Annual Report 2025

Published
January 2026

smartestenergy

Contents

Company Information

Directors
Robert Groves
Tomoki Nishino
Robert Pringle
Takafumi Shigemura
Satoru Ichinokawa
David Lloyd
Suguru Tsuzaki
Seiichi Kuwata
(resigned 11 April 2024)
Ryuichi Noyama
(resigned 11 April 2024)
Naoki Ito
(resigned 25 April 2025)
Hiroki Nakayama
(appointed 25 April 2025)
Joanna Butlin
(appointed 1 June 2025)
Hiroyuki Sawada
(appointed 1 June 2025)

Auditors
Ernst & Young LLP
1 More London Place
London, England
SE1 2AF

Bankers
Mizuho Bank Ltd
Mizuho House
30 Old Bailey
London, England
EC4M 7AU

Registered Office
The Columbus Building
7 Westferry Circus
London, England
E14 4HD

CEO Foreword

For 25 years, SmartestEnergy has been empowering a renewable future, helping businesses buy, sell and trade renewable energy with confidence. I am proud to share that FY24/25 was another year of strong performance, as we navigated the challenges posed by a changing market landscape.

It was a record year for renewable growth, with clean power surpassing 40% of global electricity generation in 2024, marking a clear step forward on the path to net zero. Throughout it all, SmartestEnergy has gone from strength to strength, evolving into a vertically integrated global electricity company that now employs over 950 people worldwide.

We took time this year to reflect on our progress and assess future opportunities through the launch of our refreshed strategy. With a clear direction for growth, we've made significant strides in strengthening our integrated model, deepening our partnerships with our parent company, Marubeni, and scaling our trading capabilities across new markets.

Our customer base has expanded significantly across all Group companies. In the UK, we secured our position as the 5th largest business electricity supplier by volume. Meanwhile, our international businesses in the US and Australia continued to grow, expanding our footprint and delivering tailored renewable solutions to thousands of customers.

We also entered new European markets, successfully trading German power and gas and growing our trading capabilities.

We're on a growth trajectory, creating the next generation of technology and data solutions that will make buying and selling renewables straightforward.

Our new traceable supply product is a great example of this, allowing business customers to track the origin of their electricity. Demand for this kind of transparency is growing, and we're proud to be leading the way.

While it is promising to see global renewable growth, it also brings new challenges. Grid flexibility, storage and infrastructure are becoming increasingly crucial to ensure reliability and market stability, but I remain confident in the net zero journey. The challenges are real, but so are the opportunities.

We remain focused on scaling our technology platforms, enhancing our customers' experience and expanding our global reach. With our people, platforms and purpose aligned, we're well positioned to deliver against the next phase of our growth strategy, while remaining focused on continuing to deliver value for our customers, partners and stakeholders.

"As we mark 25 years of empowering a renewable future, I'm proud of the progress we've made over the past year. But our focus is firmly on what comes next. A smarter, cleaner and more affordable energy system is possible, and with the right mix of technology, innovation, and the continued dedication of our people, we're committed to building an energy system that works better for everyone.

Robert Groves, CEO
SmartestEnergy Limited

Strategic Report

The Directors present the Annual Report and the audited consolidated Financial Statements of SmartestEnergy Limited (“SmartestEnergy” or the “Company”) and its subsidiary undertakings (collectively referred to as the “SmartestEnergy Group” or the “Group”) for the year ended 31 March 2025. The Company is a wholly owned subsidiary of Marubeni Corporation (the “ultimate parent company”), a global Fortune 500 company incorporated in Japan.

Group Purpose and Strategy

SmartestEnergy creates value through its asset-light integrated model which stretches across the entire energy value chain, providing market access for owners of generation and flexibility assets, supplying power to end consumers and uplifting returns through flow trading.

The core purpose of the SmartestEnergy Group is to empower, educate and enable our customers and partners to make better, greener energy choices and transition to net zero. This purpose shapes the Group's strategy, guiding decision-making and ensuring alignment with stakeholder interests.

To successfully plan for the future, the Executive leadership team have carefully considered our global direction for the next five years, understanding how we can leverage our strengths and tackle the many challenges of the rapidly evolving energy landscape, enabling the delivery of our SmartestEnergy strategy.

The Group's refreshed strategy is anchored in the following vision – that acts as our north star – guiding our decision making and investments:

To be a globally driven, high growth business offering services that meet the needs of the energy transition through an integrated model.

Guided by this vision, we have defined three strategic pillars that build on our existing purpose and provide a clear framework for the activities we will undertake. These pillars provide clarity in our direction and convey our key priorities.

Group Purpose and Strategy

Our three global strategic pillars are:

1. An Integrated Model:

We are a consistently growing and profitable global energy services company with an expanding overseas footprint in Europe, the Americas and Asia Pacific. Our asset-light scalable and replicable model enables agility and profitability. To deliver long-term results, our strategic focus is on aligning our cross-functional capabilities to deliver value across retail, trading and generation.

We will continue to strengthen our core markets by expanding retail channels and products, enhancing access to flexibility and pursuing local acquisitions. We're committed to the markets that we are already operating in, and we will continue to grow capabilities, services and product lines that allow us to maximise value from those markets and deliver value for our customers.

Beyond our core geographies, we are actively exploring opportunities to enter adjacent markets through trading-led initiatives or mergers and acquisitions. These efforts are designed to build integrated positions that reinforce our business model. In parallel, we are extending our trading capabilities to support this expansion, including access and optimisation of flexible assets and developing innovative products and services that respond to the evolving needs of the energy transition.

2. Marubeni Partnerships:

As a wholly owned subsidiary of Marubeni Corporation, we benefit from the financial strength and global reach of a major conglomerate, while our regional businesses benefit from strong collective operations and local expertise. This backing provides long-term security and confidence for our customers, brokers, generators and counterparties across the globe.

As our business expands, we are seeing increased opportunities for collaboration with other Marubeni affiliates. By offering route to market and trading services, we can help fast-track and de-risk affiliates' business transitions. Looking ahead, we aim to use our trading capabilities to capture value across the Marubeni value chain, create entry opportunities in new geographies and explore deeper collaboration through joint ventures with Marubeni Power Retail Corporation (MPRC).

3. Scaling Trading Capabilities:

Trading is a core enabler of our integrated model and a driver of growth and profitability. Our trading activities are arranged into three core regional hubs; it is through these hubs that we are able to evolve our trading hub expansion strategy. With over two decades of experience, we help businesses take advantage of market movements, comply with carbon emission schemes and optimise their energy assets.

With a focus on growth in new markets, we are scaling our carbon, power and gas trading operations into continental Europe across the UK, Ireland, the Netherlands and most recently Germany, opening access to new customer opportunities and partnerships. Meanwhile, we continue to grow our global product and certificate offerings, develop our portfolio of flexibility-backed assets and collaborate with Marubeni as part of our broader trading hub strategy.

Group Purpose and Strategy

These core strategic pillars are supported by three enablers which are rooted in everything that we do:

1. Technology:

To achieve high growth outcomes, scale the business globally and diversify into new regions, we are focused on developing extensible and compliant solutions that drive commercial performance, operational efficiency and competitive advantage.

With major customer service platform and data infrastructure development programmes underway, we are focused on delivering a consistent, seamless and personalised customer experience across all touchpoints. These developments will support business growth by maintaining service quality standards as customer volumes increase, whilst providing the flexibility to adapt to changing market and regulatory demands, crucial in enabling the growth of our market share in servicing segments such as the Small and Medium Enterprise (SME) portfolio.

2. People:

As a people-powered business, our employees are the true drivers of our strategic success. We promote a positive working environment which enables diversity of thought, and we aspire to be renowned within our industry for developing talent, offering growth opportunities and cultivating a culture of innovation and empowerment.

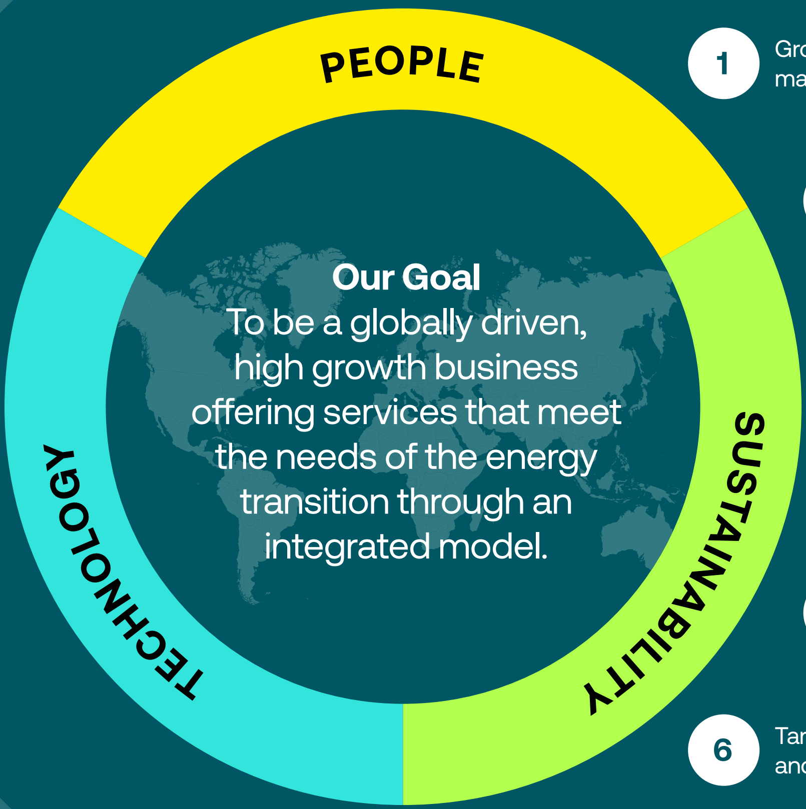
As we expand our trading operations globally, we will continue to invest in building a skilled and motivated workforce. This includes advancing our 'Diversity in Trading' initiative, which plays a key role in shaping a more inclusive and dynamic talent pipeline to support our long-term ambitions.

3. Sustainability:

Sustainability is integral to our corporate strategy and is aligned with the global vision of Marubeni. We are committed to leading the net zero transition through delivering innovative products, developing ambitious emissions targets and the dedication of our employees who are focused on helping customers navigate the energy transition.

Our sustainability strategy underpins the growth of our business model, enabling the expansion of renewable energy into new regions. In the UK, we are targeting broader opportunities through product innovation and the continued development of our renewable portfolio. These insights are helping shape our approach in the US and Australia, accelerating progress across our global footprint.

We believe that meaningful change is driven from within, which is why attracting, retaining and developing diverse talent is a key part of our approach. By uniting our global team in our sustainability vision 'to empower a greener generation', we not only advance our own goals but also solidify our role as a trusted partner to our customers working towards achieving net zero in a low carbon economy.



Our Goal
To be a globally driven, high growth business offering services that meet the needs of the energy transition through an integrated model.

1. Grow UK small business market share
2. Deliver integrated growth across Asia Pacific
3. Expand trading globally covering new markets and products
4. Drive European expansion
5. Grow our integrated business model consistently across the US
6. Target broader UK growth opportunities and continue to innovate

Principal Activities

In line with our Group purpose, the SmartestEnergy Group continued to provide its customers with flexible, reliable and creative energy solutions across the UK, US and Australian markets.

Our growing global presence not only provides geographically diversified earnings, but also strengthens our ability to unlock value through cross-market synergies and shared capabilities.

The UK continues to be the Group's most significant market by both customer volume and profit contribution. Within this market, SmartestEnergy continues to expand as an asset-light, vertically integrated electricity company. Unlike traditional electricity providers that rely on owned generation assets, SmartestEnergy leverages the UK's wholesale electricity market to procure and sell electricity volumes.

Our principal activity is focused on servicing the large business-to-business (B2B) retail market, also known as the Commercial and Industrial (C&I) market, through the provision of renewable electricity supply contracts. This renewable offering is backed by energy sourced from a diverse portfolio of independent generators through our route to market services. We support these generators by offering competitive Power Purchase Agreements (PPAs) tailored for renewable and flexible generation assets.

In the UK, **SmartestEnergy Limited (SEL)** has established itself as leading player in both the C&I supply and independent generation offtake markets.

Principal Activities

(Continued)

SmartestEnergy Business Limited (SEBL), a wholly owned subsidiary of SEL, extends our UK B2B supply offering to Small and Medium Enterprise (SME) businesses, enabling the Group to serve the full range of business consumers in its core UK market.

As a provider of PPAs, SmartestEnergy agrees to purchase the power, and help manage the risks linked to distribution-connected generation for our customers. We established a unique service proposition focused on route to market services for small independent renewable generators, and over time, have expanded our offering to serve larger generators, investors and developers, reflecting the growing scale and sophistication of our customer base. With industry-leading levels of customer satisfaction, this side of the business has grown to become one of the UK's largest aggregators of power from renewable and distribution-connected sources.

Positioned between the Company's supply and power purchase businesses is a well-established commodity trading capability that trades physical and financial gas, carbon, power and renewables certificates. Operating within a tightly controlled risk framework, the Company's trading capability executes hedging transactions in the wholesale markets for all its sales and origination business activities, thereby capturing trader margin from this low-risk flow business.

Our international businesses in the US and Australia replicate the same asset-light integrated model that underpins our success in the UK, delivering value across retail, trading and the aggregation of generation and flexibility assets.

Our **SmartestEnergy US business** operates across key deregulated markets including Pennsylvania-New Jersey-Maryland (PJM), the New England Independent System Operator (NE-ISO), and the Midcontinent Independent System Operator (MISO), serving 39 utilities across 11 states. They supply 7.3TWh of electricity to more than 5,000 customers and provide route to market services to a growing number of energy service companies. The business also has a growing trading capability in North American energy and renewable certificates wholesale markets.

SmartestEnergy Australia, our Asia Pacific regional hub, has been primarily focused to-date on serving the local Australian market, purchasing renewable energy and supplying to large business customers across the National Electricity Market (NEM). The business has grown rapidly and now supplies 1.3TWh of electricity to over 2,500 meter points.

Both the US and Australian businesses are strategically positioned for significant future growth, driven by increasing demand for flexible renewable energy solutions. The scalability of our operating model will continue to support their regional growth plans.

Business Performance Review

During 2024, European power markets saw moderate volatility, fuelled by a cold winter and ongoing uncertainty surrounding Russian gas flows. Geopolitical developments continued to shape market dynamics, including the US presidential election, continued tensions between Russia and Ukraine, and instability in the Middle East. Industrial demand remained below pre-COVID levels, while renewable energy output continued its upward trajectory. Although energy efficiency measures and diversified gas supplies helped mitigate some risks, short-term market pressures resurfaced, highlighting the sector's ongoing vulnerability to seasonal fluctuations and supply-related disruptions.

The clean energy transition accelerated further in 2024. Renewables accounted for approximately 48% of the EU's electricity generation, up from 44% in 2023, while fossil fuel-based generation fell to 29%, continuing the downward trend from 32% the year before. The EU set a record for annual renewable installations, with solar and wind capacity additions increasing by 16% year-on-year.

We saw similar trends in both the US and Australia. In the US, despite political challenges following Donald Trump's action to deprioritise renewable energy development in favour of promoting fossil fuel investment, 2024 still marked a record year for renewables. Wind and solar combined produced a record 17% of the US electricity mix, overtaking coal for the first time, which sat at 15%. Meanwhile, leading up to the end of the 2024 calendar year, renewables accounted for 46% of the National Energy Market's (NEM) supply in Australia, driving quarterly total emissions and emissions intensity to record lows. While it is promising to see global renewable growth, it also brings new challenges. As renewable penetration deepens, grid flexibility, storage and cross-border coordination are becoming increasingly critical to ensure reliability and market stability.

Gross profit for the Group has increased 9.3% compared to the prior year due to the continued softening of the European market. Despite this, we saw notable successes across the business. The strongest contribution came from SmartestEnergy Limited, the Group's most established entity, which delivered its most successful sales year to date, driven by a growing customer base and increased contracted annual volumes. However, contributions from SmartestEnergy Limited's subsidiary companies decreased during the period, falling from 31% to 23.7%, largely due to market challenges.

Our core trading business reported a significant gross profit decrease versus the prior year. This can be attributed to narrowing trading margins, which reduced the value from flow trading, leading to fewer opportunities to create value from speculative trading strategies due to lower market volatility.

However, the strong performance of renewable certificate trading offset this downward trend. The profit centre expanded its traded products, markets and customer base as part of our initiative to scale trading capabilities, driving an integral part of our global growth strategy.

The Group declared and paid dividends to its parent during the period of £141.9m (2024: £124.2m).

Beyond financial performance, we achieved a significant milestone in strengthening trust and transparency with our customers and stakeholders by securing ISO 27001 certification across our global business entities. This reflects our proactive approach to information security and our dedication to maintaining the highest standards of data integrity across the Group.

	Group 2025	2024	Change	Company 2025	2024	Change
	£000	£000	%	£000	£000	%
Gross profit	**334,104**	**319,668**	**4.52%**	**262,708**	**226,216**	**16.13%**
Profit/(loss) after tax	121,928	117,019	4.20%	139,438	112,918	23.49%
Return on invested capital	24.42%	23.59%	0.83%	35.45%	29.60%	5.85%
Return on assets	6.13%	5.07%	1.59%	9.05%	5.84%	3.21%

SmartestEnergy Limited

SmartestEnergy Limited is where it all began for the SmartestEnergy Group. As we approach our 25th anniversary in the UK, our experience and expertise have continued to drive our ambition forward, supporting expansion, innovation and a customer-first approach in a competitive and evolving UK energy market.

In FY24/25, we supported more businesses on their net zero journey as our UK Commercial and Industrial (C&I) sales business reported a significant increase in gross profit year-on-year. UK C&I market share grew to 9.7%, making SmartestEnergy Limited the UK's 5th largest business electricity supplier by volume as of February 2025.

We also innovated our product portfolio with the launch of our Traceable Renewable Supply offering. This market-leading product empowers businesses to procure high-quality, fully traceable renewable energy, in alignment with guidance from the UK Green Building Council (UKGBC) and the Climate Group. Following a successful trial with key customers, the product was launched to the wider market, with plans underway to extend the platform's capabilities and further digitise our services to enhance the customer experience.

Our Generation team continued to deliver secure, bankable routes to market for independent generators across all technologies. In FY24/25, we secured 7.3TWh of annual volume, largely driven by Power Purchase Agreements (PPAs) for new Contract for Difference (CfD) assets. In February, we became the 4th largest offtaker and achieved the highest capacity growth, adding 480MW of capacity to the PPA market over the prior six months.

Meanwhile, our Trading team also experienced strong growth in helping businesses take advantage of market movements, comply with carbon emissions schemes and optimise their energy assets. We reached a 33% share of the Renewable Energy Guarantees of Origin (REGO) market, and in line with our growth strategy, we expanded our trading capabilities internationally, successfully trading German power and gas on the European Energy Exchange (EEX).

These milestones strengthen our presence in Europe and demonstrate our ability to adapt to new markets, laying the groundwork for future growth and broader customer support.

With an integrated approach across all business areas, we deepened engagement with stakeholders across the industry, building partnerships that energise. We exhibited at E-world in Essen for the first time, hosted our inaugural REGO Day in collaboration with RECS Energy Certificate Association (RECS) and maintained a strong presence at events such as the All-Energy Exhibition and the Scottish Green Energy Awards.

All of these achievements reflect our integrated global strategy, uniting trading, generation, and retail to deliver tailored renewable solutions. As we lay the foundation for our next phase of growth, we are focused on advancing our technology platforms, enhancing system capabilities and empowering our customers, paving the way for continued innovation and expansion across the wider business.

> FY24/25 was a successful year for SmartestEnergy UK, making a substantial contribution to the Group's overall performance. As we look ahead, our focus is clear; with our people, platforms and purpose aligned, we are well positioned to lead the next phase of our global growth plans.

Robert Groves, CEO
SmartestEnergy Limited

7.3 TWh
Annual renewable generation volume

12 TWh
Annual C&I supply volume

43 TWh
Energy attribute certificate volume traded

5th
Largest C&I supplier by volume

SmartestEnergy Business Limited

Following a year of rapid growth in FY23/24, where SmartestEnergy Business achieved its five-year customer growth targets after just two years, FY24/25 marked a shift toward adaptation and innovation. The acceleration of growth outpaced our existing systems and processes, prompting a strategic focus on operational enhancement and customer service excellence.

Amid renewed competition in the Small and Medium Enterprise (SME) sector, tighter margins and increased pricing pressure emerged. After two years of market volatility and premium pricing, conditions softened, leading to forecasting challenges and a decline in profitability.

Despite these challenges, SmartestEnergy Business remained committed to delivering smarter energy solutions and an outstanding customer experience. A key milestone was the implementation of a Workforce Management (WFM) solution in September 2024, which significantly improved service quality, efficiency and consistency. This investment enabled us to better align operational capacity with customer demand ensuring the right staff are in place at the right time to enhance customer experience.

The introduction of WFM and targeted process improvement has delivered measurable improvements in performance. This was particularly evident in the second half of the financial year where enhanced resource forecasting and scheduling led to improved call and message response rates, with customer calls typically answered in under 90 seconds. Streamlined processes, improved agent support tools and increased agent knowledge contributed to a 40% reduction in average call handling time. These operational gains also reduced case backlogs and elevated the customer experience, reflected in our Trustpilot score rising from 3.8 ("Good") to 4.3 ("Excellent"); a rating we've successfully maintained.

Our innovative product portfolio continues to empower the UK's SME businesses to embrace renewable energy and achieve net zero carbon emissions. As one of the few UK energy suppliers ensuring energy is sourced from clean, renewable generation, we provide businesses with the confidence to meet and report on their sustainability targets, delivering 1.9 TWh of gas and electricity across nearly 73000 MPANs and MPRNs in FY24/25.

