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Company Registration No. 15310672

SIENNA MIDCO 2 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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Sienna Midco 2 Limited

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Company Information

Directors	I Smyth R Rose Chris Johns
Secretary	N Jordan
Company number	15310672
Registered office	Prennau House Copse Walk Pontprennau Cardiff Wales CF23 8XH
Auditors	Ernst & Young LLP G1 Building 5 George Square Glasgow G2 1DY

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Strategic Report

The Directors present their Strategic Report on the affairs of Sienna Midco 2 Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2025.

Business developments

On 7 February 2025, the Group acquired 100% of the issued share capital of Salisbury Topco Limited and SMA Topco Limited. Together, these businesses operate within the UK and German metering sectors, providing meter rental and related services to domestic and non-domestic energy suppliers, as well as owning and managing smart electricity and gas metering assets. Salisbury Topco Limited also provides outsourced services to other Meter Asset Providers (MAPs) and offers funding and rental solutions for a range of water and low-carbon infrastructure assets, including electric vehicle charging infrastructure, solar generation assets and heat pumps.

The acquisitions enhance the Group's scale, strengthen its position within its core metering markets and support future growth opportunities across complementary energy and infrastructure sectors. Further details of the acquisitions are provided in Note 24.

On 19 May 2025, the Board of Directors received and accepted an offer from an external party to acquire the Group's grid-scale battery storage business. Further details of the disposal are provided in Note 6.

Business review

The Group remains well placed to continue to perform as UK energy suppliers remain obligated under their licences to deliver the UK Smart Meter Policy Framework. The framework includes obligations for energy suppliers to improve smart meter operations and complete the domestic smart meter rollout by the end of 2030.

The Group's strategy remains focused on growing a long-term, often index-linked, recurring revenue base through its portfolio of owned smart meter assets, underpinned by long-term contractual arrangements with energy suppliers. This strategy provides visibility and certainty over future revenues and cash flows while supporting the continued rollout of smart meters primarily across the UK and beyond as the Group expands into Europe.

The Group continues to prioritise operational excellence, cost efficiency and high levels of customer service in the deployment and management of smart meter assets to a range of robust, creditworthy domestic and non-domestic energy suppliers.

The UK smart meter rollout programme continues to progress, with further industry initiatives expected to incentivise adoption among remaining consumers. The Group is well positioned to benefit from these developments, supported by its established asset base, long-term contractual relationships and focus on sustainable, recurring revenues.

Operational performance

The key non-financial KPI used to measure and monitor the progress of the Group against its objectives on a monthly basis is owned smart meters (being assets under management).

As at 31 December 2025, the Group had approximately 6.4 million owned smart meters (2024: c.2.6 million), reflecting the Group's acquisitions in the year and continued investment in meter assets in line with contractual commitments. Growth in the owned meter portfolio continues to underpin the Group's long-term, index-linked recurring revenue base.

Other non-financial KPIs are used to monitor Health & Safety, metering performance metrics and energy supplier engagement. In accordance with the Walker Guidelines "comply or explain" requirements, the Company considers certain disclosures to be commercially sensitive and they are therefore not included in the Annual Report.

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Strategic Report (continued)

Financial performance

The Group uses alternative performance measures, defined below, to present a clear view of what the Group considers to be the results of its underlying, sustainable business operations. The following alternative performance measures are considered to be the financial KPIs of the Group

- Annual recurring revenue
- Group revenue
- Depreciation adjusted gross profit
- Pre-exceptional cash EBITDA

Excluding certain items enables consistent year-on-year comparisons and aids a better understanding of business performance. A reconciliation of these performance measures is disclosed below, and the Board are of the opinion that these alternative performance measures show a positive trend for the Group:

	Year ended 31 December 2025 £M	Period ended 31 December 2024 £M	Percentage change
Annualised recurring revenue[1]	**257.6**	**122.3**	**111%**
Group revenue	**315.4**	**147.1**	**114%**
Gross Profit	**170.9**	**78.6**	**117%**
Depreciation included in Statutory Gross Profit	**101.0**	**34.4**	**194%**
Depreciation adjusted Gross Profit[2]	**271.9**	**113.0**	**141%**
Statutory loss from operations	**(142.4)**	**(66.7)**	**113%**
Amortisation of intangibles	**47.8**	**24.4**	**96%**
Depreciation	**105.1**	**36.5**	**188%**
Statutory EBITDA	**10.5**	**(5.8)**	**(281%)**
Exceptional items[3] (EBITDA-related)	**145.6**	**79.8**	**82%**
Non-cash items[4]	**59.3**	**(0.6)**	**(9,983%)**
Pre-exceptional cash EBITDA	**215.4**	**73.4**	**193%**

[1] The revenue being generated from meter rental and data contracts at a point in time. Includes revenue from third-party managed meters.
[2] The Group includes depreciation on revenue-generating assets within cost of sales for statutory reporting purposes. Removing this from gross profit ("depreciation-adjusted gross profit") provides a better comparison of the Group's underlying trading performance.
[3] Exceptional items are those material items of income and expense which, because of the nature or expected infrequency of the events giving rise to them, merit separate presentation on the consolidated income statement. Details of exceptional items are included in note 2 of the Group financial statements.
[4] Non-cash items comprise IFRS 2 expenses, movements in ECL and revenue provisions, impairment charges, gain or loss on foreign exchange, gain or loss on disposal and fair value gain or loss on derivative financial instruments.

The Group delivered 111% growth in annualised recurring revenue ("ARR") to £257.6 million (2024: £122.3 million), primarily driven by the acquisitions completed during the year, which significantly increased the Group's portfolio of owned smart meter assets to approximately 6.4 million meters, alongside other managed assets. The acquisition further enhanced the Group's revenue in the year primarily through an increase in long-term, index-linked metering revenue base and strengthened its position within the UK metering market. During the year, the Group also made the strategic decision to dispose of its grid-scale battery storage business in order to increase its focus on growing stable long-term recurring revenues. The loss of grid-scale battery revenue in year marginally offsets the increase driven by acquisition activity.

Depreciation-adjusted gross profit increased by 141% to £271.9 million (2024: £113.0 million). The growth was principally attributable to the acquisition of additional metering and infrastructure assets during the year, which substantially increased recurring revenues. This was complemented by the realisation of operational efficiencies and disciplined cost management.

Pre-exceptional cash EBITDA increased by 193% to £215.4 million (2024: £73.4 million), demonstrating continued strength in underlying cash generation, alongside higher depreciation-adjusted gross profit year-on-year.

The debt and capital structure of the group is further detailed in the notes to the Financial Statements on pages 50-52, note 17, and pages 56-59, note 23.

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Strategic Report (continued)

Environmental matters

The table below incorporates the Group's mandatory streamlined energy and carbon reporting (SECR) reporting, together with material voluntary disclosure. The Group utilises the internationally recognised greenhouse gas (GHG) protocol to ensure comprehensive and standardised data calculations. Reporting covers all emissions from the Group's business activities, and all sites and operations during the 2025 calendar year.

The Group's Scope 1 calculation encompasses energy consumed by fleet, gas consumed across offices, warehouses and the Group's training centre, and fugitive emissions from air conditioning. The Group scope 2 calculation encompasses electricity consumption. Scope 3 accounts for the emissions generated in the Group's value chain.

	2025	**2024**	**Commentary**
Total Scope 1 (TCO2e)	**2,856.7**	**2,983.5**	Scope 1 comprises the direct emissions from our operations.
Company-owned vehicles	**2,814.9**	2,932.7	Our owned and tracked fleet vehicles.
Gas	**41.2**	50.2	Gas heating serves six of our properties across the UK.
F-gas[1]	**0.6**	0.6	F-gas is the refrigerant used in air conditioning for cooling workspaces and server rooms.
Total Scope 2 Location-based (TCO2e)	**2,360.4**	**6,307.7**	Scope 2 comprises the indirect emissions associated with our operations.
Electricity (Buildings)	**87.3**	101.7	Electricity lights, heats and powers our operations across warehouses, offices and training centres.
Electricity (Battery sites)	**2,264.4**	6,204.1	Net electricity used to operate cooling and communication systems at our grid battery site.
UK electricity for EVs	**8.7**	1.9	1 electric van was added to the fleet and trialled during 2023
Total Scope 2 Market-based (TCO2e)[1] (including green energy contracts)	**5,522.5**	**11,713.6**	We source green contracts for our electricity where possible.
Total Scope 3 (TCO_2e)	**14,134.0**	**34,975.80**	Scope 3 comprises are emissions from up and down our value chain, including those of suppliers and service providers.
Diesel upstream supply[1]	**402.9**	700.7	Upstream emissions for the production of diesel to supply company-owned fleet.
Petrol upstream supply[1]	**6.6**	14.2	Upstream emissions for the production of petrol to supply company-owned fleet.
Transport and distribution' electricity[1]	**242.1**	557.3	Upstream emissions of purchased electricity for battery operation and on our warehouses, offices and training centres.
Generation of purchased electricity that is sold to end users[1]	**13,061.2**	33,174.1	Upstream emissions of purchased electricity for our BESS which is sold back to the grid.
Vehicle business travel	**75.5**	158.8	Business travel in employee-owned vehicles.
Air & Rail business travel	**88.9**	105.6	Business travel by air and rail.
Employee Teleworking[1]	**256.8**	265.1	The associated carbon emissions from energy used to power office equipment and for heating by employees working from home.
Total Scope 1, 2 & 3 (TCO_2e) (Scope 2 Location-based)	**19,351.1**	**44,267.0**	Total emissions, utilising Scope 2 Location-based method.
Carbon intensity Scope 1, 2 & 3 (TCO_2e/£m)	**61.4**	**222.0**	Shows the amount of emissions produced to achieve the revenue realised, per £m.
Operational energy consumption (MWh)	**25,121.3**	**43,024.2**	This is the total energy consumption of our operations, spanning activities included in Scope 1 and 2 (excluding F-gas).

[1] Data disclosure is voluntary under SECR but included for completeness of Scope reporting under the GHG Protocol. See the Group's Sustainability Report for a full breakdown of all metrics which can be found within the sustainability section of the Group website.

We have progressed in line with the Group's net zero target, with the divestment in grid battery storage as the most significant factor in the reduction of emissions for 2025. Additionally, the Group achieved a number of smaller reductions, such as fleet emissions benefiting from increased electric vehicle (EV) implementation, improved route planning and scheduling alongside utilising supporting contractor operations, and a continuation of building emissions reductions through rationalisation activities.

Looking forward, the Group plans to continue transitioning our fleet vehicles to EVs alongside approaching landlord on renewable energy contracts for our sites.

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Strategic Report (continued)

Group non-financial and sustainability information statement

Governance arrangements in relation to assessing and managing climate-related risks and opportunities

The Board has oversight of climate-related issues through the overarching risk and opportunities framework in place across the Group. The Board is supported by the Environmental, Social & Governance (ESG) Working Group, which comprises of members of senior management from key business functions. The ESG working Group is in place to ensure appropriate accountability and alignment is embedded into strategic planning, decision-making and everyday processes. These channels enable appropriate consideration and integration of climate aspects from the top level to ensure the Group remains resilient to climate change.

Processes for identifying, assessing and managing climate-related risks and opportunities

Management is engaged on climate-related risks and opportunities through dedicated risk and opportunity workshops, spanning Executive Leadership Team and departmental teams to support the continuous improvement of risk and opportunity identification and management processes. These workshops are used to identify new risks and opportunities, review and update existing risk ratings, identify appropriate new mitigating actions, and assess progress towards completion of identified mitigating actions.

Principal climate-related risks and opportunities

The Group reviews risks and opportunities over short- (0-3 years), medium- (4-10 years) and long-term (11-20 years) time horizons. Those detailed below reflect the risks and opportunities which management deem to be significant to the Group's continuing business operations.

Risk Mitigation	
Physical - Extreme weather – flooding, heat, storms	• **Protecting our road-based employees (Short-term)** We understand extreme weather and climate events can lead to interruption of the operation of 'on the road' activities such as metering and engineering teams, and we have rigorous processes in place to mitigate impacts.
	• **Resilience in our site-based IT systems (Short-term)** Our business continuity plans mitigate risks from extreme weather and climate events which could damage assets and lead to the interruption of critical IT systems.
Transitional – Market, regulation and policy and legislative changes	• **Transitioning from fossil-fuel usage (Medium to long-term)** Our efficiency projects and net zero roadmap mitigate the risks associated with potential future government policies on carbon pricing and emissions, and the energy transition, which could result in higher operating costs.

Opportunities	
Transitional – Market, regulation and policy and legislative changes	• **Supporting our metering customers through the smart meter rollout (Short to medium-term)** We are well positioned to support customers while capitalising on the opportunities associated with smart meter rollout extensions and half-hourly settlement demands, which extend business opportunities within our existing customer base.
	• **Meeting demand for emerging carbon reduction services (Medium to long-term)** We have developed capability to support increasing demand for emerging carbon reduction services, and our data and technologies allow for expansion in this market.

Principal risks and uncertainties

The Board has overall responsibility for governance, risk management and internal control for the Group. Group Internal Audit engage with the Executive and Senior Leadership Teams to support the continuous improvement of risk management processes within the Group. The Group's principal risks, after allowing for effective mitigation, are detailed below.

Major breach of cyber security

Critical information technology systems could be subject to a major external or internal cyber-attack, causing a serious breach of information security regulations and/or service disruption. The Group maintains a formal cyber security policy which includes having physical firewalls and encryption controls in place, maintaining associated accreditations, and mandatory security awareness training for all Group staff.

Customer conversion

Market consolidation has strengthened supplier bargaining power, challenging our competitive position. Some uncertainty beyond the 2025 smart meter deadline may affect long-term planning, pricing, and investment decisions. The Group continually monitors market developments and maintains open channels of communication with contracted customers and major energy suppliers to ensure the business continues to evolve alongside energy supplier requirements.

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Strategic Report (continued)

Health and Safety

A major incident could occur, which could lead to significant injury, illness or loss of life to an employee or third party. The Group have a dedicated incident management response team with response and communications plan in place. The Board has overall accountability for the compliance with health and safety standards and is provided with regular management reporting. Controls in place include maintaining the Group wide ISO certifications, business continuity and disaster recovery plans, independent regulatory reviews, maintenance of high-quality and mandatory training standards.

Business continuity and disaster recovery – resilience of IT infrastructure and failure of critical business systems and processes

Failure of core and/or critical information technology systems could result in operational interruption. Alongside the business continuity and disaster recovery plans in place as described above, the Group has a number of additional physical controls in place include: failover facility available for immediate redeployment of staff enabling key operations to be maintained, alternative UK sites available to manage core business operations, the ability for most of the workforce to work from home, and N+1 (parallel redundancy) backup to ensure an uninterruptible power supply and system availability.

