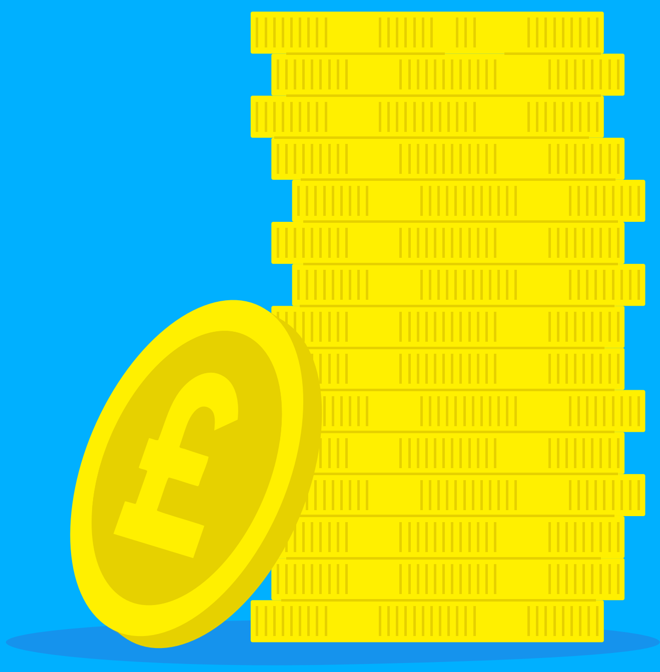
Financial Year Ending - March 2024

utilita

Consolidated Segmental Statements



Version 1.1

		Electricity supply		Gas supply		Aggregate supply business
	Unit	Domestic	Non Domestic	Domestic	Non Domestic	
Total revenue	**£'M**	**902.0**	**21.0**	**486.5**	**4.1**	**1,413.6**
Revenue from sale of electricity and gas	£'M	809.5	21.0	460.0	4.0	1,294.5
Other revenues	£'M	92.5	0.0	26.5	0.1	119.1
Total operating costs	**£'M**	**851.7**	**21.5**	**472.0**	**12.6**	**1,357.8**
Direct fuel costs	£'M	429.7	9.0	271.0	2.0	711.7
Direct costs	**£'M**					
Transportation costs	£'M	159.0	3.0	82.0	1.0	245.0
Environmental and social obligations costs	£'M	115.0	2.5	15.0	0.0	132.5
Other direct costs	£'M	63.0	2.0	48.0	1.0	114.0
Indirect costs	£'M	84.8	5.0	55.8	8.6	154.2
EBITDA	**£'M**	**50.5**	**(0.5)**	**14.7**	**(8.5)**	**56.2**
Depreciation and amortisation	£'M	7.7	0.0	6.3	0.0	14.0
EBIT	**£'M**	**42.8**	**(0.5)**	**8.4**	**(8.5)**	**42.2**
Interest	**£'M**					**7.8**
Tax	**£'M**					**(4.2)**
Profit after tax	**£'M**					**45.8**
Volume	**TWh, m therms**	**2.4**	**0.1**	**175.4**	**1.3**	
WACO E/G	**£/ MWh, p/th**	**182.9**	**142.9**	**154.5**	**156.3**	
Meter points	**000s**	**791.0**	**5.2**	**660.0**	**1.7**	**1,457.9**

In accordance with Standard Licence Conditions ("SLC") 19A of the Electricity and Gas supply licence ("Financial Information Reporting"). Utilita Energy Limited have prepared this Consolidated Segmental Statement (CSS) for the year ended 31st March 2024.

This Consolidated Segmental Statement has been prepared using the audited financial statements of the Licensee which are publicly available on Companies House.

The principal activity of the company during the year was the supply of energy. and associated installation and technology services. Utilita specialise in supplying gas and electricity to residential customers in GB in the Smart-installed Prepayment (PPM) segment of the market.

The statements are prepared in sterling, which is the functional currency of the entity.

1. Revenue from sales of electricity and gas

This includes supply of energy, all electricity and gas sales made by the Licensee. During the financial year ended 31st March 2024.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

2. Other revenue

This includes other sales made by the Licensee not covered in revenue from sales of electricity and gas such as meter installation and receipts related to the Energy Price Guarantee.

3. Direct fuel costs

This is the aggregated cost of electricity and gas procured by the Licensee as part of its supply activities.