Looking ahead, SmartestEnergy Business is focused on building a scalable, future-ready platform through the digitalisation of its core systems. The implementation of a new Customer Relationship Management (CRM) system and billing platform will provide the scope and agility needed to accelerate growth and enhance operational efficiency, while the use of advanced marketing technology tools will enable a sharper focus on direct sales, helping us better engage with both prospects and customers.

These strategic investments will not only support our commercial ambitions but also reinforce our commitment to delivering smarter and more sustainable energy solutions for SME businesses.

> Throughout FY24/25, SmartestEnergy Business delivered an exceptional customer experience, and I couldn't be prouder of the progress we made. We've driven meaningful business transformation through digitisation, enhancing our systems and platforms to lay the foundation for future growth that will support our expanding customer base.

Louise Wapshare, CEO, SmartestEnergy Business

4.5%
SME supply market share, ranked 8th

1.4 TWh
Delivered volume

72.9K
Total number of supply points

4.3
Trustpilot score "excellent"

SmartestEnergy US

FY24/25 marked a period of significant growth and transformation for SmartestEnergy US. We expanded our C&I footprint across key regions, particularly in the Northeast where we achieved an impressive 67% growth in delivered load, demonstrating our strength and resilience against the changing energy landscape to expand our US footprint.

It has been a particularly active year for US energy markets, with forthcoming data centre loads, geopolitical influence and nuances associated with the energy transition creating complexities for supply and demand dynamics. These factors – combined with a year of especially volatile weather conditions – have driven price volatility and cost increases that put significant pressure on sales and trading performance.

Despite this, SmartestEnergy US closed FY24/25 on a strong note, exceeding profitability targets and outperforming FY23/24 by 41%. Our C&I portfolio continues to grow, now supplying 7.3TWh of annualised load to over 5,000 customers through our 322 valued broker partners across 39 utilities. Additionally, SmartestEnergy US was proudly ranked among the top 15 suppliers in the DNV Competitive Energy Markets Results, with a 26.8% increase in non-residential volume reported in December 2024.

Our Origination team also gained impressive momentum, achieving several key milestones in FY24/25. A key highlight was securing high-quality renewable Power Purchase Agreements (PPAs) with Allete Clean Energy, to receive power and Renewable Energy Certificates (RECs) from their 100.5MW Armenia Mountain wind farm in Pennsylvania. This deal enabled us to successfully strengthen our generator strategy and work toward our ambition of becoming an industry-leading wholesale power marketer that provides tailored products and solutions to our customers.

The success of our Retail and Origination teams is based on the solid foundation of wholesale power, gas and certificate trading, with all desks growing in profitability, scale and capability. We've come a long way in six years and the trading team's success is, in part, underpinned by one of the most significant investments in IT as we delivered a new trading and risk management system in partnership with Hitachi Energy, offering enhanced standards, accuracy and control.

Delivering operational excellence and exceptional service continues to be one of our primary goals and we were delighted to achieve an industry-leading Net Promoter Score (NPS) of +66 at the end of FY24/25. Additionally, the Energy Research Consulting Group (ERCG) study ranked SmartestEnergy US, first in overall satisfaction, winning excellence awards across all the major categories, including 'Ease of Doing Business' and 'Customer Experience'.

> The US energy landscape posed significant challenges this year, but that didn't stop us from hitting our targets, expanding our retail footprint and securing new PPA deals. We've grown far beyond the start-up we were six years ago, now ranking as one of the top 15 energy suppliers by volume. A really rewarding end to the year, was being voted number one for overall satisfaction, and winning awards for ease of doing business and customer experience, which validates just how exceptional our team really is.

Andy Cormie, CEO
SmartestEnergy US

7.3 TWh
Annual C&I supply volume

39
Utilities we are live selling in, across 12 states

+66
Net Promoter Score (NPS)

SmartestEnergy Australia

Australia's energy landscape continues to undergo significant transformation, with FY24/25 marked by renewed market volatility. Baseload outages, a wind drought and strong demand drove sharp price fluctuations and sustained forward premiums for capacity products. With the grid still reliant on aging coal-fired generation, the need for the development of more renewable energy and flexible assets remains critical.

In environmental certificate markets, Large-Scale Generation Certificates (LGC) prices declined sharply amid oversupply and uncertainty around post-2030 policy support. The Department of Climate Change, Energy, the Environment and Water (DCCEEW) outlined a proposed Renewable Energy Guarantees of Origin (REGO) scheme to replace LGCs, introducing features such as timestamping, which may create a premium for certain renewables, but unclear demand signals continued to cause challenges in long-term valuation.

Despite these challenges, we continued to expand our renewable energy portfolio through strong partnerships with leading generators. A key highlight was the signing of a 175MW Power Purchase Agreement (PPA) with Neoen for the Culcairn Solar Farm, further strengthening our clean energy credentials. We also celebrated the commercial operation dates of the Potentia Energy Gigarre Solar Farm and Metka Kingaroy Solar Farm, both major milestones in the development of our renewable energy portfolio.

By growing our PPA portfolio, SmartestEnergy Australia continues to enhance its ability to offer tailored renewable supply solutions, empowering businesses to meet their sustainability goals with confidence. Our delivered retail volume increased to 1.3TWh (0.90 TWh in 2024), supported by new supply agreements, including a key contract with a major department store. Each partnership and project we pursue contributes to Australia's progress toward a low carbon future.

As we expand our business, we continue to put our customers at the heart of what we do, which is evidenced in our high Net Promoter Score (NPS) results at the end of FY24/25; we recorded scores of +39 for customers and +52 for brokers.

To further enhance customer experience and our risk management capability, we've made strategic investments in our IT systems and data platform.

We have streamlined the customer quoting and onboarding experience and implemented a new marketing automation platform to enable more effective communication. Additionally, we improved our risk management through investments in forecasting, risk metrics and reporting architecture.

SmartestEnergy Australia remains committed to leading the clean energy transition by delivering customer-focused solutions, fostering collaborative partnerships and offering strategies that help navigate the complexities of today's energy markets.

Looking ahead, we aim to continue expanding our renewable energy and firming capacity portfolio, while exploring new product structures and technology platforms to enhance our C&I supply offering, drawing inspiration from the innovation demonstrated by our UK business in this space.

> As we approach our five-year anniversary in Australia, I am pleased that FY24/25 was a year of continued progress and resilience. We grew our customer base, strengthened our systems and deepened our renewable partnerships. Looking ahead, we remain focused on delivering innovative, customer-led solutions that support Australia's transition to a renewable future.

Robert Owens, CEO
SmartestEnergy Australia

1.3 TWh
Total delivered retail energy volume

531 MW
Contracted renewable energy capacity

2548
Retail meters (NMIs) supplied

+39
Customer Net Promoter Score

Sustainability

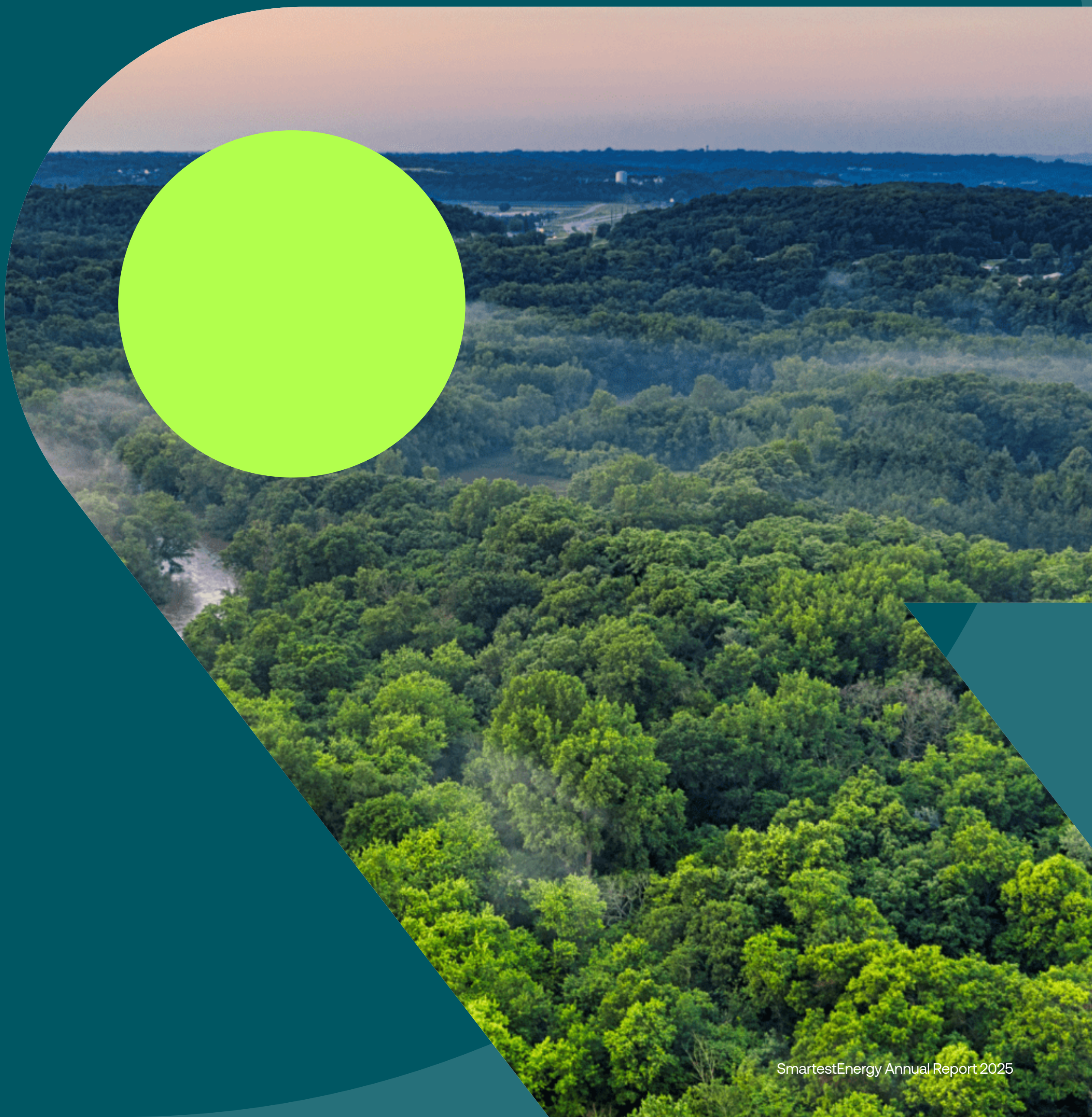
We recognise the profound impact that business can have on the world. The urgency to address climate change is a defining challenge for us all, demanding purposeful action from both businesses and individuals alike.

At SmartestEnergy, we see this not just as a challenge, but as a fundamental driver of our strategic direction. As such, our sustainability strategy is an integral part of our wider corporate strategy.

Our mission is underpinned by a steadfast commitment to strong governance, to build a successful and resilient business, which enables the low carbon transition so we can play our part in addressing climate change.

Furthermore, we believe that meaningful change is driven from within, which is why attracting, retaining and developing diverse talent is a key part of our approach.

By uniting our global team in our sustainability vision 'to empower a greener generation', we not only advance our own sustainability objectives but also solidify our role as a trusted partner for our customers as they navigate their journey to net zero.



Sustainability

(Continued)

Climate-Related Financial Disclosures

The Group presents its climate-related financial disclosures for the year ended 31 March 2025. These disclosures have been made in compliance with the mandatory climate-related financial disclosures required under the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

a) A description of the governance arrangements of the company or LLP in relation to assessing and managing climate-related risks and opportunities

Climate-related issues are included as part of the standing sustainability item on the quarterly Board agenda and are integrated into the overall governance arrangements of SmartestEnergy. This enables the Board to hold the Company to account to develop and implement the sustainability strategy, of which climate-related risks and opportunities are a key part. During the year, items discussed under the sustainability agenda included updates on our corporate ambition relating to sustainability and net zero carbon emissions, the results of our first full carbon inventory and plans for decarbonisation.

More broadly, the Board has overall responsibility for the internal control framework and risk management systems. This includes reviewing the effectiveness of the control processes and ensuring the assessment and ongoing management of risks and opportunities, and which will include climate-related risks and opportunities where relevant. The Board delegates these responsibilities to the Enterprise Risk, Audit and Controls Committee, through the Executive Committee. The Enterprise Risk, Audit and Controls Committee meets at least quarterly and comprises the Chief Operating Officer (COO), Chief Technology Officer (CTO) and senior business leaders representing key business areas.

b) A description of how the company or LLP identifies, assesses, and manages climate-related risks and opportunities

See combined response to disclosures (b) and (c) below.

c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company or LLP

In FY24/25, the processes for identifying, assessing and managing climate-related risks and opportunities were integrated into the overall Enterprise Risk Management (ERM) framework.

We began the year with a top-down process, working with risk sponsors and the executive team to identify risks for the corporate risk register. Following this, rating and calibration sessions were held with risk sponsors to assess risk ratings, capture key controls and document any additional ongoing or planned mitigation actions. Climate change was identified as a principal risk through this approach. Reference Principal Risks and Uncertainties.

The identification of climate-related risks and opportunities was then carried out using a bottom-up process. We conducted a multi-stage review of last year's identified longlisted climate-related risks and opportunities. This review, applying the ERM methodology, resulted in a revised shortlist of proposed climate-related risks and opportunities. Executive workshops were held to discuss and challenge the climate-related risks and opportunities identified. Individual sessions with the executive risk sponsors were then carried out to further refine the risk descriptions, consequences and ratings, and to capture details of controls and additional current or planned mitigation actions. Climate-related risks and opportunities are included in relevant departmental risk registers. It is expected that the climate-related risk and opportunity identification, assessment and impact evaluation processes willbe refreshed periodically.

Sustainability

(Continued)

After the reporting period, in November 2025 the Board approved climate change as a principal risk within the corporate risk register as well as the detailed climate-related risks and opportunities, after prior approval by Executive Committee in October 2025 and ERAC in July 2025. The climate-related risks and opportunities within the departmental risk registers will be reviewed within our ERM process. This will include quarterly reports to ERAC and bi-annual reports to the Board, overseen by the executive risk sponsors.

d) a description of -
   (i) the principal climate-related risks and opportunities arising in connection with the company's operations,
   (ii) the time periods by reference to which those risks and opportunities are assessed;

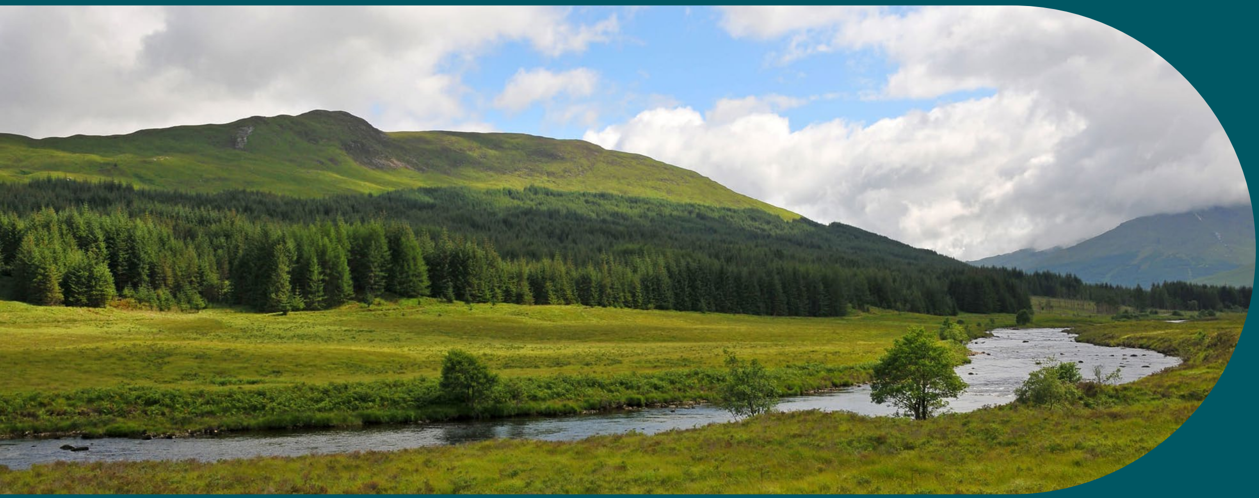
e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's/LLP's business model and strategy

This year, we have assessed the climate-related risks and opportunities at a Group level using our new ERM framework. The assessment considered impact, likelihood, drivers and consequences over a five-year horizon to rate the risks as high, medium or low. Currently, all assessments have been aligned to the five-year strategic planning horizon, consistent with the enterprise risk management approach. Going forward, we will consider evolving the assessment to include short, medium and long-term time horizons.

In applying our ERM framework, an assessment is made of the magnitude of the consequences (impact) should the climate-related risk or opportunity occur and an assessment of how likely it is that the climate-related risk or opportunity will crystalise (likelihood).

After assessing impact and likelihood, the climate-related risks and opportunities are mapped using a red, amber or green (RAG) rating to determine the appropriate response to manage each risk or realise each opportunity, as outlined in the below table:

RAG	Risk Response	Opportunity Response
🔴	The risk is intolerable to the business and prioritised for further action to reduce to an acceptable level. If not considered feasible, the Board are made aware of the risk and the potential impact.	The opportunity is considered material and prioritised for further action to pursue the opportunity.
🟠	The risk is considered tolerable subject to active management of the risk to reduce the potential impact to as low a level as reasonably practicable.	The opportunity could be potentially material and is actively monitored, usually on a bi-annual basis, to determine whether further action is warranted to pursue the opportunity.
🟢	The risk is considered acceptable and warrants no further action to manage and reduce the potential impact.	The opportunity is not considered material, and no further action is warranted to pursue the opportunity.



Sustainability

(Continued)

Risks and Opportunities

The table below outlines our principal climate-related risks and opportunities identified along with details of the impact on the business, likelihood and RAG rating. This represents a refreshed view of the most pertinent climate-related risks and opportunities for our business. In our assessment, we have considered both risks associated with the transition to a low carbon economy (transition risks) as well as risks associated with the physical effects of climate change (physical risks). Our assessment did not identify any significant physical risks.

Risk	Risk Description	Consequences	Likelihood	Impact	RAG
Transition Risks					
Technology risk - Competitor Activity	Failure to anticipate and adequately respond to the impact of increased competition within the energy market or implement commercially viable and timely solutions in response to the energy transition to a low carbon economy.	Non-fulfilment of five-year profit after tax (PAT) expectation for our shareholder Marubeni.	Unlikely	High	●
Market risk - External stakeholder	Failure to predict and respond to evolving external stakeholder expectations and attitudes relating to the net zero carbon transition which impacts customer growth and retention.	Loss of customers, loss of market share, loss of reputation and credibility, loss of income, loss of ability to attract leading sustainability customers which reduces our sphere of influence.	Possible	Medium	●
Market risk - Energy supply and demand economics	Failure to recognise the impact of climate change on fundamental energy supply and demand outlook (near-term and long-term) and adapt our trading portfolio risk and pricing strategies.	Mispricing or incomplete analysis can lead to financial losses and exacerbate our volume imbalance risk and an inability to formulate resilient strategies. Where risk limits are breached, our key shareholder has the right to limit or revoke our trading mandate.	Unlikely	Medium	●
Policy, legal and reputational risk - Regulatory compliance and reporting	Failure to meet the current and future obligations, implement related actions and therefore being unable to report on all climate-related performance and disclosures with transparency and accuracy.	Prosecution of Company and/or individual Directors/ Officers. Damage to parent company Marubeni Corporation reputation and profit.	Unlikely	Medium	●

Sustainability

(Continued)

Risk	Risk Description	Consequences	Likelihood	Impact	RAG
Opportunities					
New market partnerships	Opportunity for growing our new business through the acquisition of market-leading sustainability companies or joint ventures, enabling us to expand our share of physical energy volumes and enhance trading capabilities in the energy transition.	To secure a better opportunity to drive long-term growth and increase PAT for the SmartestEnergy shareholder.	Unlikely	High	
Leveraging energy market decarbonisation	Opportunity to take advantage of the transformation in the energy market arising from an increasing appetite to adopt commercially viable renewable or net zero related products and services.	Increased profitability with increased demand and improved supply resulting in increased revenues.	Likely	High	
Talent retention and attraction	Opportunity to ensure strong performance in sustainability especially climate and environmental matters enhances talent attraction and retention.	Strong performance on climate and environmental matters to be green employer of choice will help attract and retain talent (this could also be a risk).	Likely	Low	

f) an analysis of the resilience of the company's/LLP's business model and strategy, taking into account consideration of different climate-related scenarios

We consider our business model and strategy to be resilient to the climate-related risks and opportunities identified above. As our business primarily operates in jurisdictions currently committed to the Paris Accord, these risks and opportunities relate to a low carbon scenario.

As our reporting of climate-related risks and opportunities matures in the future, we will look to strengthen our analysis of resilience considering relevant climate-related scenarios over various time horizons.

Understanding the energy supply and demand economics over time within the markets we operate is crucial to ensure the resilience of our business model and strategy under a low carbon scenario. In this analysis we have considered:

- Our expert teams ensuring our internal assumptions around volume and pricing, coupled with current and future short and long-term contractual commitments are within our risk appetite to mitigate our market risk in respect of energy supply and demand economics.
- Retaining internal and external expertise as we navigate new and existing markets to mitigate our policy, legal and reputational risk.
- Our service teams providing competitive product offerings and maintaining robust account relationships to mitigate our market risk in respect of evolving stakeholder expectations.
- Our Product and IT & Change teams ensuring we implement commercially viable solutions in a timely manner and support changes to demand and supply within the low carbon economy to mitigate our technology risk.

Sustainability

(Continued)

Additionally, we consider that our organisational structure supports resilience in respect of our climate-related risks and opportunities in terms of the following:

- We own no physical assets therefore any shortfalls in supply can be sourced directly from any market participants.
- Our supply business provides a guaranteed route to market over the short-term and the flexibility to manage longer term volume and price risk through a more robust supply and customer base.
- Our growth strategy aims to use existing and proven competences that have proved successful in the past to inform our management of demand and supply economics in the future in both organic and inorganic growth.
- Our ambition to procure flexible volume from assets that provide volume flexibility during short term peaks in demand ensure we can meet our contractual obligations where climate change may have negative impacts on volume.

g) a description of the targets used by the company/ LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and

h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.