Change delivery

Limited capacity or capability to effectively deliver and sustain change initiatives, could result in delays, increased costs or failures to realise benefits. The Group's robust forecasting processes closely are aligned to with commercial and operational management teams ensuring effective capacity planning.

Metering supply chain

The Group relies on a limited number of critical suppliers for meters, and failure of critical suppliers could have significant operational and financial implications. Enhanced stock control processes mitigate the risk of being unable to fulfil customer orders in the event of a critical supplier failure while the Group's centralised in-house legal function protect the commercial interests of the Group through robust contracting processes.

Supply chain risk management

Inadequate management of supply chain risks, including third-party cybersecurity vulnerabilities, could lead to operational disruptions, data breaches, regulatory non-compliance, and reputational damage. The Group has ongoing due diligence of vendors and annual information security audits of IT suppliers.

Serious breach of General Data Protection Regulation (GDPR)

There could be a breach of GDPR through an internal failure to follow protocol and policy or as a result of data integrity and retention issues. The Group's Data Protection Officer monitors internal GDPR compliance and, through a series of internal and external communication platforms, informs and advises staff and third parties of our obligations and expectations under GDPR. Annual GDPR training is also rolled out for all staff to ensure best practice is upheld across the organisation.

Our people

An inability to attract, retain and motivate the right people could have a material adverse effect on the business and ultimately lead to a failure to deliver on its strategic objectives. The Group's equal opportunities, diversity and inclusion policy provides harmonised terms of employment ensuring fairness and consistency across the organisation. Competitive rewards and employee benefit packages are aligned to our pay and reward framework with regular employee satisfaction surveys carried out to review and address employee feedback and succession planning is implemented for key leadership and business roles.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Company Directors must act in a way that they consider, in good faith, would most likely promote the success of their company for the benefit of its members as a whole, taking into account the factors listed in section 172 of the Companies Act 2006.

Effective stakeholder engagement is critical to the long-term success of our business. We seek to understand each stakeholder group – what they find important and what how we can be of value to them. This helps us make better decisions when setting strategy and in our day-to-day operations.

The Group has complied with the requirements of section 414CZA of the Companies Act 2006 by including certain information within the Strategic and Directors' report to inform members of the Company how the Directors have considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duty under section 172 to promote the success of the Company. The Directors consider, both individually and together, that they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. The Directors consider the Annual Report and Financial Statements for year ended 31 December 2025 to comply with the Guidelines for Disclosures and Transparency in Private Equity. The Group defines its key stakeholders as the groups included in the table below.

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Strategic Report (continued)

Stakeholder group	Why effective engagement is important	Form of engagement
Shareholders	Following the Acquisition of the Group, regular communication with the Group's shareholders supports effective partnerships, which ultimately facilitates the ongoing growth and long-term success of the business.	• Discussions at monthly Board meetings and weekly management meetings including review of the Group's annual forecasts, and operational and performance. • Day-to-day interaction between the management team and the Group's Executive Leadership Team.
Customers	As the energy and utilities industry continues to navigate the UK smart meter rollout, it is important that we work collaboratively with energy suppliers to ensure we are meeting their service needs in an efficient and effective way. Maintaining open and honest relationships with our customers allows us to remain commercially competitive and secure both new and recurring long-term contracts.	• Listening and responding to customer feedback, along with regular services reviews to ensure feedback is addressed in a timely manner. • Assignment of a strategic account director – a single point of contact with whom items can be discussed. • For larger customers, dedicated contact centres are used to co-ordinate with end consumers.
Employees	Through inclusive practices and prioritising good health and wellbeing, SMS continually seek to improve employee engagement and organisational performance. To foster customer loyalty, and impact positively on organisational performance and stakeholder value, it is crucial that we continue to build a positive culture, where employees are listened to, and are inspired to perform their best work.	• Open and collaborative management structure. • Townhall events led by our Executive Leadership Team. Key topics in the year included updates on the Group's strategy and targets. • 'Employee Voice' a bi-monthly forum • LOV (Living Our Values) Awards. • Use of a bespoke SMS intranet site (with a dedicated Wellbeing page and resources). • Annual performance and development reviews for all.
Suppliers	Our wide range of partners provides us with the goods and services we rely on to deliver for our customers. Reliable supplier relationships are thus crucial in delivering our business model and strategy. Health and safety is at the heart of everything we do and this extends to services provided to us by our third-party partners.	• Comprehensive onboarding process by skilled procurement and legal professionals. • Two-way communication process, developing a culture of openness and transparency. • Prompt payment practices. • For larger suppliers, ongoing engagement through regular meetings and feedback sessions.
Regulatory bodies	The primary government regulator for the gas and electricity market in the UK is the Office of Gas and Electricity Markets ('Ofgem'). Ofgem is the regulatory body by which our key customers are governed. Maintaining regulatory compliance is crucial to our business success amongst customers who rely on our reputation as a full-service provider.	• Attendance at regular meetings. • Active participation in consultations and workshops. • Representation on several boards and panels. • Regular compliance reviews and audits, both internally and externally, in respect of the certifications and accreditations.
Lenders/ financiers	Our lenders are providers of critical funding, supporting the achievement of the Group's operational and strategic goals.	• Provision of financial and management reporting and strategy. • Ad-hoc phone calls as needed, ensuring proactive communication.
Government bodies	We engage with several government bodies including the Department for Energy Security and Net Zero (DESNZ) (formerly part of BEIS) and the Data Communications Company (DCC). These government bodies use our expertise and experience to assist in the formulation and delivery of key energy policies, which have a direct impact on our customers and our own business.	• Regular meeting programme with DESNZ, including attendance at round tables and working groups. • Extensive engagement with the DCC, particularly focused on the transition of 3G and 2G services to 4G. • Representation on the Smart Energy Code (SEC) Operational Performance panel and Smart Meter Device Assurance scheme to help govern the activities of the DCC.

This report was approved by the Board of Directors and signed on its behalf.

Signed by:
03EB3043BCC8412...
Ian Smyth
Director

Date: 28 September 2026

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Directors' Report

The Directors submit their Annual Report on the affairs of the Group together with the audited consolidated and parent company financial statements for Sienna Midco 2 Limited for the year ended 31 December 2025.

Principal activities
As at 31 December 2025, Sienna Midco 2 Limited traded principally through its subsidiary undertakings. Its principal activity was and remains that of a holding company.

The principal activities of the Group are the installation, operation and management of smart and advanced meter and energy infrastructure assets and related data services, the design, installation and management of utility connections and energy infrastructure, and the delivery of energy management and carbon reduction solutions, including the operation of carbon reduction ("CaRe") assets.

Statutory information
In accordance with s414C(11) of the Companies Act 2006, the Company has included the following information which is considered of strategic importance within the Strategic Report found on pages 5 and 8:

- Streamlined Energy and Carbon Reporting
- Engagement with stakeholders

This Directors' report sets out all other information required to be disclosed by the Company in compliance with the Companies Act 2006.

Activities outside the UK
Two subsidiaries of the Group operate outside the UK, one based in the Republic of Ireland and one based in Germany.

Directors
The Directors who served during the year and to the date of this report are as follows:

Chris Johns (appointed 22 September 2026)
Richard Rose (appointed 30 June 2026)
Ian Smyth (appointed 28 January 2026)
Sean West (appointed 15 January 2026, resigned 30 June 2026)
Andrew Michael Furze (resigned 15 January 2026)
Yimei Luo (appointed 22 November 2024, resigned 15 January 2026)
Nicolas Macke (appointed 17 March 2025, resigned 16 January 2026)
Aadhaar Mehra (resigned 15 January 2026)
Tim Mortlock (appointed 20 March 2025, resigned 29 January 2026)
Ana Maria Vasiu (appointed 11 March 2025, resigned 16 January 2026)

Other than employment contracts, none of the Directors had a material interest in any contract with the Company or any of its subsidiary undertakings. Any related-party interests applicable to the Directors are shown in note 25 to the financial statements.

Directors' qualifying indemnity provisions
The Group has made qualifying third-party indemnity provisions for the benefit of its Directors, and Directors of subsidiary companies, during the year. These provisions remain in force at the reporting date.

Dividends
An ordinary dividend of £159 million (2024: £nil) was paid to shareholders of the Company during the year.

Employees
Employee engagement is paramount to the Company's success. The Group's policies around communication and sharing of information with employees ensure that employees are kept up to date on matters likely to affect their interests. Periodic updates on key business developments, business performance, wellbeing initiatives, charitable donations and sponsorship opportunities, and progress towards net zero are delivered via various communication channels, including those delivered by the Executive Leadership Team through townhall meetings and newsletters.

The Group seeks to engage with employees on matters affecting them, through channels including employee surveys (internal and external), an employee forum, written feedback and face-to-face sessions. The Stakeholder engagement section on page 8 provides further detail on these channels of communication.

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Directors' Report (continued)

The Group operates an equal opportunities, diversity, and inclusion policy, supported by face-to-face and eLearning. It is the policy of the Group to support the employment of people with protected characteristics and to ensure that attraction, recruitment, onboarding, training, career development and promotion opportunities are available to all. As such, the Group is a 'Disability-Confident', 'Mindful', 'Accredited Living Wage and Living Hours' and 'Young Person's Guarantee' employer.

Gender diversity Information

	Directors	Senior Managers	Other
Male	**100.0%**	**67.7%**	**67.1%**
Female	**-**	**32.3%**	**32.6%**
Non-binary	**-**	**-**	**0.3%**
	100.0%	**100.0%**	**100.0%**

Social, Community and Human Rights Issues

The Group is committed to improving our impacts on the environment, our communities, and wider society around through responsible operations and best practice corporate governance. Our annual Sustainability Report provides detailed disclosure on the practical steps we are taking to progress ESG responsibilities within our business strategy, culture and everyday operations propelled by our core values. Details of our Sustainability Report can be found on the Company website.

Our employees are involved in volunteering via a volunteering programme which encourages team building, inclusivity, employee wellbeing and community responsibility. The Group sponsors employees to help raise funds for local sport teams and charities chosen by the employee in their local community as well as making a charitable donation to a Group wide employee chosen charity.

The Group has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity in all its business dealings and relationships, and to implementing and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in its own business or in its supply chain. Details of the Group's modern slavery policy can be found on our website: https://www.smsenergy.com/modern-slavery/

Going concern

Management prepares budgets and forecasts on a five-year forward-looking basis. These forecasts cover operational cash flows and investment capital expenditure and are prepared based on management's estimation of installation run rates through the smart meter rollout. The forecasts consider available facilities both at the year end, and post refinancing which the Group completed in August 2026 (see note 31). The Directors have performed their assessment of the entity's ability to continue as a going concern for a period of 15 months to 31 December 2027.

Management have modelled several different scenarios, including a severe but plausible downside scenario which assumes adverse trading conditions including increased overheads and higher unhedged interest rates. This scenario demonstrated the business is expected to have sufficient cash flow to continue to operate, banking covenants would remain satisfied with adequate headroom, and adequate cash would be available to cover liabilities and operating costs. This modelling provides confidence to management that, even in adverse circumstances, the business will still have sufficient resources to continue to operate.

Based on the Group's current cash flow projections and having given consideration to various outcomes of future performance and forecast capital expenditure, including severe but plausible downside scenarios, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis and are of the view that there are no material uncertainties regarding the Group's going concern status.

Financial risk management

Details of the use of financial instruments and financial risk management are included in note 23 to the financial statements contained in this Annual Report and Accounts 2025, which are incorporated by reference into this Directors' report.

Political contributions

No political donations have been made during the year ended 31 December 2025 (2024: £nil).

Post balance sheet events

In August 2026 the Group entered into a new debt package totaling £2.3 billion which comprises a £1.5 billion term loan, a £0.6 billion revolving credit facility and £0.2 billion of private placement loan notes. In entering the new debt package, the Group repaid all existing loan facilities including any accrued interest and associated costs in full.

On 27 August 2026 the Group declared and paid an interim dividend of £35 million to the immediate parent company, Sienna Holdco Limited.

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Directors' Report (continued)

Research and development

The main research and development activities relate to IT systems development to support the metering and installations business. In addition, the Group continues to invest in future technologies related to decarbonisation and energy efficiency. Research and development expenditure in the year is disclosed in note 2 to the financial statements.

External auditor

The Board approved that Ernst & Young LLP be appointed as auditor of the Company at the AGM. Ernst & Young LLP has expressed its willingness to be auditor and a resolution to re-appoint Ernst & Young LLP as the Company's auditor will therefore be considered by the Board.

Directors' statement as to disclosure of information to auditor

Each of the Directors at the date of approval of the Annual Report and Accounts 2025 confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he or she has taken all the steps that ought to be taken by a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101, "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that year.

In preparing each of the Group and Company financial statements, the Directors are required to:

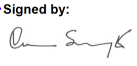
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards and, for the Company financial statements, state whether applicable UK accounting standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

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

Approved by the Board of Directors on 28 September 2026 and signed on its behalf below.

On behalf of the Board

Signed by:

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Ian Smyth
Director

Date: 28 September 2026

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Independent auditors report to the members of Sienna Midco 2 Limited

Opinion

We have audited the financial statements of Sienna Midco 2 Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Group Consolidated Income Statement, the Group Consolidated Statement of Comprehensive Income, the Group Consolidated and Parent Company Statement of Financial Position, the Group Consolidated and Parent Company statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 31, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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.

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 to 31 December 2027.

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.

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.

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Independent auditors report to the members of Sienna Midco 2 Limited

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, 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 12 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.

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 those that relate to the reporting framework (IFRS, FRS 101, Companies Act 2006) and the relevant tax compliance regulations in the UK and Ireland. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the accounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental bribery and corruption practices.
- We understood how Sienna Midco 2 is complying with those frameworks by making enquiries of directors, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquires through our review of the board minutes and papers provided to the Board as well as consideration of the results of our audit procedures across the group to either corroborate or provide contrary evidence which was then followed up.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. Areas identified the greatest potential for fraud included revenue recognition and in common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. These procedures included specific procedures in relation to revenue recognition to ensure the occurrence and completeness of revenue and the testing oi manual journals to provide reasonable assurance that the financial statements were free from fraud or error.

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Independent auditors report to the members of Sienna Midco 2 Limited

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of group management and those charged with governance, those responsible for legal and compliance procedures and internal audit journal entry testing with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business and a review of Board minutes to identify any non-compliance with laws and regulations.

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.

