octopus energy

Octopus Energy Group Limited

Annual Report and Financial Statements 2024

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Foreword

Greg Jackson – Chief Executive Officer and Founder

Octopus Energy Group Ltd (OEGL, ‘the Group’) has continued this year to drive the energy transition forward, accelerating towards our mission of building a sustainable, affordable energy system for the world. We’re not just participating in the energy market—we’re actively campaigning for its radical overhaul to create a greener, fairer system for all.

I’m proud that we’ve delivered for all our key stakeholders - customers, clients, employees, the planet and the economies in which we operate.

Without our incredible team we couldn’t do any of that. The number of employees in the Group grew from 4,800 to 8,500, whilst maintaining strong employee experience scores. On Glassdoor, we achieved an average rating of 4.2 against the platform’s average of 3.75, and in May 2024 we were named in the top 10 Best Places To Work by The Sunday Times. Our employer brand is so strong that we received 300,000 applications globally in FY24, with 60,000 of those in Kraken.

In FY24 we reached nearly 7 million customers in the UK, and tripled our international retail customer base, serving over 1.2 million customers outside the UK. Despite this rapid expansion, we have maintained our industry-leading customer service, being named Which? Recommended Energy Supplier for the seventh consecutive year, and globally our Trustpilot scores remained stable or improved - all standing between 4.6 and 4.9 out of 5.

Our acquisition of Shell Energy Retail in December 2023 added 1.3 million customers, who were seamlessly migrated onto Kraken in just 89 days from ramp-up to completion—once again demonstrating Kraken’s unmatched capability in executing complex large customer migrations with speed and precision due to the strength of our technology and experience of our teams. Following the acquisition, we divested Shell Energy Retail’s non-strategic broadband business to TalkTalk within nine weeks.

Kraken continues to grow rapidly, with 61 million contracted accounts globally as of October 2024, which includes our first regulated utility partner in North America—a significant milestone on Kraken’s journey. We’re also making strides in demand flexibility. Nearly 50% of UK customers with smart meters now benefit from our smart tariffs and products, and through initiatives like Saving Sessions and Free Electricity Sessions, they’re helping balance the grid and reduce emissions. Intelligent Octopus, powered by Kraken, now controls over 215,000 devices worldwide and has expanded into Germany, the US, and New Zealand, with smart tariffs that cover not just EVs but also home batteries, heat pumps, and thermostats.

We’re also proud to have launched *Octoplus*, a scheme that rewards customers with smart meters for participating in flexibility events and for customer referrals. Octoplus points can be redeemed for various rewards, including discounts, exclusive offers, or cash, encouraging smarter energy usage and boosting customer engagement.

In transportation, Octopus Electric Vehicles (OEV) continues to lead the shift towards electrification. Since year end our fleet has grown to 20,000 vehicles in the UK, and 96% of our customers say they would never go back to internal combustion engine vehicles—clear proof that sustainable solutions are not only better for the planet, but for people too.

We are investing heavily in long-term growth areas that align with our mission. Whether it’s expanding Kraken, growing our low-carbon tech installations, or electrifying transportation, we’re focused on building a future where energy is cheaper, cleaner, and more accessible for everyone.

Stuart Jackson – Chief Financial Officer and Co-founder

FY24 has been another year of solid financial performance for the Group, as we continue to build on the foundations of prudent financial management and sustainable growth. We delivered a second consecutive year of modest profitability, with £83 million net profit (0.7% margin) (FY23: £203 million; 1.6%), supported by the strength of our UK retail operations and Kraken licensing, and closed the year with a strong balance sheet of £1.7 billion in net assets.

Revenue remained steady at £12.4 billion, reflecting customer growth which offset the reduction in wholesale energy prices. Notably, gross profit margin improved to 9%, driven by the higher-margin contributions of our licensing and services businesses. We have continued to expand globally, investing heavily in technology, innovation, talent and marketing, which are essential as we scale Octopus Energy and Kraken worldwide.

Our energy retail business continues to perform strongly, with Octopus Energy Ltd (OEL) gross margin[1] improving to 8.5%. This was achieved while maintaining our policy of keeping standard variable tarrif (SVT) prices below the price cap through reduced standing charges, at a cost of £65m, and while absorbing rising costs of Renewable Energy Guarantees of Origin (REGOs) and ECO energy efficiency improvements. We continue to take a robust approach to risk management, supported by in-house technology that enables well observed and controlled risk positions, comfortably within the capacity of the OEGL balance sheet. International retail is also progressing well, moving into positive gross margin territory while scaling rapidly and reaching 1.2 million customers.

Our Kraken licensing business saw external annual recurring revenue (ARR) grow by 81% to £166 million at year end as Kraken continues to expand and diversify its client base. Our services business also recorded substantial growth, with 744,000 low-carbon tech installations completed across UK homes, and the more nascent international services businesses in Spain and Germany gaining traction.

The balance sheet was significantly strengthened, with net assets increasing by £722 million to £1.7 billion, mostly due to a £628 million equity investment from the Group's existing investors, who continue to back us to support accelerated growth enhancing our capacity to serve millions more customers globally.

As we move forward, the Group remains well-positioned to continue driving growth while advancing our mission of leading the global energy transition. The investments we are making today—into people, technology, and the brand—will allow us to scale our operations and maintain our competitive edge for years to come.

[1] Revenue minus costs relating to procuring and delivering electricity and gas to customers, and the cost to serve customers.

Strategic report

Operational and financial review

What we do

Octopus Energy Group Ltd is a global energy and technology group. It consists of businesses that operate across the entire post-transition energy value chain:

1. **Renewable generation:** a renewables fund manager (*Octopus Energy Generation,* 'OE Gen').
2. **Energy retail:** supply of electricity and gas to 8 million retail and business customers across eight countries, including the UK's largest electricity supplier (*Octopus Energy,* 'OE').
3. **Energy services and hardware:** solar, battery, electric vehicle (EV) charger and heat pump installation (*Octopus Energy Services*, 'OES'). Heat pump manufacture *(Octopus Energy Heating,* 'OEH'). EV leasing (*Octopus Electric Vehicles*, 'OEV'). EV public charging platform (*Octopus Electroverse*).
4. **Technology:** licensing of software that underpins the entire value chain (*Kraken)*.

OEGL is at the forefront of addressing climate change by driving the green energy revolution globally through technology. We are driving a paradigm shift in the global energy system and reinventing the way energy is consumed through innovation and flexibility, for the benefit of customers and the planet.

Fundamental to this effort is the Group's proprietary software and technology platform – Kraken – which is used by our own Octopus Energy supply businesses and is also licensed to other major energy suppliers around the world. Kraken is an advanced 'operating system for utilities' which integrates all parts of the utilities system, from managing and optimising renewable energy resources to delivering unparalleled customer experiences at the lowest operational cost-to-serve in the market.

> *"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

In FY24 the Group has continued to make progress towards our mission to build the first post-transition integrated energy company. There was strategic growth across the board, including UK and international retail, Kraken, low-carbon technology installations, EVs and our Generation business. Our existing investors continued to back us on our mission and invested an additional £628 million in equity at an increased valuation, in order to accelerate growth further. This, along with the progress we've made this year, puts the Group in a stronger position than ever to drive the energy transition forward.

Highlights this year include:

The Group ended FY24 with a total of 7.95 million customers, an increase of 2.79 million, or 54%, year-on-year. This is the largest annual absolute growth in customers in the Group's history. Our UK retail business grew strongly by 2.0 million customers (43%) to 6.7 million[2] with roughly two thirds of this growth coming from the acquisition of Shell Energy Retail Ltd (SERL, since renamed Octopus Energy Operations 2 Limited, or OEO2L)

[2] Across OEL (5.3 million) and Octopus Energy Operations Ltd (OEOL), where the acquisition of Bulb and its 1.4 million customers remain.

and the remainder from increased organic growth on FY23 as the market continued to open up post-energy crisis and customers continued to choose to switch to us.

Building on the foundations laid in FY23, our international retail businesses gained momentum through FY24, reaching 1.2m retail customers (a 3x increase over the year). Most of this growth has been organic - as the impact of the energy crisis eased and prices settled at elevated but less volatile levels, this provided us with opportunities to grow. There was also some inorganic growth with the addition of Shell Energy Retail's small customer book in Germany. We see a significant opportunity to continue expanding in our international markets and we expect FY25 to be another year of further growth as we aim to reach scale in these markets.

Across the Group, we put customers at the heart of the transition and retaining our best-in-class customer service is fundamental to our success. In the UK we achieved Which? Recommended Energy Supplier status for a record seventh consecutive year - unparalleled in the sector. We also maintained or improved our industry-leading Trustpilot scores across almost all our markets:

Brand	FY24 Trustpilot score	FY23 Trustpilot score
Octopus Energy GB	4.8 / 5	4.7 / 5
Octopus Electric Vehicles	4.8 / 5	4.8 / 5
Octopus Energy Germany	4.8 / 5	4.7 / 5
Octopus Energy France	4.8 / 5	4.8 / 5
Octopus Energy Italy	4.9 / 5	4.8 / 5
Octopus Energy Spain	4.6 / 5	4.7 / 5
Octopus Energy US	4.8 / 5	n/a

This is despite the huge growth in customers, which is testament to our operating model and its ability to scale rapidly, the smooth migration of new Octopus customers onto the Kraken platform, and the fantastic work by our Operations teams to continue to look after *all* of our customers, new and old.

Kraken has continued its strong growth trajectory, ending the year with 32.8 million accounts live on the platform, a growth of 11 million, or 50%, year-on-year. While a large portion of this growth came from the growth in Octopus Energy customers, as described above, the majority has come from third party clients who license the Kraken platform. During the year, Kraken successfully completed five successful migrations with another six in progress. Contracted accounts reached 51 million at year end as several new licensing deals were signed during the year, including Plenitude (part of Eni, one of the world's largest energy companies), Tokyo Gas (one of the largest utilities in Japan) and Energy Queensland (Australia). Kraken's newly launched offering for utilities beyond energy gained traction, signing its first four licensing agreements with Severn Trent, Portsmouth Water, Cuckoo Fibre, and Leep Utilities.

Octopus Energy sees demand flexibility as essential to the future energy system and this year we continue to innovate and progress making it a reality at scale. As of year end our customers have over 435,000 live smart tariffs and counting. Saving Sessions returned in the winter and this year 1.6 million customers signed up to save money by turning down their electricity use when the grid was constrained. Together they saved nearly 2 GWh of energy, enough to make 67 million cups of tea. This meant the grid didn't need to call upon dirty reserve coal power, thus reducing CO_2 emissions.

This year, in UK retail we also introduced *Octoplus*, a programme designed to reward customers with smart meters for their engagement and support in making the grid greener. Through Octoplus, customers can earn Octopoints by participating in flexibility initiatives like Saving Sessions and Free Electricity Sessions, and customer referrals. These points can be redeemed for a variety of rewards, including discounts, exclusive offers, and even cash (bill credit). Octoplus not only incentivises smarter energy use but also enhances customer satisfaction and loyalty.

Octopus Energy's Intelligent Octopus smart tariff expanded beyond EVs to also cover home batteries, heat pumps and thermostats, and launched in Germany, the US and New Zealand with more markets to follow. Intelligent Octopus Go is now the UK's most popular EV smart-charging tariff, saving thousands of tonnes of CO_2 while also significantly cutting our customers' EV charging costs. This growth and expansion drove an increase in the number of assets on Intelligent Octopus by over 4x from 37,000 to 160,000. Together these assets made up almost 1 GW of flexible capacity, one of the world's largest virtual power plants (VPP), all controlled and optimised by the Kraken platform. Overall capacity managed by the platform grew 65% to 3.1 GW and contracted capacity grew over 63% from to 4.9 GW.

Kraken completed the following two strategic acquisitions during the year to expand its capability. In both cases, the teams have been integrated into Kraken to help continue Kraken's development into the operating system for utilities.

- Sennen Tech, a grid-scale renewable asset operation and maintenance software, building out Kraken's asset management capabilities; and
- Kwest (Anyskill Technologies GmbH): low-carbon tech installation workflow management software, which is being integrated into KrakenField, our end-to-end platform which manages and streamlines the installation of low-carbon tech in customers' homes.

There has been strong growth in our services businesses as we invest in our ambition to make low-carbon technology available to all homes across the UK and international markets by building coverage and capacity to meet existing and future customer demand. Octopus Energy Services (OES) completed 744,000 (2023: 639,000) low-carbon technology installations in homes across the UK (including smart meters), with particularly strong growth in solar, battery, heat pumps and EV chargers. To achieve this growth and unlock further opportunities, we have invested in expanding our UK field team and installation network.

Octopus Electric Vehicles (OEV) has an ambition to reduce carbon emissions by making it easy for drivers to switch to electric vehicles and move away from polluting fuel-powered cars. This year it continued to grow rapidly and to help drive this electrification of transport in the UK. Its fleet of electric vehicles in the UK reached over 16,000 (+9,300) in April and counted a total of 4,700 companies amongst its client base, representing over 920,000 employees who can access salary sacrifice tax benefits to decarbonise their transportation through OEV's offerings.

Octopus Electroverse, which aggregates EV charging networks across the world into a single app simplifying public charging, grew substantially this year to 320,000 customers and 700,000 connected charging stations globally (up further to 890,000 since year end). We also launched an Electroverse fleet charging solution which has seen great early traction and already has several hundred businesses on board.

Octopus Energy Generation (OE Gen) diversified the portfolio of renewable assets owned by its managed funds from largely contracted, onshore renewable generation in the UK and Europe to include more technology types across 18 countries. It also made investments into renewable development platforms and other companies such as Kensa Heat Pumps, a ground source heat pump manufacturer, and Deep Green, a data centre provider that utilises waste heat. 662 MW of generation assets were added by managed funds, representing an increase of 19% to 4.1 GW (operational and under construction). The size of the portfolio meant over 2.6 million tonnes of CO_2 was avoided, the equivalent of planting nearly 13 million trees. The team size has grown to 157 as OE Gen also expands its innovative initiatives such as the Fan Club, UK onshore local development and repowering efforts, and new ways for customers to invest in local renewable generation.

The Group has continued to receive UK and international industry recognition during FY24, both within and outside the Energy sector – including:

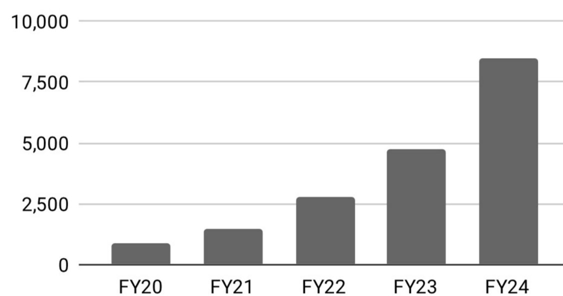
UK

- Named a Which? Recommended Energy Supplier, for the seventh year running
- Ranked as the top-rated energy supplier by Ofgem's Energy Consumer Satisfaction Survey (since year end)

- Retained our winning place and increased our customer satisfaction score in the Uswitch Energy Awards 2024 (since year end)
- Ranked as energy sector leader by Bain NPSx State of CX: 2023 UK Consumer Study (since year end)
- Ranked the highest energy company (since year end) and awarded 'Best Application of Technology' by The Institute of Customer Service
- Winner of 'Company of the Year' at the UK Green Business Leaders awards
- Winner of 'Best Customer Experience' 'Best Company to Work For' and 'Overall Best Energy Supplier' at the UK Business Awards
- Winner of 'Customers at the Heart of Everything', 'Best Customer Centric Culture' and 'Best CX for Vulnerable Customers' at UK Customer Experience Awards

International

- The Group was named in the top 10 of CNBC's 'Disruptor 50' list 2023 and in the top 20 of Fortune's 'Change the World 2023' list
- Octopus Energy Germany was named 'Top Green Energy Provider' by Deutschland Test & Focus Money, 'Sustainability Champions' by the newspaper WELT, and Intelligent Octopus Germany was rated the best EV tariff in Germany by Efahrer
- Octopus Energy Italy was named 'Champions of Growth' by the newspaper Repubblica, won 'Product of the Year' at the Eletto consumer awards, and won the 'Best Customer Service' from the newspaper Corriere della Sera
- Octopus Energy France was ranked number one in the CLEEE-FNCCR industry rankings, and also ranked number one by the National Energy Ombudsman (Médiateur National de l'Énergie) for the lowest dispute rate in the market



Financial review

The Group achieved its second consecutive year of profitability with EBITDA[3] of £136 million (FY23: £373 million). This was driven by underlying profitability from UK retail and tech licensing, while investing into scaling our low-carbon technology services and international retail businesses, the Group has maintained a strong fiscal position. Underlying EBITDA[3] margin remained steady at a modest 2.3% (FY23: 2.9%) when adjusted for the impacts of the Bulb Wholesale Adjustment Mechanism Agreement (WAMA[4]) accounting adjustments, which Management excludes to assess underlying profitability - these adjustments had a negative £82 million EBITDA impact in FY24 (FY23: positive £55 million).