We report energy consumption and associated emissions metrics for our global business as part of our mandatory compliance reporting according to the Regulations 2018 (section 20D.) in the Streamlined Energy and Carbon Reporting (SECR) section within the Strategic Report.

Going forward we will consider defining targets to be used to manage climate-related risks and realise climate-related opportunities and consider developing key performance indicators to assess progress against those targets.

Streamlined Energy and Carbon Reporting (SECR)

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the Board presents its annual report on greenhouse gas (GHG) emissions and energy usage.

SmartestEnergy Group is reporting against the Streamlined Energy and Carbon reporting (SECR) framework. The reporting period is 1 April 2024 - 31 March 2025. SmartestEnergy Group is reporting as an unquoted 'large' company and all the mandatory requirements have been addressed and are presented here.

All calculations have been conducted in line with the WBCSD/WRI "Greenhouse Gas Protocol: a corporate accounting standard (revised edition)" and the UK Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (2019).

Scope 1 Natural Gas emissions are calculated using the UK Government greenhouse gas emissions conversion factors for company reporting (2024). Scope 2 emissions have been calculated using both location-based and market-based approaches.

SmartestEnergy Group's energy consumption for FY24/25 is **1,407,659 kWh** globally of which **1,194,633 kWh** is related to UK-based sites and activities. This includes the Company's electricity and natural gas usage and transport fuels for company cars and business travel in employee-owned cars and hire cars.

For FY24/25, the total GHG emissions associated with reported energy use are **324.5** tCO2e globally of which **258.8** tCO2e is related to UK-based sites and activities (market-based). Following a location-based approach the total GHG emissions associated with reported energy use are **289.6** tCO2e globally of which **245.9** tCO2e is related to UK-sites and activities. The following table provides the breakdown by Scope:

Sustainability

(Continued)

The following table provides the breakdown by Scope:

GHG Emissions and Energy Usage Data		
Global	**1 April 2024 to 31 March 2025**	**1 April 2023 to 31 March 2024**
	tCO_2e	tCO_2e
Scope 1 - Emissions from combustion of gas and natural transportation fuels	125.6	**135.7**
Scope 2 - Emissions from electricity purchased for own use including for the purposes of transport (location-based)	121.0	**176.7**
Scope 2 – Market-based	155.8	**388.9**
Total Scope 1 & Scope 2 emissions (location-based)	246.6	312.4
Total Scope 1 & Scope 2 emissions (market-based)*	**281.4**	-
Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel	43.0	**47.7**
Total Scope 1, Scope 2 & Scope 3 (location-based)	289.6	360.1
Total Scope 1, Scope 2 & Scope 3 (market-based)*	**324.5**	-
Intensity ratio (global) - per m2 ($kgCO_2e/m^2$) - location based*	0.058	-
Intensity ratio (global) - per m2 ($kgCO_2e/m^2$) - market based*	0.065	-
Intensity ratio (global) - per FTE employee (tCO_2e/FTE) - location based*	0.481	-
Intensity ratio (global) - per FTE employee (tCO_2e/FTE) - market based*	0.538	-

*Denotes not calculated for these items in FY23/24

S172(1) Statement

In line with the requirements of Section 172(1) of the Companies Act 2006, our Directors have a legal obligation to act in good faith to promote the success of the Company for the benefit of its members.

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

In executing and complying with their duties in FY24/25, the Directors confirmed that they considered how their actions would promote the success of the Group, for the benefit of its members.

Long-Term Decision Making
The Directors take a long-term view to the decision-making process, allocating resources and investment to business areas which are expected to bring the most benefit to SmartestEnergy and to the wider Marubeni Corporation. This was demonstrated through the authorisation of the SmartestEnergy Strategy in FY24/25 which sets out a five-year plan for continued investment in geographic and capability expansion through organic and inorganic growth, further ongoing and planned investment in the Company's technology platform and continued development of initiatives to support business areas, including trading, generation and supply of renewable energy. The strategy, underpinned by the Directors' support, sets out a clear roadmap for accelerated growth aligned with the global transition towards low carbon energy solutions.

Employee Engagement
The Directors ensure that the Group operates a framework for employee information and consultation to enable the Board and Executive Team to measure employee sentiment and understand and protect the best interests of employees.

This includes the following channels:
- We conduct a global employee engagement survey bi-annually to calculate our Employee Engagement Net Promoter Score (eNPS), analysing the results by Group, Region and Function. Each business area reviews its eNPS scores and implements improvement plans based on feedback.

  Engagement levels are a key performance indicator on the Board scorecard used to assess senior leadership performance.

- We conduct an annual confidential Diversity, Equity and Inclusion (DEI) Health Check survey for all employees. Leadership then reviews the results to assess Company progress on DEI, share findings at every level, and establish action plans where necessary.

- We have established nine employee community groups within the 'SmartestBalance' programme to introduce inclusive initiatives and practices, and influence policy development and implementation.

- We have policies and procedures in place to ensure fair and equitable treatment when it comes to reward, recruitment and day-to-day operations. These are communicated to all employees through our intranet.

Feedback to the Group Executive Committee is provided through a quarterly HR scorecard, which supports the monitoring of key people metrics, including trends in sickness absence, attrition, recruitment and case management. In addition to the above, we also seek to encourage regular and open two-way dialogue with employees through informal direct engagement with Executive Directors within day-to-day business operations. We also have global quarterly business review meetings, hosted by the CEO; employees can ask questions during the sessions, and they are attended by a subset of the Board.

S172(1) Statement

(Continued)

Customers, Strategic Partners and Suppliers
Across all entities of the SmartestEnergy Group, we supply electricity to business energy consumers and provide renewable and flexible generation asset owners and developers with a route to market via a Power Purchase Agreement (PPA) or bespoke origination deal. We also work with energy consultants, brokers and trading counterparties in the UK, US and Australia, and most recently in Europe.

Substantial focus is placed on strong and professional relationships with the Group's suppliers, partners and stakeholders. Uninterrupted operations across the business are fundamental to meeting this objective along with our focused efforts to treat our suppliers fairly and pay them within agreed timescales.

The SmartestEnergy Group also places strong emphasis on maintaining frequent and transparent communication with customers and stakeholders. This includes both operational communications and regular marketing communications to keep our customers and partners informed about market developments, regulatory changes and product offerings. Through our multi-channel marketing communications, we ensure our customers remain well-informed, engaged and confident in the Group's ability to support their evolving energy needs.

Additionally, customer satisfaction and feedback are integral to measuring our success. Our annual Net Promotor Score (NPS) survey is sent to all customers globally; the results are collated and analysed by business unit (C&I and Generation) and documented and presented to the Board. These results provide a useful resource for forward business planning and investment.

Community and Environment
The Directors during the year have continued to invest in and focus on the development of a sustainability strategy to contribute to value creation, with an aim to future proof the business and set out a strong foundation to underpin our growth ahead of increasing legislative requirements, as well as meet enhanced compliance reporting obligations.

We've introduced new charity and volunteering guidelines for our 'Giving Something Back' programme to promote employee volunteering activities aligned with our sustainability priorities. These efforts help the local communities we serve around our office sites, whilst benefitting our employees by fostering collaboration, building team spirit and enhancing skills and wellbeing.

Notable examples include our partnership with East London Business Alliance (ELBA) in February 2025. We hosted 30 students from a local all-girls multi-faith school for a STEM-focused learning event at our London office. In March 2025, we welcomed the Women's Utilities Network (WUN) for a panel discussion and networking event on International Women's Day, providing a platform for women in trading and commercial roles to share their insights; this was also covered in the media.

Our business impact on the environment was a key consideration in our first double materiality assessment during the FY24/25 and underpins our sustainability strategy. Issues arising include the low carbon transition and climate change; we continue to publish our partial footprint to meet regulatory requirements. Through stakeholder engagement across our operations, a full carbon inventory for FY24/25, including Scope 3 was completed to better understand our impact on the environment and identify further areas for improvement. The initiative was supported by carbon literacy training for our own employees in sales, operations and marketing teams.

Our Scope 3 emissions arise from the fuel mix that we sell to retail customers, and from the emissions of assets we own or control that are produced by people that we are indirectly responsible for across up and down our value chain. For more information, see page 21 for SECR and page 16 for Climate-Related Financial Disclosures and our Sustainability Update Report (published, July 2025).

External and Internal Business
The Board is committed to maintaining the reputation of SmartestEnergy and high standards of business conduct in all its business dealings. The SmartestEnergy Limited Code of Conduct (a series of principles supporting the values and ethical conduct) is expected to apply to all employees, contractors and other partners.

SmartestEnergy expects honesty, integrity and transparency in all aspects of its business dealings from employees, contractors and other partners. Control measures and frameworks to uphold ethical principles and high standards of corporate and personal conduct are reviewed and approved by the Board. The Company has several compliance policies including competition, anti-bribery and corruption, gifts and hospitality, responsible procurement, anti-slavery and human trafficking, and data privacy. Board directors, senior management and relevant employees are required to undertake compliance training (at a minimum annually) and assessments.

Principal Risks and Uncertainties

SmartestEnergy takes a structured and comprehensive approach to risk, making informed decisions to stay resilient and to support the achievement of our long-term objectives. Our risk management framework supports SmartestEnergy in providing a holistic view of risks across the SmartestEnergy Group, integrating risk management into strategic planning, day-to-day operations, decision-making and performance management.

Our risk management framework gives us the processes and structure we need to manage and oversee risk consistently and effectively against the risk appetite defined by senior management.

It monitors our risk exposure and gives vital early warning signals allowing us take corrective action to prevent negative outcomes for SmartestEnergy.

How We Manage Risks
We divide our risk landscape into Risk Categories (RCs). There are five core risk categories and 14 associated risk themes. Additionally, up to four risk themes have been included, guiding departments to consider relevant themes when creating or reviewing their departmental level risk registers, which roll up into our corporate risk register. An overview of these RCs and themes is included in the following table.

Risk category	Finance	Strategic	Legal & Compliance	Operational	Departmental
Risk Theme	Financial Control	Climate and ESG	Legal	People	Stakeholder management
	Credit and liquidity	Strategy and Competition	Energy and other regulations	Health, Safety and Environment	Business interruption
	Market risk	Change management and delivery	Fraud, anti-bribery and corruption	Cyber security	TPI/Supply chain management
	Model risk			Date strategy management and compliance	Customer service and operational delivery

For a view of the current status of key risks across our RCs, a detailed breakdown is included below.

Our Risk Culture
The successful adoption of our risk management framework depends upon our people embracing their curiosity and accountability when thinking about risk and using it to make decisions. We underpin our framework with regular risk discussions in leadership teams and at key decision points. We also train everyone involved in making our framework a success, so they have a clear understanding of the expectations and benefits that effective risk management brings.

Our Risk Governance
The Board has ultimate responsibility for risk management supported by the Executive Committee. The quarterly Enterprise Risk, Audit and Controls Committee, via delegation from Executive Committee, oversees and monitors our risk management and internal control system effectiveness on behalf of the Board of Directors and the Executive Committee.

Principal Risks and Uncertainties

(Continued)

Our Key Risks and Uncertainties by Risk Category

	Risk Theme	Sponsor(s)	Risk Appetite	Risk Details	Risk Management
Strategic	**Change management and delivery** We're accelerating our transformation to become simpler, more efficient and dynamic, supporting our strategic growth. This includes creating seamless sales and service journeys and replacing legacy systems with modern technology to enhance experiences and reduce costs. To succeed, we must manage delivery risks and ensure we realise the intended benefits, or risk inefficiencies and financial impact.	CTO and VP Strategy and Business Development	We've set clear risk limits for transforming our products, customer journeys and technology. We track metrics to ensure we're delivering real, sustainable change, not just cost cuts. Staying within our risk appetite helps us move faster, increase competitiveness, improve experiences and manage costs effectively.	The scale and complexity of transformation could stretch resources and dilute impact. Daily pressures may slow progress and threaten long-term change. Talent gaps could stall execution and weaken strategic delivery.	We review transformation progress regularly at the Executive Committee - unblocking issues, managing dependencies and driving decisions. Strong governance ensures senior leaders own key operational and financial outcomes. Programme assurance keeps us aligned with strategy and finances by continuously improving planning and execution. We invest in people to build the skills and culture needed to deliver lasting change.
Strategic	**Climate and ESG** We're aligning our strategy with stakeholder sustainability expectations, embedding climate progress messaging in our communications, bids and product offerings to support customers in their transition to a low carbon economy.	VP Global Marketing and Senior VP Global Finance	We're committed to empowering our customers on the energy transition. We also want to take advantage of commercial opportunities that arise as part of the transition to a low carbon economy.	Increased pressure from Government, shareholders, employees and customers to set bold carbon reduction targets. Risk of falling behind if we don't act fast enough to realise opportunities from the energy transition. Slow innovation in low carbon products could reduce competitiveness. Tight ESG reporting requirements across the UK, EU and globally.	Advancing towards TCFD best practice reporting. Retaining expert talent for new and existing markets. Service teams delivering competitive products and strong client relationships. Product and IT&C teams launching timely, viable solutions. Regularly capturing customer feedback and market insights.
Legal and Compliance	**Energy and other regulations** We focus on compliance in alignment with energy regulation, ensuring compliance with legislation, such as the Modern Slavery Act and our financial trading obligations.	VP Compliance & Regulation	We're committed to a strong compliance culture. We also want to take advantage of commercial opportunities while making informed, evidence-based, justifiable decisions on complying with applicable laws and regulations. We balance protecting our customers with the needs of our business and key stakeholders.	An increasingly interventionist regulatory approach could impact on our commercial strategy. There could be new laws and regulations, or changes to existing ones, responding to geopolitical dynamics or concerns in a particular area of regulation.	We proactively engage with regulators and give them accurate information on time. Our policies and processes help colleagues comply with our obligations. Our culture encourages high standards of conduct and everyone to speak up about issues. We assess risks and provide compliance advice for strategic projects, new business or operations. Our compliance programme offers guidance and training.

Principal Risks and Uncertainties

(Continued)

Our Key Risks and Uncertainties by Risk Category

	Risk Theme	Sponsor(s)	Risk Appetite	Risk Details	Risk Management
Financial	**Financial control** Our financial controls help us prevent material losses and report accurately. If these failed, we could lose money or materially misrepresent our financial position. We might fail to apply the correct accounting principles and treatment or pay our taxes. That could lead to wrong business decisions, financial misstatement, fines, legal disputes and reputational damage.	Senior VP Global Finance, and VP Risk	We want our overall financial control framework to be effective so that there's a less-than-remote chance of material financial misstatement in our reported numbers. We want our operational and strategic decision making to be optimised through using models that are accurate, complete, regularly recalibrated and independently validated.	Not delivering the transformation of our finance processes and systems could affect our control performance, efficiency and effectiveness. Changes to accounting treatment for our core transactions not identified or applied correctly. Failing to effectively design, implement and use models aligned with actual outcomes to inform decision making.	We have financial and operational controls for planning and budgetary discipline, efficient and accurate reporting and for effective fraud prevention. We are enhancing processes and systems to improve and automate accounting and financial reporting and controls. Independent professional services organisations review and test our preparedness for new and changing legislation. Creation of a Model Risk Function within the Risk Department to provide independent governance, appropriate management oversight and validation of models.
	Working capital / Liquidity We carefully manage risks which might result in us not being able to meet our payment commitments, ensuring sufficient working capital and cash is available. Risks could come from not generating enough cash or being unable to renew shareholder funding arrangements. We also manage risks around trade debtors and trade creditors that arise directly from the Group's operating activities.	Senior VP Global Finance	We fund our business based on performance forecasts in line with our annual budgets. We utilise only investment grade banks and institutions and benefit from a parental company guarantee to support our funding and credit lines. We do not seek to adopt any trading risk as a result of our treasury activities.	An uncertain macroeconomic or geopolitical environment could raise the cost (or lower the availability) of new long-term debt or changes in customer credit behaviour or credit quality. Failing to anticipate changes to the regulatory environment that impact our working capital, cash or collateral requirements. Failing to renew the committed shareholder funding agreements. The unexpected withdrawal of collateral/liquidity from the shareholder. Insufficient reserves maintained to absorb unplanned risk events.	We review our forecast and actual business performance regularly. We have formal treasury and cash margining policies and risk management processes, Executive Committee/Board oversight, delegated approvals and strong shareholder relationship management. We annually renew our committed shareholder funding agreements, including our SmartestEnergy Stand-alone Letter of Credit (LoC) Facility and the Marubeni/Mizuho Total Parent Company Guarantee (PGC)/LoC Facility. We have insurance cover to mitigate exposure to potential risks, including credit risk insurance for customer contracts. We hedge our electricity and gas price exposure in the wholesale electricity and gas forward markets using over-the-counter and exchange-traded derivatives such as forwards and futures contracts.

Principal Risks and Uncertainties

(Continued)

	Risk Theme	Sponsor(s)	Risk Appetite	Risk Details	Risk Management
Operational	**Data Strategy, management and compliance** We proactively manage data risks including privacy, architecture, processing and retention, while staying ahead of evolving global regulations. A clear data strategy is essential to support sound decisions, protect stakeholder trust and avoid legal or financial consequences.	CTO and VP Compliance & Regulation	We use data to drive growth while staying compliant with global regulations. A strong strategy and governance framework protects SmartestEnergy and its stakeholders, enabling us to unlock opportunities and make informed decisions.	Using and handling data inappropriately could mean we breach data regulations, potentially compromise sensitive information or violate banned uses. Duplicative/missing data sets could lead to ineffective management decisions and operational inefficiencies. Countries (e.g. the UK) releasing new data use and access regulations may affect our operations.	Strengthening systems to enforce data standards and strategy. Upgrading governance to meet current and future regulations. Running impact assessments on all key changes. Scanning for regulatory, technology and sector shifts. Equipping teams with training and tools for smarter data decisions.
Operational	**People and workplace culture** Our people are key to delivering our ambition. Our people strategy is to create a culture where everyone can perform and be at their best. That means us managing risks around our talent management lifecycle, skills and capabilities, engagement, culture, wellbeing and inclusion.	Senior VP HR	Our highest priority is making sure colleagues can work and perform at their best and we're open to taking risks to do the right thing culturally and commercially. We'll actively avoid risks that compromise our people's health, safety and wellbeing. We're also committed to taking risks that drive innovation and growth while following employment legislation.	A resource gap caused by big supply-and-demand shifts in strategic skills might affect business results. Failing to drive an inclusive culture could stop us achieving our business performance objectives. Inconsistent behaviours could limit a high-performance culture or slow the pace of change, affecting business results and productivity. Changes in legislation relating to flexible working and day-one workers' rights need to be reflected in policies, processes and working practices. Failing to ensure our reward model meets legislative requirements both current and future and aligns with what is offered by our peers.	Clear goals and roles through structured performance and talent reviews. Ongoing skills assessment and strategic workforce planning. Targeted training for current roles and future capabilities. Inclusive policies: flexible working, carers leave, plus accessible workplace and systems. Regular employee engagement tracking and strong relationships with representative groups. Values and leadership behaviours clearly communicated. Reward model benchmarked and aligned to our Global Job Architecture.

Financial Statements

Directors Report

Directors Report
Registered No. 03994598
The directors present their report for the year ended 31 March 2025.

Directors
The directors and officers who served during the year were as follows:

Robert Groves
Naoki Ito
Tomoki Nishino
Robert Pringle
Takafumi Shigemura
Seiichi Kuwata (resigned 11 April 2024)
Ryuichi Noyama (resigned 11 April 2024)

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

Financial Risk Management
The Group enters derivative transactions, including energy forwards and energy futures to manage the price and volume risks arising from the Group's operations. Financial instruments give rise to credit, commodity price and volume risks. Details on how these risks arise is set out in Note 20 as are the objectives, policies and processes for their management and the methods used to measure each risk.

Please see page 30; 'Principal Risks and Uncertainties', for more details of our working capital/liquidity risk.

Events Since Balance Sheet Date
Events since the balance sheet date that would materially affect the financial statements are included in Note 22.

Disabled Employees
We are committed to fostering an inclusive workplace where all individuals, including those with disabilities, can thrive.

The Group gives full consideration when shortlisting and interviewing to include all applicants with disabilities, provided they meet the minimum requirements for the role.

The Group ensures that staff with protected characteristics, as defined under the Equality Act 2010, have equal opportunities for training, career development and promotion. Support is provided to staff on a case-by-case basis by their line manager and Human Resources.

Where an existing employee becomes disabled, the Company will support wherever practicable, offering continuous employment either in their current role or an alternative position. Training and equipment will be provided if appropriate and reasonable under the Equality Act to facilitate this.

Driven by our global SmartestBalance programme, we are committed to ensuring that all employees have equitable access to opportunities and are empowered to succeed. In addition to reasonable adjustments, employees can engage with our internal community groups, such as the Neurodiverse and Abilities Group, where members can share lived experiences and find peer support.

Employees
The Directors continue to place significant value on the Group's investment in its employees, with talent attraction, retention and development a strategic priority. They remain committed to ensuring that employees are kept informed on matters affecting them, while encouraging all employees to contribute their views on the Group's strategy, performance and management.

The Company also operates a compensation approach which allows employees to participate in the ongoing success of the business, reinforcing a culture of shared achievement and accountability.

Details of how the Directors have considered employees' interests in executing the Group's strategy can be found in the Strategic Report, under section S172(1).

"There's a clear direction for the Company, and senior leadership get us involved. They make sure that they're talking to the people that are responsible for doing the work and delivering the strategy"

Melissa Withey,
Debt Management Team Leader
SmartestEnergy Limited, UK

Directors report

(continued)

Directors' Liabilities
The Group has granted an indemnity to its Directors and Officers against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approval of the Directors' Report.