This includes the wholesale energy costs and where relevant the cost of its hedging related activities.

4. Transportation costs

These costs include transportation, transmission, distribution use of system costs and balancing services use of system costs. Costs attributable to the supply of energy includes;

- Distribution Use of System (DUoS)
- Balancing Use of System (BSUoS)
- Transmission Network Use of System (TNUoS)

5. Environmental and social obligation costs

These costs include all relevant obligations created through the supply of gas and electricity.

Costs attributable to the supply of energy includes the following;

- Renewable Obligation Certificates (ROC)
- Renewable Energy Guarantees of Origin (REGO)
- Feed in Tariff (FiT)
- Energy Company Obligation (ECO)
- Green Gas Levy (GGL)
- Warm Home Discount (WHD)

6. Other direct costs

This includes all other gross margin costs which do not fall into the above categories and in particular cost of operating Smart Meter data communications, collection costs, meter rentals and the cost of installation.

7. Indirect costs

Indirect costs include internal operating costs for the supply of electricity and gas.

The categorisation of Indirect costs as follows;

- Customer Service – including customer communications.
- Marketing – including Sponsorships.
- Bad Debt
- Central Overheads – including corporate services such as HR, Finance and Legal.
- IT Licenses
- Property and associated costs.
- Travel and Entertaining

Where the costs cannot be directly allocated to a fuel (electricity/gas) or segment (domestic/non-domestic), they have been allocated using appropriate activity drivers by cost centres or customer account allocation.

8. EBITDA

In compliance with accounting standards this means earnings before interest, tax, depreciation, and amortisation.

9. Depreciation and amortisation

The company has determined the estimated useful lives of its tangible and intangible assets. The life of an individual asset is based on various, technological, practical and legislative information, including the economic life of the customer.

Capitalisation of acquisition costs, installation costs and development costs - The company considers that customer acquisition costs and installation costs that relate to the direct cost of acquiring a customer, or installing a smart meter for a customer, are of benefit to the company for the period that the customer is on supply. Development costs capitalised are reviewed in line with FRS 102 to ensure they meet the capitalisation criteria such that the costs can be measured reliably and have future value to the business.

10. EBIT

This means earnings before interest and tax. EBIT is the recognised profit or loss of the Licensee.

11. Volume

Volume is the supply of electricity rounded to the nearest TWh and gas to the nearest million therms.

12. WACO E/G

This represents the direct cost fuel in relation to the supply of electricity and gas used by the License.

Weighted average cost of electricity (£/MWh)

Weighted average cost of gas (p/therm)

13. Customer accounts

Represents the average meter points of electricity and gas, domestic and non-domestic during the reporting year. This is calculated by adding monthly closed meter points and dividing by 12.

Trading and hedging strategy

The company operates in the GB energy retail market and purchases its energy in the GB wholesale markets. The company fixes the prices to its customers until notifying a change and sources the energy from the wholesale market at the prevailing prices. This price change is usually linked to changes in the quarterly price cap. Due to volatility in the market, there is price risk in the energy retailing market. However, the company forward purchases wholesale energy, in accordance with a board level agreed hedging policy, to reduce price risk. This strategy aims to reduce risk, although cannot mitigate risk entirely. Due to the unpredictable nature of the elements, weather risk is, for example, difficult to mitigate against.

Forward purchases of energy – Utilita Energy enters into contracts for the purchase of energy for periods up to 24 months in the future. The directors have determined that the classification of such contracts represents commodity purchases for use within the business accounted for at cost at date of delivery and not as derivative instruments accounted for at fair value.

Utilita's wholesale risk and subsequent hedging policy, for its principal domestic SVT business, will continue to be driven by the Ofgem price cap's wholesale calculation methodology. In line with the new quarterly price cap, Utilita will continue to hedge the appropriate forward three months within the corresponding three-month calculation window.

Utilita aim to hedge 100% of its expected domestic (100% SVT) demand, according to the projected total AQ (gas) or EAC (elec), adjusted for expected losses, and appropriately profiled for the seasonality of the given quarter for which is being hedged. However, a 100% hedged position is not necessarily the most optimal risk adjusted position. The hedging policy allows, within parameters, to deviate from a 100% position if it reduces the overall risk after considering price, volume and liquidity risk.

Registered in England & Wales, Company Number 04849181, Regulated by Ofgem
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