Revenue was in line with last year at £12,433 million (FY23: £12,540 million) despite significant reduction in wholesale energy prices (which reduces revenue per customer). This reduction was almost fully offset by growth in the number of customers on supply and in the licensing and services businesses. Gross profit margin

[3] See additional information for adjusted performance measures on page 83.
[4] See Note 3 – Wholesale adjustment mechanism agreement for more detail.

increased slightly to 9.0% (FY23: 8.1%), driven by increased contribution from higher-margin licensing and services. On an underlying basis, gross profit margin improved even further when adjusted for the impacts of the Bulb WAMA accounting adjustments. We've delivered all this whilst being very conscious of how the ongoing cost of living crisis impacts our retail energy customers. We've again this year absorbed over £74 million (FY23: £69 million) to support customers by maintaining our policy of pricing below the UK energy price cap and helping struggling customers through the Octo Assist Fund and distribution of electric blankets.

FY24 marked the second year of a multi-year investment campaign into expanding our international operations and brand presence. Administrative expenses increased to £1,218 million (FY23: £746 million) reflecting planned investments in talent acquisition and marketing for the Octopus Energy and Kraken brands. Marketing spend (which includes direct/digital acquisition costs, strategic partnerships, events and policy engagement as well as advertising) doubled from £44 million to £88 million and staff costs rose from £157 million to £291 million. Alongside an increase of expense for anticipated credit losses from £198 million to £362 million. The approach to provisioning for billed losses has remained consistent year-on-year. Government subsidisation of customer bills in FY23 was withdrawn in FY24, resulting in a higher charge relative to total revenue; however the provision rate for charges received by customers has remained stable year-on-year. The expected credit losses for unbilled losses (energy consumed but not invoiced) fell (£67 million to £27 million) as result of continued operational improvement. Furthermore, amortisation rose from £121 million to £197 million. This is driven by an additional £150 million of customer acquisition costs capitalised in the year following the acquisition of Shell Energy Retail, in conjunction with customer growth and continued investment in development of the Kraken software platform.

Finance income increased compared to the prior year, from £51 million to £195 million, mainly reflecting funds held due to the acquisition of OEOL, of which £140 million is to be passed back to the government owned Bulb in special administration regime (SAR). The majority of this has been repaid within the year.

The balance sheet strengthened in FY24, with net assets increasing £722 million to £1,697 million. Most of this increase came from a primary equity investment round, with £628 million raised from the Group’s existing investors, at an increased valuation, to support accelerated growth. The Group closed the year with £4,202 million of cash, which includes £2,921 million ring-fenced as part of the Bulb acquisition. Non-current assets grew by 51% to £1,286 million (FY23: £859 million), driven by the acquisition of Shell Energy Retail Ltd (since renamed Octopus Energy Operations 2 Ltd) which contributed £251 million in goodwill. Intangible assets also increased, from £315 million to £463 million, driven by capitalised customer acquisitions costs (organic and inorganic) and ongoing investment in developing the Kraken platform.

Retail

In energy retail, we have been able to deliver a profit because of the higher gross profit combined with the underlying competitive advantages we have built, including tech-led operational efficiency, innovative products and exceptional customer service.

Revenue from energy supply decreased slightly, from £12,303 million to £12,107 million, as wholesale prices fell significantly from inflated energy crisis highs in FY23 (with wholesale making up the single-largest element of the retail energy tariff cost stack), mostly offset by customer growth.

Gross margin in OEL rose to 8.5% (FY23: 6.6%), in part due to Ofgem’s decision to include one-off allowances in the price cap to recover losses incurred under it in FY23, which applied to all suppliers. This was achieved while maintaining our commitment to keeping SVT prices below the price cap through a loyalty discount and a reduction in standing charges. We also absorbed a significant increase in the cost of Renewable Energy Guarantees of Origin (REGOs) throughout the year, which rose to over £270 million (up by circa £200 million). Another challenge was the rise in cost of providing ECO energy efficiency improvements, which has far outpaced general inflation.

International retail improved to a positive gross margin of 6% (FY23: -3%), demonstrating growth whilst also improving margins materially. EBITDA margin also increased to -5% (FY23: -17%), albeit remaining negative as we continue to invest in scaling our international businesses.

Licensing

Revenue from Kraken licensing increased from £67 million to £81 million, driven by substantial growth in licensing annual recurring revenue (ARR) and migration revenue. The number of live accounts on the platform grew by 11 million from 21.8 million to 32.8 million[5], driven by the completion of five successful migrations with another six in progress. Contracted ARR reached £166 million, up by 81%, positioning Kraken for continued revenue growth in the future.

Metering and Services

In FY24, OES completed 744,000 low-carbon tech installations (FY23: 639,000), including smart meters, EV chargers, air source heat pumps, solar panels and batteries. This generated revenue of £128 million (2023: £76 million).

OEV also continued to focus on growth (as described above) with a 131% increase on FY23: £19 million to £44 million services revenue, largely from lease finance income. Gross profit grew by 217% to £16.3 million (FY23: £5.2 million), while staff costs increased by 79% to £19.8 million (FY23: £11.1 million) to support increased leasing volumes. An additional £25.8 million (FY23: £5.4 million) provision was recorded to account for vehicle residual values risks. OEV posted a pre-tax loss of £62.7m (FY23: £20.7 million).

Generation

Octopus Energy Generation achieved £31 million in revenue (FY23: £26 million), a 21% year-on-year increase, driven by growth in assets under management (AUM) by OE Gen managed funds which rose from £5.8 billion to £6.7 billion.

KPIs

	30 April 2024	30 April 2023	% change
Octopus Energy supplied customers (million)	7.95	5.16	54%
Total accounts live on Kraken platform[6] (million)	32.8	21.8	50%
Accounts migrated onto Kraken platform[7] (million)	8.18	4.86	68%
Assets under management (AUM) by OE Gen managed funds (£ billion)	6.7	5.8	16%
Capacity of renewable generation assets owned by OE Gen managed funds (MW)	3,648	3,260	12%
Revenue (£ million)	12,433	12,540	(1%)
Gross margin (%)	9.0	8.1	11%
EBITDA (£ million)	136	373	(64%)
Underlying EBITDA[8] (£ million)	290	362	(20%)
Operating (loss)/profit (£ million)	(95)	265	(136%)
Net profit (£ million)	83	203	(59%)

[5] Including 15.1 million accounts supplied by OEGL businesses (FY23: 9.8 million).
[6] Accounts on the Kraken platform at year end including those supplied by OEGL businesses.
[7] Refers to meter points which have been migrated onto the platform during the year.
[8] Adjusted for the impacts of the Bulb WAMA transaction accounting adjustments and other one off items, which Management strips out to assess underlying profitability of the business. Please see additional information on page 83 for further details.

Net assets (£ million)	1,697	975	74%

Future developments

The Directors expect the Group to continue growing during the forthcoming year both through organic and acquisitive means. This growth will be fuelled by significant opportunities in energy retail, Kraken licensing, EVs, heating and deepened access to energy markets via our Flex platform. We continue to invest in building proprietary technology to support growth in customers on the platform, supplier efficiency, flexibility services, customer service quality and further innovations in generation and supply.

Growth in customers on the Kraken platform will be through both the Group's own energy supply businesses in the UK and globally, as well as through new licensing agreements with other energy suppliers around the world. Since year end, Kraken Technologies has signed several new licensing agreements including with Champion Energy and St John Energy, further extending Kraken's reach into international markets including our first regulated utility in North America, a significant milestone.

Sustainability report

Octopus Energy set out in 2016 to build a greener, cheaper and fairer energy system in the UK. Now we are at the forefront of driving the green energy revolution, doing it faster and cheaper through technology.

We are driving full energy-system change and are reinventing the way energy is consumed through physical and technological innovation. We are delivering the energy transition on three fronts: growing renewable energy generation (mainly through deployment of funds managed by Octopus Energy Generation), electrifying heating and transport, and enabling a smarter, greener grid through demand flexibility. Fundamentally, our business offers decarbonising products and services which are underpinned by building loyalty and trust with customers.

Climate-related Financial Disclosures (CFD)

The Group has included CFDs as required by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Due to the nature of our core business and strategy, we have incorporated how we have met the CFD focus areas throughout this report. These are shown in the table below.

Focus area	CFD requirement	Page number
Governance	a) Describe the governance arrangements to assess and manage climate-related risks and opportunities	Page 24 (corporate governance), page 5 (What we do)
Risk management	b) Describe how the company identifies, assesses and manages climate-related risks and opportunities c) and d) Describe the integration of climate-related risks into the company's overall risk management process – Describe the principal climate-related risks and opportunities; – Describe the time periods for assessment e) Describe the actual and potential impacts of these principal risks and opportunities on the business model and strategy	This section (see below), page 24 (corporate governance), page 21 (principal risks and uncertainties)
Scenarios	f) Analyse the resilience of the company's business model and strategy to different climate-related scenarios	This section (see below)
Metrics & targets	g) Describe the targets used by the company to manage climate-related risks and opportunities and the company's performance against those targets h) Describe the key performance indicators used to assess progress against targets used to manage climate-related risks and opportunities and describe the calculations on which those key performance indicators are based	This section (see below)

Resilience to climate-related scenarios

There are many potential pathways to net zero, each with different likelihoods and dependencies, and associated risks and opportunities. In order to ensure the resilience of our regulatory and operational strategy, we've used Network for Greening the Financial System (NGFS) scenarios to make a qualitative assessment of certain scenarios that could impact our transition plan.

Net Zero 2050

- Ambitious climate policies are introduced immediately.
- Carbon removal is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production.
- Net CO_2 emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century, with no or low overshoot (< 0.1°C) of 1.5°C in earlier years.

In this scenario, physical risks are relatively low but transition risks are high. It requires fast technology change and smooth, immediate policy implementation.

Delayed Transition

- New climate policies are not introduced until 2030.
- The level of action differs across countries and regions based on currently implemented policies, leading to a 'fossil recovery' out of the economic crisis brought about by COVID-19.
- The availability of carbon dioxide removal technologies is low, pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily before declining more rapidly after 2030, resulting in a 67% chance of limiting global warming to below 2°C.

This scenario assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited, and there are higher transition and physical risks than the Net Zero 2050 scenario.

Nationally Determined Contributions (NDCs)

- The moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2021 continues over the 21st century.
- Emissions decline but lead nonetheless to 2.6°C of warming associated with moderate to severe physical risks.

This includes all pledged policies even if not yet implemented, with transition risks being relatively low.

Current Policies

- Only currently implemented policies are preserved, leading to high physical risks.
- Emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes like sea level rise.

This scenario brings with it the highest physical and transition risks. It helps us consider the long-term physical risks to the economy and financial system if we continue on our current path.

The Group is in a strong position to navigate all proposed climate scenarios due to the nature of our core business and strategy to accelerate the energy transition. The Group's strategy is achievable across all scenarios and the more ambitious scenarios (Net Zero 2050 and Delayed Transition) will accelerate opportunities for the Group. The Group is active in countries which have set ambitious NDCs and well positioned in growing energy transitions sectors in these markets. Climate-related risks are more likely in the Current Policies and Delayed Transition scenarios.

Climate-related risks and opportunities

The Group is exposed to climate change and the impact it has on customer consumption and generation availability. As the most material part of our carbon footprint and subject to various climate-related risks, we monitor energy markets closely. Last year, gas consumption reduced across our European markets due to the warmer than usual weather last winter, causing wholesale gas prices to drop as more gas could be stored. However, we have seen an increase in gas demand in markets more subject to climate-related heatwaves, like Asia, which typically use gas for cooling due to having less installed renewable capacity.

The Board regularly reviews risks, including those that are climate-related, through the monthly management reporting process and during quarterly board meetings.

Physical risks

Physical risks are those that relate to the physical impact of climate change on the Group's assets. The trend of increased frequency of extreme weather, such as storms and flooding, caused by climate change could lead to asset damage and operational risks. The Group's properties in the UK include offices, a heat-pump manufacturing facility, a low-carbon technology centre, and OES warehouses. We don't foresee major climate-related risks to our properties or capital goods.

Octopus Energy Generation monitors the impact of climate-related risks on its portfolio of assets (such as the impact of weather on equipment and downtime, and the impact of changes to weather patterns on energy yields) and takes steps to mitigate these. Within the overall Group, these risks are not significant.

Transition risks

Transition risks relate to the Group's overall climate change strategy, including commitments of achieving net zero, and the role OEGL plays in driving the energy transition. OEGL is well positioned to take advantage of the opportunities that arise from the green energy transition.

As a supplier of gas in multiple retail energy markets, we will be impacted by policy to reduce emissions arising from heating, cooling and energy use in buildings and the phasing out of fossil fuels including gas boilers. However, as one of the UK's largest installers of heat pumps, we are well positioned for this transition and consider it a clear opportunity for further electrification of heat and consumer flexibility.

Opportunities

The Group is well-positioned to capitalise on the investment, product and service opportunities of the energy transition, including the following:

We are growing renewable generation by investing funds managed by OE Gen:

OE Gen is one of Europe's largest fast-growing investors in renewable energy. We partner with developers to create and invest in new renewable assets, overseeing these projects from start to finish. OE Gen manages operational wind and solar farms, ensuring efficient day-to-day operations while continually innovating to bring greener, more affordable energy to consumers. We are committed to responsible investing, integrating Environmental, Social, and Governance (ESG) principles into every investment, maintaining high standards of operational excellence and delivering positive impacts for the environment and society.

We've continued our advocacy on renewables, highlighting to policymakers the changes needed to roll out renewables faster and support this through grid reform and market reform. We participate in a range of global groups pushing forward the energy transition.

We are driving electrification:

OEV is making it as easy and affordable as possible for customers to switch to an electric vehicle (EV) by offering a complete package, combining capability from across the Group. This includes a smart charging tariff from Octopus Energy (powered by Kraken), a home charger installed by OES and public charging via Octopus Electroverse.

OEV is one of the UK's biggest and fastest growing EV-only leasing companies and continues to experience rapid growth with the increasing demand for EVs, as demonstrated by Britain's millionth EV being registered this year.

As key enablers of the electrification and decarbonisation of homes, the markets for heat pumps, solar panels, home batteries and EV chargers continue to grow rapidly. The Group installs all of these in the UK (via OES), and has expanded internationally, installing solar panels and EV chargers in Spain and heat pumps in Germany. To accelerate the rollout of heat pumps we are hiring thousands of low-carbon tech engineers, we have quadrupled the OES vehicle fleet, and from FY25 we will be installing our own Octopus designed and manufactured Cosy heat pumps. This advanced new heat pump will integrate with the Octopus ecosystem for a game-changing customer heating experience and help drive the cost of heat pumps down to equal or below gas boilers. When combined with the UK Government grant (the Boiler Upgrade Scheme), some customers will even be able to install it for free.