Political Donations
During the year the Group and Company did not make any political donations (2024: none).

Statement of Corporate Governance Arrangements
For FY24/25, under the Companies (Miscellaneous Reporting) Regulations 2018, the Group has applied the Wates Corporate Governance Principles for Large Private Companies.

Principle 1: Purpose and Leadership
The purpose of the SmartestEnergy Group is to provide external market stakeholders with the products, services and tools they need to make greener energy choices and help them navigate the transition to net zero.

The Board promotes this purpose, alongside the Group's core values:

- "Think customer"
- "One team, one future"
- "Innovate to accelerate"
- "Own it"

These core values drive the Group's strategy, guide decision-making and ensure alignment with stakeholder interests. The Board monitors progress against the Groups' strategic objectives through assessment against an annual scorecard.

Both the Group's purpose and values are communicated to employees by the CEO during quarterly business review meetings, and more frequently through interactions with the leadership team and communications via the intranet. Functional and individual priorities and objectives are aligned to the group strategy and values, and performance against these are reviewed as part of the Group's annual performance management process.
The group strategy was refreshed early 2025 and signed off by the Board (refer to the Strategic Report for further details).

The Board has outlined the desired culture in alignment with the Group's values and through the establishment of a leadership behaviour framework, which was rolled out across the Group in FY24/25.

The Board has delegated responsibility for day-to-day oversight and adoption of this culture to the Executive Committee.

Culture is monitored on an ongoing basis by the leadership team through review of the bi-annual employee survey and results, review of the annual DEI survey and monitoring of absenteeism rates and feedback from exit interviews. The Executive Committee reviews this information, and we are considering in FY25/26 how this information can be included in the formal Board reports to provide further insights.

The Board of SmartestEnergy, along with the various committees' terms of reference and policies, delegates certain responsibilities to the Executive Commitee. Oversight is maintained by parent company staff who serve in senior roles within each subsidiary.

Principle 2: Board Composition
During the year, the Board comprised of eight members:

- Chairman
- Three Executive members: CEO, COO and CTO
- Three non-executive members representing the shareholder and wider Marubeni Corporation
- One non-executive independent member

The composition was further enhanced by the appointment of an independent non-executive director in April 2025 and a new Executive Chair in June 2025. The new independent non-executive director provides industry expertise in the areas of policy, regulation and operational leadership.

There is a clear division of responsibility between the Chair and CEO, whereby the Chair is responsible for leadership of the Board and the CEO is responsible for the day-to-day leadership of the business operations. The Board meets quarterly with an agreed agenda per the Board calendar, and ad-hoc meetings take place as required.

Training and development needs of the Board are regularly reviewed. A Board training day is held annually including a refresh on Director's duties.
The Board has one sub-committee, the Nomination and Renumeration Committee, which is responsible for review and approval of pay and benefit matters, including the Company bonus policy. Its members are a subset of the Board.

Directors Report

(Continued)

As part of the wider governance structure, there is one Group Executive Committee and four entity-level Executive Committees, and central functional committees, such as the Trading Risk Management Committee and Financial Reporting Committee, as well as other operational working groups formed from a subset of senior level leaders from SmartestEnergy. This structure has been enhanced with the creation of an Enterprise Risk, Audit & Controls Committee and Health & Safety Committee. Members for these two new committees include a subset of senior and middle management leadership. All relevant matters relating to areas including risk management, internal audit, Group audit, application and changes to Group accounting policies are reviewed through this wider governance structure in line with the relevant committee terms of reference and recommendations are made to the Board for approval, as appropriate.

Marubeni Corporation provides a clear set of delegations to its SmartestEnergy subsidiary and these are reflected in the various committee terms of references and policies.

In FY25/26, SmartestEnergy has also commissioned a governance review project to further refine our approach to managing the business, ensuring our growth strategy and oversight controls are in alignment.

The Company is wholly owned by Marubeni Corporation, so board evaluation, assessment of strengths and weaknesses and succession planning are carried out by Marubeni Corporation executives under their internal governance, with input from the CEO & COO. Decisions remain solely with the Marubeni Corporation.

Principle 3: Directors' Responsibilities

Marubeni Corporation sets policies for its subsidiaries to practice good corporate governance. In addition, there are several business specific policies that ensure good management processes throughout the business and these are reviewed annually, at a minimum.

Committees within the governance framework are established with terms of reference to ensure decision-making and accountability is clear and well-understood. Terms of reference for all committees are regularly reviewed to ensure they remain fit for purpose. They are adapted to promote good corporate governance and meet the requirements of the Group as it evolves.

The Board, through the Company Secretary, maintains a Conflicts of Interest Register in line with the Conflicts of Interest Policy. The board is also preparing to comply with Ofgem requirements following the recent consultation relating to Boards and Director Governance.

The Board follows an annual calendar to ensure that all key topics requiring attention are appropriately scheduled across quarterly meetings. To support effective decision making, the Board receives timely, accurate and relevant management information, presented in the required format and with quality overseen by the Company Secretary, that enables it to fulfil its responsibilities with confidence and clarity. In particular, the Board receives information on Group performance, strategy, risk, regulation and compliance, operational matters and sustainability.

During FY24/25, the Executive Team invested in the design of a risk and control framework to be rolled out in FY25/26, which will ensure that robust internal processes, systems and controls are operating effectively, and that the quality and integrity of information provided is reliable, enabling Directors to monitor and challenge the performance of the Company and make informed decisions.

Principle 4: Opportunity and Risk

The Board is responsible for the review and approval of all material strategic initiatives through the approval of the five-year plan (updated annually) and on an ad-hoc basis if an opportunity is identified by the business. Further approval is required from Marubeni Corporation if the total investment value exceeds Group established limits. In addition, key business strategies such as Trading, Sales and IT are presented to the Board throughout the year.

The Board has overall responsibility for risk management and internal controls. This includes reviewing the effectiveness of the control processes and ensuring the identification, assessment and ongoing monitoring of risks, which may include climate-related risks. The Board delegates monitoring and management of these risks to the Executive Committee, with further delegation to the Trading Risk Management Committee and/or Enterprise Risk, Audit & Controls Committee in FY25/26. The Trading Risk Management Committee meets monthly and Enterprise Risk, Audit & Control committee meets quarterly. They are also convened on an ad-hoc basis as business needs arise. Both committees comprise of the COO and senior business leaders representing key business areas including Risk, Finance, Trading and Sales.

Directors Report

(Continued)

Management and staff have the primary responsibility for owning and managing risks. The Risk Management Committee and/or Enterprise Risk, Audit & Controls Committee supports oversight of the effective operation of the risk and internal control framework. Adequacy and effectiveness of the framework is monitored and reported by the Risk function.

During FY24/25, SmartestEnergy began to implement a comprehensive risk and control framework. This is comprised of an enterprise risk management framework and a fit for purpose internal control framework which provide the Board with appropriate oversight of key principle and emerging risks, coupled with an insight into the effectiveness of control operations in addressing the risks. This will be further enhanced during FY25/26 through the development of a self-assessment framework and technology investment.

Principle 5: Remuneration

Director remuneration is set by SmartestEnergy, with oversight of appointments from Marubeni Human Resources. For senior management and other employees there is a comprehensive approach to remuneration throughout the organisation, aligned to an approved remuneration structure. This process is actively managed by the HR department, with oversight by the Global and Local Nominations and Remuneration Committee. Advice from external consultants is obtained when required. For example, during the year, the Company has engaged with market-leading consultants to benchmark the Company bonus scheme and trading incentive schemes in the UK and to support the design of a global job architecture framework. The roll out of the job architecture framework will promote, greater clarity and standardisation across the SmartestEnergy Group.

The Nomination and Remuneration Committee monitors the remuneration structures to ensure that they are clear and aligned with the Company's purpose, values and culture, as well as the delivery of strategy to support long-term sustainable success. The bonus policy is reviewed and approved by the Board annually to ensure the schemes remain market aligned to sufficiently attract and retain talent, whilst also remaining affordable.

Principle 6: Stakeholder Relationships and Engagement

The Board has a responsibility to set and maintain a culture, values and standards that ensure that the Group's obligations to its stakeholders are understood and met.

During FY24/25, SmartestEnergy rolled out a new website to support improved communication to our stakeholders both internally and externally.

Further detail on how the Board has engaged with stakeholders and had regard to their views when taking decisions is outlined in the s172 statement.

Going Concern

SmartestEnergy's business activities are set out in the 'Principal Activities' and 'Business Review' sections above. The notes to the financial statements also include the Group's policies with respect to the management of the principal risks facing the Group. SmartestEnergy meets its day-to-day working capital requirements through several committed and uncommitted loan facilities. For full details, please see note 1.

These facilities are regularly reviewed and stress tested based on numerous extreme market and business event scenarios to ensure the Company is adequately funded to meet its liabilities as they fall due, even in the case of an unexpected market "shock" event or prolonged period of extreme market prices and volatility.

The Directors receive regular reporting including robust analysis of forecast future cash flows, taking into account the potential impact on the business of possible future scenarios arising from the impact of future energy price rises. This analysis also considers the effectiveness of the available facilities to assist in mitigating the impact.

The Group has also received a Parental Letter of Support from Marubeni Corporation which outlines their commitment to support the Group in meeting its liabilities, if and when the Group cannot meet them itself. By issuing this letter of support, the parent company has confirmed its ability to provide financial support to the Group, and that it will provide such support until at least 31 March 2027. Through inquiries with the parent company to understand available liquidity, the Directors have assessed the parent company's financial ability to provide this support.

With the above facilities in place and having received the Parental Letter of Support from Marubeni Corporation, the Directors have taken the measures necessary to give themselves a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors Report

(Continued)

Environment
Please refer to the 'Sustainability' section in the Strategic report.

Directors' Statement as to Disclosure of Information to Auditors
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
Ernst & Young LLP have expressed their willingness to continue in office as auditors. In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the Board of Directors.

Information in Strategic Report
Information on principal activities, business review, dividends, and principal risks & uncertainties of the Group are not shown in the Directors' Report but are instead disclosed in the Strategic Report.

On behalf of the Board:

Robert Groves
Chief Executive Officer and Director

Suguru Tsuzaki
Chief Operating Officer and Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable United Kingdom 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 and Parent Company financial statements in accordance with UK-adopted international accounting standards ("IFRS"). 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 Group and the Parent Company and the profit or loss of the Group and the Parent Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimate and Errors and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Parent Company financial position and financial performance;
- in respect of the Group and Parent Company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business;
- ensure that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and financial results of the Parent Company and undertakings included in the consolidation taken as a whole;
- and ensure that the annual report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Parent 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 Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent Auditor's Report

Independent auditor's report to the members of SmartestEnergy Limited

Opinion
We have audited the financial statements of SmartestEnergy Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated and Company Statements of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statements of Cash Flows, and the related notes 1 to 22, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:
- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 March 2025 and of the group's and parent company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, 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 and parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process. We also engaged with management early to ensure all key risks and factors were considered in their assessment.
- Obtaining management's going concern assessment which covers the period up to 31 March 2027.
- Considering the appropriateness of the methods used to calculate the forecast for the parent company including through stress testing scenarios and by comparing actuals with forecasts.
- Verifying the credit facilities from other group companies available to the parent company.
- Obtaining a letter of financial support from Marubeni Corporation that assists in meeting the liabilities as and when they fall due if needed for at least 12 months from the date of signing of the financial statements.
- Evaluating Marubeni Corporation's ability to support the group by assessing the forecast prepared by Marubeni group management including applying downside sensitivities to their forecast.
- Reading the going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

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 and parent company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Independent Auditor's Report

(Continued)

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on Which we are Required to Report by Exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 38, 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.

Independent Auditor's Report

(Continued)

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are reporting frameworks (IFRS, the Companies Act 2006) and relevant tax compliance regulations in the jurisdictions in which the group operates.

- We understood how SmartestEnergy Limited is complying with those frameworks by making enquiries of those charged with governance, management and those responsible for legal and compliance procedures. We corroborated our enquiries through reading board minutes held during the year, up to the auditor's report date.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of improper journal entries within revenue and net trading income through management override of controls and unauthorised trading to be fraud risks. Based on this, we carried out substantive procedures over derivative transactions by tracing to source documentation along with obtaining independent confirmations and assessing the valuation of derivatives on a sample basis. We incorporated data analytics over the entire population of revenue and net trading income and further performed supplemental testing of journal entries focusing on high-risk manual postings. For selected transactions, we carried out substantive procedures by tracing to source documentation.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved performing inquiries to legal counsel, group management and internal audit. For any potential non-compliance matter, we obtained and evaluated management's assessment and involved EY specialists, where appropriate. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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.

Kiran Jamil (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London
12 December 2025

Consolidated and Company Statements of Comprehensive Income

For the Year Ended 31 March 2025
Registered No. 03994598

		Group		Company	
		2025	2024	2025	2024
	Notes	£000	£000	£000	£000
Revenue	2	473,923	216,976	503,383	242,429
Net Trading Income	2	287,355	283,162	211,420	185,090
Cost of Sales	3	(427,174)	(180,470)	(452,095)	(201,303)
Gross Profit		**334,104**	**319,668**	**262,708**	**226,216**
Administrative Expenses	3	(160,159)	(150,570)	(87,070)	(70,880)
Operating Profit		**173,945**	**169,098**	**175,638**	**155,336**
Dividend Income	6	-	-	10,745	-
Interest Income	6	3,580	4,849	2,375	3,803
Interest Expense	6	(16,190)	(17,475)	(6,116)	(8,743)
Profit Before Taxation		**161,335**	**156,472**	**182,642**	**150,396**
Income Taxes	7	(39,407)	(39,453)	(43,204)	(37,478)
Profit for the Financial Year		**121,928**	**117,019**	**139,438**	**112,918**
Other Comprehensive Income Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		1,279	549	-	-
Total Comprehensive Income		**123,207**	**117,568**	**139,438**	**112,918**

The accompanying notes form an integral part of the financial statements.

Consolidated and Company Statements of Financial Position

As at 31 March 2025
Registered No. 03994598

		Group		Company	
		2025	2024	2025	2024
	Notes	£000	£000	£000	£000
Non-Current Assets					
Property, Plant and Equipment	8	9,254	9,698	5,880	7,495
Intangible Assets	9	27,176	24,581	13,090	11,902
Goodwill	9	11,846	11,846	-	-
Non-Current Derivative Financial Assets	13	265,451	348,241	138,128	242,317
Other Non-Current Assets	11	7,938	10,181	1,123	2,171
Non-Current Deferred Tax Asset	7	79			
Investments in Subsidiaries	10	-	-	27,980	27,980
Total Non-Current Assets		**321,744**	**404,547**	**186,201**	**291,865**
Current Assets					
Trade and Other Receivables	12	796,222	761,261	643,497	604,534
Income Tax Receivable		3,189	8,207	-	-
Other Current Assets	11	311,925	266,559	249,388	220,799
Current Derivative Financial Assets	13	364,439	698,259	264,650	594,895
Cash and Cash Equivalents	13	18,922	23,507	11,471	14,533
Total Current Assets		**1,494,697**	**1,757,793**	**1,169,006**	**1,434,761**
Total Assets		**1,816,441**	**2,162,340**	**1,355,207**	**1,726,626**

The accompanying notes form an integral part of the financial statements.

Consolidated and Company Statements of Financial Position

(Continued)

As at 31 March 2025
Registered No. 03994598

		Group		Company	
		2025	2024	2025	2024
	Notes	£000	£000	£000	£000
Equity					
Share Capital	17	6,667	6,667	6,667	6,667
Share Premium	17	2,600	2,600	2,600	2,600
Retained Earnings		232,980	252,997	260,816	263,323
Foreign Exchange Reserve		2,030	751	-	-
Total Equity		**244,277**	**263,015**	**270,083**	**272,590**
Non-Current Liabilities					
Non-Current Derivative Financial Liabilities	13	123,844	205,060	32,097	130,058
Provisions	16	851	507	765	449
Other Non-Current Liabilities	15	77,883	51,377	26,911	3,301
Deferred Tax Liability	7	-	1,359	857	721
Total Non-Current Liabilities		**202,578**	**258,303**	**60,630**	**134,529**
Current Liabilities					
Trade and Other Payables	14	766,161	771,364	618,865	630,366
Income Tax Payable	7	5,509	1,113	5,689	1,113
Current Derivative Financial Liabilities	13	185,878	554,320	110,200	474,467
Other Current Liabilities	15	409,723	310,093	289,740	213,561
Provisions	16	2,315	4,132	-	-
Total Current Liabilities		**1,369,586**	**1,641,022**	**1,024,494**	**1,319,507**
Total Equity & Liabilities		**1,816,441**	**2,162,340**	**1,355,207**	**1,726,626**

The accompanying notes form an integral part of the financial statements. The financial statements were approved and authorised by the board of directors on 11 December 2025, and were signed on its behalf by:

Robert Groves
Chief Executive Officer and Director

Suguru Tsuzaki
Chief Operating Officer and Director

Consolidated Statement of Changes in Equity

As at 31 March 2025

	Share Capital	Share Premium	Retained Earnings	Foreign Exchange Reserve	Total
	£000	£000	£000	£000	£000
At 31 March 2023	**6,667**	**2,600**	**260,204**	**202**	**269,673**
At 1 April 2023	6,667	2,600	260,204	202	269,673
Profit for the Financial Year	-	-	117,019	-	117,019
Other Comprehensive Income	-	-	-	549	549
Total Comprehensive Income for the Year	-	-	117,019	549	117,568
Dividends Paid	-	-	(124,226)	-	(124,226)
At 31 March 2024	**6,667**	**2,600**	**252,997**	**751**	**263,015**
At 1 April 2024	-	-	252,997	751	263,015
Profit for the Financial Year	-	-	121,928	-	121,928
Other Comprehensive Income	-	-	-	1,279	1,279
Total Comprehensive Income for the Year	-	-	121,928	1,279	123,207
Dividends Paid	-	-	(141,945)	-	(141,945)
At 31 March 2025	**6,667**	**2,600**	**232,980**	**2,030**	**244,277**

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes in Equity

(Continued)

As at 31 March 2025

	Share Capital	Share Premium	Retained Earnings	Total
	£000	£000	£000	£000
At 31 March 2023	**6,667**	**2,600**	**274,631**	**283,898**
At 1 April 2023	6,667	2,600	274,631	283,898
Profit for the Financial Year	-	-	112,918	112,918
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Year	-	-	112,918	112,918
Dividends Paid	-	-	(124,226)	(124,226)
At 31 March 2024	**6,667**	**2,600**	**263,323**	**272,590**
At 1 April 2024	6,667	2,600	263,323	272,590
Profit for the Financial Year	-	-	139,438	139,438
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Year	-	-	139,438	139,438
Dividends Paid	-	-	(141,945)	(141,945)
At 31 March 2025	**6,667**	**2,600**	**260,816**	**270,083**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

(Continued)

For the Year Ended 31 March 2025

	Notes	2025 £000	2024 £000
Cash Flows from Operating Activities			
Profit for the Year		121,928	117,019
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Income Taxes	7	39,407	39,453
Depreciation and Amortisation	8,9	6,932	6,747
Fixed Asset Impairment	8,9	1,278	489
Bad Debt Provision	12	18,483	38,170
Provisions for Liabilities	16	(1,290)	763
Interest Income	6	(3,580)	(4,849)
Interest Expense	6	16,190	17,475
		199,348	**215,267**
Movements in Working Capital:			
Decrease/(Increase) in Trade and Other Receivables	12	(51,606)	49,442
Decrease/(Increase) in Other Assets	11	(43,111)	(145,470)
Increase/(Decrease) in Trade and Other Payables	14	111	(74,521)
Increase/(Decrease) in Other Liabilities	15	95,876	33,790
Interest Received	6	2,387	2,270
Interest Paid	6	(12,944)	(13,380)
Income Tax Paid	7	(20,690)	(55,469)
Decrease/(Increase) In Derivatives	13	(34,055)	(20,784)
Net Cash Provided by (Used In) Operating Activities		**135,316**	**(8,855)**
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	8	(2,188)	(1,711)
Purchase of Intangible Assets	9	(11,268)	(9,569)
Net Cash Provided by (Used in) Investing Activities		**(13,456)**	**(11,280)**
Cash Flows from Financing Activities			
Repayments of Short-Term Borrowings	14	(92,521)	(15,000)
Proceeds from Loans From Group Companies	14	112,769	158,467
Repayment of Principal on Lease Liabilities	15	(930)	(1,055)
Dividends Paid	17	(141,945)	(124,226)
Net Cash Provided by (Used in) Financing Activities		**(122,627)**	**18,186**

The accompanying notes form an integral part of the financial statements.

Company Statement of Cash Flows

(Continued)

For the Year Ended 31 March 2025

	Notes	2025 £000	2024 £000
Net Increase/(Decrease) in Cash and Cash Equivalents in the Period		**(767)**	**(1,949)**
Cash and Cash Equivalents, Beginning Of Period		23,507	24,830
Exchange Gain/(Loss) Arising from Translation of Foreign Operations		(3,818)	626
Cash and Cash Equivalents, End of Period		**18,922**	**23,507**
Cash Flows from Operating Activities			
Profit for the Year		139,438	112,918
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Income Taxes	7	43,204	37,478
Depreciation and Amortisation	8,9	2,869	2,934
Fixed Asset Impairment	8,9	494	650
Bad Debt Provision	12	(1,133)	3,904
Provisions for Liabilities	16	316	(347)
Dividend Income	6	(10,745)	-
Interest Income	6	(2,375)	(3,803)
Interest Expense	6	6,116	8,743
		178,184	**162,477**
Movements in Working Capital:			
Decrease/(Increase) in Trade and Other Receivables	12	(13,860)	143,996
Decrease/(Increase) in Other Assets	11	(27,539)	(130,506)
Decrease/(Increase) in Intercompany Receivables	12	(1,269)	(24,013)
Increase/(Decrease) in Trade and Other Payables	14	(6,613)	(143,140)
Increase/(Decrease) in Other Liabilities	15	75,924	59,393
Interest Received	6	755	1,224
Interest Paid	6		(5,053)
Income Tax Paid	7	(4,459)	(44,868)
Decrease/(Increase) in Derivatives	13	(27,426)	14,685
Net Cash Provided by (Used in) Operating Activities		**144,894**	**34,195**
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	8	(1,717)	(1,476)
Purchase of Intangible Assets	9	(3,889)	(5,307)
Cash Loans Issued to Group Companies	12	(22,000)	(16,000)
Repayment of Loans from Group Companies	12	-	16,000
Dividends Received from Subsidiaries		10,745	-
Net Cash Provided by (Used in) Investing Activities		**(16,861)**	**(6,783)**

The accompanying notes form an integral part of the financial statements.