Signed by:

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Paul Copland (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

28 September 2026

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Consolidated Income Statement

For the year ended 31 December 2025

Year ended 31 December 2025	Notes	2025 Before Exceptional items £'000	2025 Exceptional items[1] £'000	2025 Total £'000	Period ended 2024 Before Exceptional items £'000	Period ended 2024 Exceptional items[1] £'000	Period ended 2024 Total £'000
Revenue	1	314,949	418	**315,367**	140,846	6,303	**147,149**
Cost of sales	2	(144,493)	–	**(144,493)**	(68,548)	–	**(68,548)**
Gross profit		**170,456**	**418**	**170,874**	**72,298**	**6,303**	**78,601**
Administrative expenses	2	(147,464)	(59,342)	**(206,806)**	(64,261)	(86,113)	**(150,374)**
Net impairment losses on financial assets	2	1,590	–	**1,590**	(388)	–	**(388)**
FV gains on derivative financial instruments	2	(26,662)	–	**(26,662)**	1,729	–	**1,729**
Other operating income	2	5,301	–	**5,301**	3,697	–	**3,697**
Loss on disposal of subsidiary	6	–	(86,698)	**(86,698)**	–	–	**–**
Profit/(loss) from operations		**3,221**	**(145,622)**	**(142,401)**	**13,075**	**(79,810)**	**(66,735)**
Share of loss of associate	11	(848)	–	**(848)**	(514)	–	**(514)**
Finance costs	4	(81,623)	–	**(81,623)**	(44,149)	–	**(44,149)**
Finance income	4	3,239	–	**3,239**	1,975	–	**1,975**
Loss before taxation		**(76,011)**	**(145,622)**	**(221,633)**	**(29,613)**	**(79,810)**	**(109,423)**
Taxation[2]	5	21,888	2,893	**24,781**	6,685	1,869	**8,554**
Loss for the year attributable to owners of the parent		**(54,123)**	**(142,729)**	**(196,852)**	**(22,928)**	**(77,941)**	**(100,869)**
Attributable to:							
Owners of the parent		(54,015)	(142,729)	**(196,744)**	(22,928)	(77,941)	**(100,869)**
Non-controlling interest		(107)	–	**(107)**	–	–	**–**
		(54,122)	**(142,729)**	**(196,851)**	**(22,928)**	**(77,941)**	**(100,869)**

[1] Refer to note 2 for details of exceptional items.
[2] Comparative Taxation has been re-presented to separately disclose the tax effect of exceptional items.

The loss from operations arises from the Group's continuing operations.

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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 Before exceptional items £'000	2025 Exceptional items[1] £'000	2025 Total £'000	Period ended 2024 Before Exceptional items £'000	Period ended 2024 Exceptional items[1] £'000	Period ended 2024 Total £'000
Loss for the year	**(54,122)**	**(142,729)**	**(196,851)**	**(22,928)**	**(77,941)**	**(100,869)**
Other comprehensive income[2]						
Exchange differences on translation of foreign operations	(150)	–	**(150)**	34	–	**34**
Other comprehensive income for the year, net of tax	**(150)**	–	**(150)**	**34**	**–**	**34**
Total comprehensive loss for the year attributable to owners of the parent	**(54,272)**	**(142,729)**	**(197,001)**	**(22,894)**	**(77,941)**	**(100,835)**
Attributable to:						
Owners of the parent	(54,165)	(142,729)	**(196,894)**	(22,894)	(77,941)	**(100,835)**
Non-controlling interest	(107)	–	**(107)**	**–**	**–**	**–**
	(54,272)	**(142,729)**	**(197,001)**	**(22,894)**	**(77,914)**	**(100,835)**

[1] Refer to note 2 for details of exceptional items.
[2] May be reclassified to profit or loss.

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Consolidated Statement of Financial Position

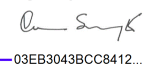
	Notes	31 December 2025 £'000	31 December 2024 £'000
Assets			
Non-current assets			
Intangible assets	8, 9	1,420,900	819,701
Property, plant and equipment	10	1,308,573	785,625
Investments		61	40
Investment in associate	11	1,674	477
Non-current trade and other receivables	13	1,246	40,817
Non-current Finance lease asset	14	991	–
Non-current derivative financial instruments	22	58,880	–
Total non-current assets		**2,792,325**	**1,646,660**
Current assets			
Inventories	12	443	323
Trade and other receivables	13	87,702	57,316
Finance lease asset	14	155	–
Cash and cash equivalents	15	59,374	40,687
Cash and cash equivalents – restricted	15	164	390
Derivative financial instruments	22	12,017	4,092
Loan to associate	25	–	2,030
Total current assets		**159,855**	**104,838**
Total assets		**2,952,180**	**1,751,498**
Liabilities			
Current liabilities			
Trade and other payables	16	70,625	66,793
Bank loans and overdrafts	17	23,685	11,471
Lease liabilities	18	1,470	965
Other liabilities	20	294	569
Derivative financial instruments	22	935	475
Total current liabilities		**97,009**	**80,273**
Net current assets		**62,846**	**24,565**
Non-current liabilities			
Bank loans	17	1,548,018	662,806
Lease liabilities	18	7,539	15,568
Provisions	19	726	3,580
Other long-term liabilities	20	1,319	-
Deferred tax liabilities	21	196,332	101,787
Derivative financial instruments	22	9,046	1,889
Total non-current liabilities		**1,762,980**	**785,630**
Total liabilities		**1,859,989**	**865,903**

Docusign Envelope ID: 544E873A-F9DF-886F-8200-CD9FC8E2E55E

Consolidated Statement of Financial Position

	Notes	31 December 2025 £'000	31 December 2024 £'000
Net assets		**1,092,191**	**885,595**
Equity			
Share capital	26	384	245
Share premium	27	–	986,185
Foreign currency translation reserve		(116)	34
Retained earnings		1,092,016	(100,869)
Equity attributable to owners of the parent company		**1,092,284**	**885,595**
Non-controlling interest		(93)	–
Total equity		**1,092,191**	**885,595**

The financial statements on pages 15 to 74 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Signed by:

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Ian Smyth
Director

Date: 28 September 2026

Company registration number
15310672

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Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Attributable to the owners of the parent company:	Share capital £'000	Share premium £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total equity to the parent £'000	Non-controlling interest £'000	Total £'000
As at 27 November 2023	–	–	–	–	–	–	–
Total loss for the period	–	–	–	(100,869)	(100,869)	–	(100,869)
Other comprehensive income	–	–	34	–	34	–	34
Total comprehensive income/(loss) for the period	–	–	34	(100,869)	34	–	(100,835)
Transactions with owners in their capacity as owners							
Shares issued (note 26)	245	986,185	–	–	–	–	986,430
As at 31 December 2024	**245**	**986,185**	**34**	**(100,869)**	**885,595**	–	**885,595**
Total profit for the year			–	**(196,744)**	**(196,744)**	**(107)**	**(196,851)**
Other comprehensive loss			**(150)**	–	**(150)**	–	**(150)**
Total comprehensive income for the year			**(150)**	**(196,744)**	**(196,894)**	**(107)**	**(197,001)**
Transactions with owners in their capacity as owners							
Shares issued (note 26)	**139**	**562,444**	–	–	**562,583**	**14**	**562,597**
Cancellation of share premium	–	**(1,548,629)**	–	**1,548,629**	–	–	–
Dividends paid (note 7)	–	–	–	**(159,000)**	**(159,000)**	–	**(159,000)**
As at 31 December 2025	**384**	–	**(116)**	**1,092,016**	**1,092,284**	**(93)**	**1,092,191**

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Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Operating activities			
Loss before taxation		(221,633)	(109,423)
Share of loss of associate	11	848	514
Finance costs	4	81,623	44,149
Finance income	4	(3,239)	(1,975)
Exceptional items: other[1]		7,006	7,428
Depreciation	2	105,033	36,513
Amortisation of intangibles	2	47,810	24,399
RDEC income	2	(584)	(381)
Loss on disposal of property, plant and equipment		31,530	4,359
Loss on disposal of intangible assets		419	20
Loss on disposal of subsidiary	6	84,644	-
Impairment of property, plant and equipment	2	442	2,651
Impairment of goodwill and intangible assets		1,413	648
Fair value adjustment to derivatives		26,662	(1,729)
Movement in inventories		(120)	112
Movement in trade and other receivables		(10,243)	42,578
Movement in trade and other payables		(13,598)	(4,663)
Cash generated from operations		**138,013**	**45,200**
Income tax received/(paid)		483	-
Net cash generated from operations		**138,496**	**45,200**
Investing activities			
Proceeds on disposal of subsidiary		162,876	58
Payments for acquisition of subsidiary net of cash acquired	24	(461,769)	(1,278,612)
Payments to acquire property, plant and equipment	10	(134,274)	(53,111)
Payments on account to acquire grid-scale battery assets		-	(31,123)
Proceeds on disposal of property, plant and equipment		391	305
Payments to acquire intangible assets	8	(4,703)	(6,023)
Finance income received		3,061	1,975
Net cash used in investing activities		**(434,418)**	**(1,366,531)**
Financing activities			
New borrowings	17	153,871	674,458
Proceeds from issuance of debt instruments	17	-	989,388
Borrowings repaid	17	(80,041)	(250,000)
Loan note repaid		(85,098)	(43,000)

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Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Lease payments[2]	18	(2,229)	(1,143)
Finance costs paid		(95,905)	(50,872)
Derivative interest received		20,202	3,544
Net proceeds from share issue	26	562,583	40,041
Dividends paid	7	(159,000)	-
Net cash generated from financing activities		**314,383**	**1,362,416**
Net increase in cash and cash equivalents		18,461	41,085
Exchange loss on cash and cash equivalents		(0)	(8)
Cash and cash equivalents at the beginning of the period		41,077	-
Cash and cash equivalents at the end of the financial year	15	**59,538**	**41,077**

[1] Other non-cash exceptional items comprise a £6,877,000 non-cash loss arising from the fair value remeasurement of contingent consideration recognised on the disposal of subsidiary, following a reassessment of its recoverability at the reporting date, £121,000 of non-cash losses relating to the Group's traditional meter portfolio and £9,000 of restructuring costs. In 2024, other non-cash exceptional items comprised £6,561,000 for losses on the Group's traditional and SMETS1 meter portfolios, £905,000 of accelerated amortisation or arrangement fees upon extinguishment on the old loan facility and a £31,000 credit in relation to the release of contingent consideration on a prior period acquisition.

[2] Lease payments comprise £2,053,000 (2024: £1,044,000) of principal payments and £176,000 (2024: £99,000) of deemed interest payments.

Cash and cash equivalents comprise	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Cash and cash equivalents	59,374	40,687
Cash and cash equivalents – restricted cash	164	390
Total cash and cash equivalents	**59,538**	**41,077**

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Accounting Policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. The consolidated financial statements of the Group for the year ended 31 December 2025 were approved and authorised for issue in accordance with a resolution of the Directors on 28 September 2026. Sienna Midco 2 Limited is a private limited company limited by shares and incorporated in England, with its registered office at Prennau House, Copse Walk, Pontprennau, Cardiff, CF23 8XH.

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements have been prepared on a historical cost basis, modified by the revaluation of certain financial assets and financial liabilities that have been measured at fair value, and in accordance with the Companies Act 2006.

The consolidated financial statements are presented in British Pounds Sterling (£), which is Sienna Midco 2 Limited's functional and presentation currency, and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

In preparing the consolidated financial statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic report and the Group's net-zero carbon target. Our net-zero plans are to electrify our vehicle fleet and carry out sustainability upgrades to our building estate. The fleet will be replaced at the end of its useful life. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to December 2027. Qualitative explorations of potential areas of concern, including an evaluation of climate exposure on our physical assets such as offices, warehouses and vehicles, has been carried out and we have identified areas of potential climate-related risk, such as extreme weather events which could affect our physical locations and road-based employees. Overall, the risk of climate-related change on the Group is considered low.

Reporting period

These financial statements were prepared for the year ending 31 December 2025. The prior year has an extended reporting period of just over 13 months in 2024, being prepared from the date of incorporation on 27 November 2023 to 31 December 2024 as the Group and Company's first period of accounts. The period was extended to bring the accounting reference date in line with the fellow group companies.

Going concern

Management prepares budgets and forecasts on a five-year forward-looking basis. These forecasts cover operational cash flows and investment capital expenditure and are prepared based on management's estimation of installation run rates through the UK smart meter rollout. The forecasts consider available facilities both at the year end, and post refinancing which the Group completed in August 2026. The Directors have performed their assessment of the entity's ability to continue as a going concern for a period of 15 months to 31 December 2027.

Management have modelled several different scenarios, including a severe but plausible downside scenario which assumes adverse trading conditions including increased overheads and higher unhedged interest rates. This scenario demonstrated the business is expected to have sufficient cash flow to continue to operate, banking covenants would remain satisfied with adequate headroom, and adequate cash would be available to cover liabilities and operating costs. This modelling provides confidence to management that, even in adverse circumstances, the business will still have sufficient resources to continue to operate.

Based on the Group's current cash flow projections and having given consideration to various outcomes of future performance and forecast capital expenditure, including severe but plausible downside scenarios, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis and are of the view that there are no material uncertainties regarding the Group's going concern status.

Basis of consolidation

The consolidated accounts of the Group include the assets, liabilities and results of the Company and subsidiary undertakings in which Sienna Midco 2 Limited has a controlling interest. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all the following: power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to policy in note 24). The results of the acquired Salisbury Topco Limited and SMA Topco Limited group have been incorporated into these consolidated accounts from the 1 February 2025, as the impact of consolidating from the acquisition date of 7 February 2025 is not material to the Group.

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Accounting Polices (continued)

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

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

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within Finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within Administrative expenses.

Use of estimates and judgements

The Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Capitalisation of internal installation costs:
  - a significant level of in-house installation of meter assets is carried out by the Group, certain costs of which are capitalised in the year (2025: £36,500,000, 2024: £33,100,000) and depreciated as part of property, plant and equipment depreciation. Judgement is required by management to ascertain the appropriate categories and proportion of overheads and other expenses that are directly attributable to installation of meter assets. Typically, capitalised costs will include staff costs, and a systematic allocation of any production overheads deemed to be directly attributable to the process of installing a meter owned by the Group. Other general and administrative overheads, such as sales, marketing and training costs, are expensed directly to profit and loss; and
- Presentation of losses on certain meter assets as exceptional items:
  - as a result of the inherent volatility associated with the UK smart meter rollout, and removal of traditional meter assets as part of this, management has taken the decision to show losses arising on these meters – comprising the net book value of installation components on removal of a meter from the wall, impairment charges, and scrapped meter units – as exceptional administrative expenses. By disclosing these amounts separately, the traditional meter asset portfolio can be better tracked to assist users of the financial statements to better understand the premature retirement of these revenue-generating assets that is outside the Group's control. On removal of traditional meters from the wall, the receipt of termination income is recognised as revenue under IFRS 15 and, consistent with the treatment of related losses, is classified as exceptional; and
  - the Group has continued to see a small proportion of SMETS1 meters removed from the wall. As these removals are attributable to the temporary industry transition period, management has made the judgement to recognise losses arising on these meters, and termination income recognised within revenue, as exceptional while the Enrolment and Adoption programme continued throughout the year.
- Fair value of acquired assets and liabilities:
  - the Group's acquisition of Salisbury Topco Limited and SMA Topco Limited meets the qualifying criteria of a business combination. Under IFRS 3 all identifiable assets and liabilities that satisfy the recognition criteria are measured at fair value on the consolidated balance sheet as at the acquisition date. Fair value is defined as 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, in line with IFRS 13. Management consider the Group's meter asset portfolio and intangible assets (including customer contracts and relationships) to be the key assets requiring judgement to determine the fair values on acquisition. Management engaged valuation specialists in a detailed exercise to assess the fair value of these assets. The valuation approach adopted was as follows:

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Accounting Polices (continued)

- the fair value of tangible metering assets was arrived at by using the depreciated replacement cost method. This valuation approach has been informed by publicly available information on equivalent assets providing the same production/service capability, recent purchase information and specific indexation factors related to the inflation over time in costs to produce assets of a similar nature.
- Customer contracts and relationships relating to the acquired metering business have been valued through application of the multi-period excess earnings method. The approach utilises management forecasts underpinned by historic data and trend analysis to estimate the future discounted cashflows of the business.