We are taking the lead on energy flexibility:

OEGL is building the energy system required to deliver the energy transition and mitigate climate change. By adding demand flexibility (ability to shift demand in time) to the energy system we will help enable higher penetration of renewables in the energy supply mix and save millions of tonnes of CO_2 emissions. With this in mind, OEGL is rapidly growing one of the largest domestic flexibility portfolios in the world.

Our products harness flexibility from all major consumer energy assets and provide aggregated demand for grid management, paving the way for grids to accommodate more smart energy assets without undermining network stability. Intelligent Octopus Go is now the UK's most popular EV tariff. Intelligent Octopus now serves home batteries, heat pumps and thermostats, and is one of the world's largest 'virtual power plants'.

We are innovating through technology:

Technology is a critical enabler for accelerated climate action and can provide opportunities to lower emissions, create social and environmental co-benefits, and achieve various Sustainable Development Goals. Kraken Technologies has designed a revolutionary energy technology platform (which it licences to clients) that delivers operational efficiency to support the transition to a decentralised, decarbonised energy system by leveraging advanced data and machine learning capabilities. It also powers grid flexibility, network management and the rollout of low-carbon technologies.

A great example of how our innovative capabilities across the Group come together is our pioneering product, Octopus Zero Bills, the first-of-its-kind energy tariff with zero energy bills guaranteed for up to ten years, for homes kitted out with the right combination of solar panels, a home battery and a heat pump that meet our specifications. The goal is to minimise import and maximise export and we achieve this smart control of the home system by Kraken.

Climate-related metrics and targets

As a Group, we are focused on delivering the energy transition as fast as possible and all our businesses are focused on capturing the opportunities arising from the transition. As the vast majority of the Group's footprint is associated with the purchase and customer use of natural gas, our ability to decarbonise is impacted by how quickly we can install low carbon tech and use smart technology to manage them when the grid is greenest and cheapest for customers. The numbers of installations of low carbon tech and take-up of smart product offerings are monitored regularly by our relevant teams. We track the growth in our renewable energy generation assets under management of OEGEN and the controllable assets in Kraken Flex, helping to green the grid through smart energy management and prevent the curtailment of renewable energy. In the UK, we also have several energy efficiency targets to help low-income customers reduce their energy consumption, emissions and energy bills through installing energy efficiency upgrades under the Energy Company Obligation (ECO) and Great British Insulation Scheme (GBIS).

The Group has committed to setting science-based net zero targets (SBT) and expects to set FY24 as the baseline year to account for recent M&A activity.

Streamlined energy and carbon reporting (SECR)

Energy consumption

		FY24	FY23
Building energy consumption[9]	Natural gas (kWh)	378,839	82,408
	Electricity (kWh)	2,623,793	2,586,747
	Percentage from renewable electricity (%)	69	53
Fleet energy consumption	Petrol (litres)	638,345	84,535
	Diesel (litres)	118,786	274,268
	Petrol (kWh)	6,040,020	804,351
	Diesel (kWh)	1,247,966	2,909,161
	Electricity Home Charge (kWh)	850,000	n/a
	Electricity Remote Charge (kWh)	32,325	n/a
Total energy consumption	Energy usage (kWh)	11,172,943	6,382,667

Greenhouse gas emissions

		FY24	FY23
Scope 1 emissions[9]	Building energy (tCO_2e)	69	15
	Fleet energy (tCO_2e)	1,853	884
	Total Scope 1 (tCO_2e)	1,922	899
	Intensity (tCO_2e/£m revenue)	0.15	0.10
Scope 2 emissions	Building Electricity - location-based (tCO_2e)	544	500
	Intensity (tCO_2e/£m revenue)	0.04	0.04
	Building Electricity - market-based (tCO_2e)	320	384
	Intensity (tCO_2e/£m revenue)	0.03	0.03
	Fleet Electricity - location-based (tCO_2e)	183	n/a
	Intensity (tCO_2e/£m revenue)	0.01	n/a
	Fleet Electricity - market-based (tCO_2e)	142	n/a
	Intensity (tCO_2e/£m revenue)	0.01	n/a
Scope 1 & 2 emissions	Total Scope 1 & 2 - location-based methodology (tCO_2e)	2,648	1,399
	Intensity (tCO_2e/£m revenue)	0.21	0.12
	Total Scope 1 & 2 - market-based methodology (tCO_2e)	2,384	1,282
	Intensity (tCO_2e/£m revenue)	0.19	0.10

[9] We have revised our FY23 Scope 1 stationary combustion emissions after more accurate data became available, this is to keep our carbon reporting as accurate and as transparent as possible.

The Group complies with all mandatory energy and carbon reporting regulations under SECR for the year 1 May 2023 to 30 April 2024 in accordance with the The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations").

For this report, we are disclosing Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions in absolute tonnes of carbon dioxide equivalent (CO_2e) in line with the GHG protocol methodology. For FY24 we have employed the operational control approach which means we have included the energy consumption for facilities and fuel use of vehicles under the Group's operational control. We have only reported on material subsidiaries, as well as acquisitions from the date of acquisition. Our carbon accounting software partner is ISO 14064-1 certified as assured by Lloyd's Register Quality Assurance. The report is based on internal data without external verification.

Building energy emissions increased from 15 tCO_2e to 69 tCO_2e, primarily due to the acquisition of Shell Energy Retail Ltd (SERL) in December 2023. SERL facilities accounted for 75% of the Group's total gas consumption. Excluding SERL's impact, facilities emissions rose by only 17% to 17.5 tCO_2e, driven by our Northern Ireland heat pump factory's consumption and UK workforce growth. We have completed our Phase 3 Energy Saving Opportunity Scheme (ESOS) Assessment to identify further opportunities for energy saving reductions. Note that FY23 Scope 1 facility gas consumption emissions have been restated following a review of our calculation methodology.

Fleet energy emissions per vehicle fell 23% from 3.2 tCO2e to 2.6 tCO2e and we achieved this by doubling the number of EVs and reducing the number of diesel vehicles in our fleet. Despite the number of vehicles in our fleet nearly quadrupling (+1,200 vehicles), to support many more low-carbon technology installations, overall fleet energy emissions only doubled from 884 tCO_2e to 1,853 tCO_2e. We continue to push to decarbonise the OES fleet, but our transition has been limited by constrained supply of UK electric vans. We have installed 381 EV chargers in engineers' homes and have built functionality into Kraken which covers the cost of their EV charging consumption, as well as equipping them with Octopus Electroverse cards to cover charging up when out on jobs. We are looking to source more electric vans and are aiming to achieve 75% EVs by the end of calendar year 2024.

Regarding Scope 2, our building electricity emissions (location-based) have marginally increased as our reported facilities have grown from 26 to 34. Our building electricity emissions (market-based) decreased from 384 tCO_2e to 320 tCO_2e reflecting an increase in the proportion of renewable electricity purchased from 53% to 69%. This is driven by onboarding new facilities which are Octopus-supplied, switching existing facilities to Octopus and improved primary data collection.

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.

Further details on stakeholder engagement are on page 26 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 OEGL 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 Group's success in achieving its strategic objectives and mission. The Board regularly reviews risks, including those which are climate-related, 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. OEGL 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 Group to understand and prepare for the impact of risk crystallisation and react quickly when required.

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

Our people

People are the most important part of the Group and the Board is passionate about creating a business which people want to be part of. Everything we have built at OEGL 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) and Glassdoor (external).

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

All permanent staff own shares or are granted share options in the Group, 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

OEGL 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 Group is helping the world move towards a decarbonised future, underpinned by renewable power generation and consumption. Our 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, through the Octo Assist Fund.

Shareholders

We are committed to openly engaging with our shareholders and all shareholder interests are represented at the Group's board meetings. Our Board comprises representatives from each of our five major external shareholders and convenes formally on a quarterly basis to review business performance and discuss strategic topics and opportunities. 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 Group's various businesses. In addition to these meetings, the Group provides a monthly financial performance reporting pack to all of our investor shareholders and reserves time with each of them to cover any resulting queries. Finally, the Group maintains ongoing accessibility and engagement with its shareholders via the Strategic Finance and Communications teams.

Business conduct

We aim to 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 Group 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 are some of the decisions the Board made this year which demonstrate how key stakeholders have been taken into account:

Acquisition of Shell Energy Retail Ltd (SERL)

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.

Investment in International Retail Growth (via Budget)

The decision to invest in international retail was driven by the potential for growth and diversification. For customers, this brings access to affordable, sustainable energy solutions. For employees, it creates new roles and development opportunities, while for shareholders, it presents a strong opportunity for revenue expansion and geographic risk mitigation.

Investment in Services Growth (via Budget)

Investing in services growth supports our long-term strategy of driving decarbonisation. This decision benefits customers by providing more sustainable solutions like EV charging and heat pump installations, aligns with environmental goals, and creates new roles for employees. For shareholders, it diversifies revenue streams and positions us to lead in low-carbon technologies.

Investment in Kraken Headcount International Growth (via Budget)

The Board's investment in expanding Kraken's international headcount ensures we can continue to deliver high-quality services for an expanding client base. It supports long-term growth for shareholders, strengthens the platform's capabilities, and creates new opportunities for employees globally.

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 Group faces wholesale market risks through its retail businesses, and in particular through Octopus Energy Ltd and Octopus Energy Operations Ltd (together the 'retail businesses'). The retail businesses follow a strict and sophisticated hedging policy, and do not speculate on market movements, nor assume or rely on market movement in either direction.

For each customer that is acquired or renewed onto a fixed price contract, the retail businesses make 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 retail businesses execute 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. The Group monitors financial risks at a business unit level and on a consolidated basis and regularly reports this position to shareholders. 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.

In addition, core to stability within UK retail is a wholesale trading arrangement which removes the risk of cash calls resulting from wholesale market price changes, resulting in increased protection from short-term liquidity pressures.

The Group maintains a mixture of equity funding and secured credit to ensure there is sufficient capital for current and future operations, including under stress scenarios.

Commercial risk

The Group 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 competitive advantage from our brand and customer loyalty, proprietary software platform and associated highly efficient operating model in retail supply.

We have a robust approach to managing credit risk in the retail business, focusing on debt prevention and debt resolution. Debt prevention is intrinsic to our wider business strategy which starts before customer onboarding

through our acquisition strategy, use of credit scoring, and default Direct Debit payment method. The programme of prevention continues throughout the whole customer lifecycle aided by Kraken's debt management capabilities. However, despite our best efforts, sometimes people fall into arrears. For this reason, we also have a sophisticated debt resolution programme. This is fundamentally a human operation supported by a sophisticated programme that seeks to connect with the right people at the right time, with the most appropriate treatment to achieve the best outcomes. For some customers this means proactively offering support, for others it involves escalated measures to ensure they don't fall further into arrears.

In our UK retail businesses, there is supplier risk associated with our energy procurement as a result of the trading agreement in place. Through this, the majority of power and gas purchased by our UK retail entities is placed with one supplier.

Customer concentration risk applies to our licensing business as the majority of the Group's licensing revenue comes from a small number of clients. This risk is reducing over time as we expand our client base and will continue to do so thanks to a pipeline of new business opportunities, including the entry of our licensing business into new industries such as water and broadband and further diversification of geographic regions.

OEV faces residual value risk for the resale of EVs at the term of customer leases on the used car market, which could fall due to general economic deterioration or sub-sector specific factors. To mitigate this risk, OEV monitors the market closely and ensures quoted resale values in new leases are conservative. In addition OEV is subject to credit risk on its portfolio of vehicle leases financed through hire purchase arrangements and a special purpose securitisation vehicle. OEV mitigates this risk by underwriting each customer to assess creditworthiness before entering into lease arrangements.

Operational risk

Operational risk arises from a weakness or failure in a business's systems and controls. The Group 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 Group also has a disaster recovery plan in place covering current business requirements.

OEGL is built to minimise significant risks arising from operational process and system changes. Kraken enables the Group to maintain a highly granular, continuously updated view of key metrics in energy. By automating processes which elsewhere are delivered by humans and spreadsheets, the Group is able to deliver additional control and reliability through automated software testing and defined coding standards – as well as reducing manual error.

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

OEGL 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 and phishing attacks that are commonplace in any business, as well as Distributed Denial of Service (DDoS) attacks.

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

From a Kraken perspective we continue to harden the application and the Amazon Web Services (AWS) services we use. We use security as a driving force for quality of life improvements such as the ability to automatically deprovision users when they leave a company. Kraken continues to assure its clients that it manages security risk appropriately and operates its services securely (with expected availability) through independent audits. Kraken now has SOC 1 and 2 audits twice a year and an ISO 27001 audit annually.

While the Kraken application is not dependent on any specific infrastructure (or cloud services provider) to run, it has only been deployed to AWS to date. This has some risks associated with it which are mitigated through a close supplier relationship with AWS. In addition, if it were necessary then replatforming to another cloud provider would be possible.

Organic growth of Octopus branded businesses globally, acquisition, and an increase in the number of Kraken customers, has resulted in an increase in the amount of data held in Kraken. This includes personal data, including data defined as special category data under General Data Protection Regulation (GDPR). OEGL 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.

Kraken continues to improve controls around data security with a particular focus on making data retention periods more granular for clients, improving access controls across the application and support services, introducing new data loss prevention controls, and continuing to ensure the auditability of actions involving customer data.

Regulatory risk

Government regulation and decisions relating to transition to net zero can have an impact on much of OEGL. The Group primarily faces regulatory risk through its retail businesses. In the UK, the Regulation team monitors changes through regular engagement with the Regulator and other bodies. Our operational teams have detailed knowledge of the requirements of their market, 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. Across other markets, local management monitor and respond to potential and actual changes in regulations.

In FY24, for the retail businesses we have been engaging with the Regulator on material issues including the price cap and Ban on Acquisition-only Tariffs, the incoming financial resilience framework and delivery of programmes to enable greater consumer flexibility such as the smart meter rollout and market-wide half-hourly settlement. We also engage regularly on wider energy transition policy issues including the need for planning reforms, grid reforms and market reform to introduce locational pricing. 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 2024

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 2024. 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 Group is deeply committed to enabling decarbonisation of our energy system, and all its products and services are positioned to help do this as quickly as possible. We are part of the UN Race to Zero, 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.

The Group has committed to setting both near-term and long-term net zero targets with the Science Based Targets Initiative (SBTi). We are in the process of setting targets using FY24 as the baseline year and will submit these to the SBTi for verification by the end of the calendar year.

OEGL's Board comprises investor representatives and founding executives, plus one independent non-executive Director chosen for their expertise in energy, especially the key areas of market and trading risk. The Board believes that the OEGL mission is of utmost importance with all members supporting OEGL's vision and bringing different expertise and perspectives.

Customer centricity is at the heart of the Group'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, as well challenging ourselves to deliver more value for our technology licensing customers and investors in Generation.

The Group's culture of autonomy, empowerment and trust was originally and decisively set by the founders plus those early joiners to management – all of whom are still in our C-suite today, as well as our initial investor, Octopus Capital. For more detail on how the Board engages with our people, please see 'Engaging with our stakeholders' on page 18. The relatively flat hierarchy cultivated across the Group 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 strategy of the Group is based on the principles of a renewables-led future energy system, of value flowing to an empowered consumer, and of the role of technology to drive efficiency and lower costs. These guiding principles are a frame of reference for decisions across all levels of the business.

For additional information on our vision and purpose, please refer to the strategic report – What we do (page 5).

Principle Two: Board Composition

The Board comprises eight members, of which the current chairman is Simon Rogerson, CEO of the largest shareholder, Octopus Capital.