Company Statement of Cash Flows

(Continued)

For the Year Ended 31 March 2025

	Notes	2025 £000	2024 £000
Cash Flows from Financing Activities			
Repayments of Short-Term Borrowings	14	(76,774)	(15,000)
Proceeds from Loans from Group Companies	14	88,000	114,323
Repayment of Principal on Lease Liabilities	15	(376)	(506)
Dividends Paid	17	(141,945)	(124,226)
Net Cash Provided by (Used in) Financing Activities		**(131,095)**	**(25,409)**
Net Increase/(Decrease) in Cash and Cash Equivalents in the Period		**(3,062)**	**2,003**
Cash and Cash Equivalents, Beginning of Period		14,533	12,530
Cash and Cash Equivalents, End of Period		**11,471**	**14,533**

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

As at 31 March 2025

SmartestEnergy Limited ('the Company') is a vertically integrated electricity company using the UK's wholesale electricity market to procure and sell electricity volumes. The Company also has investments in subsidiaries that operate in the UK, USA and Australia (Note 10). The Company and its subsidiaries are collectively referred to hereafter as 'the Group'.

The Company is a limited liability company, with liability limited by shares. It is incorporated and domiciled in UK. The address of its registered office is The Columbus Building, 7 Westferry Circus, London, England, E14 4HD.

1. Material Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards (IFRS).

The accounting principles applied for the financial statements at 31 March 2025, were the same as those that were used for the financial statements at 31 March 2024, except for amendments and interpretations of IFRS which were mandatory for the Company from 1 April 2024. Their application did not have a significant impact on the financial statements as of 31 March 2025.

The financial statements were approved and authorised by the board of directors on 11 December 2025.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in GBP and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

SmartestEnergy's business activities are set out in the Strategic Report. The notes to the financial statements also include the Group's policies with respect to management of the principal risks facing the Group. SmartestEnergy meets its day-to-day working capital requirements through several committed and uncommitted loan facilities.

In accordance with the Marubeni Corporation policy from April 2014, the Company joined the Cash Management System of Marubeni Finance Europe ("MAFE"), a Marubeni Corporation company.

As of 31 March 2025, MAFE had made available a committed revolving credit facility to the Company of up to £591 million to the end of March 2029, in addition to a parent company guarantee interchange facility of up to £100 million. In August 2025, MAFE extended the committed revolving credit facility to the Company to £420 million to the end of March 2030, and revised the parent company guarantee interchange facility to £0 million. The business also entered into a multi-lender, multi-borrower facility with MAFE, MAL and MAC for £250 million which allows for the increase of the committed revolving credit facilities for SEL, SEUS and SEA by up to the local equivalent of £250 million.

The Company also has access to up to £50 million of uncommitted facilities arranged with Sumitomo Mitsui Trust, MUFG and Mizuho.

These facilities are regularly reviewed, and stress tested to ensure the Company is adequately funded. These financial resources, together with the Group's long-term agreements with its customers and suppliers, mean the directors believe that the Group is well placed to manage its business risk in case of an unexpected downturn or an immediate requirement to access these facilities.

The Group has also received a Parental Letter of Support from Marubeni Corporation which outlines their commitment to support the Group in meeting its liabilities, if and when the Group cannot meet them itself. By issuing this letter of support, the parent company has confirmed its ability to provide financial support to the Group, and that it will provide such support until at least 31 March 2027. Through inquiries with the parent company to understand available liquidity, the directors have assessed the parent company's financial ability to provide this support. With the above facilities and having received the Parental Letter of Support from Marubeni Corporation, the directors have taken the measures necessary to give themselves a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of Consolidation

The consolidated financial statements incorporate the results, assets and liabilities of the Company and the Group (as stated in Note 10). Control is achieved when the Group has the rights to the variable returns of the investee and when it has the power to govern the financial and operating policies of the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Notes to the Financial Statements

(Continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Business Combinations

The acquisition method has been adopted to account for historical and future business combinations. The identifiable assets acquired and liabilities assumed are measured and recognised at fair value at acquisition date. Goodwill is recognised where consideration transferred is greater than the aggregate of the net identifiable assets acquired and liabilities assumed. Acquisition-related costs are expensed as incurred in the Group financial statements.

New Standards, Amendments and Interpretations not yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Group. These standards are either not relevant to the Group or not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. We considered the following new standards that could potentially impact the Group:

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB amended IAS 21 to clarify: (i) when a currency is exchangeable into another currency; and (ii) how a company estimates a spot rate when a currency lacks exchangeability. The amendments will become effective for annual reporting periods beginning on or after 1 January 2025. We do not expect the amendments to have a material impact on the Group's financial statements.

New Standards, Amendments and Interpretations Adopted

The following new accounting standards and interpretations became effective for the year ended 31 March 2025 that were relevant for the Group:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have resulted in no additional disclosures and have not had an impact on the classification of the Group's liabilities.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Commodity Contracts in Scope of IFRS 9

The Group routinely enters into generation, retail and wholesale contracts, including contracts for physical delivery of gas and electricity, which are not stacked against each other.

Wholesale contracts are for proprietary energy trading purposes and hence clearly within the scope of IFRS 9. Management has assessed that generation contracts are also to be viewed as net-settled (and therefore within the scope of IFRS 9), since the criteria of 'taking delivery and sale within short period' or 'practice of net settlement' were met for similar contracts. Management has elected to apply the IFRS 9 'fair value option' for retail contracts to eliminate the accounting mismatch caused by the fact that the wholesale contracts are accounted for at fair value.

Accordingly, all of the Group's electricity purchase and sales contracts are accounted for as derivatives (forwards with energy as underlying).

Significance of Unobservable Valuation Inputs in the Fair Value Determination

When determining whether day one gains should be recognised immediately in profit or loss or deferred, management assesses whether unobservable inputs were significant to the initial fair value measurement. When its contribution is viewed as significant then the entire day one gain of the contract is deferred.

Notes to the Financial Statements

(Continued)

Measurement of Renewable Energy Certificates
The Group applies the commodity broker-trader exemption noted in IAS 2 Inventories for renewable energy certificates that are considered liquid. Management assesses whether the certificates are liquid and when considered liquid, the certificates are measured at fair value less costs to sell.

Recoverability of Deferred Tax Assets
In accordance with IAS 12 Income Taxes, the Group recognises deferred tax assets for deductible temporary differences and unused tax losses carried forward, to the extent that it is probable that future taxable profits will be available. In certain jurisdictions, the Group records valuation allowances to reduce the carrying value of its deferred tax assets where it believes that there will be insufficient future taxable profits. Refer to Note 7 for further discussion on these unrecognised deferred tax assets.

Capitalisation and Retirement of Internally Developed Intangible Assets
In accordance with IAS 38 Intangible Assets, the Group recognises internally generated intangible assets arising from the development of IT software that meets the following criteria:

- Completion of development is technically feasible and adequate resources are available to complete the development;
- It intends and is able to complete and use the asset;
- The asset is expected to generate probable future economic benefits; and
- It is able to reliably measure expenditure attributable to the asset.

The Group applies judgment in determining whether the assets are expected to generate probable future economic benefits at the point of recognition, and then again in subsequent periods to determine whether the Group should continue to hold and amortise the assets, or whether these should be retired and written off. Refer to Note 9 for details of IT software intangible assets held by the Group and Company.

Estimates and Assumptions
Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair Value Determination of Derivative Commodity Contracts
The Group's valuation of energy derivatives is based on valuation techniques (see Note 13 for details). Particularly judgemental assumptions include:

- projected volumes associated with intermittent generation contracts; and
- the forward price curves applied to long dated contracts.

Impairment of goodwill and investments
The Group assesses on a yearly basis whether there is an indication of impairment which may affect the carrying value of the investments. The assumptions used in these assessments have been outlined in Notes 9 and 10.

Expected Credit Loss Allowance Against Trade Receivables
The Group records a provision against trade receivables for expected credit losses. The calculation of the provision is based on the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD) as defined below:

- PD represents the likelihood of a counterparty defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default. For most cases this represents the carrying amount of the financial asset.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The PD and LGD are developed by using historical default studies, forward looking information, the Group's historical recovery rates where a default of a counterparty has occurred and publicly available data. Refer to Note 12 for further analysis of the Group and Company's expected credit loss allowances.

Notes to the Financial Statements

(Continued)

Other

Uncertainty on other balance sheet items (including accrued income, accruals and renewable obligations), is mitigated by he long period between the balance sheet date and the date when the financial statements are authorised for issue. Relevant information obtained by the Group subsequent to balance sheet date, if material, is adjusted in amounts recognised in the financial statements as far as these provide evidence of conditions that existed at balance sheet date. However, in respect of certain accruals, there is an industry reconciliation process of power purchase costs which can typically take 14 months from the date of supply to be finalised. This is due to the processes that the energy market must complete in order to finalise generation and consumption data for any one particular month. Therefore, there is an element of power purchase costs that needs to be estimated based on a combination of in-house and industry data that is available. These estimates impact the 'accruals' balances disclosed in Note 14.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Useful lives are re-assessed annually and if necessary changes are accounted for prospectively. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is provided on a straight-line basis over its expected useful life and is as follows:

Office equipment	3 years
IT hardware	3-5 years
Fixtures & fittings	Over the lease term up to 10 years

Depreciation expense on property, plant and equipment is included within administrative expenses in the statement of comprehensive income.

Leases

The Group recognises a right-of-use asset and lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of dilapidation costs.

The right-of-use asset is subsequently depreciated on a straight-line basis over the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group has elected to present right-of-use assets and lease liabilities under property, plant and equipment and other liabilities respectively.

Short-Term Leases and Leases of Low-Value Assets

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense when incurred.

Intangible Assets – Goodwill

Goodwill is initially recorded at cost. It represents the excess of consideration transferred in a business combination over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill has an indefinite useful life. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Intangible Assets Identified in Business Combinations

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. These include customer relationships. The fair value is determined using projected discounted cash flows. The customer relationships are amortised on straight line basis over 8 years (remaining amortisation is 5 years). Amortisation expense on these intangible assets is included within administrative expenses in the statement of comprehensive income.

Notes to the Financial Statements

(Continued)

Intangible Assets Other than Goodwill

Intangible assets consist of software applications, licences and IT software projects under development. Projects under development are in the work-in-progress stage and are thus not yet amortised.

Intangible assets are capitalised and stated at cost (whether purchased or internally generated), amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Capitalisation begins when expenditures for the asset are being incurred and activities that are necessary to prepare the asset for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to prepare the asset for use are complete. Amortisation commences at the point of commercial deployment when the asset is capable of operating in a manner intended by management. Intangible assets are amortised on a straight-line basis. Useful lives are re-assessed annually and necessary changes are accounted for prospectively. IT software that does not form an integral part of hardware is classified as an intangible asset. Such intangible assets are amortised on a straight-line basis over 3-10 years. Amortisation expense on these intangible assets is included within administrative expenses in the statement of comprehensive income.

Impairment of Non-Financial Assets

Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. For other assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value-in-use of goodwill is calculated using the cash-generating unit's (CGU's) weighted average cost of capital (WACC). All WACC inputs have been corroborated appropriately to external and internal sources.

For assets, other than goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment losses been recognised for the asset in prior years.

Investments in Subsidiaries

Investments in subsidiaries and participating undertakings are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36. Any impairments are recorded in profit or loss.

If, after an impairment loss has been recognised, the recoverable amount of an investment increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the investment up to the amount it would have been had the original impairment not occurred.

Financial Instruments

Non-Derivative Financial Assets

The Group's non-derivative financial assets are solely 'loans and receivables'.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group and Company commits to purchase or sell the asset. These assets are initially recognised on the date when they are originated and measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less impairment.

Impairment of Financial Assets

Impairment provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. Credit losses are the difference between the present value (PV) of all contractual cashflows and the PV of the expected future cash flows. When calculating the ECL, the Group considers the reasonable and supportable information that is available without undue cost or effort at the reporting date. The Group considers past events, current conditions and forecasts of future economic conditions that are relevant to the estimate of ECLs, including the effect of expected prepayments.

Notes to the Financial Statements

(Continued)

Non-Derivative Financial Liabilities
Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Offsetting
Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Commodity Contracts Within the Scope of IFRS 9
A contract to buy or sell a non-financial item is not in scope of IFRS 9, unless it can be net settled, including the following ways:

a) Taking delivery and sale within short period, or
b) Practise of net settlement, or
c) Underlying readily convertible to cash, or
d) Terms of contract allow net settlement.

If criteria c) or d) is met, and the contract is not a written option, the contract is not in scope of IFRS 9 if it is entered into for own use purpose.

A commodity contract that is outside the scope of IFRS 9 will not be recognised in the financial statements until delivery. A commodity contract within IFRS 9's scope is treated as a derivative and is accounted for at fair value through profit or loss.

Additionally, IFRS 9 provides a 'fair value option' for own use contracts. At inception of a contract, an entity may make an irrevocable designation to measure an own use contract at fair value through profit or loss. Such designation is only allowed if it eliminates or significantly reduces an accounting mismatch that would otherwise arise from not recognising that contract because it is excluded from the scope of IFRS 9.

Derivative Financial Instruments
All derivatives are initially recognised at fair value on the date on which the derivative is entered into and are subsequently re-measured to fair value at each reporting date. Initial recognition as well as subsequent changes in assets and liabilities from these activities (resulting primarily from newly originated transactions and the impact of price movements) is generally recognised in profit or loss – subject to day-one gains policy below. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Day-One Gains
The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price.

However, if the Group determines that the fair value on initial recognition differs from the transaction price, the difference is recognised as a gain (or loss) in profit or loss only if the fair value is based on a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets (i.e. a Level 2 input). Otherwise, the entire difference is deferred and recognised as a gain (or loss) in profit or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. Any deferred gain is a separate item, not part of the derivative fair value but presented within the carrying amount of the derivative asset or liability.

Fair Value Measurement
The Group measures financial instruments such as derivatives, at fair value at each balance sheet date. 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group's policy is to evaluate transfers between fair value hierarchy levels at the end of the reporting period, and any resulting changes in classification are applied prospectively. There were transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

Notes to the Financial Statements

(Continued)

For contracts that are not collateralised, the Group also takes into account the counterparties' credit risks (for derivative assets) or the Group's own non-performance risk (for derivative liabilities) and includes a credit valuation adjustment or debit valuation adjustment, as appropriate, by assessing the maximum credit exposure and taking into account market-based inputs concerning probabilities of default and loss given default.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade Collateral Assets and Liabilities

Cash held in collateral accounts is assessed to determine whether attached restrictions preclude it from meeting classification as cash and cash equivalents. If that is the case, then such cash balances are shown within trade collateral assets, which is presented within trade and other receivables in the balance sheet.

Cash received from counterparties and held for collateral purposes is classified as trade collateral liabilities, which is presented within trade and other payables in the balance sheet.

Renewable Energy Certificates

The Group holds renewable energy certificates for two purposes: trading and fulfilling renewable energy obligations. Certificates held for trading and that are considered liquid are measured at fair value less costs to sell under the commodity broker-trader exemption in IAS 2 Inventories.

Certificates used to settle renewable energy obligations or that are not considered liquid, are measured at cost upon acquisition, and subsequently measured on a first in, first out basis at the lower of cost and net realisable value. This policy is applied consistently across the Group except for an immaterial portfolio.

Where the Group holds certificates both for trading and to settle renewable energy obligations, the distinction between fair value and the lower of cost and net realisable value is only possible if the certificates are managed in separate portfolios – one for trading and another for non-trading (obligation settlement). Where the certificates are not managed in separate portfolios, all certificates are carried at fair value less costs to sell if the certificates are considered liquid.

The Group's renewable energy certificates are presented within other current assets in the balance sheet.

Income Taxes

Current tax liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Group relief payments from/to a group company to transfer tax losses between inter-group companies are treated as income tax.

Deferred taxation is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

When a group entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient future taxable profits will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

Provisions

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

For a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. A contract is onerous if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. This policy does not apply to derivative financial instruments that are within the scope of IFRS 9 Financial Instruments: Recognition and Measurement.

Notes to the Financial Statements

(Continued)

Renewable Obligation

Liabilities for the Group's renewable obligations are calculated based on the energy volumes supplied to customers in accordance with the methodologies set by the relevant regulatory authorities for the geographical markets in which the Group operates. The Group recognises the liabilities as energy is supplied to customers, and adjusts these liabilities for the expected benefit of settling the obligations using renewable energy certificates, where applicable. The liabilities are then released at the point in time where the Group settles the obligations, either through submission of certificates or in cash. Renewable obligations are presented within other current liabilities in the statement of financial position.

Employee Benefits – Profit-Sharing and Bonus Plans

The Group recognises the expected cost of profit-sharing and bonus payments when the Group has a present legal or constructive obligation to make such payment as a result of past events and a reliable estimate of the obligation can be made.

Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current and non-current classification. An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current. A liability is current when either:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Cash Dividend Distribution to Members

The Group recognises a liability to make cash distributions to members when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the UK company law, a distribution is authorised when it is approved by the members. A corresponding amount is recognised directly in equity.

Revenue

Revenue (IFRS 15)

Revenue is recognised when (or as) the Group satisfies the performance obligations in terms of the contract. For all periods presented, the Group's revenue under IFRS 15 relates to renewable energy certificates.

For renewable energy certificates, revenue is recognised when the performance obligation per the contract is satisfied. For processing ROC sales, where the transaction price includes variable consideration in the form of recycle, the recycle is estimated at the point when the performance obligation is met and a best estimate is booked until the date of the final recycle announcement.

The Group has concluded that, under IFRS 15, it is the principal in all of its revenue arrangements, since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

Net Trading Income (IFRS 9)

Energy supply, power generation and energy (wholesale) trading contracts falling within the scope of IFRS 9 are accounted for as follows:

Both the unrealised (fair value changes) gains and losses on open financial and physical energy contract positions and the realised (settled) gains and losses on liquidated positions are included on a net basis within net trading income.

Net trading income also includes all related costs and benefits associated with energy supply and purchase transactions such as industry costs.

Notes to the Financial Statements

(Continued)

Presentation of Realised Derivative Gains/Losses in Profit or Loss

Management notes that IFRS has limited guidance (IAS 1.35) and industry practice under IFRS varies depending on how realised derivative gains/losses for commodity contracts are presented in profit or loss, e.g. on a gross or net basis.

Management is of the view that revenue arising from commodity contracts should be presented on a gross basis if they fall under the scope of IFRS 15. All realised gains and losses arising from commodity contracts within the scope of IFRS 9 are presented net within profit or loss.

Foreign Currencies

The Group and Company financial statements are presented in Pound Sterling (£). The functional currency of the Company is also Pound Sterling. Assets and liabilities of the entities that have other functional currencies are translated into Pound Sterling at the exchange rates as at the reporting date. Equity transactions are translated into Pound Sterling at the historical rate. Revenue and expenses are translated into Pound Sterling using average exchange rates for the year.

All differences are taken to equity through other comprehensive income.

Notes to the Financial Statements

(Continued)

2. Net Trading Income and Revenue

Revenue contains sale of goods under IFRS 15, recognised at a point in time. Net trading gains or losses arise from realised and unrealised sales and purchases of commodity contracts. On 1 October 2022, the UK government launched the Energy Bills Relief Scheme (EBRS) to provide support with elevated energy prices to non-domestic customers. This scheme ended on 31 March 2023 and was replaced by the Energy Bills Discount Scheme (EBDS), which ran from 1 April 2023 to 31 March 2024. During the periods presented, the Group and Company applied the necessary discounts to customer bills under EBRS and EBDS and received reimbursement from the UK government. The following amounts in the Group and Company financial statements represent the amounts reimbursed and reimbursable by the UK government:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Recognised in Income Statement Under 'Net Trading Income'	2,461	14,373	273	10,269
Recognised in Statement of Financial Position Under 'Trade and Other Receivables' and 'Other Current Assets'	-	3,072	-	2,395

3. Expense by Nature

Operating profit stated after charging the following items:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Cost of Sales	427,174	180,470	452,095	201,303
Depreciation of Property, Plant and Equipment (Note 8)	2,287	1,876	1,492	1,159
Amortisation of Intangible Assets (Note 9)	4,646	4,871	1,377	1,775
Auditor's Remuneration:				
Audit of the Financial Statements	1,955	1,695	1,393	1,129
Non-Audit Services	1	1	1	1
Staff Costs (Note 5)	81,021	68,050	49,441	39,760
Repairs and Maintenance	11,715	8,083	10,891	6,883
Movement in Bad Debt Provision Including Write-Offs	18,481	38,170	(1,133)	3,904
Professional Fees	14,185	7,491	10,601	4,798
Rent and Rates	971	847	329	210
Fixed Asset Write-Offs (Note 8)	1,278	489	494	650
Non-Recurring Write-Offs	6	(347)	-	(347)
It Costs	10,627	10,211	8,382	6,672
Other Costs	12,986	9,133	3,802	4,284
	587,333	**331,040**	**539,165**	**272,181**

The decrease in the bad debt provision since the prior year is driven primarily by improved recovery on debtor balances (refer to Note 12).