Key sources of estimation uncertainty
The Group has no key sources of estimation uncertainty at the reporting date other than those described within the critical accounting judgements above that may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition
i. Metering
Meter rental
The Group acts as a gas and electricity Meter Asset Provider (MAP), providing and installing meters to energy suppliers on behalf of the end consumer.

As a result of the Group's assessment of contracts on implementation of IFRS 16, and any potential interaction with IFRS 15, it was determined that the arrangements the Group has in place to act as MAP do not constitute a lease of the meter asset to the energy supplier. Therefore, the related income for the service of providing a fitted meter is recognised in accordance with IFRS 15.

The provision of meter assets to energy suppliers ('MAP services'), together with the initial installation, is considered a distinct and single performance obligation on the basis that, as MAP, the Group has an obligation to its customers to provide a fitted meter. This is a separately identifiable service to which a standalone selling price is typically allocated. Over the course of the contract term, which runs in perpetuity, the Group delivers a series of monthly services for which benefits are simultaneously received and consumed by the customer.

Charges for MAP services are calculated daily based on the number of installed meters and invoiced to customers monthly once validation checks have been completed. As revenue from MAP charges is attributed to services provided daily, revenue is always based on the actual level of service provided and, therefore, any uncertainty at the end of each reporting period is limited to the extent that validation checks are still being completed. Revenue is thus recognised over time based on our right to invoice and includes contract Retail Price Index (RPI) uplifts where applicable.

As a result of industry regulations, and subject to specific contract terms with a customer, the Group may be required to make payments to customers for shortfalls in the level of service provided. These charges are directly related to the service being provided to the customer and thus are recognised as a reduction to revenue in the month in which the service failure occurred. Where service levels are set based on annual targets, charges are estimated monthly and subsequently finalised at the end of the year. Uncertainty, as it pertains to these payments to customers, is thus typically resolved by the end of the reporting period.

If the services rendered by the Group exceed the payment received, then accrued income is recognised. This is subsequently reclassified to receivables at the point at which the Group has an unconditional right to payment.

Asset management services
The Group provides meter asset management and operations services to energy suppliers. These services are considered a distinct performance obligation from the meter rental on the basis that these are separately identifiable services to which a standalone selling price is allocated, and they are not necessary to bring the meter asset into use.

Over the course of the contract term, which can either be fixed or in perpetuity, the Group delivers a series of monthly services for which the benefits are simultaneously received and consumed by a customer. Therefore, these are accounted for as a single performance obligation.

Service charges are calculated based on the number of meters appointed and are accrued monthly. As revenue from service charges is attributed to services provided periodically, revenue is always based on the actual level of service provided and, therefore, there is no uncertainty at the end of each reporting period. For charges invoiced to customers monthly revenue is thus recognised over time based on our right to invoice and includes contract RPI uplifts. For charges invoiced to customers annually in advance, including contract RPI uplifts, a contract liability is recognised and subsequently released to the income statement over the period on a straight-line basis. The Group uses the practical expedient under IFRS 15 from adjusting revenue for any significant financial components of one year or less.

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Accounting Polices (continued)

The Group's meter asset management contracts also include the provision of transactional meter works. These are considered further in section (iv) below.

If the services rendered by the Group exceed the payment received, then a contract asset is recognised. This is subsequently reclassified to receivables at the point at which the Group has an unconditional right to payment.

Third-party management services

The Group provides management services to a third party to whom it sold a minority of its meter asset portfolio in April 2020. These services include accounting and treasury, portfolio asset management and other administrative tasks.

The various activities that make up these management services are provided to the third party on an integrated basis. Over the course of the contract term, which runs for as long as there are meters within the scope of the services, the Group delivers a series of monthly services for which the benefits are simultaneously received and consumed by the customer. Therefore, these are accounted for as a single performance obligation.

Service charges are currently based on a fixed annual fee, subject to contract RPI uplifts, and are invoiced to the customer monthly. Revenue is thus recognised over time based on our right to invoice.

If the services rendered by the Group exceed the payment received, then a contract asset is recognised. This is subsequently reclassified to receivables at the point at which the Group has an unconditional right to payment.

Termination income

Under certain circumstances the Group's MAP contracts grant it rights to termination income when an individual meter asset is removed from a wall, or the MAP contract is terminated early by other means as defined in the customer contract. Under certain circumstances the Group's MAP contracts grant it rights to termination income when an individual meter asset is removed from a wall, or the MAP contract is terminated early by other means as defined in the customer contract.

When a customer exercises their pre-existing contractual right to terminate a contract early, or an asset is removed from the wall, there are no changes in scope or price as originally set out in the contractual agreement that would change the enforceable rights and obligations of either party to the contract, and no prior approval is required from the Group in order for the customer to do so. An early termination does not, therefore, meet the definition of a contract modification and is accounted for as a change in transaction price.

Termination notifications are triggered by an industry data flow once an asset is removed from a wall. Typically, the customer exercising their termination rights and the completion of the termination event occur simultaneously. Termination income is therefore recognised at a point in time when the removal is completed since there would be no material difference between recognition over time or at a point in time.

ii. Data services

The Group provides data collection and aggregation services to Industrial & Commercial (I&C) electricity customers and, through use of the ADM™ unit, to I&C gas customers. Over the course of the contract term, which can either be fixed or in perpetuity, the Group delivers a series of monthly services for which the benefits are simultaneously received and consumed by a customer. Therefore, these are accounted for as a single performance obligation. Service charges are calculated based on the number of meters/ADM™ units appointed and are accrued monthly. As revenue from service charges is attributed to services provided periodically, revenue is always based on the actual level of service provided and, therefore, there is no uncertainty at the end of each reporting period.

Service charges, including contract RPI uplifts, are billed to clients annually in advance and therefore a contract liability is recognised and subsequently released to the income statement over the period on a straight-line basis. The Group uses the practical expedient under IFRS 15 from adjusting revenue for any significant financial components of one year or less.

The ADM™ device is a proprietary product for the Group and there are no other market providers of this device. A customer cannot therefore benefit from the data services without installation, and the installation is not separately identifiable as it is integral to the subsequent data services. This is therefore accounted for along with the data services as a single performance obligation and any corresponding charges are recognised over the term of the contract.

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Accounting Polices (continued)

iii. Utility connections services (gas and electricity)

Gas and electricity connections services are provided under fixed-price contracts with I&C customers and can be delivered to a single site or multiple sites. Whilst each service consists of multiple activities, the Group's promise in the contract is to deliver an integrated end-to-end service to which the underlying activities are inputs. Where services are delivered to multiple sites, and these are substantially the same, a series of services is being provided. In all cases, therefore, these contracts give rise to a single performance obligation to which the fixed price is allocated. Subsequent variations to this price, due to changes in the inputs required, are accounted for as contract modifications and recognised on a cumulative catch-up basis.

Services are transferred over time on the basis that these are customised services with no alternative use and the Group has an enforceable right to payment for work completed to date.

Revenue is recognised on the stage of completion with reference to the actual services provided as a proportion of the total service expected to be provided under the contract, as the services can enhance a work-in-progress asset for the customer and have no alternative use. This is determined on a contract-by-contract basis using a milestone approach with reference to the milestones set out in the contract or otherwise agreed. Where relevant, consideration is also given to material services provided between milestones. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change and any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

The customer pays the fixed amount based on a payment schedule. In certain circumstances the customer pays in advance and therefore a contract liability is recognised and subsequently released to the income statement based on the measure of progress detailed above. As the contract is cancellable at the customer's discretion, subject to settlement for services provided to the date of cancellation, a contract liability is not recognised until the cash has been received.

If the services rendered by the Group exceed the payment received, then a contract asset is recognised. This is subsequently reclassified to receivables at the point at which the Group has an unconditional right to payment. The Group utilises the practical expedient available under IFRS 15 for costs to obtain a contract. Commissions paid as part of obtaining a contract are expensed as incurred on the basis that the contract term is typically less than twelve months.

iv. Transactional meter works

Transactional works, which include emergency, adversarial and other maintenance services, and are typically short term in nature, are accounted for as a separate performance obligation to asset management services (see section (i) above) on the basis that these works are separately identifiable and can be performed by another party. A customer, being the energy supplier, is legally obligated to appoint a meter asset manager and can therefore benefit from this service in isolation, without the subsequent transactional works which are initiated on an ad-hoc basis upon demand by the customer.

The transaction price allocated to transactional works is based on standalone selling prices (per unit, where relevant) and revenue is recognised at a point in time when the transaction has been completed and accepted by the customer. This is the point at which the customer is charged for the service and a receivable is recognised by the Group as we have an unconditional right to payment. The customer will settle the transaction price for these services as part of the regular monthly billing cycle for metering and asset management services.

The customer pays the fixed amount based on the transactional services provided and this is charged once the service has been completed and accepted by the customer.

v. Grid-scale batteries

Grid-scale battery assets generate revenue by providing several services.

Capacity market

The Group enters into longer term contracts with the National Grid. During the contract period, which may last from one to 15 years, The Group's only obligation is to make itself available to provide the capacity agreed in the contract when notification is received from National Grid. Pricing is fixed at an auction. The Group are subject to non-delivery penalties and termination fees should the battery storage asset be unavailable to provide the agreed capacity.

There is a single performance obligation to be available to provide capacity to the National Grid. Revenue is recognised over time.

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Accounting Polices (continued)

Wholesale market

The Group trades power with a counterparty on an exchange on the EPEX GB Day Ahead and Intraday markets, with the intention of buying power at a low off-peak price and selling at a high peak price. All trades take place at spot price and there are no forward or future contracts. All trades are settled daily.

There is a single performance obligation for the Group to buy or sell power on the exchange. Revenue is recognised for each transaction at a point in time and is recognised net of costs from trading activities.

Balancing mechanism

The Group enters into short-term contracts with Elexon BSC to help balance the demands of the National Grid by increasing or decreasing generation (or consumption). Contracts range for a length of one to 60 minutes and prices are fixed when a bid is submitted. Elexon accepts only the cheapest bids needed to balance the grid.

There is a single performance obligation for the Group to increase or decrease its battery asset output. Revenue is recognised over time. However, due to the short-term nature of the contracts, there would be no material difference between recognition over time or at a point in time. Revenue is recognised net of costs from trading activities.

Ancillary services market

The Group enters into contracts with the National Grid to help maintain frequency on the grid. During the contract period the Group is required to use the grid-scale battery asset following the Grid's instructions. The price is fixed at auction.

Revenue is recognised over time. However, due to the short-term nature of the contracts, there would be no material difference between recognition over time or at a point in time.

Embedded benefits

The Group enters into contracts with the National Grid and the Distribution Network Operator under which the Group is paid based on the amount of electricity exported during Triad or peak periods.

There is a single performance obligation to export capacity during Triad or peak periods. Revenue is recognised over time. However, due to the short-term nature of the contracts, there would be no material difference between recognition over time or at a point in time.

Imbalance

Elexon BSC is obliged to purchase or sell electricity generated or sold in any half-hour period which is not otherwise contracted for. The Group buys or sells power to meet its requirements for the other revenue streams. The purchase and selling prices are at a spot price set by a formula.

There is a single performance obligation for the Group to export or import power. Revenue is recognised for each transaction at a point in time and is recognised net of costs from trading activities.

vi. Energy management services

Energy management services provided mainly to I&C customers include utility bureau and bill validation services, risk management and procurement services and energy reduction and environmental management services.

Certain services, such as utility bureau and bill validation, are delivered through a series of monthly services over the course of the contract term, for which the benefits are simultaneously received and consumed by a customer. These are accounted for as a single performance obligation. The transaction price allocated includes a fixed monthly service charge together with a variable component for specific activities that may not be carried out every month. As revenue from charges is attributed to services provided monthly, revenue is always based on the actual level of service provided and, therefore, there is no uncertainty at the end of each reporting period. Revenue is thus recognised over time based on our right to invoice on a monthly basis and our right to payment for work completed to date.

Contracts for specialist consultancy services may include multiple projects. Where these projects are separately identifiable within the contract and are not interrelated, they are accounted for as separate performance obligations. The transaction price is allocated based on the standalone selling price for each project and revenue is recognised over time in line with project completion milestones.

Other energy reduction and environmental management services are typically longer-term, multi-site contracts and, therefore, the revenue recognition is consistent with that detailed above for utility connections – see details in section (iii) above.

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Accounting Polices (continued)

vii. Assets and liabilities arising from contracts with customers

Costs to fulfil a contract

In certain circumstances, the Group may incur costs to fulfil its obligations under a contract once it is obtained, but before transferring goods or services to the customer. These costs are assessed on a contract-by-contract basis and, where they are considered to meet the definition of fulfilment costs under IFRS 15, they are recognised as an asset and amortised on a systematic basis consistent with the pattern of transfer of the services to which the asset relates.

Contract assets and liabilities

Payments from customers are received based on a billing schedule, as established in the relevant contracts.

The timing of revenue recognition, billing and cash collections results in:

- billed and unbilled accounts receivable, which are recognised when our right to consideration becomes unconditional, and classified as trade receivables and accrued income respectively;
- unbilled amounts, where we have a conditional right to consideration based on future performance, recognised as contract assets. These amounts will be billed in accordance with the agreed-upon contractual terms; and
- payments received in advance of performance under a contract, recognised as contract liabilities. Contract liabilities are recognised as revenue as (or when) we perform under a contract.

For project-based services, work in progress is billed in accordance with the agreed-upon contractual terms with the customer. Interim payments are typically received as work progresses, which can give rise to a billed or unbilled accounts receivable, where the Group's right to payment is unconditional, or a contract asset, where revenue has been recognised based on progress completed but the right to payment is still conditional on future performance. For some contracts, the Group may be entitled to receive advance payments. A contract liability is recognised for these advance payments in excess of revenue recognised. Contract assets are disclosed within accrued income in Note 13 and contract liabilities within deferred income and advanced payments in Note 16.