There are two members from OEGL's initial investor, Octopus Capital, as well as three founders (our CEO, CTO and CFO), two members from subsequent separate investors in OEGL, and one independent. The Chair will proactively request input from each of the Board members to facilitate constructive debate on all topics.

Also in attendance at all board meetings is a roster of external observers. These include further personnel from OEGL investors as well as our Director of Strategy and our Head of Strategic Finance. Between these Board members and observers, there is a wide range of experience across both the energy industry as well as other expertise. Other executives join board meetings from time to time to contribute their expertise.

An independent non-executive Director brings an important non-partisan perspective. This person helps to shape key elements of the Group's hedging policy and also brings deep experience to our discussions on finance, customer, regulatory and strategic topics.

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.

In terms of communications, channels are open not only to top-level management and Executive Directors but also deliberately further down into the business. A matrix of formal and informal communication channels has been established across stakeholders and open access to the Board, Non-Executive Director and observers means that employees are also 'part of the discussion' for key decisions such as large acquisitions or strategic resolutions.

OEGL has yet again maintained its negative mean and median gender pay gap (on average women earn more through salaries than men), and many of the most senior roles in the Group are held by women (including CEOs of OE Gen and OEV Zoisa North-Bond and Fiona Howarth). Until this year, our eight Board members have been male, with a major constraint being the fact that the Group founders and founding investors were male. This year, we're delighted to announce our first female board member (Richa Sirohi). This milestone marks an important step towards improving diversity at the highest level of governance. Diversity is actively monitored and encouraged through various initiatives in recruitment, development and workplace flexibility.

Principle Three: Director Responsibilities

The Board has a clear understanding of, and is committed to maintaining, its accountability and responsibilities, including ensuring governance processes, systems and controls are fit for purpose and identifying initiatives to strengthen them. As the Group continues to grow within existing markets and expand internationally, the Board recognises the need to ensure these processes and controls remain adequate.

The Board receives regular updates on both financial and non-financial performance. This is then provided to the Senior Management team by the Strategic Finance team. The Board and observers receive monthly packs on financials, which are comprehensive and contain information about the business. On top of this, ad hoc Board strategy discussion meetings are held periodically.

Last year the Group created an 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 presented. 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 32.

Principle Four: Opportunity and Risk

The Board is regularly engaged in identifying opportunities to create and preserve value for OEGL, as well as being aware of and monitoring major risks to the Group's future via the 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.

Significant time is spent on larger risks (particularly financial) at Board level. The team uses scenario planning across multiple dimensions to inform decisions. Together with members of the Board, the Senior Management Team and Group analysts regularly evaluate and re-evaluate opportunities and any material risks that arise,

including in relation to climate-related risks and opportunities.

Principle Five: Remuneration

The Board has delegated remuneration to executives and the allocation of equity to employees has been managed through Board-approved policies. As founders, our Executive Directors are material shareholders, which naturally creates alignment between their remuneration and the performance, behaviours, purpose, values and strategy of the Group. 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 is aware of the influence it has on the stakeholders of OEGL and is committed to promoting the values of fairness and transparency within the relationships with said stakeholders. With some stakeholders, such as potential investors or suppliers, the Board acts as an enabling channel.

On occasion, members of the Board may also join the weekly Family Dinner – whereby all employees are invited onto the same video conference and topics (both positive and negative) are discussed in an open forum. Family Dinner is a key channel for informing employees of the latest Group strategy. The Board is therefore welcome to join parts of OEGL workforce discussions on an informal basis. On occasion, the Senior Management team may also request more senior employees to email or call members of the Board directly – either to provide an update on certain projects or to receive advice.

Finally, the wellbeing of our employees is monitored more formally through the use of Officevibe – a platform that allows employees to indicate their level of happiness in the office on a daily basis, or as often as they wish. In the case that ratings are dipping, Team Leaders will follow up with the team to understand any challenges or issues. In this way, problems are often resolved quickly in an environment conducive to honest feedback.

For further information on how we engage with our stakeholders please refer to our Section 172 statement on page 18.

Directors’ report

Future developments

We’ve included a statement on future developments in the Strategic Report which you can find on page 11.

Events after balance sheet date

On 31 May 2024, Octopus Energy Holdco sold A1 shares to Galvanize Innovation & Expansion Fund I, LP and Lightrock Climate Impact Fund SCSP, changing the Company's ownership as follows, Octopus Energy HoldCo Limited (32.07%), Galvanize Innovation & Expansion Fund I, LP (0.25%) and Lightrock Climate Impact Fund SCSP (0.41%).

As at 30 September 2024, the WAMA was repaid, with exception to the WAMA valuation finalisation process with the JEAs, as per note 3.

Two companies have been acquired to further expand Kraken’s capability and product and service offering. These are Energetiq (Energetiq Pty and Energetiq Services Pty), an energy billing reconciliation software provider which will help add network billing capabilities to Kraken, and Jedlix (Jedlix B.V), a Dutch EV smart charging software developer which provides OEM API integration and smart charging services.

For further information please see Note 28.

Research and development activities

We invest in the development of our technologies and products. Kraken is continuously developing and improving its products to meet the needs of the Group and its customers. Our heating business designs and produces heat pumps for manufacture and sale by the Group. The Group will make Research and Development expenditure credit claims where this research and development qualifies.

Dividends

The Directors did not recommend an interim or final dividend to be paid during the period (FY23: £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 18.

Sustainability reporting

We have included a dedicated section on sustainability reporting in the Strategic Report which includes Climate-related Financial Disclosure (CFD) and streamlined environmental carbon reporting (SECR). This can be found on page 12.

Financial risk management objectives and policies

The Group has a strict risk assessment and management policy in which the main risks to the business are considered. These include wholesale market risk, credit risk, cash flow and liquidity risk. The Group 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 Group 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 21.

Political donations

The Group 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 (FY23: nil).

Existence of branches outside the UK

As of year end the Group has four branches across Europe.

Policy on employing people living with disabilities

Across the Group, 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 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 in the UK is procured through a third party without collateral requirements. This includes consideration of commitments by Octopus Energy Group to fund international operations and committed acquisitions when applicable, together with actions taken to ensure compliance with the requirements of Ofgem's financial resilience requirements for UK suppliers.

There are significant peaks and troughs through the year with April generally the low point of the cash flow cycle. On the basis of existing funding received from shareholders, along with available facilities Directors' report and trading lines, the forecast cash flows show 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 21, along with consideration of the Group's principal risks and uncertainties including increased risks from ongoing cost of living challenges. The Group assembles a set of sophisticated financial forecasting models from key divisions which it tracks and calibrates carefully based on actual performance. The largest cash flow movements are driven by the energy supply businesses and this forecasting includes consideration of changes in both the 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 some 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 during a winter month over the forecast period.

The Group 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 business also continues to actively consider further investments and regularly reviews options for additional working capital or other facilities or equity injections although the going concern position does not assume these additional sources of capital in the forecasts. Corporate investment across the Group and acquisition activity are continually monitored to reflect the economic and regulatory environment.

Following the detailed process above the Directors have a reasonable expectation that the Group 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.

Directors

The Directors who served throughout the year were as follows: G Jackson, S Jackson, J Eddison, C Hulatt, S Rogerson, M Lawrence, J Briskin, T B Hodges, W Elgohary (resigned 19 June 2023) and R Sirohi (appointed 2 April 2024).

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 2024

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

Directors' responsibility statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

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

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

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

Independent auditor's report to the members of Octopus Energy Group Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Octopus Energy Group Limited (the 'parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit and loss;
- the consolidated and parent Company balance sheets;
- the consolidated and parent Company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 28.

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

Basis for opinion

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

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

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 Group's and parent Company's ability to continue to adopt the going concern basis of accounting included our assessment of the entity's:

- financing and hedging facilities;
- business model, regulatory changes, ringfenced subsidiaries and medium-term risks;
- assumptions including customer behaviour related judgements used in the forecasts;
- amount of headroom in the forecasts (cash and covenants);
- sensitivity analysis including cold winter scenarios; and
- 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's operating licence and UK Electricity and Gas Acts, Utilities Act, Energy Act, and licenses, legislations that surround the UK energy industry including Carbon Emissions, Renewable Obligation Certificates (ROCs), Levy Exemption Certificates (LECs), and Community Energy Saving Programme (CESP).

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 fina

ncial statements.

As a result of performing the above, we identified the greatest potential for fraud arose from risk of management bias in the accounting for the acquisition of Shell Energy Retail Limited. We reviewed and challenged management's assessment of the key accounting judgements for each of the agreements and the requirements of the accounting standards using technical specialists to assess the appropriateness of the accounting judgements and tested relevant balances to underlying sources.

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 in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Anthony Matthews (FCA)
(Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor

London, UK
31 October 2024

Consolidated statement of profit or loss

For the year ended 30 April 2024

	Notes	2024 £m	2023 £m
Revenue	4	12,432.9	12,540.0
Cost of sales	5	(11,310.1)	(11,527.5)
Gross Profit		**1,122.8**	**1,012.5**
Administrative Expenses	5	(1,217.6)	(745.6)
Share of net loss of associate	13	0.1	(1.7)
Operating (Loss)/Profit		**(94.7)**	**265.2**
Finance income	7	194.8	51.1
Finance expense	7	(22.5)	(33.3)
Profit before tax		**77.6**	**283.0**
Income tax income/(expense)	8	5.7	(80.2)
Profit for the financial year		**83.3**	**202.8**
Profit attributable to:			
Owners of the parent		83.3	202.8
Profit for the financial year		**83.3**	**202.8**

Reflecting the immaterial values currently involved, the translation of overseas subsidiaries is currently included within the profit or loss and not separately disclosed. There are no other items of other comprehensive income and therefore a separate statement of other comprehensive income is not presented.

The notes on pages 43 to 84 form part of these financial statements.

Consolidated statement of financial position

At 30 April 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	9	196.2	29.5
Right of use assets	9	83.8	263.3
Goodwill	10	535.3	211.2
Intangible assets	10	462.8	315.3
Investments in financial assets	14	8.2	6.7
Trade and other receivables	15	–	24.4
Deferred tax asset	16	–	8.7
Total non-current assets		**1,286.3**	**859.1**
Current assets			
Trade and other receivables	15	2,983.4	2,299.0
Cash and cash equivalents	17	4,202.1	3,687.7
Inventory	18	21.3	9.6
Total current assets		**7,206.8**	**5,996.3**
Current liabilities			
Trade and other payables	19	(6,465.5)	(2,815.0)
Borrowings	21	(22.2)	(0.3)
Lease liabilities	25	(9.4)	(39.6)
Total current liabilities		**(6,497.1)**	**(2,854.9)**
Non-current liabilities			
Trade and other payables	19	(61.7)	(2,789.8)
Lease liabilities	25	(88.4)	(231.9)
Borrowings	21	(107.4)	(3.8)
Deferred tax liability	16	(41.6)	-
Total non-current liabilities		**(299.1)**	**(3,025.5)**
Net assets		**1,696.9**	**975.0**
Capital and reserves			
Called up share capital	22	–	–
Share premium account	23	1,689.2	1,072.7
Non-controlling interests		–	–
Other reserves	23	42.0	21.4
Accumulated losses		(34.3)	(119.1)
Total equity		**1,696.9**	**975.0**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The notes on pages 43 to 84 form part of these financial statements. The consolidated financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S Jackson
CFO and Co-founder
31 October 2024

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

Company statement of financial position

At 30 April 2024

	Notes	30 April 2024 £m	30 April 2023 £m
Non-current assets			
Property, plant and equipment	9	0.4	0.7
Investments	11	151.4	102.2
Trade and other receivables	15	–	24.4
Deferred tax asset	16	2.7	–
Total non-current assets		**154.5**	**127.3**
Current assets			
Trade and other receivables	15	1,009.9	530.6
Cash and cash equivalents	17	723.3	474.4
Total current assets		**1,733.2**	**1,005.0**
Current liabilities			
Trade and other payables	19	(101.2)	(14.1)
Total current liabilities		**(101.2)**	**(14.1)**
Non-current liabilities			
Trade and other payables	19	(2.7)	(5.3)
Total non-current liabilities		**(2.7)**	**(5.3)**
Net assets		**1,783.8**	**1,112.9**
Capital and reserves			
Called up share capital	22	–	–
Share premium account		1,689.2	1072.7
Other reserves	23	42.0	21.4
Accumulated profits		52.6	18.8
Total equity		**1,783.8**	**1,112.9**

The total profit for the Company in the year is £33.8m (2023: £19.8m).

These Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The notes on pages 43 to 84 form part of these financial statements. The Company financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S Jackson
CFO and Co-founder
31 October 2024

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

Consolidated statement of changes in equity

For the year ended 30 April 2024

	Notes	Called up share capital £m	Share premium £m	Share based payments reserve £m	Accumulated profits £m	Total equity to owners £m	NCI £m	Total equity £m
At 1 May 2022		–	775.0	6.4	(320.5)	460.9	11.8	472.7
Other adjustments		–	–	–	(1.4)	(1.4)	–	(1.4)
Comprehensive profit for the year		–	–	–	202.8	202.8	–	202.8
Total comprehensive profit for the year		**–**	**–**	**–**	**202.8**	**202.8**	**–**	**202.8**
Shares issued during the year	22	–	297.7	–	–	297.7	–	297.7
Acquistions of non-controlling interest		–	–	–	–	–	(11.8)	(11.8)
Employee share scheme options	24	–	–	15.0	–	4.9	–	15.0
Acquistions of non-controlling interest		–	–	–	–	–	–	–
At 1 May 2023		–	1,072.7	21.4	(119.1)	975.0	–	975.0
Other adjustments		–	–	–	1.5	1.5	–	1.5
Comprehensive profit for the year		–	–	–	83.3	83.3	–	83.3
Total comprehensive profit for the year		**–**	**–**	**–**	**83.3**	**83.3**	**–**	**83.3**
Shares issued during the year	22	–	616.5	–	–	616.5	–	616.5
Share buy back		–	–	(0.9)	–	(0.9)	–	(0.9)
Employee share scheme options	24	–	–	21.5	–	21.5	–	21.5
At 30 April 2024		**–**	**1,689.2**	**42.0**	**(34.3)**	**1,696.9**	**–**	**1,696.9**

The notes on pages 43 to 84 form part of these financial statements.

Company statement of changes in equity

For the year ended 30 April 2024

	Notes	**Called up share capital £m**	**Share premium £m**	**Share based payments reserve £m**	**Accumulated profits £m**	**Total equity £m**
At 1 May 2022		-	775.0	6.4	(1.0)	780.4
Comprehensive profit for the year		-	-	-	19.8	19.8
Total comprehensive profit for the year		-	-	-	**19.8**	**19.8**
Shares issued during the year	22	-	297.7	-	-	297.7
Employee share scheme options	24	-	-	15.0	-	15.0
At 1 May 2023		-	**1,072.7**	**21.4**	**18.8**	**1,112.9**
Comprehensive profit for the year		-	-	-	33.8	33.8
Total comprehensive profit for the year		-	**-**	**-**	**33.8**	**33.8**
Shares issued during the year	22	-	616.5	-	-	616.5
Share buy back		-	-	(0.9)	-	(0.9)
Employee share scheme options	24	-	-	21.5	-	21.5
At 30 April 2024		**-**	**1,689.2**	**42.0**	**52.6**	**1,783.8**

The notes on pages 43 to 84 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 April 2024

	Year ended 30-Apr 2024 £m	Year ended 30-Apr 2023 £m
Cash flow from operating activities		
Profit/(loss) after tax	83.3	202.8
Adjustments for:		
Depreciation of Property, plant and equipment	34.0	37.3
Amortisation of intangible assets	196.8	121.3
Finance (Income)/Cost	(172.4)	(17.8)
Share of loss on joint venture/associate	–	1.7
Share option expense	20.3	15.0
Taxation (credit)/expense	(5.7)	80.2
(Increase)/decrease in trade and other receivables	(245.8)	(1,029.8)
Increase/(decrease) in trade and other payables	(129.9)	2,941.8
Increase/(decrease) in provisions and accruals	361.6	180.6
(Increase)/decrease in inventory	(8.3)	(6.7)
Industry levy receivable	–	622.8
Corporation tax paid	(102.2)	(46.8)
Net cash generated from operating activities	31.7	3,102.4
Cash from Investing activities		
Purchase of property, plant and equipment	(93.7)	(20.5)
Purchase of right of use asset	(62.0)	(260.2)
Purchase of intangible assets	(159.3)	(57.9)
Purchase of subsidiaries (net of cash acquired)	131.6	195.0
Settlement of deferred consideration – SERL	(47.4)	–
Settlement of deferred consideration – Bulb	(167.6)	–
Investment in financial assets	(1.5)	(5.7)
Net cash (used)/generated in investing activities	(399.9)	(149.3)
Cash flows from financing activities		
Increase/(decrease) in lease liability	51.5	224.7
Acquisition of non-controlling interest	–	(12.0)
Loans received	71.3	–
Loans repaid	(30.1)	(40.0)
Interest paid	(21.4)	(16.6)
Interest received	194.9	44.9
Issue of shares	616.4	297.9
Net cash flow from financing activities	882.6	498.9
Net increase/(decrease) in cash and cash equivalents	514.4	3,452.0
Cash and cash equivalents at the beginning of the period	3,687.7	235.7
Cash and cash equivalents at the end of the period	4,202.1	3,687.7
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,281.4	3,687.7
Restricted cash	2,920.7	2,846.7

The notes on pages 43 to 84 form part of these financial statements.