Notes to the Financial Statements

(Continued)

4. Directors' Remuneration

The following amounts were paid to the Company's directors by the Group and Company:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Aggregate Emoluments in Respect of Qualifying Services	1,195	1,526	1,195	1,526

The aggregate emoluments of the highest paid director were £734,427 (2024: £758,166).
Details of pension-related payments and loans are disclosed in Note 5 and Note 11, respectively.

5. Staff Costs

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Wages and Salaries	72,037	59,447	42,048	33,298
Social Security Costs	5,300	5,664	4,367	4,059
Pension Costs (Defined Contribution Scheme)	3,684	2,939	3,026	2,403
	81,021	**68,050**	**49,441**	**39,760**

The Group has established a Stakeholder Personal Pension Plan and makes defined contributions on behalf of eligible employees to their own stakeholder funds within the scheme. There were no outstanding contributions payable to the pension scheme or accrued pension costs as at 31 March 2025 (2024: £Nil).

The total pension contributions for directors paid by the Group and Company relating to the year ended 31 March 2025 was £72,182 (2024: £18,000) of which £42,806 related to the highest paid director as his pension is paid as a cash alternative and not into a pension scheme.

The Group operates an executive long-term incentive plan ("LTIP") whereby the senior leadership of the Company and its subsidiaries, as determined by the Company's Remuneration Committee, may be eligible to receive cash awards at the end of the three-year period between 1 April 2022 and 31 March 2025. The cash awards will be earned based on the participant's continued service during this period and the achievement of financial targets (based on profit after tax metrics) for the Company and its subsidiaries for the three financial years covered by the plan. The Group and Company are recognising the cost of the expected payout on a straight-line basis across the three-year period ending 31 March 2025, adjusting the expected payout amount each period based on the actual and forecasted financial performance of the Company and its subsidiaries.

The Group and Company are recognising the cost of the expected payout on a straight-line basis across the three-year period ending 31 March 2025, adjusting the expected payout amount each period based on the actual and forecasted financial performance of the Company and its subsidiaries.

During the year ended 31 March 2025, the Group recognised £3.8 million of expense (2024: £2.3 million) related to the LTIP, which is presented within the subtotal for wages and salaries above. As of 31 March 2025, the Group held liabilities of £7.8 million (2024: £4.2 million) related to the LTIP, which is presented within trade and other payables in the statement of financial position. During the year ended 31 March 2025, the Company recognised £2.8 million of expense (2024: £1.3 million) related to the LTIP, which is presented within the subtotal for wages and salaries above. As of 31 March 2025, the Company held a liability of £5.4 million (2024: £2.6 million) related to the LTIP, which is presented within trade and other payables in the statement of financial position.

Notes to the Financial Statements

(Continued)

5. Staff Costs (Continued)

The average number of employees in the Group and Company during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	No.	No.	No.	No.
Management	42	33	25	16
Front Office	44	41	32	29
Middle Office	139	131	79	70
Back Office	530	462	339	284
	755	**667**	**475**	**399**

6. Dividend Income, Interest Income and Interest Expense

Dividend Income	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Dividend Income	-	-	10,745	-
	-	**-**	**10,745**	**-**

Interest and Similar Income	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Bank Interest	721	322	33	52
Other Interest Income	2,859	4,527	2,342	3,751
	3,580	**4,849**	**2,375**	**3,803**

Interest and Similar Income	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Letter of Credit Charges – Group Companies	581	787	437	651
Other Interest Expense	15,609	16,688	5,679	8,092
	16,190	**17,475**	**6,116**	**8,743**

Notes to the Financial Statements

(Continued)

7. Income tax

a) Analysis of Tax in the Year

Current Tax	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Tax Payable/(Receivable) on Current Year Profit/(Loss)	41,840	35,216	42,856	36,074
Adjustments in Respect of Prior Periods	136	(149)	212	(108)
Total Current Tax	**41,976**	**35,067**	**43,068**	**35,966**

Deferred Tax	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Current Year	(4,199)	3,835	136	1,456
Adjustments in Respect of Prior Periods	2,686	551	-	56
Write-Down of Deferred Tax Asset	(1,056)	-	-	-
Effect of Changes in Tax Rates	-	-	-	-
Total Deferred Tax	**(2,569)**	**4,386**	**136**	**1,512**
Tax Charge in Profit or Loss	**39,407**	**39,453**	**43,204**	**37,478**

(B) Factors Affecting Tax Expense for the Year

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are reconciled below:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Profit on Ordinary Activities Before Tax	**161,335**	**156,472**	**182,642**	**150,396**
Profit on Ordinary Activities Multiplied by Standard Rate of Corporation Tax in the UK Of 25% (2024: 25%)	39,617	39,118	45,661	37,599

Notes to the Financial Statements

(Continued)

7. Income Tax (Continued)

(B) Factors Affecting Tax Expense for the Year (Continued)

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Effects Of:				
Tax Rate Differences in Foreign Jurisdictions	(171)	(16)	-	-
Expenses Not Deductible for Tax Purposes	(180)	(438)	(339)	(585)
Non-Qualifying Assets	356	659	356	610
Adjustment in Respect of Prior Periods	2,822	430	212	(51)
Write-Down of Deferred Tax Asset	(473)	(185)	-	-
Temporary Differences on Fixed Asset	157	-	-	-
Income Not Taxable	(2,721)	(95)	(2,686)	(95)
Effects of Group/Other Reliefs	-	(20)	-	-
Total Tax Charge	**39,407**	**39,453**	**43,204**	**37,478**

(C) Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Deferred Tax Liability:				
Decelerated Capital Allowances	2,635	2,338	2,635	2,338
Temporary Differences on Intangibles Recognised on Acquisition	972	1,428	-	-
Other Temporary Differences	(1,405)	231	-	-
Total Deferred Tax Liability	**2,202**	**3,997**	**2,635**	**2,338**
Deferred Tax Asset:				
Deferred Tax Charge to I/S for the Period	1,892	-	-	-
Loan Relationships	-	-	-	-
Unpaid Employee Remuneration	1,777	1,617	1,778	1,617
Derivative Financial Instruments	(385)	747	-	-
Accruals and Provisions	-	-	-	-
Other Temporary Differences	(1,003)	274		-
Total Deferred Tax Asset	**2,281**	**2,638**	**1,778**	**1,617**
Net Deferred Tax Asset / (Liability)	**79**	**(1,359)**	**(857)**	**(721)**

Notes to the Financial Statements

(Continued)

7. Income Tax (Continued)

(C) Deferred Tax (Continued)

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Net Deferred Tax Reconciliation:				
Net Deferred Tax Asset/ (Liability) at 1 April	(1,359)	3,179	(721)	791
Profit and Loss Account:				
Deferred Tax (Charge)/Credit to I/S for the Period	4,198	(3,835)	(136)	(1,456)
Effect of Changes in Tax Rates	-	-	-	-
Adjustments in Respect of Prior Years	(2,686)	(550)	-	(56)
Other Movements:				
Other Temporary Differences	2	-	-	-
Deferred Tax Surrendered as Group Relief	-	-	-	-
FX Adjustments	(76)	(153)	-	-
Net Deferred Tax Asset/ (Liability) at 31 March	**79**	**(1,359)**	**(857)**	**(721)**

Deferred tax is recognised on assets at the rate at which the assets are expected to reverse. This is based on the substantively enacted rate at the balance sheet date.

At 31 March 2025, the Group had tax losses carried forward of £43.5m (2024: £45.7m) on which no deferred tax asset was recognised because it is uncertain that there will be sufficient future profits against which to utilise the assets.

Notes to the Financial Statements

(Continued)

8. Property, plant and Equipment

Group

	Office Equipment	Fixtures & Fittings	IT Hardware	Right-of-Use Asset Buildings	Land & Buildings	Work in Progress	Total
	£000	£000	£000	£000	£000	£000	£000
Cost:							
At 01 April 2024	312	1,397	3,510	7,343	1,642	1,682	15,886
Effect of Fx Translation	(4)	(5)	(21)	(109)	(3)	-	(142)
Additions	49	280	175	1,189	368	20	2,081
Retirements and Disposals	(264)	(46)	(2,110)	-	-	(100)	(2,520)
Transfers	-	(918)	1,677	196	632	(1,582)	5
Remeasurements	-	-	-	-	-	-	-
At 31 March 2025	**93**	**708**	**3,231**	**8,619**	**2,639**	**20**	**15,310**
Depreciation:							
At 01 April 2024	282	464	2,692	2,598	152	-	6,188
Effect of FX Translation	(2)	(3)	(15)	(60)	-	-	(80)
Charge for Year	10	152	879	999	246	-	2,286
Retirements and Disposals	(264)	(21)	(2,058)	-	-	-	(2,343)
Transfer	-	(367)	14	88	270	-	4
Remeasurements	-	-	-	-	-	-	-
At 31 March 2025	**26**	**225**	**1,512**	**3,625**	**668**	**-**	**6,056**
Net Book Value:							
At 31 March 2024	30	933	818	4,745	1,490	1,682	9,698
At 31 March 2025	**67**	**483**	**1,719**	**4,994**	**1,971**	**20**	**9,254**

Notes to the Financial Statements

(Continued)

8. Property, Plant and Equipment (Continued)

Group (Continued)

	Office Equipment	Fixtures & Fittings	IT Hardware	Right-of-Use Asset Buildings	Land & Buildings	Work in Progress	Total
	£000	£000	£000	£000	£000	£000	£000
Cost:							
At 01 April 2023	359	1,539	3,003	8,038	815	-	13,754
Effect of FX Translation	(1)	(4)	(16)	(84)	-	-	(105)
Additions	22	267	523	2,004	1,016	1,682	5,514
Retirements and Disposals	(68)	(405)	-	(1,515)	(189)	-	(2,177)
Transfers	-	-	-	-	-	-	-
Other	-	-	-	(1,100)	-	-	(1,100)
At 31 March 2024	**312**	**1,397**	**3,510**	**7,343**	**1,642**	**1,682**	**15,886**
Depreciation:							
At 01 April 2023	341	716	2,271	3,298	201	-	6,827
Effect of FX Translation	-	-	(8)	(34)	-	-	(42)
Charge for Year	7	152	410	1,058	249	-	1,876
Retirements and Disposals	(66)	(404)	19	(1,538)	(298)	-	(2,287)
Remeasurements	-	-	-	(186)	-	-	(186)
At 31 March 2024	**282**	**464**	**2,692**	**2,598**	**152**	**-**	**6,188**
Net Book Value:							
At 31 March 2024	18	823	732	4,740	614	-	6,927
At 31 March 2025	**30**	**933**	**818**	**4,745**	**1,490**	**1,682**	**9,698**

The Group's property, plant and equipment balance at 31 March 2025 include £0.1 million (2024: £1.7 million) of unpaid additions that were included in trade and other payables at the reporting date. During the year ended 31 March 2025, the Group recognised £1.16 million (2024: £1.9 million) of right-of-use assets that were obtained in exchange for lease liabilities.

Notes to the Financial Statements

(Continued)

8. Property, Plant and Equipment (Continued)

Company

	Office Equipment	Fixtures & Fittings	IT Hardware	Right-of-Use Asset Buildings	Land & Buildings	Work in Progress	Total
	£000	£000	£000	£000	£000	£000	£000
Cost:							
At 01 April 2024	260	1,309	2,692	5,255	994	1,682	12,192
Additions	-	12	-	-	23	-	35
Retirements and Disposals	(260)	(18)	(1,783)	-	-	(100)	(2,161)
Transfers	-	(1,070)	1,582	196	874	1,682	-
Remeasurements	-	-	-	-	-	-	-
At 31 March 2025	**-**	**233**	**2,491**	**5,451**	**1,891**	**-**	**10,066**
Depreciation:							
At 01 April 2024	260	432	2,129	1,803	73	-	4,697
Charge for Year	-	43	712	548	189	-	1,492
Retirements and Disposals	(260)	(8)	(1,735)	-	-	-	(2,003)
Transfers	-	(383)	-	88	295	-	-
Remeasurements	-	-	-	-	-	-	-
At 31 March 2025	**-**	**84**	**1,106**	**2,439**	**557**	**-**	**4,186**
Net Book Value:							
At 31 March 2024	-	877	563	3,452	921	1,682	7,495
At 31 March 2025	**-**	**149**	**1,385**	**3,012**	**1,334**	**-**	**5,880**

	Office Equipment	Fixtures & Fittings	IT Hardware	Right-of-Use Asset Buildings	Land & Buildings	Work in Progress	Total
Cost:							
At 01 April 2023	326	1,147	2,347	4,648	-	-	8,468
Additions	2	253	345	2,004	994	1,682	5,280
Retirements and Disposals	(68)	(91)	-	(1,232)	-	-	(1,391)
Remeasurements	-	-	-	(165)	-	-	(165)
At 31 March 2024	**260**	**1,309**	**2,692**	**5,255**	**994**	**1,682**	**12,192**
Depreciation:							
At 01 April 2023	326	388	1,855	2,144	-	-	4,713
Charge for Year	-	134	274	677	73	-	1,158
Retirements and Disposals	(66)	(90)	-	(1,232)	-	-	(1,388)
Remeasurements	-	-	-	214	-	-	214
At 31 March 2024	**260**	**432**	**2,129**	**1,803**	**73**	**-**	**4,697**
Net Book Value:							
At 31 March 2023	-	759	492	2,504	-	-	3,755
At 31 March 2024	**-**	**877**	**563**	**3,452**	**921**	**1,682**	**7,495**

Notes to the Financial Statements

(Continued)

8. Property, Plant and Equipment (Continued)

Company (Continued)

The Company's property, plant and equipment balance at 31 March 2025 include £0.1m (2024: £1.7 million) of unpaid additions that were included in trade and other payables at the reporting date. During the year ended 31 March 2025, the Company recognised £nil million (2024: £1.9 million) of right-of-use assets that were obtained in exchange for lease liabilities..

9. Intangible Assets

Group

	IT Software	Customer Relationships	Goodwill	Work in Progress	Total
	£000	£000	£000	£000	£000
Cost:					
At 01 April 2024	22,583	12,029	11,846	9,605	56,063
Effect of FX Translation	(139)	-	-	(20)	(159)
Additions	2,814	-	-	7,531	10,345
Transfers	114	-	-	(2,021)	(1,907)
Retirements and Disposals	(1,482)	-	-	(1,056)	(2,538)
At 31 March 2025	**23,890**	**12,029**	**11,846**	**14,039**	**61,804**
Amortisation and Impairment:					
At 01 April 2024	13,246	6,390	-	-	19,636
Effect of FX Translation	(63)	-	-	-	(63)
Charge for Year	3,142	1,504	-	-	4,646
Retirements and Disposals	(1,437)	-	-	-	(1,437)
At 31 March 2025	**14,888**	**7,894**	**-**	**-**	**22,782**
Net Book Value:					
At 31 March 2024	9,337	5,639	11,846	9,605	36,427
At 31 March 2025	**9,002**	**4,135**	**11,846**	**14,039**	**39,022**

Cost:					
At 01 April 2023	25,980	12,029	11,846	1,480	51,335
Effect of FX Translation	(89)	-	-	(6)	(95)
Additions	672	-	-	9,884	10,556
Transfers	1,575	-	-	(1,575)	-
Retirements and Disposals	(5,555)	-	-	(178)	(5,733)
At 31 March 2024	**22,583**	**12,029**	**11,846**	**9,605**	**56,063**

Notes to the Financial Statements

(Continued)

9. Intangible Assets (Continued)

Group (Continued)

	IT Software	Customer Relationships	Goodwill	Work in Progress	Total
	£000	£000	£000	£000	£000
Amortisation and Impairment:					
At 01 April 2023	14,993	4,887	-	-	19,880
Effect of FX Translation	(31)	-	-	-	(31)
Charge for Year	3,368	1,503	-	-	4,871
Retirements and Disposals	(5,084)	-	-	-	(5,084)
At 31 March 2024	**13,246**	**6,390**	**-**	**-**	**19,636**
Net Book Value:					
At 31 March 2023	10,987	7,142	11,846	1,480	31,455
At 31 March 2024	**9,337**	**5,639**	**11,846**	**9,605**	**36,427**

The Group's intangible assets balance at 31 March 2025 include £0.2 million (2024: £1.3 million) of unpaid additions that were included in trade and other payables at the reporting date.

Upon the acquisition of SmartestEnergy Business Ltd (SEBL), goodwill of £11.8 million was recognised. The goodwill arising is attributable to the workforce and buyer-specific synergies.

The goodwill has been tested for impairment by comparing it to the value-in-use of the Cash Generating Unit (CGU). The value-in-use calculation is based on projected cash flows over the next five years. The key assumptions used are sales growth and cost savings expected as the company grows.

The model presumes a post-tax discount rate of 12.3% and pre-tax discount rate of 13.7% (2024: 14.8% and 17.6%, respectively) and a long-term growth rate of 2% (2024: 2%). SEBL's business is principally focused on renewable electricity sales and therefore consideration of climate and environmental impacts are already a key feature of its business model.

Based on the projected cash flows, no impairment charge was required during the current year (2024: £Nil). However, if SEBL's EBIT over the next five years were to fall by 85% against forecast, or the discount rate applied was increased to 44%, the recoverable amount would equal the carrying amount of the CGU.

Notes to the Financial Statements

(Continued)

9. Intangible Assets (Continued)

Company

	IT Software	Work in Progress	Total
	£000	£000	£000
Cost:			
At 01 April 2024	13,651	6,168	19,819
Additions	1,960	941	2,901
Transfers	42	(42)	-
Retirements and Disposals	(1,386)	(290)	(1,676)
At 31 March 2025	**14,267**	**6,777**	**21,044**
Amortisation and Impairment:			
At 01 April 2024	7,917	-	7,917
Amortisation Charge for Year	1,377	-	1,377
Retirements and Disposals	(1,340)	-	(1,340)
At 31 March 2025	**7,954**	**-**	**7,954**
Net Book Value:			
At 31 March 2024	5,734	6,168	11,902
At 31 March 2025	**6,313**	**6,777**	**13,090**
Cost:			
At 01 April 2023	18,766	490	19,256
Additions	268	6,027	6,295
Transfers	171	(171)	-
Retirements and Disposals	(5,555)	(178)	(5,733)
At 31 March 2024	**13,650**	**6,168**	**19,818**
Amortisation and Impairment:			
At 01 April 2023	11,226	-	11,226
Amortisation Charge for Year	1,775	-	1,775
Retirements and Disposals	(5,084)	-	(5,084)
At 31 March 2024	**7,917**	**-**	**7,917**
Net Book Value:			
At 31 March 2023	7,540	490	8,030
At 31 March 2024	**5,733**	**6,168**	**11,902**

The Company's intangible assets balance at 31 March 2025 include £1.3 million (2024: £1.3 million) of unpaid additions that were included in trade and other payables at the reporting date.

Notes to the Financial Statements

(Continued)

10. Investments in Subsidiaries

The Company's investments in subsidiaries were as follows:

	2025	2024
	£000	£000
Cost:		
At 01 April	27,980	27,980
At 31 March	**27,980**	**27,980**

At 31 March 2025 and 2024, the Company had 100% controlling interests in the following subsidiaries:

Subsidiaries	Direct or Indirect	Types of Shares Held	Proportion Held %	Address of Registered Office	Principal Activity
SmartestEnergy US Holding Inc.	Direct	Ordinary	100%	110 West Fayette Street, Suite 400, Syracuse, NY 13202, USA	Holding Company
SmartestEnergy US LLC	Indirect	Ordinary	100%	110 West Fayette Street, Suite 400, Syracuse, NY 13202, USA	Wholesale Electricity Procurement
SmartestEnergy Australia PTY Ltd	Direct	Ordinary	100%	36 Carrington Street, Sydney, NSW 2000, Australia	Wholesale Electricity Procurement
SmartestEnergy Financial Services PTY Ltd	Direct	Ordinary	100%	36 Carrington Street, Sydney, NSW 2000, Australia	Wholesale Electricity Procurement
SmartestEnergy Business Ltd	Direct	Ordinary	100%	Ridgeworth House, Liverpool Gardens, Worthing, West Sussex, BN11 1RY, England	Wholesale Electricity Procurement

The investment in SmartestEnergy Business Ltd (SEBL) has been tested for impairment by comparing it to the equity value of the projected cash flows. No impairment charge was required during the current year (2024: Nil). As of 31 March 2025, the same underlying assumptions used in the Goodwill impairment testing outlined in Note 9 above were applied. However, if SEBL's EBIT over the next five years were to fall by 85% against forecast or the discount rate applied was increased to 44%, the recoverable amount would equal the carrying amount of the investment.

11. Other Assets

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Other Current Assets:				
Renewable Energy Certificates	282,745	242,822	242,854	213,544
Prepayments	26,425	19,309	6,357	4,393
Other Debtors	2,755	4,428	177	2,862
Total Other Current Assets	**311,925**	**266,559**	**249,388**	**220,799**
Other Current Assets:				
Prepayments - Non-Current	7,938	10,181	1,123	2,171
Total Other Non-Current Assets	**7,938**	**10,181**	**1,123**	**2,171**

Notes to the Financial Statements

(Continued)

11. Other Assets (Continued)

The Company provides Season Ticket and Cycle to Work loans to its staff and directors, the amount receivable from these parties was £4,039 (2024: £1,439). These loans have been included within other debtors. During the year, no payments were made to any directors (2024: £Nil). Prepayments include advance payments for ROCs and REGOs of £0.2 million (2024: £2.9 million). Within other current assets, the Group and Company held £Nil and £0.7 million, respectively of related party balances (2024: Group and Company balance of £0.3 million).

12. Trade and Other Receivables

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade Receivables	309,604	290,251	195,975	194,379
Accrued Income	424,211	408,990	355,680	353,998
Amounts Due from Marubeni Group Companies	119	-	119	-
Trade Collateral Asset	62,288	62,020	42,057	30,460
Smartestenergy Group Debtors	-	-	49,666	25,697
Total Trade and Other Receivables	**796,222**	**761,261**	**643,497**	**604,534**

The Group's trade receivables have payment terms ranging from 0 to 120 days, and the Company's trade receivables have payment terms ranging from 7 to 120 days.