Cancellation terms can vary but typically include provisions that allow the customer to terminate the contract at their discretion subject to a penalty or settlement of amounts for work completed prior to termination. For contracts where revenue is recognised over time, the Group generally has an enforceable right to payment for costs for work completed to date plus margin. Contracts allow both parties to cancel without penalty in the case of a material breach of contract.

Exceptional items and separately disclosed items

The Group presents as exceptional items on the face of the consolidated statement of comprehensive income those items of income and expense which, because of the material nature or expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in that period facilitating comparison with prior periods and to better assess trends in financial performance.

Government grants

Grants from governments are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions, usually on submission of a valid claim for payment. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to capital expenditure are included in liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Amounts credited to profit or loss are recognised as part of Other operating income in the consolidated statement of comprehensive income.

The research and development expenditure credit (RDEC) scheme is a UK Government tax incentive which allows qualifying companies to claim research and development expenditure credits (RDECs) equal to a percentage of their qualifying research and development expenditure as set by the UK Government for the relevant financial year. The credit is taxable at the corporation tax rate and is included in the Company's taxable trading profits. RDECs are accounted for by the Group in accordance with IAS 20 Government Grants and recognised within Other operating income in the consolidated statement of comprehensive income. Outstanding amounts receivable are recognised in the consolidated balance sheet within Trade and other receivables.

Financial assets

The Group and parent company's financial assets include cash and cash equivalents, trade and other receivables, derivative financial instruments and for the parent company only, amounts owed by Group undertakings. Investments consist of an immaterial debt investment held at amortised cost.

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Accounting Polices (continued)

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, either through other comprehensive income (FVOCI) or through profit or loss (FVPL); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Financial assets are initially recognised on trade date. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short-term deposits.

Trade and other receivables

Trade and other receivables are recognised initially at the IFRS 15 transaction price and subsequently measured at amortised cost. Other than payments on account to acquire grid-scale battery assets, trade and other receivables are generally due for settlement within 30 days and are therefore all classified as current. Due to their short-term nature, carrying value is considered to approximate fair value.

Payments on account to acquire grid-scale battery assets are realised over the course of construction of the battery asset and therefore are not due to be realised within 12 months of the reporting date. These receivables are classified as non-current. Carrying value is considered to approximate fair value.

Loans to related parties comprise of an amount owed by the Group's associate. The Group's loan to associate is initially recognised at fair value and subsequently measured at fair value through profit and loss. The loan was issued under normal market conditions, and therefore the principal amount is considered to approximate fair value.

Derivative financial instruments

The Group enters into derivative financial instruments (derivatives) to manage its exposure to interest and inflation rates, including management of the balance between floating rate and fixed rate debt. Derivative financial instruments are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of derivatives, are recognised in profit and loss within fair value gains/losses on derivative financial instruments. Interest receipts or payments are recognised in profit and loss within Finance costs. The Group has not applied hedge accounting.

Derivative assets and liabilities are not offset in the consolidated financial statements unless the Group has both a legally enforceable right and intention to offset. Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is greater than 12 months from the balance sheet date and if the instrument is not due to be realised or settled within 12 months. Interest receivable or payable within 12 months on derivative instruments is classified as a current asset or liability on the basis that it is expected to be realised within 12 months from the balance sheet date.

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Accounting Polices (continued)

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and accrued income, which include contract assets and billed and unbilled receivables arising from contracts with customers, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables and accrued income are written off, and derecognised, where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the customer ceasing trading and entering administration with no expected recovery from the Supplier of Last Resort process, or a failure by the customer to make contractual payments for a period of greater than or equal to 365 days past due. Indicators are assessed on an individual customer basis. Subsequent recoveries of amounts previously written off are credited against the same line item.

Further information about the impairment of trade receivables and accrued income, and the Group's exposure to credit risks, can be found in note 23.

Financial liabilities

The Group's financial liabilities include trade and other payables, bank loans and overdrafts, leases, derivative financial instruments, and for the parent company, bank loans, and derivative financial instruments.

Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables as appropriate.

Recognition

All financial liabilities are recognised initially at fair value and, in the case of bank loans, net of directly attributable transaction costs.

Measurement

Trade and other payables and bank overdrafts

Trade and other payables, and overdrafts, are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Due to their short-term nature, carrying value is considered to approximate fair value.

Bank loans

Bank loans are subsequently measured at amortised cost. Interest expense on bank loans is recognised in the consolidated income statement using the effective interest rate method.

Transaction costs on borrowing facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the costs are capitalised against Bank loans upon initial drawdown and subsequently amortised over the term of the loan. Where drawdowns on the facility are not probable, the transaction costs are deemed to represent a prepayment for liquidity services. They are classified as prepayments within trade and other receivables on the consolidated balance sheet and amortised over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed, is recognised in profit or loss within Finance costs.

If a facility is modified, then it is assessed whether the modification is significant enough to constitute an extinguishment either qualitatively or quantitatively (defined as a change in the present value of cash flows, including any transaction costs paid, exceeding 10%). If a modification is considered an extinguishment of the initial loan, the new modified loan is recorded at fair value and a gain/loss is recognised immediately in the consolidated income statement for the difference between the carrying amount of the old loan and the new loan. Any costs incurred are recognised in profit or loss. Where a modification is not significant enough to be an extinguishment, the cash flows under the modified loan are rediscounted at the original effective interest rate and an immediate gain or loss is recognised accordingly in the consolidated income statement on the date of modification. Any costs incurred are recognised over the remaining period of the modified debt, within the effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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Accounting Polices (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated 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.

Leases

Group as lessor

The arrangements the Group has in place to act as Meter Asset Provider do not constitute a lease of the meter asset to the energy supplier. The Group controls the meter as the Group retains legal title and obtains substantially all the economic benefit. The assets are recognised as property, plant and equipment and the related income for the service of providing a fitted meter is recognised in accordance with IFRS 15. Further information about the Group's accounting policy for revenue recognition is given above, and for property, plant and equipment in note 10.

Where the Group acts as lessor and a lease transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease. The Group recognises a net investment in the lease, measured as the present value of lease payments receivable and any unguaranteed residual value, discounted using the interest rate implicit in the lease. The net investment is subsequently measured at amortised cost, with finance income recognised over the lease term to produce a constant periodic rate of return. Finance lease receivables are assessed for impairment in accordance with IFRS 9.

Group as lessee

The Group leases land, offices, warehouses and motor vehicles. For offices, warehouses and motor vehicles rental contracts are typically made for fixed periods of three to ten years. For land, rental contracts are typically made for fixed periods of 20 to 50 years. Contracts may have extension or early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The weighted average lessee's incremental borrowing rate applied to the lease liabilities at 31 December 2025 was 5.8% (31 December 2024: 5.5%).

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Accounting Polices (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The Group is required to restore the land leased as part of its grid-scale battery storage business, and certain leased warehouses, to the condition required by the terms and conditions of the lease at the end of the respective lease terms. Under IFRS 16, the estimated liability for such restoration costs is recognised as a provision under IAS 37 at initial recognition and is not included as part of the lease liability. As right-of-use assets are measured subsequent to initial recognition using a cost model, any change in the estimate of such costs after initial recognition is added to, or deducted from, the cost of the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise IT equipment and small items of office furniture, where the value of the asset on inception is less than c.£5,000.

Payments for services are separated from the lease components of a contract and accounted for as an administrative expense.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects the current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognised within finance costs.

Provisions are split between amounts expected to be settled within 12 months of the balance sheet date (current) and amounts expected to be settled later (non-current).

Decommissioning and restoration provisions

Provisions for decommissioning and restoration costs arise in connection with the Group's grid-scale battery storage business, and with certain leased warehouses, and leased vehicles. The Group is required to restore the land leased as part of its grid-scale battery storage sites, and certain leased warehouses, to the condition required by the terms and conditions of the lease at the end of the respective lease terms. Lease terms range between 3 to 10 years for warehouses and vehicles, and between 20 to 50 years for land. The amount recognised is the present value of the estimated future expenditure determined in accordance with current conditions, requirements, and price levels, discounted over the useful economic life of the asset where appropriate. The effects of changes resulting from revisions to the timing or amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related right-of-use asset recorded within property, plant and equipment.

An amount equivalent to the decommissioning provision is recognised as part of the corresponding right-of-use asset, which is subsequently depreciated at the same rate as the rest of the asset. Other than the unwinding of discount on or utilisation of the provision, any change in present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding asset.

Provisions also include the estimated cost to decommission grid-scale battery assets at the end of their life. These costs have been capitalised as part of the related asset within property, plant and equipment, and are depreciated over the life of the asset. Changes in the provision arising from revised estimates that relate to the asset are recorded as adjustments to the carrying value of the asset.

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Accounting Polices (continued)

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Investments in associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associated undertakings, until the date on which significant influence ceases.

Research and development

Expenditure on pure and applied research activities is recognised in the consolidated statement of comprehensive income as an expense as incurred.

Expenditure on product and system development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development; if future economic benefits are probable; and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated when the asset is available for use, so as to write off its cost, less its estimated residual value, over the useful economic life of that asset as follows:

- Development of ADM™ units - 10% on cost, straight line
- Development of internally generated information technology systems ('IT development) - 20% on cost, straight line

Capitalised development expenditure on ADM™ units is disclosed within Property, plant and equipment as part of Meter assets and amortised over the same useful economic life as that applied to the tangible ADM™ unit.

Capitalised IT development expenditure is disclosed within Intangible assets as part of IT development and software. All costs capitalised within this category relate to information technology and, in general, are amortised over an economic life of five years.

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Accounting Polices (continued)

Intangible assets

Intangible assets acquired separately from third parties consist of software costs, including licence fees and software design costs. These are recognised as assets, measured at cost and classified as part of IT development and software.

Internally generated intangible assets relate to IT development and are recognised as part of IT development and software. Refer to further details in the research and development accounting policy above.

Intangible assets acquired as part of a business combination are recognised outside goodwill if the asset is separable or arises from contractual or other legal rights. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their estimated useful lives.

Following initial recognition, intangible assets are measured at cost at the date of acquisition less any amortisation and any impairment losses. Amortisation costs are included within Administrative expenses disclosed in the consolidated statement of comprehensive income.

Intangible assets are amortised over their useful lives as follows:

- IT development and software 20% on cost, straight line
- Intangibles recognised upon acquisition:
  - Customer contracts 20% on cost, straight line
  - Trademarks 33% on cost, straight line

Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Software as a service ("SaaS") arrangements

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement. These arrangements are accounted for as a service contract over the contract period. The Group's policy in relation to costs incurred to configure or customise the software to specific requirements is as follows:

- Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefit flowing from the underlying resource and to restrict the access of others to those benefits, such costs are capitalised as separate intangible assets and amortised over the useful life of the software on a straight-line basis.
- Where costs incurred to configure or customise do not result in the recognition of an intangible asset then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses as incurred. When such costs incurred do not provide a distinct service, the costs are expensed over the life of the contract on a straight-line basis.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill is not amortised but is tested annually for impairment, or if there is an indication of impairment, and is carried at cost less accumulated impairment losses. Impairment losses are not subsequently reversed.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or Groups of CGUs that are expected to benefit from the synergies of the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes and are no larger than an operating segment.

The recoverable amount of a CGU or Group of CGUs is measured at the higher of its value in use and fair value less costs of disposal. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Contingent consideration is recorded initially at fair value and classified as equity or a financial liability. Contingent consideration classified as equity is not remeasured, but contingent consideration classified as a financial liability is subsequently remeasured at fair value through profit or loss.

Adjustments to provisional fair values of identifiable assets and liabilities (and to estimates of contingent consideration) arising from additional information, obtained within the measurement period (no more than one year from the acquisition date), about facts and circumstances existing at the acquisition date, are adjusted against goodwill. Other adjustments to provisional fair values or changes in contingent consideration are recognised through profit or loss.

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Accounting Polices (continued)

Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangibles to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment is initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

All other repair and maintenance costs are recognised in the consolidated statement of comprehensive income as incurred.

For each asset depreciation is calculated using the straight-line method to allocate its cost, net of its residual value if applicable, over its estimated useful life as follows:

• Freehold property	-	2%
• Short-leasehold property	-	Shorter of the lease term or 15% to 20%
• Meter assets	-	Smart and Industrial & Commercial meter units 5%
	-	ADM™ units 10%
	-	Ancillary and installation components lower of 5% or remaining useful economic life of the related meter/ADM™ unit
	-	Traditional meters (all components) to 1 July 2025
• Plant and machinery	-	33%
• Fixtures, fittings and equipment	-	20% and 33%
• Motor vehicles	-	25%
• Right-of-use assets	-	Shorter of the asset's useful life and the lease term
• Grid-scale assets	-	Battery energy storage system - Shorter of the lease term or 2.5% to 10%
	-	Battery assets - 10%

An item of property, plant and equipment and any significant components initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised. The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

See the Leases accounting policy for further details on the recognition and measurement of right-of-use assets under IFRS 16.

(i) Meter assets

The Group's meter asset portfolio recorded within property, plant and equipment comprises both installed and uninstalled meter assets.

Initial recognition

Newly purchased meter units and other significant ancillary parts which are critical for the meter unit to operate upon installation (such as regulators) are initially recognised within property, plant and equipment at cost.

Upon installation, an installed meter asset comprises three key components including the meter unit, the significant ancillary parts and the cost of installation (comprising labour and consumables).

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Accounting Polices (continued)

Depreciation
Newly purchased uninstalled meter units and ancillary parts are not subject to depreciation as they are not yet available for use in the location and condition necessary to be capable of operating in the manner intended by management. Depreciation on newly purchased meter units and ancillary parts commences once the asset has been fully installed.

The estimated useful economic lives of the relevant components are defined above.

Removals
Upon removal of an installed meter asset, each component is accounted for as follows:

- The meter unit is subject to a triage process whereby the condition of the meter unit is assessed to identify whether it can be re-used. If the uninstalled meter unit is deemed to be re-usable following triage, then the meter unit is classified as temporarily idle and continues to be depreciated. Meter units which do not have the ability to be reused are scrapped and disposed of from property, plant and equipment. Depreciation does not cease, therefore, until a meter unit is either scrapped or fully impaired.
- Regardless of the physical and operational condition of the meter unit, the ancillary parts and installation cost are scrapped on removal of a meter asset as they have no ability to generate future economic benefit once removed. These are derecognised, giving rise to a loss on disposal.

Refurbishment costs are expensed through Administrative expenses within the consolidated income statement.

