7)	(7.9)
At 30 April 2025	**(16.6)**	**(7.5)**	**(24.1)**
Net book value			
At 30 April 2024	11.8	3.4	15.2
At 30 April 2025	**11.8**	**2.8**	**14.6**

13. Investments

	2025 £m	2024 (Restated) £m
Investment in Octopus Energy Operations 2 Limited	154.5	193.4
Investment in Octopus Energy Operations Limited	349.5	–
	504.0	**193.4**

Octopus Energy Operations 2 Limited

On 30 November 2023, Octopus Energy Limited acquired 100% of Octopus Energy Operations 2 Limited (OEO2L) previously known as Shell Energy Retail Limited (SERL) and its subsidiary Shell Energy Retail Poland Sp. z o.o. for consideration of £429m.

The investment was made for initial cash consideration of £278m with additional deferred consideration amounting to £151m. The majority of the deferred consideration amount was determined by reference to the number of meter points held in the Shell Energy Retail business on the date of acquisition to be settled over the two years following with £32.1m outstanding as at 30 April 2025.

The energy retail business, comprising the customer book and related balance sheet positions, of OEO2L was subsequently hived up into Octopus Energy Limited. The excess investment balance over the remaining net assets in SERL following hive up was restated to Goodwill.

Octopus Energy Operations Limited (OEOL)

Effective 30 September 2024, Octopus Energy Limited acquired 100% of the issued and outstanding share capital of Octopus Energy Operations Limited (OEOL) for a cash consideration of £349.5m. OEOL is an energy retailer operating in the UK market. The investment in OEOL is classified as a subsidiary.

Further information is provided in Note 23 to these financial statements.

14. Trade and other debtors

Amounts falling due within one year:	2025 £m	2024 (Restated) £m
Trade debtors	1,846.6	1,596.9
Provision for doubtful debt – billed	(787.8)	(696.6)
Provision for doubtful debt – unbilled	(119.5)	(80.3)
Amounts owed by Group undertakings	725.1	111.9
Other debtors	0.9	9.5
Prepayments	275.7	176.7
Accrued income	556.7	521.2
	2,497.7	**1,639.3**

Prepayments include £267.7m (2024: £166.8m) of cash held by industry parties such as network operators. During lower consumption periods some of this cash will be released. Included within accrued income is £0 (2024: £20.4m) relating to EPG revenue not yet billed.

Management regularly assesses the provision for doubtful debts. Provision rates are calculated based on historic non-payment trends. Implicit in this method is the assumption that historic performance is reflective of future performance. The provision rates are applied to the different ages, payment methods and supply status of customers to determine an appropriate provision.

The movement in the allowance for doubtful debts – billed is presented below:

Billed	2025 £m	2024 (Restated) £m
Opening balance	(696.6)	270.8
Charged to administrative expenses	(172.7)	211.2
Movement in Avro provision	–	(1.4)
Shell Energy Retail Limited provision	(8.8)	236.3
Receivables written off	90.3	(20.3)
Closing balance	(787.8)	696.6

Given the seasonality of energy consumption across the year, customer balances fluctuate and as a result a debit position does not necessarily mean that customers are at risk of non-payment or should be credit impaired. Our bad debt provision is based on customers with overdue debt, where customers have not met a payment obligation. It is the payment obligation that is used as the mechanism to determine the age of the debtors. If payments made do not cover the obligation for a customer, there is a shortfall on the obligation. The shortfall of a customer is used to determine how much of the customer's receivable is impaired. This debt that is past due is included within gross trade receivables.

The ageing is based on historic payment, together with an assessment of whether these are representative of likely future behaviours of accounts, rather than the age of the specific debt. The ageing of overdue debt is as follows:

Ageing	Gross trade receivables overdue £m	Provision for doubtful debt £m	Net trade receivables overdue £m
1-30 days	42.2	6.5	35.7
31-60 days	35.4	8.1	27.3
61-90 days	39.2	10.3	28.9
91-180 days	74.9	29.0	45.9
181-270 days	67.3	33.1	34.2
271-365 days	75.5	45.2	30.3
366 days +	596.9	510.0	86.9
	931.40	642.20	289.20

The ageing of gross trade receivables overdue and provision for doubtful debt includes trade receivables balances from the acquisition of Shell Energy Retail Limited during the year ended 30 April 2024. There is an additional £9m (2024: £9m) of provision in relation to the Avro debt book acquired in the previous financial years. Included is also £161.5m (2024: £80m) of provision against non-aged receivables.

The ageing analysis presented provides information on the credit risk profile of exposures based solely on delinquency status. As such, the ageing balances do not reconcile directly to the total ECL provision reported in the statement of financial position. The difference represents additional elements required by IFRS 9, including non-delinquent exposures, forward-looking adjustments, and management overlays.