Accrued income represents unbilled balances receivable for energy supplied to customers during the year, wholesale energy trades, ROC processing fees and income from industry related charges.

Trade collateral assets comprise cash placed with trading counterparties to cover the Group's credit exposure as well as enabling the Group to access the trading exchange.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
At 1 April	62,710	34,777	9,807	10,094
Arising During the Year	18,481	38,170	(1,133)	3,904
Write-Off	(49,150)	(10,194)	(2,435)	(4,191)
Effect Of FX Translation	(36)	(43)	-	-
At 31 March	**32,005**	**62,710**	**6,239**	**9,807**

Notes to the Financial Statements

(Continued)

12. Trade and Other Receivables (Continued)

As at 31 March 2025 and 2024, the ageing and expected credit loss (ECL) analysis of gross trade receivables, including accrued income that was subject to expected credit losses, was as follows:

			Past Due but not Impaired				
	Total	Neither Past Due nor Impaired	< 30 Days	31–60 Days	61–90 Days	91-120 Days	> 121 Days
Group	£000	£000	£000	£000	£000	£000	£000
2025	591,063	436,122	74,481	17,343	11,927	9,999	41,191
ECL Allowance	32,005	1,123	4,986	3,365	2,854	2,068	17,609
ECL Rate	5.41%	0.26%	6.69%	19.41%	23.93%	20.68%	42.75%
2024	534,814	410,328	30,999	15,281	12,997	10,536	54,673
ECL Allowance	62,710	2,818	106	95	6,491	6,832	46,368
ECL Rate	11.73%	0.69%	0.34%	0.62%	49.94%	64.84%	84.81%
Company	£000	£000	£000	£000	£000	£000	£000
2025	395,000	369,836	8,454	4,397	2,557	3,399	6,357
ECL Allowance	6,239	697	45	272	404	37	4,784
ECL Rate	1.58%	0.19%	0.54%	6.18%	15.81%	1.09%	75.24%
2024	386,039	373,086	5,323	(1,337)	(106)	2,337	6,736
ECL Allowance	9,807	2,811	105	95	130	209	6,457
ECL Rate	2.54%	0.75%	1.97%	-7.11%	-122.64%	8.94%	95.86%

All other receivables within 'Trade and other receivables' are neither impaired nor past due. Refer to Note 20 on credit risk of trade receivables to understand how the Group manages and measures credit quality of its trade receivables and other receivables.

13. Financial Instruments

The year-end position of the Group comprises the following classes of financial assets and liabilities:

Financial Assets	**2025**	**2024**
	£000	£000
Financial Assets at Amortised Cost:		
Cash and Cash Equivalents	18,922	23,507
Trade and Other Receivables (Note 12)	796,222	761,261
	815,144	784,768
Financial Assets at Fair Value Through Profit and Loss:		
Energy Derivatives	629,840	1,046,500
Interest Rate Derivatives	50	-
	629,890	1,046,500
Total Financial Assets	**1,445,034**	**1,831,268**

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Financial Liabilities	2025	2024
	£000	£000
Financial Liabilities at Amortised Cost:		
Trade and Other Payables (Note 14)	555,734	561,863
Lease Liabilities (Note 15)	5,512	5,056
Liabilities to Marubeni Group Companies (Notes 14 And 15)	283,896	256,616
Interest Payable	2,753	2,770
	847,896	826,305
Financial Assets at Fair Value Through Profit and Loss:		
Energy Derivatives	309,722	759,380
	309,722	759,380
Total Financial Assets	**1,157,618**	**1,585,685**

Trade and other payables are due within 12 months and the carrying amount corresponds to the contractual undiscounted payments.

The year-end position of the Company comprises the following classes of financial assets and liabilities:

Financial Assets	2025	2024
	£000	£000
Financial Assets at Amortised Cost:		
Cash and Cash Equivalents	11,471	14,533
Trade and Other Receivables (Note 12)	643,497	604,54
	654,968	619,067
Financial Assets at Fair Value Through Profit and Loss:		
Energy Derivatives	402,778	837,212
	402,778	837,212
Total Financial Assets	**1,057,746**	**1,456,279**

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Financial Liabilities	2025	2024
	£000	£000
Financial Liabilities at Amortised Cost:		
Trade and Other Payables (Note 14)	497,709	506,904
Lease Liabilities (Note 15)	3,301	3,527
Liabilities to Marubeni Group Companies (Notes 14 And 15)	144,643	123,462
Interest Payable	1,992	1,946
	646,389	635,839
Financial Liabilities at Fair Value Through Profit and Loss:		
Energy Derivatives	142,297	604,525
	142,297	604,525
Total Financial Assets	**789,942**	**1,240,364**

Trade and other payables are due within 3 months and the carrying amount corresponds to the contractual undiscounted payments.

Analysis of maturity profile of financial liabilities held at amortised cost:

	Total	< 3 Months	3 – 12 Months	> 12 Months
Group	£000	£000	£000	£000
2025				
Trade and Other Payables (Note 14)	555,734	551,119	4,614	1
Liabilities to Marubeni Group Companies (Notes 14 and 15)	283,896	98,508	22,000	163,388
Lease Liabilities (Note 15)	5,512	224	878	4,410
Interest Payable	2,753	2,753	0	-
	847,896	**652,605**	**27,492**	**167,799**
2025				
Trade and Other Payables (Note 14)	561,863	558,699	3,164	-
Liabilities to Marubeni Group Companies (Notes 14 And 15)	256,616	185,364	24,260	46,992
Lease Liabilities (Note 15)	5,056	248	423	4,385
Interest Payable	2,770	2,770	-	-
	826,305	**747,081**	**27,847**	**51,377**

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

	Total	< 3 Months	3 – 12 Months	> 12 Months
Company	£000	£000	£000	£000
2025				
Trade and Other Payables (Note 14)	497,709	497,709	-	-
Liabilities to Marubeni Group Companies (Notes 14 And 15)	144,643	98,504	22,000	24,139
Lease Liabilities (Note 15)	3,301	80	449	2,772
Interest Payable	1,992	1,992	-	-
	647,645	**598,285**	**22,449**	**26,911**
2024				
Trade and Other Payables (Note 14)	506,904	506,904	-	-
Liabilities to Marubeni Group Companies (Notes 14 and 15)	123,462	99,323	24,139	-
Lease Liabilities (Note 15)	3,527	137	89	3,301
Interest Payable	1,946	1,946	-	-
	635,839	**608,310**	**24,228**	**3,301**

Interest receivable by the Group and Company on cash at the bank and in hand was not material for any of the periods presented. For maturity analysis relating to the undiscounted future cash flows for lease liabilities, please refer to Note 15. For all other financial liabilities, the maturity analysis for undiscounted future cash flows is the same as the maturity analysis above.

Derivative Financial Instruments

The energy derivative contracts are net-settled derivatives for which the contractual maturity is essential to understand the timing of the cash flows; accordingly, in respect of liquidity risk, net cash flows disclosed in the above table are based on contractual maturity.

The future gross cash inflows and outflows related to derivative contracts is as follows:

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years
Group	£000	£000	£000	£000
2025				
Cash Inflow	2,173,244	3,634,349	2,427,257	30,873
Cash Outflow	1,759,929	2,666,445	1,539,200	26,008
2024				
Cash Inflow	1,126,190	3,158,181	2,279,149	29,871
Cash Outflow	1,056,129	2,858,757	1,586,292	26,202

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Derivative Financial Instruments (Continued)

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years
Company	£000	£000	£000	£000
2025				
Cash Inflow	2,084,924	3,372,297	2,040,404	2,151
Cash Outflow	1,719,700	2,588,752	1,415,969	439
2024				
Cash Inflow	1,063,957	2,995,297	2,025,551	9,694
Cash Outflow	1,015,951	2,833,343	1,526,678	2,232

The total gross amount related to these energy derivative contracts consisted of:

	Derivative Assets		Derivative Liabilities	
	2025	2024	2025	2024
Group	£000	£000	£000	£000
Gross Before Netting	1,611,015	2,287,244	1,290,847	2,000,124
Netting	(981,125)	(1,240,744)	(981,125)	(1,240,744)
Total Derivatives Recognised on Balance Sheet	**629,890**	**1,046,500**	**309,722**	**759,380**
Company	£000	£000	£000	£000
Gross Before Netting	1,048,409	1,903,900	787,928	1,671,213
Netting	(645,631)	(1,066,688)	(645,631)	(1,066,688)
Total Derivatives Recognised on Balance Sheet	**402,778**	**837,212**	**142,297**	**604,525**

The Group and Company presents its financial assets and financial liabilities gross on the statement of financial position even where express written agreements exist between the parties to a transaction that provide for their settlement on a net basis and this agreement is deemed legally enforceable, unless it is the practice and intention to settle net.

A net gain of £34.7 million (2024: gain of £21.2 million) has arisen in the Group from recognising unrealised held-for-trading derivative contracts at fair value through profit or loss, all of which is included within net trading income, in relation to energy derivatives.

	2025	2024
Group	£000	£000
Mandatorily Measured at Fair Value Through Profit and Loss	339,111	(290,257)
Designated at Fair Value Through Profit and Loss	(304,388)	311,416
Total	**34,723**	**21,159**

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Derivative Financial Instruments (Continued)

A net profit of £27.8 million (2024: loss of £14.9 million) has arisen in the Company from recognising unrealised held-for-trading derivative contracts at fair value through profit or loss, all of which is included within net trading income, in relation to energy derivatives.

	2025	2024
Company	£000	£000
Mandatorily Measured at Fair Value Through Profit and Loss	242,111	(303,400)
Designated at Fair Value Through Profit and Loss	(214,315)	288,523
Total	**27,796**	**(14,877)**

Financial instruments recorded at fair value

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Energy Derivatives

The Group holds energy derivatives. The fair values of energy derivatives are determined using valuation techniques based in part on observable market data and in part on internal models.

In the case of forward contracts, the Group determines forward price curves using a combination of observable market data and internally-developed valuation techniques. For energy components, the Group applies linear interpolation using data from the Argus Index, extrapolation from the APX spot market, and observed correlations between gas and power prices (the "spark spread"), given the greater liquidity in the gas market. A half-hourly curve is then constructed to reflect the required level of granularity. The prices used to value these transactions represent the Group's best estimate, incorporating factors such as closing commodity exchange prices and over-the-counter quotations.

For forward contracts that contain non-energy components (e.g., fixed industry costs, environmental levies or other non-commodity charges embedded within power or gas forwards), the Group develops separate forward curves for each non-energy element.

These curves are derived using a combination of:

- publicly available regulatory data, published tariff schedules or network operator price forecasts (where applicable);
- historical cost trends and seasonality patterns;
- forward-looking adjustments based on known or expected changes in market design, regulatory frameworks, or cost-pass-through mechanisms; and
- correlation analysis between non-energy components and underlying energy benchmarks where such relationships are statistically supported.

Estimates of the volumes to be delivered by generators are used when the volumes are not fixed contractually. In determining the fair value of derivative positions, appropriate credit risk adjustments are made in accordance with IFRS 13.

Deferred Day-One Gains

Where the fair value at initial recognition of a derivative contract differs from the transaction price, a day-one gain or loss will arise. Whilst the entire contract is designated as a derivative, only certain components of the fair value may be based on observable market data. For example, energy price components are typically observable, and certain non-energy components, such as regulated industry costs, may also be observable where published tariffs or other external data sources are available. Other elements of the contract, however, may be based on unobservable market data.

If such unobservable inputs, other than pass-through costs, materially contribute to the contract's fair value, the day-one gains of the entire contract are not recognised immediately in profit or loss but are deferred and amortised to profit or loss based on volumes purchased or delivered over the contractual period, until such time as observable market data becomes available (see Note 1 for further detail).

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Financial Instruments Recorded at Fair Value (Continued)

The amount that has yet to be recognised in the profit or loss account relating to day-one gains is as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Deferred Day One Gains at 1 April (Net Liability)	86,565	82,679	19,331	30,874
Movements	731	3,886	(2,685)	(11,543)
Deferred Day One Gains at 31 March (Net Liability)	**87,296**	**86,565**	**16,646**	**19,331**

Financial Instruments Subject to Offsetting, Enforceable Master Netting Arrangements, and Similar Agreements

The Group and Company routinely enter into offsetting, master netting, and similar arrangements with trading and other counterparties to manage credit risk. Where there is a legally enforceable right of offset under such arrangements and the Group and Company have the intention to settle on a net basis or realize the asset and settle the liability simultaneously, the net asset or liability is presented; otherwise, assets and liabilities are presented gross. These amounts, as presented net and gross within cash and cash equivalents, trade and other receivables, trade and other payables, and derivative financial instruments in the Consolidated Statements of Financial Position.

Gross amounts of Group trade and other receivables and trade and other payables are £553.8 million (2024: £601.3 million) and £591.2 million (2024: £619.7 million) respectively, and the amount which is offset against both of line items is £326.7 million (2024: £343.5 million).

Gross amounts of Company trade and other receivables and trade and other payables are £445.0 million (2024: £504.6 million) and £487.3 million (2024: £522.4 million) respectively, and the amount which is offset against both of line items is £324.7 million (2024: £343.3 million).

Derivative Financial Instruments

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Netting by Counterparty	Total
	£000	£000	£000	£000	£000
At 31 March 2025					
Financial Assets					
Energy Derivatives	832	383,111	246,480	(533)	629,890
	832	**383,111**	**246,480**	**(533)**	**629,890**
Financial Liabilities					
Energy Derivatives	5,342	217,431	87,482	(533)	309,722
	5,342	**217,431**	**87,482**	**(533)**	**309,722**
At 31 March 2024					
Financial Assets					
Energy Derivatives	167	797,823	248,510	-	1,046,500
	167	**797,823**	**248,510**	**-**	**1,046,500**
Financial Liabilities					
Energy Derivatives	422	613,309	145,649	-	759,380
	422	**613,309**	**145,649**	**-**	**759,380**

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Derivative Financial Instruments (Continued)

Company	Level 1	Level 2	Level 3	Netting by Counterparty	Total
	£000	£000	£000	£000	£000
At 31 March 2025					
Financial Assets					
Energy Derivatives	-	269,244	134,068	(533)	402,778
	-	**269,244**	**134,068**	**(533)**	**402,778**
Financial Liabilities					
Energy Derivatives	-	106,838	35,992	(533)	402,778
	-	**106,838**	**35,992**	**(533)**	**402,778**
At 31 March 2024					
Financial Assets					
Energy Derivatives	-	804,083	33,129	-	837,212
	-	**804,083**	**33,129**	**-**	**837,212**
Financial Liabilities					
Energy Derivatives	-	503,146	101,379	-	604,525
	-	**503,146**	**101,379**	**-**	**604,525**

The reconciliation of the Level 3 fair value measurements during the year is as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Net Level 3 Derivatives at 1 April	102,861	185,025	(68,250)	46,923
Level 3 Derivatives Arising During the Year	(19,923)	112,682	-	(1,832)
Transfer to Level 3 (From Level 2)	99,571	-	99,572	-
Recognised in the Statement of Comprehensive Income	(22,937)	(194,103)	66,755	(113,342)
Effect of FX Translation	(574)	(743)	-	-
Net Level 3 Derivatives at 31 March	**158,998**	**102,861**	**98,077**	**(68,251)**

A transfer into Level 3 has been recognised for certain retail supply contracts where non-energy components of the fair value have become material. These components include unobservable inputs such as forward pricing for certain industry costs and policy levies. As these inputs are not observable in the market and now represent a significant portion of the valuation, the contracts are required to be classified within Level 3 of the fair value hierarchy.

Movements in the fair value of Level 3 derivatives during the periods presented above are included within Net Trading Income within the statements of comprehensive income.

Notes to the Financial Statements

(Continued)

13. Financial Instruments (Continued)

Derivative Financial Instruments (Continued)

The following summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Group		Company		
	2025	2024	2025	2024	
Description of Level 3 Derivatives	£000	£000	£000	£000	Significant unobservable inputs
Retail and Generation Energy Derivative Contracts	158,998	102,861	98,077	(68,250)	1. Forecasted energy generation volumes for intermittent technologies 2. Forward price for illiquid tenors

Relationship of Unobservable Inputs to Fair Value

As of 31 March 2025, a shift in Level 3 inputs by +/- 5% results in a change in fair value as follows:

Group

		2025	2025	2024	2024
		£000	£000	£000	£000
	Level 3 Input	**+/-5% Shift in Volumes**	**+/-5% Shift in Market Price**	**+/-5% Shift in Volumes**	**+/-5% Shift in Market Price**
Retail	Market Price, Volume	122	13,014	53	3,534
Generation	Market Price, Volume	6,853	25,484	7,526	11,819

Company

		2025	2025	2024	2024
		£000	£000	£000	£000
	Level 3 Input	**+/-5% Shift in Volumes**	**+/-5% Shift in Market Price**	**+/-5% Shift in Volumes**	**+/-5% Shift in Market Price**
Retail	Market Price	-	7,689	-	-
Generation	Volume	973	-	4,274	-

14. Trade and Other Payables

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade Payables	57,942	98,051	53,272	89,479
Accruals	473,418	417,015	423,384	374,920
Trade Collateral Liabilities	24,374	46,797	21,053	42,505
Amounts Due to Marubeni Group Companies	210,427	209,501	120,504	123,462
Amounts Due to Smartestenergy Group Companies	-	-	652	-
	766,161	**771,364**	**618,865**	**630,366**

Trade collateral liabilities are comprised of cash and ROCs received from higher risk trading counterparties.

Notes to the Financial Statements

(Continued)

15. Other Liabilities

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Other Current Liabilities:				
Renewable Obligations	299,416	220,317	237,672	176,496
Climate Change Levy	16,305	12,779	13,126	9,790
Net VAT Payable	45,280	38,596	36,421	25,103
Customer Advances	44,872	34,960	-	-
Interest Payable to Group Companies	860	1,114	107	290
Other Interest Payable	1,892	1,656	1,885	1,656
Current Lease Liability	1,098	671	529	226
Current Liabilities to Marubeni Group Companies	-	-	-	-
	409,723	**310,093**	**289,740**	**213,561**
Other Non-Current Liabilities:				
Non-Current Lease Liability	4,414	4,385	2,772	3,301
Non-Current Liabilities to Marubeni Group Companies	73,469	46,992	24,139	-
	77,883	**51,377**	**26,911**	**3,301**

The Group has lease contracts in relation to buildings used in its operations. As of 31 March 2025, active building leases had remaining terms of between 1.1 and 10 years.