Reinstallation
When a refurbished meter unit is reinstalled, new ancillary parts and installation costs are capitalised at cost. The meter unit component continues to depreciate over its remaining useful economic life. The newly capitalised ancillary parts and installation components begin depreciating on installation and are depreciated over the lower of 20 years and the remaining useful economic life of the meter unit to which they are attached. See the critical accounting judgements accounting policy for further details.

(ii) Grid-scale assets
Acquired development and construction rights together with directly attributable costs incurred in relation to the construction of the grid-scale battery storage sites are accounted for under IAS 16: Property, plant and equipment. These are recorded at cost and classified as part of Assets under construction within Property, plant and equipment. Construction costs are capitalised from the point at which it is probable that the construction of the assets will generate future economic benefit. This is defined by the Group as the point at which the Group has control over the build out of the assets via the secured land, planning permission, and grid connection. Whilst under construction no depreciation is recorded.

Inventories
Inventories comprise parts intended for consumption through the Group's transactional activities, including the maintenance of meter assets. Inventories are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents
Cash and cash equivalents in the consolidated statement of financial position comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short-term deposits as defined above.

Restricted cash
Restricted cash in the consolidated statement of financial position comprises amounts collected from customers on behalf of a third party, as part of a services arrangement, that have not yet been allocated. These monies are held in a trust account whilst awaiting allocation and, per the terms of the account, cannot be used by the Group to meet other short-term cash commitments. They have thus been disclosed separately on the statement of financial position.

Pension costs
The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the consolidated statement of comprehensive income.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

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Accounting Polices (continued)

Dividends

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are paid.

Taxation

Tax currently payable is based on the taxable profit for the year and any adjustment to tax payable in respect of prior years. Taxable profit differs from accounting profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date. Current tax is recognised in the income statement except when it relates to items recognised in other comprehensive income or directly in equity, such as share based payments.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is recognised in respect of all temporary differences that have originated from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the asset or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. It is recognised in the income statement except when it relates to items recognised in other comprehensive income or directly in equity, such as share-based payments. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax assets and liabilities are recognised for all temporary differences, except in respect of:

- temporary differences arising from the initial recognition of goodwill (taxable temporary differences only) or on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-controlling interests

Non-controlling interests represent the portion of equity and results of subsidiaries not attributable, directly or indirectly, to the Group. Non-controlling interests are recognised within equity separately from the equity attributable to owners of the parent. Profit or loss and other comprehensive income are attributed to the owners of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Any non-controlling interests held by the Group at 31 December 2025 were not material.

Standards and interpretations

New and amended standards adopted by the Group

No new or amended standards became effective during the year that had a material impact on the Group's financial position, performance or cash flows.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been issued but are not mandatory for the year ended 31 December 2025 and have not been early adopted by the Group. These include amendments to IFRS 7 and IFRS 9 relating to the classification and measurement of financial instruments, which are effective for periods beginning on or after 1 January 2026. The Group is currently assessing the impact of these amendments. All other new standards and amendments are not expected to have a material impact on the Group in future periods.

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Notes to the Financial Statements

For the year ended 31 December 2025

1 Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

Segment revenue by type of service delivered and by timing of revenue recognition is as follows:

Year ended 31 December 2025	2025 £'000	2024 £'000
Major service lines		
Metering[1,3]	**251,035**	97,296
EngineeringCo[3]	**26,803**	21,491
Data[3]	**16,915**	11,313
Grid batteries[2,3]	**7,891**	3,535
Low carbon[3]	**6,511**	8,419
Connections[3]	**6,212**	4,796
Other	**-**	299
	315,367	147,149

Year ended 31 December 2025	2025 £'000	2024 £'000
Timing of revenue recognition		
Services transferred at a point in time	**40,886**	38,322
Services transferred over time	**274,481**	108,827
	315,367	147,149

[1] Within metering revenue is £21,452,000 (2024: £14,298,000) relating to termination income, £418,000 (2024: £6,303,000) of which is classified as exceptional.
[2] Of £7,891,000 (2024: £3,535,000) grid-scale batteries revenue £3,141,000 (2024: £3,403,000) relates to wholesale trading income which is recognised net of trading costs.
[3] Certain revenue line descriptions have been updated in the current year to better reflect the nature of services provided. The changes are presentational only and do not affect the recognition or measurement of revenue. Comparative information has not been restated.

(b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2025 £'000	2024 £'000
Current contract assets	**40**	37
Current contract liabilities	**5,960**	5,152

Trade receivables and unbilled receivables are disclosed in note 13 and all related to contracts with customers.

Significant changes in contract assets and liabilities

Contract assets and contract liabilities have not changed significantly, and movements reflect the general timing of revenue recognition and status of services in progress at the end of the year.

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Notes to the Financial Statements (continued)

2 Loss from operations

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Profit from operations is stated after charging/(crediting):		
Cost of sales:		
Direct staff and subcontractor costs	**38,945**	30,828
Depreciation of meter assets	**98,290**	29,175
Depreciation of grid-scale assets	**2,690**	5,215
Inventory costs	**3,492**	2,030
Short-term lease expense	**1,076**	1,300
Total cost of sales (before exceptional items)	**144,493**	68,548
Administrative expenses:		
Staff costs	**27,779**	13,814
Depreciation:		
– owned assets	**2,150**	1,162
– leased assets	**1,931**	961
Amortisation of intangibles	**47,813**	24,399
Auditor's remuneration (note 2a)	**998**	510
Gain/(loss) on disposal[1]	**31,530**	4,027
Impairment of property, plant and equipment	**442**	2,651
Low-value lease expense	**15**	13
Research and development costs	**–**	599
Other operating charges	**34,806**	16,125
Total administrative expenses (before exceptional items)	**147,464**	64,261
Exceptional costs (note 2b)	**59,342**	86,113
Net impairment losses on financial assets (note 23)	**(1,590)**	388
Loss on disposal of subsidiary (note 6)	**86,698**	–
FV gain on derivative financial instrument (note 22)	**26,662**	(1,729)
Other operating income (note 2c)	**(5,301)**	(3,697)
Total operating costs	**457,768**	**213,884**

[1] Loss on disposal includes £31,539,000 (2024: £4,214,000) relating to losses on disposal of meter assets, comprising the derecognition of meter units that cannot be re-used and de-recognition of other components consistent with the Group's accounting policy. This is offset with a gain of £9,000 (2024: £129,000) of gains primarily on disposal of motor vehicles.

(a) Auditor's remuneration

Auditor's remuneration can be analysed as:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Audit of the parent company and consolidated financial statements	**490**	100
Audit of the financial statements of the Company's subsidiaries	**508**	410
	998	510

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Notes to the Financial Statements (continued)

(b) Exceptional items

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Exceptional operating items		
Losses on the traditional and SMETS1 meter portfolio[1]	**244**	6,561
Acquisition-related costs	**39,337**	74,494
Restructuring costs	**10,046**	4,795
Loss on disposal of subsidiary	**86,698**	–
Other non-recurring professional fees	**2,838**	–
Fair value measurement of contingent consideration	**6,877**	–
Other[2]	**–**	263
Exceptional costs	**146,040**	86,113
Termination income on the traditional and SMETS1 meter portfolio[1]	**(418)**	(6,303)
Total exceptional items	**145,622**	79,810

[1]Exceptional losses on the Group's meter portfolio and termination income relate to traditional meters in 2025 follow the change in presentation of certain meter types described in Critical accounting judgements note (2024 exceptionals relate to traditional and SMETS1 meters).
[2]Other exceptional items in 2024 includes a £31,000 credit in relation to the release of contingent consideration.

In 2025, exceptional items include acquisition-related costs incurred in connection with in the acquisition of Salisbury Topco Limited and SMA Topco Limited, and a loss arising on the disposal of the Group's grid-scale battery storage business, together with associated transaction-related costs incurred in completing the disposal, and a non-cash exceptional charge arising from the fair value remeasurement of contingent consideration recognised following disposal.

In the prior year, exceptional items primarily comprised acquisition-related costs incurred in connection with the acquisition of Smart Metering Systems Limited, including professional fees.

The tax effect of exceptional items charged in 2025 was a credit of £2,893,000 (2024: credit of £1,869,000).

(c) Other operating income

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Government grant income	**2,059**	1,600
Other income	**3,242**	2,097
	5,301	3,697

Of the government grant income of £2,059,000 (2024: £1,600,000) recognised in the year ended 31 December 2025, £584,000 (2024: £381,000) relates to Research and Development Expenditure Credits (RDECs). A further £1,475,000 (2024: £1,219,000) relates to grant income received on government-funded energy efficiency projects within the energy management business.

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Notes to the Financial Statements (continued)

3 Particulars of employees

The average number of staff employed by the Group during the financial year, by activity was:

	2025 Number	2024[1] Number
Administrative staff[1]	**344**	362
Operational staff	**674**	761
IT staff	**61**	108
Sales staff	**13**	14
Directors of the Company	**3**	2
	1,095	1,246

[1] Comparative headcount numbers for 2024 have been updated in the current year.

The aggregate payroll costs of the employees were:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Wages and salaries	**65,174**	42,436
Social security costs	**5,827**	4,464
Staff pension costs	**1,699**	1,134
Director pension costs	**27**	–
	72,727	48,034

4 Finance costs and finance income

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Finance costs		
Bank loans and overdrafts	**98,698**	46,815
Lease liabilities	**698**	693
Interest income on derivative financial instruments	**(18,197)**	(3,544)
Interest payable to non-controlling interest	**133**	–
Other	**291**	185
Total finance costs	**81,623**	44,149

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Finance income		
Bank interest receivable	**2,647**	1,961
Other interest receivable	**592**	14
Total finance income	**3,239**	1,975

Finance costs incurred in relation to bank loans and overdrafts include interest and facility fees.

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Notes to the Financial Statements (continued)

5 Taxation

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Analysis of charge in the year		
Current tax:		
Adjustment to tax charge in respect of prior periods brought in at acquisition	**146**	89
Current income tax expense	**153**	–
Total current income tax	**299**	89
Deferred tax:		
Origination and reversal of temporary differences	**(25,854)**	(8,643)
Adjustment to tax charge in respect of prior periods	**774**	–
Tax on loss	**(24,781)**	(8,554)

The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Loss before tax	**(221,633)**	(109,423)
Tax at the UK corporation tax rate of 25.00%	**(55,408)**	(27,356)
Prior year adjustments brought in at acquisition	**920**	84
Expenses not deductible for tax purposes	**36,933**	18,737
Income not taxable	**(4,143)**	(126)
Impact of deferred tax not recognised	**(3,302)**	(102)
Impact of overseas tax rates	**7**	80
Share of loss of associate	**212**	129
Tax credit in the income statement	**(24,781)**	(8,554)

Current tax credit through equity in the year was £nil (2024: £nil).

6 Loss on disposal of subsidiary

On 19 May 2025, the Group disposed of its 100% interest in Care Assets Limited, the Group's grid-scale battery storage subsidiary (the "Disposed Subsidiary"), as part of a strategic refocus on core operations. The disposal resulted in a loss of control under IFRS 10, and the entity was deconsolidated from that date. Management has assessed the disposal against the requirements of IFRS 5 and concluded that it does not meet the definition of a discontinued operation.

	2025 £'000
Net assets disposed of	259,018
Cash Consideration received	163,874
Contingent Consideration received	10,500
Less: costs of disposal	2,054
Loss on disposal of subsidiary	**86,698**

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Notes to the Financial Statements (continued)

At 31 December 2025, the contingent consideration was remeasured to following an assessment of recoverability at the reporting date, resulting in a £6,876,000 debit to the income statement recognised in exceptional administrative expenses, see Note 2b.

7 Dividends

	Year ended 31 December 2025 £'000	Year ended 31 December 2025 Per share (pence)	Year ended 31 December 2024 £'000	Year ended 31 December 2024 Per share (pence)
Interim dividend	**114,000**	**2.968**	**–**	**–**
Final dividend	**45,000**	**1.171**	**–**	**–**
Total dividends	**159,000**	**4.139**	**–**	**–**

During the year, the Company declared and paid dividends of £159 million (2024: £nil) to its immediate parent undertaking. Details of the distributions are set out below. Dividends were recognised directly in equity when declared and paid.

8 Intangible assets

	Goodwill £'000	Customer contracts £'000	IT development and software £'000	Total £'000
Cost				
On incorporation	–	–	–	–
Acquired intangible assets	525,873	295,724	17,156	838,753
Additions	–	–	6,023	6,023
Disposals	–	–	20	20
Exchange adjustments	–	–	(59)	(59)
As at 31 December 2024	**525,873**	**295,724**	**23,140**	**844,737**
Acquired intangible assets	**510,517**	**172,332**	**51**	**682,900**
Additions	–	–	**4,744**	**4,744**
Disposals	–	**(36,707)**	**(6,758)**	**(43,465)**
Exchange adjustments	–	–	**(28)**	**(28)**
As at 31 December 2025	**1,036,390**	**431,349**	**21,149**	**1,488,888**
Amortisation				
On incorporation	–	–	–	–
Charge for year	–	20,467	3,932	24,399
Exchange adjustments	–	–	(11)	(11)
Impairment (note 2)	–	–	648	648
As at 31 December 2024	**–**	**20,467**	**4,569**	**25,036**
Charge for year	–	**43,679**	**4,133**	**47,812**
Disposals	–	**(7)**	**(6,266)**	**(6,273)**
Impairment (note 2)	–	–	**1,413**	**1,413**
As at 31 December 2025	–	**64,139**	**3,849**	**67,988**

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Notes to the Financial Statements (continued)

	Goodwill £'000	Customer contracts £'000	IT development and software £'000	Total £'000
Net book value				
As at 31 December 2025	**1,036,390**	**367,210**	**17,300**	**1,420,900**
As at 31 December 2024	**525,873**	**275,257**	**18,571**	**819,701**

9 Impairment of goodwill

The goodwill arising in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. Goodwill is allocated to CGUs as follows:

	Metering £'000
Cost	
As at 1 January 2025	525,873
Acquisitions (note 24)	510,517
As at 31 December 2025	**1,036,390**

During the year, the Group acquired Salisbury Topco Limited and SMA Topco Limited for total purchase consideration of £484,900,000. The transaction resulted in the recognition of £510,517,000 in goodwill, primarily attributable to the opportunity to accelerate growth of the Group's metering business. Goodwill has been allocated to the Metering CGU and has been tested for impairment in accordance with IAS 36.

In the prior period, the Group acquired Smart Metering Systems Limited for total purchase consideration of £1,319,289,000. The transaction resulted in the recognition of £525,873,000 in goodwill, primarily attributable to the opportunity to accelerate growth of the Group's metering business. Goodwill has been allocated to the Metering CGU and has been tested for impairment in accordance with IAS 36.