Notes to the financial statements

1. Company information

Octopus Energy Group Limited and its subsidiaries (together referred to as the 'Group') are primarily engaged in the provision of energy. The Group's principal activity is as an energy technology pioneer, driving the green energy revolution through technology. The Group encompasses businesses that engage in energy supply, both as a retailer and software platform provider, vehicle leasing, installation of smart meters, and other energy related assets.

Octopus Energy Group Limited is a private company limited by shares and registered in England and Wales, registered number 09718624. Its registered office is located at UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 (the Act) relating to the audit of individual accounts by virtue of section 479A of the Act:Affect Energy Limited, Centre for Net Zero Limited, Kraken Labs Limited, KrakenFlex Limited, Octopus Centre for Heating Technology Limited, Octopus Electroverse Limited, Octopus Energy 212 Limited, Octopus Energy AIF Management Limited, Octopus Energy Collective Limited, Octopus Energy Development Partnership GP Limited, Octopus Energy Development Partnership LP Limited, Octopus Energy Eco Limited, Octopus Energy Generation (Ireland) Limited, Octopus Energy Generation Fund Management Holdings Limited, Octopus Energy Generation No.1 Limited, Octopus Energy Generation No.2 Limited, Octopus Energy Generation No.3 Limited, Octopus Energy Heating Limited, Octopus Energy Hydrogen Group Ltd, Octopus Energy Hydrogen Limited, Octopus Energy Production Limited (Formerly Renewable Energy Devices Limited), Octopus Hydrogen (Production) Limited, Octopus Hydrogen Production 1 Limited, Octopus Renewable Energy Income Partnership GP LLP, Octopus Renewables Infrastructure Partnership V GP LLP, OEDP FTP Limited, SB Trading Company (SBTC) Ltd and Smart Pear Limited. OEGL will guarantee the debts and liabilities of its UK subsidiaries, at the balance sheet date in accordance with section 479C of the Companies Act 2006.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards and International Financial Reporting Standards as issued by the IASB.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The consolidated financial statements are prepared in Sterling (£), which is the functional currency of the Company and presentational currency of the Group. Foreign operations are included in accordance with the policies set out in Note 2.14.

There are no new or revised financial reporting standards that impact on the Group's consolidated financial statements. Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 April 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions hence they have not been presented in detail in these financial statements.

Rounding is taken to the nearest tenth of a million.

The principal accounting policies adopted are set out below:

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 30 April each year. Control is achieved when the Group:

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

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

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

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

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

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In accordance with the exemption available under section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the Group.

2.3 Business combinations

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

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

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and

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

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

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

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

2.4 Going concern

The 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 in the UK is procured through a third party without collateral requirements. This includes consideration of commitments by Octopus Energy Group to fund international operations and committed acquisitions when applicable, together with actions taken to ensure compliance with the requirements of Ofgem's financial resilience requirements for UK suppliers.

There are significant peaks and troughs through the year with April generally the low point of the cash flow cycle. On the basis of existing funding received from shareholders, along with available facilities Directors' report and trading lines, the forecast cash flows show 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 21, along with consideration of the Group's principal risks and uncertainties including increased risks from ongoing cost of living challenges. The Group assembles a set of sophisticated financial forecasting models from key divisions which it tracks and calibrates carefully based on actual performance. The largest cash flow movements are driven by the energy supply businesses and this forecasting includes consideration of changes in both the 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 some 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 during a winter month over the forecast period.

The Group 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 business also

continues to actively consider further investments and regularly reviews options for additional working capital or other facilities or equity injections although the going concern position does not assume these additional sources of capital in the forecasts. Corporate investment across the Group and acquisition activity is continually monitored to reflect the economic and regulatory environment.

Following the detailed process above the Directors have a reasonable expectation that the Group 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

The Group's revenue is mainly derived from energy supply. The Group also derives income from software licensing, electric vehicle leasing, low-carbon technology installation and renewables fund management. Revenue from contracts with customers is recognised when its performance obligations are satisfied, i.e., when control of an asset (i.e. the goods or services) is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. An asset is transferred when (or as) the customer obtains control of that asset. Depending on the nature of the performance obligations, revenue is recognised either over time or at a point in time.

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

The majority of revenue arose within the United Kingdom; however revenue is also generated in Australia, Germany, Spain, France, Italy, New Zealand, Singapore, Switzerland, Japan and the United States.

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

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

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

Revenue streams are analysed between as follows:

Provision of energy

- Revenues from the provision of electricity and gas are recognised when the Group fulfils its performance obligation by transferring a promised good or service to a customer. An asset is deemed to be transferred when the customer obtains control of the asset. Energy supply is recognised over time as the customer receives and consumes the energy supplied and appropriately reflects the pattern of transfer.
- For amounts that haven't been billed to the customer, the revenue is estimated using contracted tariff rates and estimated usage. This amount is reflected as contract assets at the end of the financial period. Further information can be found within Note 3 – critical accounting judgements and key sources of estimation and uncertainty.

Licensing revenue

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

Services revenue

- Revenue is derived from the installation and replacement of smart meters across UK households for existing and new Octopus Energy customers, contracted through meter asset providers.
- Services revenue is also derived from the installation of EV chargers, heat pumps, solar panels and batteries.
- The revenue in relation to the provision of these services is recognised as the service is provided.

Other revenue

- The Group generates revenue from short-term rentals of electric vehicles where the Group is acting as a principle in a leasing arrangement. The revenue is recognised on a straight- line basis over the lease term. Additionally, the Group recognises revenue relating to fees earned acting as Agent for the facilitation of leases between customer and Principal financier
- Fund management turnover is received in relation to investment management services provided to funds who own and construct renewable energy assets. The revenue from these services is recognised over the period that these services are provided to its customers.
- All other revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

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

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

2.6 Intangible assets

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

- Software: 3 years
- Customer acquisitions: 3 years
- Fund contracts: 10-25 years

Intangible assets acquired as part of a business combination

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

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

Goodwill

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

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

Software development costs

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

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

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

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

2.7 Property, plant and equipment

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

Depreciation is provided on the following basis:

- Right of use assets: Over life of lease
- Office equipment: 3-5 years
- Motor vehicles: 2-4 years
- Plant and equipment: 20 years

2.8 Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortisation are assessed at each reporting date

to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit (CGU) to which the asset has

been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

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

2.9 Investments in subsidiary undertakings

A subsidiary is an entity controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its return.

Investments are stated at cost less a provision for any impairment in value. Costs of the investments include all costs directly related to the acquisition of the investments.

2.10 Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income, adjusted where necessary to ensure consistency with the accounting policies of the Group. In some cases, certain conditions in the agreements may dictate the level of returns from an investment, which will impact how the investment is measured. Further detail has been provided in Note 13. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

2.11 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.

2.12 Cash and cash equivalents

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

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

2.13 Financial instruments

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

Consolidated Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group 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.

Financial assets

The Group's financial assets comprise cash and cash equivalents (see Note 2.12 above), trade receivables, investments in equity, contract assets, prepayments and other receivables.

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

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

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

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

The expected lifetime credit losses of the trade receivables and contract assets are estimated using a provision matrix. The matrix is based on the Group's historical credit loss experience, adjusted for forward-looking factors, that are specific to the trade receivables. This approach is also used for estimating the expected lifetime credit loss of the contract assets. At 30 April 2024 and 2023 an average expected credit loss has been used within the provision matrix.

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical

credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is derecognised when:

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

Financial liabilities

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

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

The Group recognises the WAMA (for further details see Note 3 – Accounting for financial instruments at Fair values through the Profit or Loss) as fair value through profit or loss, the financial liability is designated as held for trade on the basis that it is a derivative. The liability is measured at fair value on initial recognition and re-measured to fair value at each reporting date. Gains and losses arising from changes in the fair value are recognised in the profit or loss in cost of sales or interest.

The lease liabilities are measured in accordance with IFRS 16 (see Note 2.15 below). All other financial liabilities are classified as held at amortised cost. These liabilities are initially measured at fair value less transaction costs and subsequently measured using the effective interest method.

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

2.14 Foreign currency transactions and balances

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

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

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

2.15 Leases

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

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

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In

calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group enters into lease agreements with respect to the provision of EVs on lease. Leases for which the Group is principal lessor are classified as operating leases, as the terms of the lease do not substantially transfer all the risks and rewards of ownership to the lessee. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.16 Finance income

Interest income is recognised in the Consolidated Statement of Profit or Loss using the effective interest rate method.

2.17 Taxation

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

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

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

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

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

2.18 Share-based employee remuneration

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

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

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

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

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

2.19 Government grants

Government grants are recognised in the profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred are recognised in the income statement in the period in which they become receivable. These are offset against costs to which they relate.

2.20 FRS101 disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS101:

a) The requirements of IFRS 7 Financial Instruments: Disclosures;
b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
d) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
e) the requirements of IAS 7 Statement of Cash Flows;
f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets

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

When preparing consolidated financial statements, management makes a number of judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key significant judgements include:

Accounting for financial instruments at Fair values through the Profit or Loss

The classification of financial instruments affects the valuation of financial instruments for reporting purposes. With reference to Note 12, as part of the acquisition of OEOL, the hive down created a financial instrument called the Wholesale Adjustment Mechanism Agreement, as it incorporates rights to receive and obligations to pay cash. Based on the requirements of IFRS 9 management have carefully considered the framework to ensure the classification of the financial instrument corresponds to the measurement basis.

Under IFRS 9 a judgement is made to distinguish whether the financial liability should be recognised as a financial liability at fair value through profit or loss (FVTPL), or other financial liabilities, that are measured at amortised cost using the effective interest rate method.

In order to meet the definition of FVTPL the liability has to be held for trade, for which one of the following criteria has to be met in order to meet the classification:

- It is incurred principally for the purpose of repurchasing it in the near-term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Management has considered the above criteria and concluded the financial liability as a derivative, as the contract will be settled at a future date, it requires no initial investment and it changes in value in response to energy prices. This financial instrument has been valued at the acquisition date and period end, based on all future discounted cash flows, to fulfil the contractual obligations. Any movements associated with this has gone through the Profit and Loss in costs of sales. Thus, recognising the fair value of the liability at the balance sheet date of £2,838.1m (FY23: £2,707m).

The final balance of the WAMA recorded in the accounts and submitted to the Joint Energy Administrators (JEAs) is £2.8 billion (undiscounted) and this balance has yet to be confirmed as final by the JEAs due to ongoing discussion on the appropriate treatment and finalisation of the value of Wholesale Cost Allowances in particular. The value of the claim will be finalised subsequent to the finalisation of the financial statements and is subject to final interpretation of values under this complex agreement. The Group has provided for their best estimate of the likely outcome supported by legal and other corroborative evidence but note that a range of values could possibly apply up to £2.9 billion but is not considered probable.

Accounting for customer support schemes

The Energy Price Guarantee (EPG) scheme set a government supported unit price for both gas and electricity for domestic customers at a level below the quarterly-calculated price cap. The EPG scheme reduced the average annual domestic household bill for the period from 1 October 2022 to 31 March 2023 to approximately £2,500 per annum, following which EPG rates increased to approximately £3,000 per annum from 1 April 2023 until 31 March 2024, when the scheme ended.

The government compensated energy suppliers for the difference between the previously expected price cap and the reduced EPG rates with payments made in arrears. The Group estimates and recognises turnover in accordance with existing Company policy gross of EPG discounts. Charges are recoverable from customers based on the net figure, with the EPG discount recoverable from the government.

There is judgement to determine whether this revenue meets the definition of revenue under IFRS 15 Revenue from contracts with customers. Management has considered the definition of revenue under IFRS 15 and concluded that the discounts received from the government meet the definition of revenue. The Group has determined that it is appropriate to apply the requirements of IFRS 15 'Revenue from Contracts with customers', this is because the revenue arises through the supply of electricity and gas to a customer. The government is effectively settling a portion of customers' energy bills. The Group remains entitled to receive

consideration for the supply of electricity and gas based on either the existing price cap structure of customers' fixed or variable priced contracts and the price is unchanged.

We observe that the application of IAS20 'Government Grants', a grant relating to income, may be reported separately as 'other income' or deducted from the related expense. The difference between the chosen accounting treatment and the accounting treatment under IAS20 would have resulted in a similar accounting outcome.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Further details on the capitalisation criteria for internally developed software can be found in Note 2.6.

Assessment of contracts as a lease

As part of our electric vehicle leasing business a key judgement is made on whether the contracts we have entered into transfers the right of use of an asset to our business or whether the right to use the asset is being transferred to another party. We have determined that the rights to the vehicle are transferred to the business when the arrangement conveys to the business the right to control the use of the vehicles. Other indicators of a lease arrangement are transferring ownership to us by the end of the lease term, having the option to purchase the vehicle, and the lease term being for the major part of the vehicle's economic life. Where contracts are assessed to be leases to the business, the vehicles are capitalised in the financial reports in line with IFRS 16.

Key sources of estimation uncertainty include:

Fair value of assets and liabilities acquired through business combinations – Customer acquisition valuations

As an integral component of the Shell acquisition, we have conducted a comprehensive assessment to estimate the value of the customer book. This estimation is founded on a combination of market data analysis and the collective expertise of our management, ensuring a reliable determination of the fair value associated with the customer book. As these are one-off estimates, there will be no material revision to the carrying amounts of assets and liabilities acquired within the next financial year arising from changes in these estimates.

Amortisation of acquisition costs

An estimate is made by management in determining the amortisation period for customer acquisition costs. This estimate is dependent upon the period for which the Group 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 historical churn of customers.

Any future revision to the amortisation period assumption would be accounted for prospectively and would change 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 10.

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 period end. 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 then multiplied by the customer's specific tariff to generate the revenue.

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 sales 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 2.5

Provision for bad and doubtful debts

The Group'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 the recoverability and a provision is recognised for the estimated balance that is unlikely to be recovered. This proportion of balance to be included in the provision is derived from historical non-payment trends. The rate of provision is calculated based upon 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 historical 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 review 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. However, based on prior experience, the Group expects that any revision within the next financial year to the level of provision attributable to the Group's energy customer balances outstanding as at 30 April 2024 is unlikely to be material.

Further details on provisions can be found in Note 20.