15. Inventory

	2025 £m	2024 (Restated) £m
In home displays	3.4	–
Energy efficiency schemes	90.1	–
	93.5	**–**

Energy efficiency schemes relate to Annual Bill Savings (ABS) units acquired as part of the Energy Company Obligation (ECO) scheme. These units will be applied against the Company’s future ECO obligation enforced by Ofgem.

16. Deferred taxation

	2025 £m	2024 (Restated) £m
At beginning of year	(41.2)	(9.5)
Recognised during year	2.9	(31.7)
Share based payments	7.6	–
Adjustment in respect of prior years	(2.4)	–
At end of year	**(33.1)**	**(41.2)**

17. Creditors

Amounts falling due within one year:

	2025 £m	2024 (Restated) £m
Trade creditors	116.7	103.0
Other taxation and social security	11.7	2.6
Customer prepayments	1,062.1	820.0
Other creditors	160.0	69.4
Amounts owed to group undertaking	299.6	381.0
Accruals and deferred income	1,830.1	1,199.7
	3,480.2	**2,575.7**

Included within other creditors is a balance of £63m (2024: £5.7m) relating to EPG overpayments by the government, which has been paid post year end.

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

Amounts falling due after one year:

	2025 £m	2024 (Restated) £m
Other creditors	(2.6)	32.2
	(2.6)	32.2

Other creditors due after one year relates to the lease liability recognised during the year.

18. Called-up share capital

	2025 £	2024 (Restated) £
Allotted, called up and fully-paid		
1 Ordinary shares of £1 each	2	1

The Company issued 1 Ordinary Share to the parent company, Octopus Energy Group Limited for £500m in the current year.

19. Share based payments

The Company's employees have been granted share options by the parent company, Octopus Energy Group Limited.

The exercise price is set dependent on the employee's joining date. Options are conditional on the employee completing four years' service (the vesting period), otherwise employees forfeit their options. The options are exercisable on a liquidity event arising. The Company 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 year ended 30 April 2025 was £3.6m (2024: £4.1m).

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

	30-Apr-25		30-Apr-24	
	Weighted average exercise price £	Number	Weighted average exercise price £	Number
Outstanding at beginning of year	12.38	2,449,123	10.67	2,173,650
Granted during the year	24.02	458,915	17.28	709,394
Exercised during the year	–	–	8.69	110,085
Forfeited during the year	17.66	275,833	12.85	323,836
Outstanding at the end of the year	14.16	2,632,205	12.38	2,449,123
Exercisable at year-end	–	–	–	–

The fair value of the share options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value. The weighted average fair value of share options granted during the year was £13.61 (2024: £10.52) at the grant date.

The range of exercise prices in respect of options outstanding at 30 April 2025 is £6.55 to £25.19 (2024: £6.55 to £21.90).

20. Retirement benefit schemes

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company under the control of trustees. Contributions accrue to the scheme for qualifying employees during the dates of their contracts of employment.

Contributions are usually made as a percentage of an individual employee's gross annual salary. The total costs charged to the Statement of Profit and Loss of £3.4m (2024: £2.5m) represents contributions payable to the scheme by the Company.

21. Ultimate parent undertaking and controlling party

The immediate parent Company and controlling party is Octopus Energy Group Ltd, 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, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

The Group is owned (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 FundSCSP (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.

22. Related party transactions

The largest group in which the results of the Company are consolidated is that headed by Octopus Energy Group Limited, UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN. Copies of Octopus Energy Group Limited consolidated financial statements can be obtained from UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

The Company has taken advantage of the exemption available under paragraph 24.25 of *IAS 24 – Related Party Disclosures* not to provide full disclosures of all related party transactions with other wholly owned members of the Group. In accordance with FRS101 the Company is exempt from disclosing transactions with subsidiaries that are wholly-owned by the Group.

As at 30 April 2025, the Company owed £nil (2024: £nil) to Octopus Capital Limited. The Company has a receivable of £537m (2024: £73m payable)from Octopus Energy Group Limited. The balance relates to general intercompany balances which are settled monthly and a loan receivable of £500m.

23. Acquisitions in the period

Octopus Energy Operations Limited

Effective 30 September 2024, Octopus Energy Limited acquired 100% of the issued and outstanding share capital of Octopus Energy Operations Limited (OEOL). The cash consideration transferred was £349.5 million.

Octopus Energy Operations 2 Limited

Following the initial acquisition of Octopus Energy Operations 2 Limited (OEO2L), previously known as Shell Energy Retail Limited (SERL), on 30 November 2023, Octopus Energy Limited began the process of internally transferring (hiving up) the energy retail business into the Company. This involved migrating customers to the Octopus Energy Limited energy supply licence, a process completed over time due to market switching constraints, with all 1.2 million customers fully migrated into Octopus Energy Limited by 30 April 2024.

The transaction is a business combination between entities under the common control of Octopus Energy Group Limited (OEGL) and is therefore outside the scope of IFRS 3 Business Combinations. In the absence of a specific IFRS standard for such transactions the Company has adopted a policy based on the Predecessor Method (sometimes referred to as Merger Accounting) in accordance with IAS 8.