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired. Goodwill is tested for impairment by comparing the carrying amount of each CGU, including goodwill, with the recoverable amount. The recoverable amounts are determined based on value-in-use calculations which require assumptions. The calculations use cash flow projections based on financial budgets approved by the Board covering a one-year period, together with management forecasts for a further four-year period. These budgets and forecasts have regard to historical performance and knowledge of the current market, together with the Group's views on the future achievable growth and the impact of committed cash flows. Cash flows beyond this are extrapolated using the estimated growth rates stated below.

The annual impairment test was performed for the goodwill balance at 31 December 2025 attributable to the Metering CGU. No evidence of impairment was found at the balance sheet date.

The key assumptions used in the value-in-use calculation are as follows:

- **Perpetual growth rate** – the terminal cash flows are extrapolated in perpetuity using a growth rate of 2.0% (2024: 2%). The rate of 2.0% applied to Metering is derived from forecasted Retail Price Index increases which apply to the segment's index-linked meter rentals. This is not considered to be higher than the average long-term industry growth rate.
- **Discount rate** – the discount rate is initially based on the weighted average cost of capital (WACC), which is based on the Group's cost of borrowing. A specific discount rate is then calculated for the asset management CGU taking into account the time value of money, the CGU's risk profile and the impact of the current economic climate. The pre-tax discount rate applied is 5.2% (2024: 6.3%) and the post-tax discount rate applied is 3.9% (2024: 4.7%).

Management has performed sensitivity analysis on the key assumptions both with other variables held constant and with other variables simultaneously changed. Management has concluded that there are no reasonably possible changes in the key assumptions that would cause the carrying amount of goodwill to exceed the value in use for the CGU.

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Notes to the Financial Statements (continued)

10 Property, plant and equipment

	Land and buildings £'000	Meter assets £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Right-of-use assets £'000	Grid-scale assets £'000	Assets under construction £'000	Total £'000
Cost									
On incorporation	–	–	–	–	–	–	–	–	–
Acquired PPE[1]	3,041	794,215	1,336	10,200	6,482	22,137	137,860	44,829	1,020,101
Additions	–	34,936	16	210	14	1,613	1,073	24,987	62,849
Reclassification	–	–	–	–	–	–	45,992	(45,992)	–
Disposals	(175)	(13,115)	(12)	(864)	(1,513)	(889)	–	–	(16,568)
Exchange adjustments	–	–	–	(3)	–	–	–	–	(3)
As at 31 December 2024	**2,866**	**816,036**	**1,340**	**9,543**	**4,983**	**22,861**	**184,925**	**23,824**	**1,066,378**
Acquired PPE	–	991,591	–	1,293	–	140	–	–	993,024
Additions	–	121,611	5,881	458	561	5,377	19	5,710	139,617
Disposals	(960)	(54,955)	(122)	(1,673)	(1,553)	(13,818)	(184,944)	(28,827)	(286,852)
As at 31 December 2025	**1,906**	**1,874,283**	**7,099**	**9,621**	**3,991**	**14,560**	**–**	**707**	**1,912,167**
Depreciation									
On incorporation	–	–	–	–	–	–	–	–	–
Acquired PPE[1]	1,017	221,402	1,150	8,436	3,249	5,101	5,975	–	246,329
Charge for year	45	29,175	66	615	530	961	5,215	–	36,607
Disposals	(175)	(5,469)	(5)	(853)	(1,120)	(849)	–	–	(8,471)
Impairment	–	6,289	–	–	–	–	–	–	6,289
Exchange adjustments	–	–	–	(3)	–	–	–	–	(3)
As at 31 December 2024	**887**	**251,397**	**1,211**	**8,196**	**2,659**	**5,213**	**11,190**	–	**280,753**
Acquired PPE	–	**256,163**	–	**873**	–	**14**	–	–	**257,050**
Charge for year	**28**	**98,290**	**530**	**830**	**763**	**1,931**	**2,690**	**–**	**105,062**
Disposals	**(32)**	**(21,845)**	**(112)**	**(1,604)**	**(1,348)**	**(1,172)**	**(13,880)**	**–**	**(39,993)**
Impairment	**–**	**722**	**–**	**–**	**–**	**–**	**–**	**–**	**722**
As at 31 December 2025	**883**	**584,728**	**1,629**	**8,295**	**2,074**	**5,986**	**–**	**–**	**603,595**
Net book value									
As at 31 December 2025	**1,023**	**1,289,556**	**5,470**	**1,326**	**1,917**	**8,574**	**–**	**707**	**1,308,573**
As at 31 December 2024	**1,979**	**564,639**	**129**	**1,347**	**2,324**	**17,648**	**173,735**	**23,824**	**785,625**

[1]Prior year comparative information has been re-presented to separately disclose the gross cost and accumulated depreciation of assets acquired through business combinations. Previously, such assets were presented at net book value only.

Meter assets

Included within the closing Meter assets net book value of £1,289,556,000 is £1,242,820,000 relating to installed meter assets in use and £46,735,000 relating to uninstalled meter assets not in use.

Also included within the closing Meter assets net book value is £nil (2024: £1,137,000) relating to the traditional meter portfolio. In accordance with our accounting policy these assets were written down to zero by 1 July 2025. In the 2025 consolidated financial statements the traditional meter portfolio generated £10,395,000 (2024: £8,576,000) of revenue with a corresponding £3,418,000 (2024: £2,771,000) depreciation charge. As at 31 December 2025, £9,875,000 (2024: £10,979,000) of annualised recurring revenue arose from the owned traditional meter portfolio.

The assets are secured by a bond and floating charge.

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As detailed in the Group's accounting policies, property, plant and equipment are reviewed for impairment at each reporting date. As a result, individual meter units of £722,000 (2024: £6,289,000) with a recoverable amount of nil have been identified and therefore have been impaired. These assets relate to meter units which are either not expected to be installed or have been removed from the wall and cannot be re-installed. £nil (2024: £3,638,000) of the impairment charge is recognised through exceptional items within the Consolidated Income Statement. In 2024, the impairment charge recognised through exceptional items related to traditional and SMETS 1 assets. In 2025, £722,000 (2024: £2,651,000 relating to I&C and SMETS 2 assets) is recognised through underlying administrative expenses, relating to I&C, SMETS 1 and SMETS 2 assets. All meter assets are categorised within the metering segment.

In prior years, the traditional meter asset portfolio recognised within meter assets was assessed as a stand-alone cash-generating unit ("CGU"), with the carrying amount compared against its recoverable amount in accordance with IAS 36. As a result of impairment reviews performed in earlier periods, the carrying value of the traditional meter portfolio was fully written down. Accordingly, at 31 December 2025, the carrying amount of the traditional meter CGU is nil, and there is no remaining asset balance subject to impairment assessment. While the traditional meter portfolio continued to generate revenue during the year, this revenue arises from assets that have been fully impaired in prior periods and does not give rise to a recoverable carrying amount. No indicators of impairment were identified in respect of meter assets with a carrying value at the reporting date and, therefore, no further impairment has been recognised in the year ended 31 December 2025 (31 December 2024: £nil).

Right-of-use assets

A breakdown of right-of-use assets is presented below:

Carrying value	2025 £'000	2024 £'000
Properties[1]	**3,863**	4,624
Land	**–**	12,632
Motor vehicles	**4,712**	392
	8,575	17,648

[1] Properties include office and warehouse space.

The consolidated income statement includes the following amounts relating to leases:

Depreciation charge on right-of-use assets	2025 £'000	2024 £'000
Properties	**822**	649
Land	**95**	301
Motor vehicles	**1,014**	11
	1.931	961

11 Investment in associate

	2025 £'000	2024 £'000
At 1 January	**477**	–
Loan converted to equity	**2,045**	–
Acquired investments	**–**	991
Share of loss for the year	**(848)**	(514)
At 31 December	**1,674**	477

On 15 June 2022, the Group acquired a 25% shareholding in Clenergy EV Ltd, a software business with a charge point operator (CPO) platform focused on electric vehicle charging infrastructure. Clenergy EV Limited's principal place of business is The Mill House Erw Hir, Llantrisant, Pontyclun, Wales, CF72 8BY.

In April 2025, the Group converted a loan receivable from Clenergy EV Limited with a carrying value of £2,045,000 into equity, increasing its ownership interest to 48%. This was converted into equity at its carrying amount, which was assessed to be equal to the fair value of the equity interest received. Accordingly, no gain or loss was recognised on conversion.

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Summarised financial information for Clenergy EV Ltd for the year since investment and after adjustment for fair value adjustments at acquisition is set out below:

	2025 £'000	2024 £'000
Revenue	**1,679**	732
Operating loss excluding depreciation and amortisation (EBITDA)	**(174)**	(484)
Depreciation and amortisation	**(2,216)**	(1,894)
Taxation	**430**	323
Loss after taxation	**(1,960)**	(2,055)
Group's share of associate's loss for the year	**(848)**	(514)

	2025 £'000	2024 £'000
Non-current assets	**3,475**	5,539
Current assets	**385**	592
Current liabilities	**(849)**	(3,121)
Non-current liabilities	**(817)**	(1,103)
Net assets	**2,194**	1,907
Group's share of associate's net assets	**1,053**	477
FV adjustment on conversion of loan	**621**	–
Investment in associate	**1,674**	477

Included within current assets is cash and cash equivalents of £140,000 (2024: £496,000). The results for Clenergy EV Ltd all relate to continuing operations.

There are no differences in accounting policies between Clenergy EV Ltd and the Group.

12 Inventories

	2025 £'000	2024 £'000
Consumables	**443**	323

13 Trade and other receivables

	2025 £'000	2024 £'000
Current		
Trade receivables	**44,059**	27,235
Prepayments and deferred costs	**6,268**	5,584
Accrued income	**24,926**	20,414
Other receivables	**8,450**	3,960
VAT receivable	**–**	123
Earn-out deferred contingent consideration	**3,623**	–
Capital commitments connected to Heat Pump investment at amortised cost	**376**	–
	87,702	57,316

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Notes to the Financial Statements (continued)

Amounts falling due after more than one year:

	2025 £'000	2024 £'000
Payments on account to acquire grid-scale battery assets	–	40,087
Prepayments	**711**	730
Capital commitments connected to Heat Pump investment at amortised cost	**535**	–
	1,246	40,817

Payments on account to acquire grid-scale battery assets relate to deposits on batteries for which final acceptance testing is yet to be completed as at the end of the reporting year.

Non-current prepayments comprise of prepaid arrangement fees in relation to the Group's Revolving Credit Facility, which are amortised over the life of the facility (5 years) in line with the Group's accounting policies.

Accrued income is made up of the following balances:

	2025 £'000	2024 £'000
Unbilled receivables	**24,886**	20,377
Contract assets	**40**	37
	24,926	20,414

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The Group's credit risk is primarily attributable to trade receivables and accrued income. The amounts presented in the consolidated statement of financial position are net of any loss allowance. The total loss allowance for trade receivables and accrued income at 31 December 2025 was £1,516,000 (2024: £2,098,000). See note 23 for further details. The ageing profile of trade receivables is shown below:

	2025 £'000	2024 £'000
Current	**21,188**	14,987
1-30 days	**3,336**	1,434
31-60 days	**4,270**	674
61-90 days	**2,672**	814
91-120 days	**2,382**	731
Over 120 days	**11,684**	10,687
	45,532	29,327
Loss allowance	**(1,473)**	(2,050)
Amounts offset (see note 23)	**–**	(42)
	44,059	27,235

Trade receivables are non-interest-bearing and are generally on 30 to 90-day terms. Trade receivables due from related parties at 31 December 2025 amounted to £nil (2024: £nil).

Substantially all trade receivables are denominated in British Pounds Sterling.

The Group's largest outstanding trade receivables balances are associated primarily with large energy supplier customers for which the credit risk is considered low.

Of the £11,684,000 of trade receivables over 120 days overdue, £6,222,000 is associated with a large energy supplier customer to which the Group also has trade payables owed of £6,882,000 at 31 December 2025. There is no contractual right to offset these balances and therefore these amounts are presented gross in the consolidated balance sheet; however they are expected to be settled simultaneously and there is no significant loss allowance associated with them.

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Accrued income, which is made up of unbilled receivables and contract assets, is presented net of any loss allowance and impairment, with amounts being invoiced periodically and customers being the same as those within trade receivables. Accrued income primarily relates to unbilled metering income which is billed monthly in arrears. The loss allowance for accrued income at 31 December 2025 was £43,000 (2024: £48,000).

14 Finance lease receivables

The Group has entered into finance lease arrangements as lessor during the year. The finance lease receivable represents the net investment in the lease, comprising the present value of minimum lease payments due from the lessee, net of unearned finance income.

Carrying amount	**2025 £'000**	**2024 £'000**
Current	155	–
Non-current	991	–
Net investment in the lease	**1,146**	–

Reconciliation of net investment in the lease		
Opening balance	–	–
Additions / new finance leases	1,245	–
Lease payments received	(204)	–
Finance income recognised	105	–
Closing net investment	**1,146**	–

Maturity analysis of undiscounted cash flows

The table below sets out the undiscounted minimum lease payments receivable under finance leases at the reporting date:

Time band	**2025 £'000**	**2024 £'000**
< 1 year	228	–
1–5 years	903	–
> 5 years	538	–
Total undiscounted payments	1,669	–
Less: unearned finance income	(523)	–
Net investment in the lease	**1,146**	–

Finance income of £105,000 (2024: £nil) arising from finance leases has been recognised within finance income in the consolidated statement of comprehensive income for the year.

Finance lease receivables are subject to expected credit loss ("ECL") assessment in accordance with IFRS 9. No loss allowance was recognised at the reporting date, as the expected credit loss was assessed as not material.

15 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group. The carrying amount of the asset approximates the fair value. Substantially all balances are held in British Pounds Sterling.

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprises:

	2025 £'000	**2024 £'000**
Cash at bank	**59,374**	40,687
Cash and cash equivalents	**59,374**	40,687
Cash and cash equivalents – restricted	**164**	390
Total cash and cash equivalents	**59,538**	41,077

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16 Trade and other payables

	2025 £'000	2024 £'000
Current		
Trade payables	**19,879**	35,802
Other payables	**6,083**	4,321
Other taxes	**2,270**	1,665
Deferred income	**4,713**	4,400
Advance payments	**1,651**	1,289
Accruals	**31,913**	19,316
VAT Payable	**4,116**	–
	70,625	66,793

Deferred income and advance payments are made up of the following balances:

	2025 £'000	2024 £'000
Contract liabilities	**6,020**	5,152
Other deferred income (grants)	**344**	537
	6,364	5,689

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Trade payables are classified at amortised cost, are non-interest-bearing and are normally settled on 30 to 45-day terms.

Substantially all trade liabilities are denominated in British Pounds Sterling.

17 Bank loans

	2025 £'000	2024 £'000
Current	**23,685**	11,471
Non-current	**1,548,018**	662,806
	1,571,703	674,277

The Group's borrowing facilities in the year comprise three separate debt packages, being the SMS facility package, the Salisbury facility, and the SMA facility. In 2024 the Group's borrowing facilities comprised of the SMS facility package only.