4. Revenue

Revenue includes revenue generated from energy supply, licensing, metering, other services and generation. The revenue recognition policies are set out in the revenue accounting policy note above Note 2.5.

	Year ended 30-Apr 2024 £m	**Year ended 30-Apr 2023 £m**
Electricity supply	7,722.7	6,950.8
Gas supply	4,384.2	5,352.1
Total energy supply	**12,106.9**	**12,302.9**
Licensing revenue	81.0	67.3
Metering service revenue	83.0	75.5
Other services revenue	131.0	68.6

Generation revenue	31.0	25.7
Total revenue from contracts with customers	**12,432.9**	**12,540.0**

Revenue from energy supply includes £374.4m (2023: £3,649.1m) from the government in relation to the Energy Price Guarantee and Energy Bills Relief Scheme.

An amount of £6.0m (2023: £1,502.3m) 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 Group's profit or loss and cash flow statement.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Year ended 30-Apr 2024 £m	Year ended 30-Apr 2023 £m
Direct energy costs	7,530.4	8,402.8
Network transmittion costs	1,540.9	1,494.6
Other costs	2,238.8	1,630.1
Total cost of sales	**11,310.1**	**11,527.5**
Sales and Marketing	87.7	44.1
Amortisation (Note 10)	196.9	120.5
Depreciation (Note 9)	23.7	36.7
General and Administration	496.4	287.0
Staff and contractor costs	305.5	178.7
Legal and professional	107.4	78.6
Total	**1,217.6**	**745.6**

Legal and professional expenses includes £3m for auditor's remuneration for the audit of the Group and subsidiary financial statements (2023: £2.0m).

Employee costs consist of:

	Year ended 30-Apr 2024 £m	Year ended 30-Apr 2023 £m
Wages and salaries	234.1	125.4
Social security costs	27.0	12.4
Costs of defined contribution scheme	9.3	4.6
Share-based payment charge (see Note 24)	21.5	15.0
	291.9	**157.4**

The Group has capitalised £24.4m of salary costs as part of intangible assets (2023: £14.4m) which are not included above. The average monthly number of employees, including Directors, during 2024 was 6,438 (2023: 3,823).

6. Key management personnel compensation

	Year ended 30-Apr 2024 £m	Year ended 30-Apr 2023 £m
Short-term employee benefits	0.6	0.4
	0.6	**0.4**

The Directors are considered to be the key management personnel of the Group (see Note 26).

The highest paid Director received short-term employee benefits of £280k (2023: £173k) and Company contribution to defined contributions pension schemes of £15k (2023: £10k).

There are five Directors who are employed by the Group's shareholders and do not specifically receive any remuneration in respect of their services to the Group.

7. Finance income/(expense)

	Year ended 30-Apr 2024 £m	Year ended 30-Apr 2023 £m
Finance income	**194.8**	**51.1**
Interest expense on financial liabilities held at amortised cost	(6.0)	(7.9)
Finance charges payable on lease liabilities	(10.9)	(7.9)
Other interest payable	(5.6)	(17.5)
Finance expense	**(22.5)**	**(33.3)**

Finance income includes bank interest on deposits, of which £140.4m is to be passed back to the government owned Bulb in SAR as per the terms of the acquisition of OEOL, £130.9m of this has been paid back within the year.

Under Ofgem's regulatory framework, relevant costs incurred as a result of taking on customers from suppliers that have exited the energy market, are recoverable through the levy. The Group claimed £0 in FY24 (2023: £15.2m) in respect of cost of capital from the levy, this is included in finance income.

Other interest payable includes £1.8m (2023: £16.7m) relating to the factoring of OEL's Avro Supplier of Last Resort receivables.

8. Taxation

a) The taxation (charge)/credit is made up as follows:	Year ended 30-Apr 2024 £m	Year ended 30-Apr 2023 £m
Current taxation		
Corporation tax for period	(56.9)	(52.4)
Foreign tax	–	(0.3)
Adjustments in respect of current income tax of previous year	29.7	(6.1)
Total current tax (charge)/credit	(27.2)	(58.8)
Deferred tax		
Origination and reversal of timing differences	25.5	(19.7)
Adjustments in respect of current income tax of previous year	7.4	(4.2)
Impact of rate change on opening DT	–	2.5
Total deferred tax at 25% (2023: 25%)	32.9	(21.4)
Income tax (charge)/credit recognised in Consolidated Statement of Comprehensive Income	5.7	(80.2)
Factors affecting the tax for the period		
Profit/(Loss) before taxation	77.6	283.0
Income tax:		
Tax credit calculated at UK statutory corporation tax rate of 19% (2021: 19%)	–	–
Tax charge calculated at UK statutory corporation tax rate of 19.49% (2022: 19%)	–	(13.1)
Tax charge calculated at UK statutory corporation tax rate of 20.37% (2022: 19%)	–	(44.0)
Tax charge calculated at UK statutory corporation tax rate of 25%	(19.4)	–
Effect of:		
Fixed asset differences	(2.6)	(6.3)
Disallowed expenses and non-taxable income	(7.7)	15.8
Group relief (surrendered)/claimed)	(0.7)	–
Payment/(receipt (credit)) for group relief	1.1	–
Adjustments in respect of prior years	30.0	(5.2)
Adjustments in respect of prior periods (deferred tax)	6.6	(4.2)
Movement in deferred tax not recognised	(5.8)	(22.3)
Difference in UK and overseas rate	1.0	3.4
Share option timing differences	9.0	–
Capitalised interest	3.1	–
Impact of rate change	–	(4.3)
Intangible asset differences	(8.9)	–

Income tax (charge)/credit	5.7	(80.2)

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

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

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

9. Property, plant and equipment

	Property, plant and equipment			Right of use assets		
	Office equipment £m	Motor vehicles £m	Plant and equipment £m	Buildings and leashold improvements £m	Electric vehicles £m	Total £m
Cost						
At 1 May 2023	32.3	2.6	3.6	65.5	237.9	341.9
Additions	37.6	52.1	4.0	39.9	22.1	155.7
Reclassification[1]	–	104.3	–	–	(260.0)	(155.7)
Additions as part of business combinations	18.2	–	–	–	–	18.2
At 30 April 2024	**88.1**	**159.0**	**7.6**	**105.4**	**–**	**360.1**
Depreciation						
At 1 May 2023	8.2	0.4	0.4	13.6	26.5	49.1
Charge for the period	15.6	1.8	0.2	8.0	8.4	34.0
Reclassification[1]	–	14.8	–	–	(34.9)	(20.1)
Additions as part of business combinations	17.1	–	–	–	–	17.1
At 30 April 2024	**40.9**	**17.0**	**0.6**	**21.6**	**–**	**80.1**
Net book value						
At 30 April 2024	**47.2**	**142.0**	**7.0**	**83.8**	**–**	**280.0**
At 30 April 2023	**24.1**	**2.2**	**3.2**	**51.9**	**211.4**	**292.8**

[1] In FY24 management have reviewed the classification of the electric vehicles and have determined that these do not meet the definition of a finance lease under IFRS 16. These have been reclassified to motor vehicles where Octopus is the principal lessor. Where the leases reflect an agency position, these no longer meet the recognition criteria under IFRS 16 and have as such been derecognised.

Company

The Company had £0.4m tangible assets at 30 April 2024 (2023: £0.7m), no further information has been disclosed on the grounds of materiality.

10. Intangible assets

	Software development £m	Customer acquisitions £m	Goodwill £m	Fund contracts £m	Total £m
Cost					
At 1 May 2023	91.9	528.9	211.2	15.3	847.3
Additions	75.0	250.5	252.1	1.9	579.5
Arising from business combinations	10.9	76.9	–	–	87.8
Remeasurement of business combination	–	–	72.0	–	72.0
At 30 April 2024	**177.8**	**856.3**	**535.3**	**17.2**	**1,586.6**
Amortisation					
At 1 May 2023	36.2	283.1	–	1.5	320.8
Charge for year	39.4	156.4	–	1.1	196.9
Arising from business combinations	9.8	61.0	–	–	70.8
At 30 April 2024	**85.4**	**500.5**	**–**	**2.6**	**588.5**
Net book value					
At 30 April 2024	**92.4**	**355.8**	**535.3**	**14.6**	**998.1**
At 30 April 2023	55.7	245.8	211.2	13.8	526.5

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

Under IFRS goodwill is not amortised but is subject to an annual impairment test. Impairment of goodwill is reviewed annually at the level of the cash generating units (CGU) by comparing the goodwill held to the five-year forecast and terminal value. Each CGU represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. An impairment charge is taken in relation to the goodwill not recoverable. As at 30 April 2024 goodwill impairment testing has resulted in no impairment charges.

The carrying amount of goodwill has been allocated to CGUs as follows:

	30-Apr 2024 £m	30-Apr 2023 £m
Generation	36.3	35.9
International retail	28.0	28.0
Retail	448.6	126.0
Licensing	10.9	9.8
Services	11.5	11.5
	535.3	211.2

Retail includes £250.5m of goodwill arising from business combinations in the year derived from the acquisition of OEO2L further details can be found in Note 12. An additional £72.0m of goodwill has been recognised within the 12- month measurement with regards to OEOL for the remeasurement of the fair value of net assets acquired.

Management have only assessed the retail CGU on the grounds of materiality for its recoverable value. This has been calculated using a discounted cash flow model with the forecasted revenue and gross margins, discount rate and terminal value growth rate being the key assumption in the discounted cash flow model. No reasonably possible sensitivities were identified given headroom arising.

Company

The Company had no intangible assets at 30 April 2024 (2023: £nil).

11. Investments

	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Cost		
At 1 May	102.2	43.3
Investments during the period	49.2	58.9
At 30 April	**151.4**	**102.2**

Interests in Group undertakings

The list of all subsidiaries is as follows:

Subsidiary undertakings incorporated in the United Kingdom

Name	Address of registered office	Nature of business	Interest 2024	Interest 2023
Affect Energy Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Trade of electricity and gas	100%	100%
Centre for Net Zero Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Global energy transition research	100%	100%
Kraken Labs Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Business and domestic software development	100%	100%
Kraken Technologies Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Business and domestic software development	100%	100%
KrakenFlex Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other information technology service activities	100%	100%
KTL FinCo Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding Company	100%	100%
KTL MidCo Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding Company	100%	100%
Leyland Metering Services Limited (dormant)	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Meter installation	100%	100%
Octopus Centre for Heating Technology Limited	12 Charlestown Drive, Portadown, Craigavon, Armagh, Northern Ireland, BT63 5GA	Pump development	100%	–
Octopus Electric Vehicles Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Renting and leasing of cars and light motor vehicles	100%	100%
Octopus Electroverse Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Business and domestic software development	100%	100%
Octopus Energy 212 Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Pump development	100%	–
Octopus Energy AIF Management Limited	Fourth Floor, One Molesworth Street, Dublin 2, Ireland	Fund management activities	100%	–
Octopus Energy Collective Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding Company	100%	100%

Octopus Energy Development Partnership GP Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding Company	100%	100%
Octopus Energy Development Partnership LP Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding Company	100%	100%
Octopus Energy Eco Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Provider of Home Heating Cost Reduction Obligation	100%	100%
Octopus Energy Generation (Ireland) Limited	1 Stokes Place, St. Stephen's Green, Dublin 2	Fund management activities	100%	–
Octopus Energy Generation Fund Management Holdings Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding company	100%	–
Octopus Energy Generation Limited (formerly known as Octopus Energy Generation Holdco Limited)*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding company	100%	100%
Octopus Energy Generation No.1 Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Production of electricity	100%	100%
Octopus Energy Generation No.2 Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Production of electricity	100%	100%
Octopus Energy Generation No.3 Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Production of electricity	100%	-
Octopus Energy Heating Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Pump development	100%	100%
Octopus Energy Hydrogen Group Ltd	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Environmental consulting activities	75%	75%
Octopus Energy Hydrogen Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other business support service activities	75%	75%
Octopus Energy Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Trade of electricity and gas	100%	100%
Octopus Energy Operations 2 Limited (formerly known as Shell Energy Retail Limited)	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Trade of electricity and gas	100%	–
Octopus Energy Operations Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Trade of electricity and gas	100%	100%
Octopus Energy Payments Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other business support service activities	100%	100%
Octopus Energy Production Limited (Formerly Renewable Energy Devices Limited)	12 Charlestown Drive, Portadown, Craigavon, Armagh, Northern Ireland, BT63 5GA	Manufacture of pumps	100%	100%
Octopus Energy Retail 2022 Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding company	100%	100%
Octopus Energy Services Limited*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Energy smart meter installer	100%	100%
Octopus Hydrogen (Production) Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other business support service activities	75%	75%
Octopus Hydrogen Production 1 Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other business support service activities	75%	75%
Octopus REIP DM Holdings Ltd	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Fund management activities	100%	100%
Octopus REIP DM1 Ltd	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Fund management activities	100%	100%
Octopus REIP DM2 Ltd	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Fund management activities	100%	100%
Octopus Renewable Energy Income Partnership GP LLP	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Holding Company	100%	100%
Octopus Renewables Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Fund management activities	100%	100%
OEDP FTP Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Fund management activities	100%	–

OEGen Company Secretary Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Company secretarial services	100%	100%
SB Trading Company (SBTC) Ltd*	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other business support service activities	100%	100%
Sennen Tech Ltd	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other information technology service activities	100%	100%
Smart Pear Limited	UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN	Other information technology service activities	100%	100%

Subsidiary undertakings incorporated outside the United Kingdom:

Name	Address of registered office	Nature of business	Interest 2024	Interest 2023
Anyskill Technologies GmbH	Gormannstrasse 14, DE-10119 Berlin	Business and domestic software development	100%	–
Kraken Bilgi ve Teknolojileri Danışmanlık ve Ticaret Limited. Şti.	Yesilce Mah. Emirsah SK. No: 21A Kagithane, Istanbul	Business and domestic software development	100%	100%
Kraken Labs Limited (French branch)	6-8 boulevard Haussmann, 75009 Paris, France	Business and domestic software development	100%	–
Kraken Labs Limited (Italian Branch)	Via Del Bozzolo 3, 63100 – Ascoli Piceno, Italy	Business and domestic software development	100%	–
Kraken Labs Limited (Spanish Branch)	Calle Pintor Sorolla, 5 - puerta 2 (46002 - Valencia) Spain	Business and domestic software development	100%	–
Kraken Labs Limited (German Branch)	August Everding Str. 25, 81671 Munich, Germany	Energy smart meter installer	100%	–
Kraken Tech Australia Pty Ltd	'Como Centre' Suite 201 Level 2, 644 Chapel Street, South Yarra VIC 3141	Provider of IT engineering services	100%	100%
Kraken Tech NZ Limited	46 Ellice Street, Mount Victoria, Wellington, 6011, New Zealand	Business and domestic software development	100%	100%
Kraken Technologies Japan G.K. (formerly Octopus Energy Japan G.K)	KDX Hakozaki Building 8th Floor, 41-12 Nihombashi Hakozakicho, Chuo-ku, Tokyo, Japan	Business and domestic software development	100%	100%
Kraken Technologies Switzerland Sarl	Route du Verney 20, 1070 Puidoux, Switzerland	Provider of IT engineering services	100%	100%
Kraken Technologies US, Inc	Como Centre, 644 Chapel Street, South Yarra, VIC 3141	Provider of IT engineering services	100%	100%
Octopus Energy Espana, S.L.U.	Calle Pintor Sorolla, 5 - puerta 2 (46002 - Valencia) Spain	Trade of electricity and gas	100%	100%
Octopus Energy France*	6-8 boulevard Haussmann, 75009 Paris, France	Trade of electricity and gas	100%	100%
Octopus Energy France - Business	6-8 boulevard Haussmann, 75009 Paris, France	Trade of electricity and gas	100%	100%
Octopus Energy Generation Singapore Pte Ltd	80 Robinson Road #02-00 Singapore 068898	Fund management activities	100%	100%
Octopus Energy Generation US, LLC	114 Main St. Houston, TX 77002	Fund management activities	100%	100%
Octopus Energy Germany GmbH*	August Everding Str. 25, 81671 Munich, Germany	Trade of electricity and gas	100%	100%
Octopus Energy Germany Operations GmbH	August Everding Str. 25, 81671 Munich, Germany	Trade of electricity and gas	100%	–
Octopus Energy Italia CER1 S.r.l	Via Del Bozzolo 3, 63100 – Ascoli Piceno, Italy	Fund management activities	100%	–
Octopus Energy Italia S.r.l*	Via Del Bozzolo 3, 63100 – Ascoli Piceno, Italy	Trade of electricity and gas	100%	100%
Octopus Energy LLC	114 Main St. Houston, TX 77002	Trade of electricity and gas	100%	100%
Octopus Energy Metering Germany GmbH	August Everding Str. 25, 81671 Munich, Germany	Meter installations	100%	–