The identifiable net assets transferred from OEO2L (formerly SERL) to Octopus Energy Limited during the hive-up were accounted to be consistent with the carrying amounts in the consolidated financial statements of Octopus Energy Group Limited:

	£m
Customer Relationship intangible asset	149.4
Trade Debtors	140.2
Accrued Income	146.2
Provision for Bad Debt	(236.4)
Deferred Income	(189.4)
Deferred tax liability arising on intangible asset	(37.3)
Net assets transferred	**(27.3)**

Note: The Customer Relationship intangible asset, valued at £149.4m, is the primary driver of the deferred tax liability of £37.3m.

The initial investment in OEO2L was recorded at the value of the consideration paid. Following the hive-up, the investment's carrying value was reduced by the net assets transferred, with the difference being recognised as Goodwill, reflecting the guidance principles outlined in IAS 8 of considering other applicable accounting frameworks when IFRS is silent on a transaction and is consistent with the values arising in the Octopus Energy Group Limited consolidated financial statements.

24. Subsequent events

There were no material subsequent events following the year end.

25. Transition to FRS 101

These are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 30 April 2025, and the comparative information presented in these financial statements for the year ended 30 April 2024.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (FRS 102). An explanation of how the transition from FRS 102 to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

The following are the principal adjustments made to restate equity and profit or loss from FRS 102 to FRS 101 adopted IFRS:

Adjustment 1: IFRS 16 Leases

Under FRS 102, most non-property leases were classified as operating leases and recognised as a straight-line expense in the Profit or Loss. On transition to IFRS 16 Leases, the Company has recognised a Right-of-Use (ROU) asset and a corresponding Lease Liability for material operating leases. This adjustment resulted in the recognition of a net ROU asset of £3.4m and a Lease Liability of £3.2m at the date of transition. The impact on the Profit or Loss is a change from a straight-line operating lease expense to a depreciation charge on the ROU asset and an interest expense on the Lease Liability, decreasing the prior year Profit or Loss by £2.8m.

Adjustment 2: Expected Credit Loss (ECL) – Provision on unbilled revenue

FRS 102 required an incurred loss model for financial assets, where provisions for credit losses were recognised only when there was objective evidence of impairment. IFRS 9 Financial Instruments requires an Expected Credit Loss (ECL) model, which is a forward-looking approach requiring a provision to be recognised for losses expected over the life of the asset. Applying the ECL model to the Company's trade receivables, particularly unbilled revenue, resulted in an additional provision for expected credit losses of £80.9m being recognised in the prior financial year with a corresponding decrease in retained earnings. The prior year Profit or Loss was also adjusted by £0.3m to reflect the ECL movement during that period.

	Note	2025 FRS 102 £m	2025 Effect of transition £m	**2025 FRS 101 £m**	2024 FRS 102 £m	2024 Effect of transition £m	**2024 FRS 101 £m**
Non-current assets							
Property, plant and equipment		11.9	2.7	**14.6**	11.8	3.4	**15.2**
Current assets							
Debtors – due within one year		2,604.0	(106.4)	**2,497.6**	1,720.2	(80.9)	**1,639.3**
Current liabilities							
Creditors – falling due within one year		(3,479.6)	(0.6)	**(3,480.2)**	(2,575.6)	**–**	**(2,575.6)**
Non-current liabilities							
Deferred tax liability		(14.9)	(18.2)	**(33.1)**	(21.0)	**(20.2)**	**(41.2)**
Total assets less current liabilities		(878.6)	(122.5)	**(1,001.1)**	(864.6)	**(97.7)**	**(962.3)**
Non-current liabilities							
Creditors – falling due after a year		–	(2.6)	**(2.6)**	(29.0)	**(3.2)**	**(32.2)**
Capital and reserves							
Profit and loss account		31.8	127.1	**158.9**	88.1	**(101.0)**	**(12.9)**
Shareholders' equity		554.2	127.1	681.3	99.4	(101.0)	(1.6)

Reconciliation of Profit or Loss for the year ended 30 April 2025:

	Note	2025 FRS 102 £m	2025 Effect of transition £m	**2025 FRS 101 £m**
Administrative expenses		567.3	26.0	593.3
Operating profit				
Interest (payable)/receivable		(27.3)	(0.2)	(27.5)
Profit on ordinary activities before taxation		266.4	(26.2)	240.2
Profit for the financial year		198.0	(26.2)	171.8

The impact of transition to FRS 101 at the date of transition on equity is £97.9m. The impact is predominately driven by recognition of the unbilled provision in relation to IFRS 9, see adjustment 2 above.

Statutory Company information

Company number

09263424

Directors

G Jackson
S Jackson
J Eddison
C Hulatt
S Rogerson
J Bowie

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Bankers

HSBC plc
31 Holborn
London
EC1N 2HR