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

	2025	2024
	£000	£000
Group as a Lessee:		
As at 1 April	5,056	4,884
Additions	1,191	1,869
Remeasurements	-	(814)
Disposals	-	-
Accretion of Interest	247	227
Payments	(930)	(1,055)
Effect of FX Translation	(52)	(55)
As at 31 March	**5,512**	**5,056**

Notes to the Financial Statements

(Continued)

15. Other Liabilities (Continued)

	2025	2024
	£000	£000
Company as Lessee:		
As at 1 April	3,527	2,369
Additions	–	1,869
Remeasurements	–	(331)
Disposals	–	–
Accretion of Interest	150	126
Payments	(376)	(506)
As At 31 March	**3,301**	**3,527**

Maturities of lease liabilities where the Group and Company were lessees were as follows at 31 March:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Lease Liabilities Falling Due:				
In Less than One Year	1,274	821	668	376
Between One and Two Years	1,076	1,126	735	668
Between Two and Three Years	1,032	905	712	735
Between Three and Four Years	948	855	624	712
Between Four and Five Years	519	767	268	624
Thereafter	1,695	1,572	780	1,047
Total Undiscounted Lease Payments	**6,544**	**6,046**	**3,787**	**4,162**
Less: Imputed Interest	**(1,032)**	**(990)**	**(486)**	**(635)**
Present Value of Lease Liabilities	**5,512**	**5,056**	**3,301**	**3,527**
Less: Current Portion of Lease Liabilities	**(1,098)**	**(671)**	**(529)**	**(226)**
Present Value of Lease Liabilities	**4,414**	**4,385**	**2,772**	**3,301**

Debt Items Included Within Liabilities:				
Amounts Due to Marubeni Group Companies (Note 14)	200,468	209,501	110,549	123,462
Current Liabilities to Marubeni Group Companies (Note 15)	–	–	–	–
Lease Liabilities (Note 15)	5,512	5,056	3,301	3,527
Non-Current Liabilities to Marubeni Group Companies (Note 15)	73,469	46,992	24,139	–
	279,449	**261,549**	**137,989**	**126,989**

Notes to the Financial Statements

(Continued)

15. Other Liabilities (Continued)

Debt reconciliation to financing cash flows:

Group

	01-Apr-24	Cash Flows	Fx Adjust-ments	Remeas-urements	Disposals	Interest Accretion	New Leases	31-Mar-25
	£000	£000	£000	£000	£000	£000	£000	£000
Debt Reconciliation to Financing Cash Flows:								
Loans and Borrowings	256,493	20,247	(5,340)	-	-	2,539	-	273,939
Lease Liabilities	5,056	(930)	(51)	-	-	248	1,189	5,512
Total Liabilities from Financing Activities	**261,549**	**19,317**	**(5,393)**	**-**	**-**	**2,787**	**1,189**	**279,449**

	01-Apr-23	Cash Flows	Fx Adjust-ments	Remeas-urements	Disposals	Interest Accretion	New Leases	31-Mar-24
	£000	£000	£000	£000	£000	£000	£000	£000
Debt Reconciliation to Financing Cash Flows:								
Loans and Borrowings	114,500	143,467	(3,029)	-	-	1,555	-	256,493
Lease Liabilities	4,884	(1,055)	(55)	(814)	-	227	1,869	5,056
Total Liabilities from Financing Activities	**119,384**	**142,412**	**(3,084)**	**(814)**	**-**	**1,782**	**1,869**	**261,549**

Company

	01-Apr-24	Cash Flows	Fx Adjust-ments	Disposals	Interest Accretion	New Leases	31-Mar-25
	£000	£000	£000	£000	£000	£000	£000
Debt Reconciliation to Financing Cash Flows:							
Loans and Borrowings	123,462	11,226	-	-	-	-	134,688
Lease Liabilities	3,527	(376)	-	-	150	-	3,301
Total Liabilities from Financing Activities	**126,989**	**10,850**	**-**	**-**	**150**	**-**	**137,989**

Notes to the Financial Statements

(Continued)

15. Other Liabilities (Continued)

Debt reconciliation to financing cash flows (continued):

Company	01-Apr-23	Cash Flows	Fx Adjust-ments	Disposals	Interest Accretion	New Leases	31-Mar-24
	£000	£000	£000	£000	£000	£000	£000
Debt Reconciliation to Financing Cash Flows:							
Loans and Borrowings	24,139	99,323	-	-	-	-	123,462
Lease Liabilities	2,369	(506)	(331)	-	126	1,869	3,527
Total Liabilities from Financing Activities	**26,508**	**98,817**	**(331)**	**-**	**126**	**1,869**	**126,989**

16. Provisions

Group	Dilapidation Costs	Onerous Contract	Employment Contracts	TPI Commission Claim	Other Provisions	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2023	543	-	812	-	2,268	3,623
Arising During the Year	253	-	-	-	-	253
Remeasured	(347)	-	-	-	-	(347)
(Utilised) / Created	-	-	147	-	1,135	1,282
Effect of FX Translation	-	-	(43)	-	(129)	(172)
At 31 March 2024	**449**	**-**	**916**	**-**	**3,274**	**4,639**
At 1 April 2024	449	-	916	-	3,274	4,639
Arising During the Year	-	-	-	-	316	316
Remeasured	-	-	-	-	-	-
(Utilised) / Created	-	-	390	-	(1,994)	(1,604)
Effect of FX Translation	-	-	(78)	-	(107)	(185)
At 31 March 2025	**449**	**-**	**1,228**	**-**	**1,489**	**3,166**
- Current	-	-	1,142	-	1,173	2,315
- Non-Current	449	-	86	-	316	851

Notes to the Financial Statements

(Continued)

16. Provisions (Continued)

Company	Dilapidation Costs	Onerous Contract	Employment Contracts	TPI Commission Claim	Other Provisions	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2023	543	-	-	-	-	543
Arising During the Year	253	-	-	-	-	253
Remeasured	(347)	-	-	-	-	(347)
(Utilised) / Created	-	-	-	-	-	-
At 31 March 2024	**449**	**-**	**-**	**-**	**-**	**449**
At 1 April 2024	449	-	-	-	-	449
Arising During the Year	-	-	-	-	316	316
Remeasured	-	-	-	-	-	-
(Utilised) / Created	-	-	-	-	-	-
At 31 March 2025	**449**	**-**	**-**	**-**	**316**	**765**
- Current	-	-	-	-	-	-
- Non-Current	449	-	-	-	316	765

17. Share Capital, Share Premium, Dividends

	2025 and 2024
	£000
Authorised Share Capital	
Ordinary Shares of £1 Each	14,000
Allotted and Fully Paid Up Share Capital	
Ordinary Shares of £1 Each	6,667
Other Reserves	
Share Premium	2,600

All shares rank pari passu in all respects.

The share premium account is the amount above the nominal value received for shares sold, less transaction costs.

During the year ended 31 March 2025, the Company paid no interim dividend (2024: £Nil), and a final dividend of £141.9 million (2024: £124.2 million), which equated to total dividends per allotted share of £21.28 (2024: £18.63).

Notes to the Financial Statements

(Continued)

18. Related Party Transactions

Parties are considered to be related if one has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Group did not identify any transactions or hold any open balances with related party entities outside those under the control of the ultimate parent company, Marubeni Corporation (collectively, "Marubeni").

Details of facility and loan agreements with related parties are as follows:

Borrower	Lender	Loan/ Facility Type	Total Facility Amount	Amount Drawn Down	Interest	Interest Due	Expiry Date
SmartestEnergy Ltd	Marubeni Finance Europe plc	Secured revolving loan facility	£40m (2024: £20m)	£22m (2024: £Nil)	0.5% + (1m, 3m, 6m) TSRR	Any frequency up to 12 months, but not to go beyond facility maturity date	Mar-29
SmartestEnergy Ltd	Marubeni Finance Europe plc	Secured term loan facility	£20.8m (2024: £20.8m)	£20.6m (2024: £20.6m)	1.1% + 3m TSRR	Quarterly	Dec-29
SmartestEnergy Ltd	Marubeni Finance Europe plc	Secured term loan facility	£3.5m (2024: £3.5m)	£3.5m (2024: £3.5m)	1.1% + base rate	Quarterly	Dec-30
SmartestEnergy Ltd	Marubeni Finance Europe plc	Secured revolving loan facility	£591m (2024: £392m)	£88.5m (2024: £99.3m)	0.5% + 1m TSRR	Monthly	Mar-29
SmartestEnergy Business Ltd	SmartestEnergy Ltd	Secured revolving loan facility	£40m (2024: £20m)	£22m (2024: £Nil)	0.5% + (1m, 3m, 6m) TSRR	Any frequency up to 12 months, but not to go beyond facility maturity date	Mar-29
SmartestEnergy Australia Pty Ltd	Marubeni Australia Ltd	Secured revolving loan facility	£79.6m (2024: £61.7m)	£49.3m (2024: £47m)	1.1% + 1m ASX BBSY BID	Monthly	Mar-29
SmartestEnergy US LLC	Marubeni Finance America	Secured revolving loan facility	£152.2m (2024: £155.8m)	£89.6m (2024: £86m)	0.6% + Term SOFR	Monthly	Mar-25

Assets and liabilities relating to the above facilities and loans have been included in the remainder of the note below. The Group and Company also had a Parent Company Guarantees ("PCGs") and Letter of Credits ("LCs") facility allowances from Marubeni as follows:

	Available	Utilised	Available	Utilised
	2025	2024	2025	2024
	£m	£m	£m	£m
PCG/LC Facilities:				
SmartestEnergy Ltd	1,796.0	1,180.6	1,810.0	1,138.0
SmartestEnergy Business Ltd	4.0	2.2	1.5	0.2
SmartestEnergy Australia Pty Ltd	302.4	183.1	250	98.6
SmartestEnergy US LLC	232.3	156.7	237.8	115.7
Total	**2,334.7**	**1,522.6**	**2,299.3**	**1,352.5**

Refer to Note 22 for details of the subsequent renewals of these facilities after the reporting date.

Notes to the Financial Statements

(Continued)

18. Related Party Transactions (Continued)
As of 31 March 2025, Marubeni also provided parent company guarantee interchange facilities with the following limits:

- SmartestEnergy Ltd: £100 million (2024: £120 million)
- SmartestEnergy Australia Pty Ltd: AUD 70 million (2024: AUD 70 million)
- SmartestEnergy US LLC: USD 60 million (2024: USD 60 million)

Group

For the years ended 31 March 2025 and 2024, transactions entered into and balances held by the Group companies with other members of the Marubeni Group consisted of the following:

Related party transactions in consolidated statements of comprehensive income:	2025	2024
	£000	£000
Revenue & Net Trading Income	59	139
Cost of Sales	(23)	(1,016)
Administrative Expenses	(1,682)	(1,602)
Interest Expense	(10,164)	(9,049)
Interest Income	119	744
Net Total Related Party Transactions	**(11,691)**	**(10,784)**

Related party balances in consolidated statements of financial position: Related party balances in consolidated statements of financial position:	2025	2024
	£000	£000
Trade and Other Receivables	119	-
Other Current Assets	-	337
Total Within Total Assets	**119**	**337**
Trade and Other Payables	210,427	209,501
Other Current Liabilities	860	1,114
Other Non-Current Liabilities	73,469	46,992
Total Within Total Liabilities	**284,756**	**257,607**

Company

For the years ended 31 March 2025 and 2024, transactions entered into and balances held by the Company with its subsidiary undertakings and Marubeni Group companies consisted of the following:

Related party transactions in Company statements of comprehensive income:	2025	2024
	£000	£000
Revenue and Net Trading Income		
SmartestEnergy Business Ltd	257,692	235,735
SmartestEnergy US Holdings Ltd	690	13
SmartestEnergy Australia PTY Ltd	473	13
Marubeni Group Companies	59	76
Cost of Sales		
Marubeni Group Companies	(23)	(1,016)

Notes to the Financial Statements

(Continued)

18. Related Party Transactions (Continued)

Company (Continued)

Related party transactions in Company statements of comprehensive income:	2025 £000	2024 £000
Administrative Expenses		
SmartestEnergy Business Ltd	-	(9)
SmartestEnergy US Holdings Ltd	(234)	-
SmartestEnergy Australia PTY Ltd	(236)	-
Marubeni Group Companies	(25)	(161)
Interest Expense		
SmartestEnergy Australia PTY Ltd	(56)	(1)
SmartestEnergy Business Ltd	(89)	-
Marubeni Group Companies	(1,990)	(2,521)
Interest Income		
SmartestEnergy Business Ltd	324	57
SmartestEnergy Australia PTY Ltd	46	18
Marubeni Group Companies	119	744

Related party balances in Company statements of financial position:	2025 £000	2024 £000
Non-Current Derivative Assets		
SmartestEnergy Business Ltd	17,447	57,099
Current Derivative Assets		
SmartestEnergy Business Ltd	35,279	95,330
SmartestEnergy Australia PTY Ltd	-	18
Trade and Other Receivables		
Marubeni Group Companies	119	-
SmartestEnergy Business Ltd	47,382	23,733
SmartestEnergy US Holdings Ltd	1,377	1,295
SmartestEnergy Australia PTY Ltd	907	668
Other Current Assets		
Marubeni Group Companies	-	337
Total Within Total Assets	**102,511**	**178,480**
Trade and Other Payables		
Marubeni Group Companies	120,504	123,462
SmartestEnergy Business Ltd	414	-
SmartestEnergy US Holdings Ltd	238	-
Other Current Liabilities		
Marubeni Group Companies	107	290
Other Non-Current Liabilities		
Marubeni Group Companies	24,139	-
Current Derivative Liabilities		
SmartestEnergy Australia PTY Ltd	55	1
Total Within Total Liabilities	**145,457**	**123,753**

Notes to the Financial Statements

(Continued)

18. Related Party Transactions (Continued)

Company (Continued)

Details regarding remuneration and pensions of key management personnel of the Group and Company are disclosed in Notes 4 and 5. The Group defines its key management personnel as the members of the Board of Directors of the Company, which includes the Chief Executive Officer and Chief Operating Officer, since the Board of Directors is responsible for substantially all management decisions of the Group.

19. Management of Capital

The Group considers equity to be its capital. The Group is not subject to any externally imposed capital requirements and there have been no changes in capital structure strategy during the financial year.

- Return on Invested Capital (ROIC): defined as profit after tax as a percentage of the sum of (i) total equity; (ii) total interest-bearing liabilities owed to Group companies less (iii) cash and cash equivalents.
- Return on Assets (ROA): defined as profit after taxation as a percentage of average total assets.

	Group	
	2025	2024
	£000	£000
Return on Capital Employed (ROCE)	24.42%	23.59%
Return on Assets (ROA)	6.13%	5.07%

20. Financial Risk Management

As a participant in the global energy market, the Group is exposed to a variety of financial risks including credit risk, liquidity risk and market risk. In order to manage these risks, the Marubeni Corporation has put in place a risk management framework to facilitate an integrated approach which links the Group's appetite for risk to the detailed risk controls employed at the operational level.

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. A default is defined when a counterparty structurally fails to perform under its contract with the Group and such failure is not expected to be cured promptly. Expected credit losses (ECL) from customers has been accounted for as per Note 12. The Group manages the following credit risks:

Offtake Credit Risk

In offtake, credit exposure arises from the delivered unpaid amount owed by offtake customers for power delivered to them by the Group (import power). The majority of offtake customers are signed up to contracts that allow the Group to net cash payments upon settlement. This netting, combined with the fact that the Group purchases far more power than it delivers to these customers, means the Group's offtake customers generally have a net exposure to the Group thereby mitigating any credit risk.

Offtake credit risk exposure can also arise from the forward fixing of power prices which can result in a derivative financial asset position. In the event of an Offtake customer credit default, the credit exposure on a derivative asset would be mitigated by the net exposure of the customer to the Group.

Wholesale Trading Credit Risk

In wholesale trading, the credit exposure is the delivered but unpaid amount for: Grid Trade Master Agreement (GTMA); Short Term Flat National Balancing Point (NBP) Trading Terms and Conditions trades; and the derivative financial assets for the forward position of such trades. It is the market practice in Britain's wholesale electricity and gas markets to settle the delivered but unpaid amount through netting on the 10th banking day and the 20th calendar day of every month. The Group trades with international banks, large utilities or independent suppliers and regularly reviews the creditworthiness of those trading counterparties. For those where the creditworthiness is below an acceptable level, the Group puts in place margin facilities that allow it to make margin calls to limit the Group's exposure. The Group therefore considers the credit risk associated with the wholesale trading counterparties to be low.

Notes to the Financial Statements

(Continued)

20. Financial Risk Management (Continued)

Credit Risk (Continued)

Supply Credit Risk

In supply, credit exposure arises from the delivered unpaid amount owed by supply customers for power supplied to them by the Group and the present value of any derivatives related to the forward fixing of power prices. The Group applies a credit policy under which the Group will supply power to any supply customer who passed the quantitative and qualitative credit assessment process.

During the financial year, the Group wrote off 17.1% (2024: 1.29%) and the Company wrote off 1.14% (2024: 1.97%) of their receivable balances as a percentage of net trading income. The Group has applied the same methodology of credit assessment and scoring as used by Marubeni Corporation, supplemented with further enhancements by the Group's own credit approval process and procedures so that underlying credit risk is properly assessed before a contractual commitment is undertaken.

The Group's policy for supply credit risk is to apply for credit insurance from a credit insurance company (currently Atradius N.V.) for all supply sales opportunities and, if such application is not accepted by the credit insurance company, the Group further assesses the credit worthiness of the customer to determine if the credit risk can be mitigated by additional collateral.

The credit quality of market counterparties, offtake and supply customers is analysed using credit ratings published by Bureau Van Dijk (and S&P for large counterparties outside UK and Ireland) and is as follows:

Group

		2025	2024
		£000	£000
Rating	**Credit Quality**		
Secure	Minimal Risk	310,577	355,984
Stable	Low Risk	62,040	54,686
Normal	Average Risk	554,458	793,567
Caution	Slightly Greater than Average Risk	308,219	291,145
High Risk	High Risk	10,119	167
Unrated	Unrated	199,621	335,719
Total Financial Assets		**1,445,034**	**1,831,268**

Company

		2025	2024
		£000	£000
Rating	**Credit Quality**		
Secure	Minimal Risk	167,289	256,622
Stable	Low Risk	-	-
Normal	Average Risk	627,444	940,406
Caution	Slightly Greater than Average Risk	244,774	249,691
High Risk	High Risk	-	-
Unrated	Unrated	18,239	9,560
Total Financial Assets		**1,057,746**	**1,456,279**

Notes to the Financial Statements

(Continued)

20. Financial Risk Management (Continued)

Credit Risk (Continued)

Unrated category relates to an accumulation of balances from counterparties without publicly available credit ratings. Such exposure historically generated insignificant bad debts.

Overall, the Group's low or well mitigated exposure to credit risk is further illustrated by the fact that the Group has historically experienced very low levels of bad debt write-offs. The risk is further mitigated by the Group such that where an express written agreement exists, and this agreement is deemed legally enforceable, the Group manages its credit exposures net by counterparty. Where such an agreement is not in place, or where there is a debate as to the enforceability of the terms of the agreement that is in place, the credit exposure is managed gross. Counterparty debt is written off when the Group determines that it will not be able to collect the debt due to one or more of the following circumstances: (i) insolvency procedure, legal or voluntary liquidation procedure or cessation of business in operation of the debtor; (ii) the debt has been outstanding for a long time and collection is unlikely due to deterioration of the debtor's credit standing or other relevant reasons; (iii) there is no possibility of recovery by commercial negotiation; or (iv) any matter equivalent to the above.

Liquidity Risk

Liquidity risk arises from the general funding requirements of the Group and its management of assets and liabilities. A maturity analysis of financial liabilities and derivatives is in Note 13. The Group uses a combination of third-party working capital facilities and cash to provide funding to support its business activities.

The Group's main funding needs during the current year were met by loan facility obtained from Marubeni Finance Europe (Note 18). The Group's management determines funding requirements based on cash flow forecasting, including sensitivity analysis for movements in collateral balances, and funding requests must be reviewed and approved by the parent company.

Market Risk

Market risk is the risk that the Group is unable to manage the price exposure in the electricity, gas and renewable markets of its open positions. A failure to manage this risk will then lead to gross margin loss on any such un-hedged positions. The risk is also arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Group's market risk is managed as follows:

Commodity Price Risk

The Group is affected by commodity price volatility of its fair valued gas and electricity derivative contracts.

The Group's commodity price risk is monitored through the application of a Risk Management Committee approved Value-at-Risk (VaR) limit and daily loss limits. Operational reports are sent to management daily and reports confirming compliance with the Group's Risk Policy to the monthly Risk Management Committee. The Group uses VaR as the basis for monitoring and controlling its commodity price risk. VaR is managed using the variance covariance model (VCV) on a 95% confidence interval, 5 day holding period.

The VaR for the Company and relevant subsidiary undertakings as of 31 March was:

Value at Risk (VaR)	Currency	2025	2024
		‘000	‘000
SmartestEnergy Limited	GBP	848	288
SmartestEnergy Australia PTY Ltd	AUD	1,780	533
SmartestEnergy US LLC	USD	997	808

Notes to the Financial Statements

(Continued)

20. Financial Risk Management (Continued)

Market Risk (Continued)

As with any modelled risk measure, there are certain limitations that arise from the assumptions used in the VaR calculation, these include:

- Risk factors which are not fully addressed by the VaR methodology. These are addressed either by sensitivity or position limits or by stress testing scenarios;
- Changes in risk factors may not follow the assumed distribution. In particular, the normal distribution assumption may underestimate the probability of large market moves;
- Historical data may not be a good estimate of the potential changes to risk factors observed in the future and any modifications to that data may not be adequate; and
- VaR based on 95% confidence level does not reflect potential losses beyond that percentile.

VaR should not be viewed as a guarantee of the maximum daily loss that can be experienced by the Group on its portfolio, nor can the Group be certain that losses will not exceed the VaR more frequently than five times in every one hundred days.

The Group accounts for all its generation and retail contracts at fair value and economically hedges its commodity price exposure in the wholesale electricity forward market through the over-the-counter derivatives market and commodity exchanges and therefore does not consider the commodity price risk on its net open derivative position to be material.

The Group transacts with a number of generators and supply customers on the basis of their forecast gross volume, which is the volume the customer expects to generate or consume including adjustment for losses during transmission and distribution. Ahead of delivery these volumes are not known with certainty, given that the generators may generate more or less and consumers demand more or less than these forecasted and hedged volumes. Therefore, whilst the Group can fix the unit price at which it buys or sells with a customer, the realised gain or loss from managing this position is only known once the final metered volumes are determined upon physical settlement and the gain/loss of any difference between the hedged and delivered volumes is known.

As a result, the Group could be at risk of being unable to manage the under/over-delivery of power and renewable volumes between its offtake business customers and supply business customers. A failure to successfully manage this risk could lead to imbalance costs in the physically settled electricity and renewable energy markets and a market price risk created by the difference between the hedged and delivered portfolio positions.

With the growing volume of global intermittent renewable generation, this risk has grown materially in recent years and is expected to develop further in complexity in the UK and in overseas markets as they collectively transition from vertically integrated and hydro-carbon generation to renewable and distribution-connected generation markets. Measures such as organisational change, a dynamic and risk-based customer pricing approach and implementation of more sophisticated hedging products and strategies has significantly reduced the impact of volume risk in the sales portfolio.

21. Ultimate Parent Undertaking and Controlling Party

The immediate and ultimate parent company and controlling party is Marubeni Corporation, a company incorporated in Japan. The results of the Company are consolidated in Marubeni Corporation's financial statements. Copies of Marubeni Corporation's financial statements can be obtained from its head office at 4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan.

22. Post Balance Sheet Events

Refer to Note 18 for details of the borrowing and guarantee facilities provided by Marubeni to the Group and Company at 31 March 2025.

Subsequent to the yearend, Marubeni extended the committed revolving credit facility to the Group to £907 million and to the Company to £420 million. The joint central risk facility was extended to £250 million through to the end of March 2030, and the parent company guarantee interchange facility was reduced from £180 million to £46 million for the Group and from £100 million to £nil for the Company. In July 2025, the Parent Company Guarantees and Letter of Credit facilities were renewed with a new limit of £2,405 million for the Group and £1,535 million for the Company. All foreign-denominated facility amounts have been translated into pounds sterling using exchange rates as of 31 March 2025.

Subsequent to the yearend, on 16 September 2025, a shareholder agreement was signed by the Company to enter a joint venture arrangement with the Marubeni Power Retail Corporation. The joint venture has been setup as a separate legal entity within Japan, named Marubeni Power Trading Corporation. The purpose of the entity is to conduct energy trading solely for the Japanese electricity market. Equity of £5 million (1 billion JPY) has been injected into the entity by both joint venturers. The Company holds 100 of the 200 ordinary share capital issued.

Contact Us

info@smartestenergy.com
Linkedin.com/company/smartestenergy

group.smartestenergy.com
smartestenergy.com/en_GB
smartestenergybusiness.com/en_GB
smartestenergy.com/en_US/
smartestenergy.com/en_AU/

smartestenergy