Octopus Energy NZ Limited*	46 Ellice Street, Mount Victoria, Wellington, 6011	Production of electricity	100%	100%
Octopus Energy Offshore Wind GP SARL	17, boulevard F.W. Raiffeisen, L-2411 Luxembourg	Fund management activities	100%	100%
Octopus Energy Poland Operations Sp. z o.o.	Ul. Pawia 21 Krakow; Malopolskie; 31-154	Shared service centre	100%	–
Octopus Energy Services Espana S.L.U.*	Calle Pintor Sorolla, 5 - puerta 2 (46002 - Valencia) Spain	Energy solar installer	100%	100%
Octopus Energy Services Germany GmbH*	August Everding Str. 25, 81671 Munich, Germany	Energy smart meter installer	100%	100%
Octopus Energy Singapore Holdings Pte Ltd.*	80 Robinson Road #02-00 Singapore 068898	Holding Company	100%	100%
Octopus Energy Singapore Pte Ltd.	80 Robinson Road #02-00 Singapore 068898	Trade of electricity and gas	100%	100%
Octopus Energy Transition GP Sarl	17, boulevard F.W. Raiffeisen, L-2411 Luxembourg	Fund management activities	100%	100%
Octopus Energy US Community Solar LLC	108 W. 13th Street, Suite 100, Wilmington, Delaware 19801, County of New Castle.	Fund management activities	100%	100%
Octopus Energy US Inc.*	114 Main St. Houston, TX 77002	Holding Company	100%	100%
Octopus Energy US Mezzanine LLC	114 Main St. Houston, TX 77002	Holding Company	100%	100%
Octopus Energy US Vehicles LLC	114 Main St. Houston, TX 77002	Renting and leasing of cars and light motor vehicles	100%	–
OCTOPUS REIP III GP Ltd	2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, JE1 1GH, Jersey	Fund management activities	100%	100%
Octopus REIP IV GP Limited	2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, JE1 1GH, Jersey	Fund management activities	100%	100%
Octopus Renewables Infrastructure Partnership GP SARL	60 avenue J.F. Kennedy, Luxembourg- 1855 Luxembourg	Fund management activities	100%	100%
Octopus Renewables Infrastructure Partnership V GP LLP	60, Avenue J.F. Kennedy L-1855 Luxembourg	Fund management activities	100%	100%

12. Acquisitions

During the year ended 30 April 2024, the Group made the following acquisitions:

- OEO2L, Octopus Energy Germany Operations Limited (formerly known as Shell Energy Retail GmbH) and Octopus Energy Poland Operations Limited (formerly known as Shell Energy Retail Poland Sp. z o o)
- Octopus Energy Generation 3 Limited (formerly known as Farm Energy Woodlands Limited)
- Sennen Tech Ltd
- AnySkill Technologies GmbH

Below are the summaries of the assets acquired and liabilities assumed and the purchase consideration of:

a) the total acquisitions
b) OEO2L, Octopus Energy Germany Operations Limited and Octopus Energy Poland Operations Limited
c) Octopus Energy Generation 3 Limited
d) AnySkill Technologies GmbH
e) Sennen Tech Ltd

a) Total of acquisitions

The details of the business combination are as follows:

	Total £m
Intangible assets	191.5
Property, plant and equipment	–
Trade and other receivables	–
Non-current assets	**191.5**
Inventories	3.4
Trade and other receivables	505.5
Cash and cash equivalents	414.6
Total assets	**1,115.0**
Trade and other payables	(936.3)
Current liabilities	**(936.3)**
Total liabilities	**(936.3)**
Net assets of businesses acquired	**178.7**
Amount settled in cash	284.0
Fair value of deferred consideration	154.0
Total consideration	**438.0**
Goodwill on acqusition	**259.3**

b) OEO2L, Octopus Energy Germany Operations Limited and Octopus Energy Poland Operations Limited

	Total fair value £m
Intangible assets	191.5
Trade and other receivables	–
Non-current assets	**191.5**
Inventories	3.4
Trade and other receivables	505.5
Cash and cash equivalents	414.6
Total assets	**1,115.0**
Trade and other payables	(936.3)
Current liabilities	**(936.3)**
Total liabilities	**(936.3)**
Net assets of businesses acquired	**178.7**
Amount settled in cash	278.5
Fair value of deferred consideration	150.8
Total consideration	**429.3**
Goodwill on acquisition	**250.6**

On 30 November 2023, the Group acquired a 100% effective and dilutive interest for £429.3m in Shell Energy Retail Limited, Shell Energy Retail Poland Sp. z o.o and Shell Energy Retail GmbH which are energy retailers in the UK and German market respectively, in order to quickly expand the retail customer base. The Polish entity represented a support function for the UK operations. The UK retailer included operations focused on telecommunications which is not core to the Octopus Energy strategy and as such on 31 January 2024 the Telecommunication net assets were disposed of in an asset transfer to Talk Talk for £15.3m.

The investment was made for a cash consideration of £275.8m with an additional deferred consideration amounting to £150.8m. The majority of the deferred consideration is determined by reference to the number of meter points held in the Shell energy retail businesses on the date of acquisition and shall be settled over two years from the effective date. Additionally the deferred consideration includes a flow through of SOLR claims received in SERL that will be remitted to Impello Limited (Seller) within a year of closing and a true up of the cash consideration based on the at acquisition balance sheet values. The Group accounted for these investments as subsidiaries.

The main intangible assets recognised in the business combination related to the customer relationships held within these businesses. The excess of the fair value of the consideration paid over the value of the assets acquired represents goodwill and represents expected synergies between the acquired customer base and the Group's other service offerings.

Since the acquisition dates of the above business combination, revenue of £783m and net losses of £14.8m have been included in the Group's profit or loss. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 May 2023, were £2,045.8m and £209.1m respectively.

c) Octopus Energy Generation 3 Limited (formerly known as Farm Energy Woodlands Limited)
On 24 November 2023 100% of the share capital of Octopus Energy Generation 3 Limited was purchased for £0.5m. No further disclosures have been made on the ground of materiality.

d) Sennen Tech Ltd
On 15 December 2023, the Group acquired a renewable asset management software business for a total consideration of £5.7m for 100% of the share capital. Sennen Tech Ltd is a grid-scale renewable asset operation and maintenance software, building out Kraken's asset management capabilities. No further disclosures have been made on the ground of materiality.

e) AnySkill Technologies GmbH
On 11 January 2024, 100% of the share capital was acquired of AnySkill Technologies Gmbh for £3.2m. They offer a low-carbon tech installation workflow management software, which is being integrated into KrakenField, our end-to-end platform which manages and streamlines the installation of low-carbon tech in customers homes. No further disclosures have been made on the ground of materiality.

Remeasurement of Octopus Energy Operations Limited

The Group has adjusted the provisional amounts that were recognised for the business combination of Octopus Energy Operations Limited in the prior year. As of 30 April 2024 management have reassessed the fair value of assets and liabilities acquired under this acquisition, within the measurement period of 12 months from the acquisition date, as per the following table.

Additionally, management have reassessed the level of consideration payable as part of the transaction and have recalculated the amount of goodwill to be recognised. The immaterial finalisation of the goodwill has been accounted for in the current year.

	Total fair value £m	Remeasurement £m	Total £m
Intangible assets	183.8	–	183.8
Trade and other receivables	3.0	–	3.0
Non-current assets	**186.8**	**–**	**186.8**
Inventories	1.6	–	1.6
Trade and other receivables	306.2	(24.1)	282.1
Cash and cash equivalents	195.0	–	195.0
Total assets	**689.6**	**(24.1)**	**665.5**
Trade and other payables	(592.7)	(12.5)	(605.2)
Current liabilities	**(592.7)**	**(12.5)**	**(605.2)**
Deferred tax liability	–	(45.9)	(45.9)
Non current liabilities	**–**	**(45.9)**	**(45.9)**
Total liabilities	**(592.7)**	**(58.4)**	**(651.1)**
Net assets of businesses acquired	**96.9**	**(82.5)**	**(14.4)**
Fair value of deferred and contingent consideration	220.7	(10.5)	210.2
Total consideration	**220.7**	**(10.5)**	**210.2**
Goodwill on acquisition	**123.8**	**72.0**	**195.8**

A deferred tax liability has been recognised for £45.9m. In addition to an adjustment to trade and other receivables and trade and other payables to reflect the fair value of the balances at the acquisition date. The FY2023 comparative information has been adjusted prospectively to decrease the fair value of net assets acquired by £82.5m, offset by an increase to goodwill for £72.0m.The movement to goodwill also includes a reassessment of the level of consideration payable as part of the transaction.

13. Investments in joint ventures and associates

At 30 April 2024, the detail of the Group's companies accounted for under the equity method are as follows:

Group and parent			Proportion of ownership interest and voting rights held by the Group	
Name	Principal activity	Place of incorporation and principal place of business	As at 30 April 2024	As at 30 April 2023
TG Octopus Energy Co., Ltd	Electricity supply	Japan	30%	30%
Co-op Community Energy Limited	Renewable generation	United Kingdom	50%	50%

Group			Proportion of ownership interest and voting rights held by the Group	
Name	Principal activity	Place of incorporation and principal place of business	As at 30 April 2024	As at 30 April 2023
Energise Energy Solutions Limited*	Meter installation	United Kingdom	25%	25%

* Indirectly owned

All of the above are accounted for using the equity method. No further information has been provided on the basis of materiality.

14. Other investments

Group and Company	**As at April 2024 £m**	**As at April 2023 £m**
At 1 May	6.7	1.0
Investment during the period	1.5	5.7
At 30 April	8.2	6.7

15. Trade and other receivables

The following balances are all due to be realised within one year of the reporting date:

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Trade receivables	1,144.4	772.2	–	–
Other receivables	107.6	54.5	–	1.2
Current tax asset	102.9	8.6	–	–
Amounts owed from related parties	36.0	–	24.4	–
Amounts owed by Group undertakings	–	–	951.4	503.7
Prepayments and industry securities	596.0	544.3	34.1	25.7
Contract assets	996.5	919.4	–	–
Total	**2,983.4**	**2,299.0**	**1,009.9**	**530.6**

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

Contract assets include accrued income and the provision for expected credit losses.

Included in trade receivables is £56.0m (FY23:£145.0m) for the government EPG and EBRS schemes.

At 30 April 2024 amounts owed from related parties include £24.4m cash amounts owed from our investors Origin Energy and Tokyo Gas in respect of shares issued in March 2021 (see below in the prior year).

Non-current trade and other receivables

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Amounts owed from related parties	–	24.4	–	24.4
	–	**24.4**	**–**	**24.4**

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

16. Deferred tax

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Movement in provision				
Opening Balance	8.7	30.1	–	–
P&L Movement	32.9	(21.4)	2.7	–
Deferred tax balance sheet movement	(83.2)	–	–	–
Closing balance	**(41.6)**	**8.7**	**2.7**	**–**

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Provision for deferred tax				
Fixed asset timing differences	(3.1)	(5.4)	–	–
Short term timing differences	23.5	14.1	2.7	–
Intangible asset timing differences	(62.0)	–	–	–
Total deferred tax (liability)/asset	**(41.6)**	**8.7**	**2.7**	**–**

17. Cash and cash equivalents

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Cash at bank	4,202.1	3,687.7	723.2	474.4

Of the £4,202.1m cash at bank, £2,920.7m is ringfenced as part of the deal to acquire Octopus Energy Operations Limited, over a certain period, OEOL is restricted to make any distributions to the wider Octopus Group.

18. Inventory

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Inventory	21.3	9.6	–	–

Inventory primarily consists of finished goods used as part of the services business for electric charger, heat pump and solar installations.

19. Trade and other payables

Amounts falling due within one year

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Liabilities held at amortised cost				
Trade payables	153.8	116.7	–	–
Other payables	30.6	320.8	17.5	5.0
Accruals	2,169.1	1,420.8	81.0	9.1
Contract liabilities	1,151.9	744.8	–	–
Liabilities held at fair value through the profit and loss				
Other financial liabilities	2,838.1	–	–	–
Other payables	117.8	209.1	2.7	–
Amounts owed to related parties	4.2	2.8	–	–
Total	**6,465.5**	**2,815.0**	**101.2**	**14.1**

Other financial liabilities held at fair value through the profit and loss relate to the WAMA. This was initially valued at the acquisition date and then at each subsequent period end based on the estimated future discounted cashflows required to fulfil the contractual obligations, with the related movements included in costs of sales. For further information please see Note 3 – Accounting for Financial Instruments at Fair Value through the Profit and Loss

Liabilities held at fair value through the profit or loss also include £122.0m (2023: £211.9m) of deferred consideration for business combinations, see Note 12 for further details.

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

Non current trade and other payables

	Group		Company	
	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Liabilties held at amortised cost				
Other payables	2.4	3.8	–	–
Liabilities held at fair value through the profit or loss				
Other financial liabilities	–	2,707.7	–	–
Other payables	34.7	50.2	2.7	5.3
Amounts owed to related parties	24.6	28.1	–	–
	61.7	**2,789.8**	**2.7**	**5.3**

Other financial liabilities include the WAMA (see above) in the prior year.

Amounts owed to related parties include deferred consideration for the acquisition of Octopus Renewables Limited in FY2022. The deferred consideration is payable over a five year period to Octopus Investments Limited.

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

20. Financial instruments

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

	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Financial assets		
Current assets		
Held at amortised cost:		
Cash and cash equivalents	4,202.1	3,687.7
Trade receivables	1,144.4	772.2
Other receivables	107.6	54.5
Contract assets	996.5	919.4
Total assets held at amortised cost	**6,450.6**	**5,433.8**
Non-current assets		
Held at amortised cost:		
Other receivables	–	24.4
Total non-current assets held at amortised cost	**–**	**24.4**
Held at Fair value through the profit or loss:		
Financial assets	8.2	6.7
Total non-current assets held at fair value	**8.2**	**6.7**
Total financial assets	**6,458.8**	**5,464.9**
Financial liabilities		
Current liabilities		
Held at amortised cost:		
Trade payables	(153.8)	(116.7)
Other payables	(30.6)	(320.8)
Accruals	(2,169.1)	(1,420.8)
Contract liabilities	(1,151.9)	(744.8)
Lease liabilities	(9.4)	(39.6)
Total current liabilities held at amortised cost	**(3,514.8)**	**(2,642.7)**
Held at Fair value through the profit or loss:		
Other financial liabilities	(2,838.1)	–
Other payables	(117.8)	(209.1)
Amounts owed to related parties	(4.2)	(2.8)
Total non-current liabilities held at fair value	**(2,960.1)**	**(211.9)**
Non-current liabilities		
Held at amortised cost:		
Other payables	(2.4)	(3.8)
Lease liabilities	(88.4)	(231.9)
Total non-current liabilities held at amortised cost	**(90.8)**	**(235.7)**
Held at Fair value through the profit or loss:		
Other financial liabilities	–	(2,707.7)
Other payables	(34.7)	(50.2)
Amounts owed to related parties	(24.6)	(28.1)
Total non-current liabilities held at fair value	**(59.3)**	**(2,786.0)**

Total financial liabilities	(6,625.0)	(5,876.3)

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

Liquidity risk: The Group uses short and long-term cash flow forecasts to manage liquidity risk. A key factor in managing the Group's liquidity risk is the demand and cost of energy. The Group manages this risk by following a strict, sophisticated, and risk-averse hedging policy; our in-house ETRM (energy trade risk management) system and traders enable widespread automation, deep data focus, and unique agility in adapting to market volatility. The Group hedges in line with tariffs offered to customers and generators and utilises demand forecast models, price curves built from wholesale market data, and trade capture to calculate exposures.

The Group manages its cash resources to ensure it has sufficient funds to meet all expected demands as they fall due. Cash management strategies include intra-month, short-term cash flow projections as well as longer term views of monthly cash positions, funding requirements, and financial performance. In addition, core to stability within the UK retail business is a wholesale trading arrangement which removes the risk of cash calls resulting from wholesale market price changes, resulting in increased protection from short term liquidity pressures. As part of the Bulb acquisition in FY2023, a Wholesale Adjustment Mechanism Agreement (WAMA) was put in place in order to reduce risks associated with exposure to unhedged volumes. The terms of this agreement include a wholesale trading agreement similar to that of Octopus Energy Limited. Risks associated with the repayment of loans to government from the WAMA agreement are mitigated through cash ring-fencing and detailed forecasting to ensure repayment obligations will be met.

Credit risk: credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and contract assets receivables). The Group's exposure to credit risk is mitigated by the nature of its customer base and payment profiles. Cash collections and aged debtor profile payments are reviewed on an ongoing basis, to ensure any issues are escalated and reviewed. The Group faces credit risk in holding the majority of the Group's cash at a limited number of financial institutions. This risk is mitigated through the investment of cash in short-term money market funds, which ensures liquidity while reducing via diversification. In addition, cash not held in money market funds are predominantly held in same-day access accounts. These risks have been further reduced over the course of the year through diversification of financial institutions and money market funds.

In addition OEV is subject to credit risk on its portfolio of vehicle leases financed through hire purchase arrangements and special purpose securitisation vehicle. OEV mitigates this risk by underwriting each customer to assess creditworthiness before entering in to lease arrangements.

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

Interest rate risk: The Group's debt bears a fixed rate of interest and no floating rate debt is current issued.

Foreign exchange risk: The Group's increasing international presence increases the foreign exchange risk present within the Group. Foreign exchange gains and losses arise in the normal course of business from the recognition of receivables and payables and other monetary items in currencies other than the Group's functional currency.

Liquidity risk

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

As at 30 April 2024	<3 months £m	3-12 months £m	1-5 years £m	>5 years £m	Total £m
IFRS 16 lease liability	–	9.4	59.1	29.3	97.8
Trade payables	153.8	–	–	–	153.8
Other payables	2,250.9	66.6	37.1	–	2,354.6
Contract liabilities	1,151.9	–	–	–	1,151.9
Amounts owed to related parties	4.2	–	24.6	–	28.8
Other financial liabilities	1,024.0	1,814.2	–	–	2,838.2
	4,584.8	**1,890.2**	**120.8**	**29.3**	**6,625.1**

As at 30 April 2023	<3 months £m	3-12 months £m	1-5 years £m	>5 years £m	Total £m
IFRS 16 lease liability	–	17.8	98.9	18.1	134.8
Trade payables	116.7	–	–	–	116.7
Other payables	1,795.4	155.3	54.0	–	2,004.7
Contract liabilities	744.8	–	–	–	744.8
Amounts owed to related parties	2.8	–	28.1	–	30.9
Other financial liabilities	–	–	2,707.7	–	2,707.7
	2,659.7	**173.1**	**2,888.7**	**18.1**	**5,739.6**

Credit risk

Given the seasonality of energy consumption across the year, customer balances held within trade receivables 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. Therefore our provision is based on customers' with over due 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 receivables, 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.

	As at 30-Apr 2024 £m	**As at 30-Apr 2023 £m**
Trade receivables not past due	885.4	805.8
Trade receivables past due	1,195.6	373.3
Contract assets	1,090.9	1,009.0
Less: allowance for impairment	(1,031.0)	(496.5)
Net trade receivables and contract assets	2,140.9	1,691.6

IFRS 9 is applicable to the Group's trade receivables and contract assets. The table below shows the movement in the expected credit loss impairment allowance:

The movement in the Expected Credit Loss ('ECL') impairment allowance can be reconciled as follows:

	2024 **£m**	**2023** **£m**
Opening balance	**496.5**	**201.1**
Acquired as part of business combination	236.3	162.9
Charged to administrative expenses	361.5	198.3
Receivables written off	(64.3)	(65.8)
Closing balance	**1,031.0**	**496.5**

The ageing is based on historic payment, together with an assessment of whether these are representative of likely future behaviour of accounts, rather than the age of the specific debt. The ageing of the trade receivables overdue can be seen in the table below:

2024	Gross trade receivables overdue £m	Provision £m	Net trade receivables overdue £m
<3 months	97.3	11.1	86.2
3-6 months	244.2	71.5	172.7
6-12 months	168.1	105.7	62.5
>12 months	686.0	640.2	45.8
Total	**1,195.6**	**828.5**	**367.2**

2023	Gross trade receivables overdue £m	Provision £m	Net trade receivables overdue £m
<3 months	112.0	35.1	76.9
3-6 months	43.7	21.2	22.5
6-12 months	70.3	49.2	21.1
>12 months	147.3	139.1	8.2
Total	**373.3**	**244.6**	**128.7**

As part of the acquisition of OEOL in FY23, there was an additional allowance of £130m against trade receivables not overdue.

Group capital

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

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

21. Borrowings

	Group As at 30-Apr 2024			Group As at 30-Apr 2023		
	Current £m	Non-current £m	**Total £m**	Current £m	Non-current £m	**Total £m**
Borrowings	22.2	107.4	**129.6**	0.3	3.8	**4.1**

Included within borrowings there is £41.0m (£6.1m current) (FY23: £nil) of debt, whereby the Group agreed Europe's first 100% mixed electric vehicle debt securitisation, raising £550.0m to provide funding to deliver future fleet growth beyond £1.0bn. The initial revolving period of this debt currently runs to 12/05/2025, with final maturity being six years after this date. The borrowing carries a weighted average rate of interest equal to 1.05% plus SONIA and is payable monthly in arrears. There are a number of portfolio and financial covenants that are assessed on an ongoing basis. There has been no breach to any covenants during the financial year or subsequently.

Additionally, borrowings include funding raised by the Group through sale and leaseback transactions relating to electric vehicles and have a term between 2 and 4 years. The sale and leaseback transaction does not qualify for lease accounting under IFRS 16 as the sale element does not meet the requirements for sale under IFRS 15. Each sale and leaseback transaction within the borrowing amount carries a fixed cost of funds with an average across the portfolio of 8%.

Company

The company had £nil borrowings (FY23:£ nil)

22. Share capital

		As at 30 April 2024 No.	As at 30 April 2024 £	As at 30 April 2023 No.	As at 30 April 2023 £
Allotted, called up and fully paid					
A1 Ordinary shares at £0.00025 each	0.00025	166,468,331	41,617	144,976,193	36,244
A2 Ordinary shares at £0.0001 each	0.0001	7,591,783	759	5,450,728	545
B Ordinary shares at £0.0001 each	0.0001	11,828,628	1,183	12,585,285	1,259
C Ordinary Shares at £0.0001 each	0.0001	3,325,637	333	3,548,215	355
D Ordinary shares at £0.0001 each	0.0001	3,402,658	340	3,614,069	361
E Ordinary shares at £0.001 each	0.001	2,500,000	2,500	2,500,000	2,500
F Ordinary shares at £0.0001 each	0.0001	3,458,041	346	3,886,537	389
		198,575,078	47,078	176,561,027	41,653

Rights attaching to the shares

Voting rights as a percentage of total voting rights are as follows: A1 Ordinary and A2 Ordinary shares proportionally – 75.001%; B Ordinary shares – 14.999%; and E Ordinary shares – 10%. No other share class confers voting rights.

On a return of assets, after discharging liabilities, any surplus will be used to first pay holders of all share classes pari passu, with the exception of the E Ordinary shares, an amount equal to the nominal value of such

shares; secondly an aggregate sum of £10,000 proportionally to the holders of the E Ordinary shares; and any remaining balance will be paid to the holders of all share classes pari passu with the exception of the holders of E Ordinary shares.

Share class	Dividends
A1	Yes
A2	Yes
B	Yes
C	Yes
D	Yes
E	No
F	Yes

On 11 April 2024 the Company carried out the following share transactions:

- 21,492,138 A1 ordinary shares of £0.00025 were issued and allotted;
- 154,754 A2 ordinary shares of £0.0001 were issued and allotted;
- 367,159 F ordinary shares of £0.0001 were issued and allotted; and
- 756,657 B ordinary shares, 222,578 C ordinary shares, 211,411 D ordinary shares and 795,655 F ordinary shares, were converted into 1,986,301 A2 ordinary shares.

23. Capital and reserves

Share premium account

Includes any premiums received on issue of share capital. £616.5m (2023: £297.7m) of share premium has been issued in the year.

Other reserves

Comprises the fair value of share options recognised as an expense.

	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Share options	42.0	21.4

Share options have been awarded to employees, the options vest over a period of 24 to 48 months, with a graded weighting of 50% to 100% respectively. A portion of the total share expense will be recognised equally each year over the vesting period.

Accumulated losses

Includes all current and prior periods retained accumulated losses.

24. Share based payments

The Group grants share options to all of the Group's employees. The exercise price is set dependent upon the employee's joining date. Options are conditional upon the employee completing four years' service (the vesting period), otherwise employees forfeit their options. The options are exercisable upon a liquidity event arising. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The share-based payment charge included in profit or loss for the year ended 30 April 2024 was £21.5m (30 April 2023: a charge of £15.0m).

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

	30-Apr-24		30-Apr-23	
	Weighted average exercise price £	Number	Weighted average exercise price £	Number
Outstanding at beginning of year	11.75	7,645,590	8.46	5,591,727
Granted during the year	17.51	5,733,442	13.92	3,125,247
Exercised during the year	8.38	240,785	–	–
Forfeited during the year	13.48	1,115,879	11.75	1,071,384
Outstanding at the end of the year	13.51	12,022,368	10.36	7,645,590
Exercisable at year end	–	–	–	–

The range of exercise prices in respect of options outstanding at 30 April 2024 is £6.55 to £21.90 (2023: £6.55 to £14.69).

25. Leases

The Group has lease contracts for rental premises, electric vehicle leasing and other equipment used in its operations.

The right of use assets and lease liabilities shown in the Consolidated Statement of Financial Position are in respect of these leases.

The carrying amounts of right of use assets, and the movements during the period, are shown in Note 9 above. All payments due on these leases are fixed under the terms of the relevant lease agreements, with the exception of one that is adjusted annually to RPI.

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

	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
At 1 May	271.5	35.8
Additions	41.3	257.3
Reclassification[1]	(211.5)	–
Accretions of interest	3.9	10.2
Payments	(7.4)	(31.8)
At 30 April	97.8	271.5
Current	9.4	39.6
Non-current	88.4	231.9

[1] Please see Note 9 for further detail

The following amounts are recognised in the Consolidated Statement of Profit or Loss:

	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Depreciation of right of use assets	8.0	30.7
Accretions of interest on lease liabilities	3.9	10.2

In respect of leases accounted for under IFRS 16, the Group had total cash outflows for leases of 7.4m in 2024 (2023: £31.8m). The Group also had non-cash additions to right-of-use assets of £39.9m in 2024 (2023: £260.2m).

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short term lease' recognition exemptions for these leases. Minimum leases payments under non-cancellable operating leases in respect of these items are as follows:

	As at 30-Apr 2024 £m	As at 30-Apr 2023 £m
Leases maturing:		
No later than one year	8.6	3.1
Later than one year and not later than five years	–	–
Total	8.6	3.1

The charge taken through the Consolidated Statement of Profit or Loss in respect of these leases in 2024 totals £8.6m (2023: £3.1m).

26. Related party transaction

The Company is owned by (i) Octopus Energy Holdco Limited (37.41%), 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 (9.36%), (vi) CPP Investment Board (11.04%) and (vii) management and employees via a bare trust arrangement with Octopus Nominees Limited (9.38%). It is the opinion of the Directors that the Group and Company have no single controlling party but that OE Holdco has significant influence.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel

The Directors are considered to be the key management personnel. Key management remuneration is disclosed in Note 6. There were no amounts receivable from, or payable to, key management personnel at 30 April 2024 (30 April 2023: £nil).

Transactions with related parties

Transactions between the Group and its related parties are disclosed below:

	As at 30 April 2024 £m	As at 30 April 2023 £m
Sales to related parties	21.4	27.0
Equity funding received	627.6	297.7

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

Balances with related parties

	As at 30 April 2024 £m	As at 30 April 2023 £m
Amounts owed from related parties <1 year	36.0	–
Amounts owed from related parties >1 year	–	24.4

These amounts are due as part of the equity investment from Origin Energy and Tokyo Gas in FY21.

	As at 30 April 2024 £m	As at 30 April 2023 £m
Amounts owed to related parties <1 year	4.2	2.8
Amounts owed to related parties >1 year	24.6	28.1

Amounts owed are due to Octopus Capital Limited for the acquisition of ORL.

27. Contingent liabilities

There are no material contingent liabilities or commitments to Octopus Energy Group at year end (2023: nil).

Although unlikely, and therefore not a contingent liability, please also see Note 3 on the ongoing finalisation process with the JEAs on determining the final WAMA balance.

28. Events after the reporting date

On 31 May 2024, Octopus Energy Holdco sold A1 shares to Galvanize Innovation & Expansion Fund I, LP and Lightrock Climate Impact Fund SCSP, changing the Company's ownership as follows, Octopus Energy HoldCo Limited (32.07%), Galvanize Innovation & Expansion Fund I, LP (0.25%) and Lightrock Climate Impact Fund SCSP (0.41%).

Additionally as at 30 September 2024, the WAMA was repaid, with exception to the valuation finalisation process with the JEAs, as per Note 3.

Two companies have been acquired to further expand Kraken's capability and product and service offering. These are Energetiq (Energetiq Pty and Energetiq Services Pty), an energy billing reconciliation software provider which will help add network billing capabilities to Kraken, and Jedlix (Jedlix B.V), a Dutch EV smart charging software developer which provides OEM API integration and smart charging services.

Additional information – Adjusted performance measures

Adjusted Performance Measures

The Group's consolidated Financial Statements include metrics that are not listed in the IFRS accounting standards. These measures are used by the Group to track the underlying performance of the business by excluding non-recurring transactions. They are not however, defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. This includes EBITDA and underlying EBITDA which are defined and reconciled below.

Underlying EBITDA

EBITDA is a business performance measure of operating (loss)/profit, after adjusting for depreciation and amortisation. Further to this, Management exclude the impact of the WAMA accounting adjustments to be able to assess underlying profitability, see Note 3 for more details. In addition to any non-recurring items. Where possible they have been reconciled to the statutory equivalents from the primary statements, Consolidated statement of profit or loss ('PL') or the notes to the Financial Statements.

	Notes	2024 £m	2023 £m
Operating (loss)/profit	PL	(94.7)	265.2
Depreciation	9	(34.0)	(7.9)
Amortisation	10	(196.9)	(100.1)
EBITDA		**136.2**	**373.2**
WAMA impact	3	(81.6)	55.2
Acquisition and associated restructuring costs		(72.5)	(44.0)
Underlying EBITDA		**290.3**	**362.1**

Statutory Company information

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