The SMS facility package is provided by a syndicate of lenders and comprises a combination of Term Loans, Capex Facilities and a Revolving Credit Facility. The Senior Facilities Agreement has total available commitments of £1,115,000,000 and matures in April 2029. Interest is payable at a rate of 2.15% over SONIA until April 2026, increasing to 2.25% over SONIA in year 3, 2.5% over SONIA in year 4 and 2.75% over SONIA in year 5.

Commitment fees of £3,087,000 (2024: £2,429,000) were incurred in the year. 0.75% is payable on undrawn funds until April 2026, increasing to 0.79% in April 2027, 0.88% in year 4 and 0.96% in year 5.

Arrangement fees of Nil (2024: £13,428,000) were incurred in relation to the Acquisition Term loan in the year, Refinancing Term loan, Additional Term loan and the Capex Facility and were accounted for in line with the bank loans accounting policy. Arrangement fees of Nil (2024: 960,000) were incurred in relation to the Revolving Credit Facility and are accounted for as prepayments on the basis that drawdowns from this facility are not probable, in line with the bank loans accounting policy.

Any loan amounts drawn down from the Senior Facilities Agreement are secured by way of fixed and floating charges over the whole property, assets and undertaking (including uncalled capital) of the Company, Smart Metering Systems Limited. The charges contain a negative pledge.

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The facilities package includes an Acquisition Term loan of £365,000,000 which was initially entered into by the Group's immediate parent company, Sienna Bidco Limited. The Acquisition Term loan, along with interest which had accrued to date, was novated to Smart Metering Systems Limited during 2024 in exchange for an intercompany loan note receivable of £365,000,000. The excess between the carrying value of the Acquisition Term loan novated and the principal value of the intercompany loan note issued in exchange has been recorded as a distribution by Smart Metering Systems Limited within the consolidated statement of changes in equity.

The Salisbury facility package comprises various Senior and Junior debt facilities with a number of institutions that are repayable in May 2027 and May 2029. The facilities bear interest based on SONIA plus a credit margin. Interest on the senior debt is payable quarterly and interest on the junior debt is payable biannually each year. The bank loans are secured by both a fixed charge and by a floating charge over the remaining assets of Salisbury Topco and direct subsidiaries.

The SMA facility comprises various Senior and Junior debt facilities with a number of institutions that are repayable in May 2027 and May 2029. The facilities bear interest based on SONIA plus a credit margin. Interest on the senior debt is payable quarterly and interest on the junior debt is payable biannually each year. The bank loans are secured by both a fixed charge and by a floating charge over the remaining assets of SMA Topco and direct subsidiaries.

The loans drawn under all facilities are all denominated in British Pounds Sterling. The balance as at 31 December 2025 is stated net of £9,641,000 of unamortised transaction costs (2024: £18,634,000).

The movement in bank loans is:

	2025 £'000	2024 £'000
On incorporation	**674,277**	–
Acquired net borrowings	**824,407**	251,698
Proceeds from new borrowings	**153,871**	674,458
Repayment of borrowings	**(80,041)**	(250,000)
Interest paid	**(95,896)**	(26,041)
Settlement of arrangement fees	**0**	(20,728)
Interest accrued	**91,021**	34,851
Amortisation of arrangement fees	**4,064**	10,039
As at 31 December	**1,571,703**	674,277

The Group has the following committed facility:

	2025 £'000	2024 £'000
Undrawn committed facility	**511,912**	496,341
Bank loans drawn	**1,569,887**	674,458
Utilised in respect of guarantees	**4,201**	4,201
Total committed facility	**2,086,000**	1,175,000

The Group has complied with the financial covenants of its borrowing facility during the current reporting year.

The Group's facilities are subject to the following covenants:

- interest cover and leverage ratio calculated half-yearly on the SMS facility package,
- project life cover ratio, liquidity ratio, historic interest cover ration and projected interest cover calculated quarterly on Salisbury facilities,
- project life coverage ratio and liquidity ration rested quarterly on SMA facilities.

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Notes to the Financial Statements (continued)

The Group's right to defer settlement of associated liabilities is subject to its compliance with these covenants within twelve months after the reporting date. The Group complied with all covenants during the reporting period. Management have performed forecasts for the 12 months following the reporting date and thereafter, which show the Group have significant headroom in terms of these covenants and are not indicative of approaching a breach of either of these covenants. Management will continue to monitor these forecasts, are comfortable that the portion of the Group's borrowings which is classified as non-current is appropriate as at 31 December 2025.

The Group receives financial guarantees under the SMS Senior Facilities Agreement. In the current year, financial guarantees were utilised in relation to letters of credit for the grid business. In the prior year, the financial guarantee of the old facility was utilised in relation to a lease agreement for one of the Group's grid-scale battery storage sites.

The Group has the right to repay the whole or any part of the loan (subject to a minimum of £250,000) at any time provided it gives the agent not less than three banking days prior written notice.

The banking facilities require the Group to notify the agent of the facilities upon becoming aware of a change of control event. The lenders then have the contractual right to cancel their commitments and declare any outstanding amounts together with accrued interest and all other amounts accrued under the facility agreement as immediately due and payable by the Group.

18 Lease liabilities

	2025 £'000	2024 £'000
Current	**1,470**	965
Non-current	**7,539**	15,568
	9,009	16,533

The movement in lease liabilities accounted for under IFRS 16 is:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
As at 1 January 2024	**16,533**	–
Non-cash changes – acquired leases	**106**	15,672
Cash flows – lease payments	**(2,229)**	(1,143)
Non-cash changes – accrued lease payments	–	11
Non-cash changes – new leases	**4,872**	824
Non-cash changes – changes in lease terms and foreign exchange impact	–	477
Non-cash changes – interest charge	**699**	692
Non-cash changes - disposed of in the year	**(10,972)**	–
As at 31 December	**9,009**	16,533

The Group had total cash outflows for leases of £3,321,000 in 2025 (2024: £2,456,000). £2,229,000 (2024: £1,143,000) of cash outflows for leases accounted for under IFRS 16 is included within financing cashflows in the consolidated statement of cashflows and £1,092,000 (2024: £1,313,000) is included within operating cashflows. Details of the Group's right-of-use assets, including the additions and depreciation charge in the year, are disclosed within Note 10.

Short-term and low-value leases are expensed as disclosed in Note 2.

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Notes to the Financial Statements (continued)

19 Provisions

Provisions comprise:

	2025 £'000	2024 £'000
Non-current		
Provision for restoration costs	**726**	2,369
Provision for decommissioning costs	–	1,211
	726	3,580

The movement in provisions is:

	2025 £'000	2024 £'000
As at 1 January	**3,580**	–
Provisions recognised on acquisition	**–**	3,580
Provision recognised	**686**	–
Disposed of in the year	**(3,540)**	–
As at 31 December	**726**	3,580

The Group was required to restore the land leased as part of its grid-scale battery storage business, prior to its disposal during the year, and is required to restore certain leased warehouses and vehicles to the condition required by the terms and conditions of the respective lease agreements at the end of the lease terms. Lease terms typically range between 20 to 50 years for land, 3 to 10 years for warehouses, and 3 to 5 years for leased vehicles.

A provision has been recognised for the present value of the estimated expenditure required to carry out this restoration. These costs have been capitalised as part of the cost of right-of-use assets and are depreciated over the shorter of the term of the lease and the useful life of the assets. Provisions also include the estimated cost to decommission grid-scale batteries at the end of their life.

20 Other liabilities

Other liabilities comprise:

	2025 £'000	2024 £'000
Current		
Deferred consideration on acquisitions	**–**	569
Loan from non-controlling interest	**294**	–
As at 31 December	**294**	569

Non-current		
Loan from non-controlling interest	**1,319**	–
As at 31 December	**1,319**	–

Deferred consideration recognised in prior periods related to the acquisition of the Group's grid-scale battery storage business. Following the disposal of the business during the year, no deferred consideration balance remained outstanding at 31 December 2025 (2024: £569,000).

Loans from non-controlling interest represent amounts payable under loan arrangements with minority shareholders holding a 25% interest in EO Infraco 1 Len Limited.

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Notes to the Financial Statements (continued)

21 Deferred taxation

The movement in the deferred taxation liability during the year was:

	2025 £'000	2024 £'000
Opening deferred tax liability	**101,787**	–
Deferred tax in respect of acquisitions and disposals	**119,625**	110,430
Increase in provision through consolidated income statement	**(25,854)**	(8,643)
Adjustment in respect of prior years	**774**	–
Closing deferred tax liability	**196,332**	101,787

The Group's provision for deferred taxation consists of the tax effect of temporary differences in respect of:

	2025 £'000	2024 £'000
Excess of taxation allowances over depreciation on property, plant and equipment	**53,391**	25,225
Tax losses available	**(1,617)**	(6,564)
Deferred tax on intangibles acquired	**141,627**	89,576
Deferred tax on derivatives	**15,229**	432
Deferred tax on CIR allowance	**(10,953)**	(6,622)
Other temporary differences[1]	**(1,345)**	(260)
	196,332	101,787

The deferred tax included in the consolidated income statement is as follows:

	2025 £'000	2024 £'000
Accelerated capital allowances	**3,452**	25,225
Tax losses	**(1,617)**	(6,564)
Movement in fair value of intangibles	**(14,834)**	89,576
Movement in fair value of derivatives	**(6,665)**	432
CIR disallowance	**(4,331)**	–
Other temporary differences[1]	**(1,085)**	(6,882)
	(25,080)	101,787

[1] Other temporary differences predominantly relate to deferred tax on provisions and accruals.

At 31 December 2025, the main rate of corporate tax applying to the profits of the Group was 25% (2024: 25%).

The Group had unrecognised trading losses of £4,505,000 in subsidiary undertakings at 31 December 2025 (2024: £3,840,000). The Group also had unrecognised capital losses of £650,000 in subsidiary undertakings at 31 December 2025 (2024: £729,000). These losses are not subject to expiration.

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Notes to the Financial Statements (continued)

22 Derivatives

The Group enters into derivative financial instruments (derivatives) to manage its normal business exposures in relation to interest rates and changes in the Retail Price Index (RPI), including management of the balance between floating rate and fixed rate debt, consistent with the risk management policies and objectives (note 23).

The Group has recognised the following derivative financial instruments in the consolidated statement of financial position:

	2025 £'000	2024 £'000
Non-current assets		
Derivative financial instrument - interest rate swaps	**57,048**	–
Derivative financial instrument - inflation rate swaps	**1,832**	–
Total non-current derivative financial instrument assets	**58,880**	–
Current assets		
Derivative financial instrument - interest rate swaps	**12,017**	4,032
Derivative financial instrument - inflation rate swaps	–	60
Total current derivative financial instrument assets	**12,017**	4,092

	2025 £'000	2024 £'000
Non-current liabilities		
Derivative financial instrument - interest rate swaps	**9,046**	1,398
Derivative financial instrument - inflation rate swaps	–	491
Total non-current derivative financial instrument liabilities	**9,046**	1,889

	2025 £'000	2024 £'000
Current liabilities		
Derivative financial instrument - interest rate swaps	**338**	–
Derivative financial instrument - inflation rate swaps	**597**	475
Total current derivative financial instrument liabilities	**935**	475

Total fair value loss on derivative financial instruments recognised in the consolidated income statement were £26,662,000 (2024: £1,729,000 gain) in relation to the portfolio of interest rate swaps and inflation swaps held by the Group.

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Notes to the Financial Statements (continued)

23 Financial risk management

The Board reviews and agrees policies for managing the risks associated with interest rate, credit and liquidity risk. The Group has in place a risk management policy that seeks to minimise any adverse effect on the financial performance of the Group by continually monitoring the following risks:

(a) Interest rate risk

The Group's main interest rate risk arises from its floating rate bank loans. This risk is being actively managed by the Group through the use of entering into interest rate swaps and inflation swaps (derivatives).

There were no overdrafts at 31 December 2025 (2024: none) and the interest charge arising on lease liabilities does not represent a significant interest rate risk for the Group as interest rates are fixed based on the rate associated with the lease. The interest that accrues on both the Group's loan to parent undertaking and loan to associate is at a fixed rate.

The Group's financial assets at 31 December 2025 comprise cash, loan receivables and trade receivables. The cash balance of £59,374,000 (2024: £40,687,000) is a floating rate financial asset, with interest income varying based on SONIA. Interest income from cash balances does not represent a significant interest rate risk for the Group.

Interest rate sensitivity

The Group's main interest rate risk arises from long-term borrowings with floating interest rates, which expose the Group to cash flow interest rate risk. This risk is mitigated by interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. The residual interest rate risk is considered to be immaterial on this basis.

During 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in British Pounds Sterling.

(b) Fair values of financial liabilities and financial assets

Financial instruments are classified by the following fair value measurement hierarchy:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market (such as derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's borrowings are measured at amortised cost. For fair value disclosure purposes, the bank loan is considered to be a level 2 financial instrument on the basis that it is not traded in an active market. The Group's loan to associate is considered to be a level 3 asset. The fair values, based upon the market value or discounted cash flows of these financial liabilities and financial assets held in the Group, were not considered to be materially different from their book values. For short-term assets and liabilities, the Group takes the exemption from disclosing the fair values.

Derivative financial instruments are recognised at fair value and have been valued at 31 December 2025 using a Monte Carlo Simulation approach with key inputs including risk free rate (SONIA), inflation index (UKRPI) and credit spreads of both the Group and counterparties to calculate the present value of the estimated future cash flows based on observable yield curves. Derivatives are considered to be a level 2 financial instrument.

(c) Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange primarily arises from a single subsidiary, operating in Euros. With the exception of this entity, all of the Group's operating activities are denominated in British Pounds Sterling and, therefore, the Group's overall exposure is not significant.

(d) Liquidity risk

The Group manages its cash in a manner designed to ensure maximum benefit is gained whilst ensuring security of investment sources. The Group's policy on investment of surplus funds is to place deposits at institutions with strong credit ratings; this is considered to be institutions with a credit rating of AA– and above. Currently, all of the chosen investment institutions are in line with these criteria.

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Notes to the Financial Statements (continued)

The ageing and maturity profile of the Group's material financial liabilities is disclosed in the table below. The amounts disclosed are the contractual undiscounted cash flows.

31 December 2025	Less than one year £'000	Between two and five years £'000	Over five years £'000	Total contractual cash flows £'000
Contractual maturities of financial liabilities				
Trade payables	**19,879**	**-**	**-**	**19,879**
Bank loan	**87,735**	**1,740,474**	**-**	**1,828,209**
Other liabilities	**294**	**1,319**	**-**	**1,613**
Lease liabilities	**2,089**	**6,371**	**549**	**9,009**
Derivatives	**(12,055)**	**(48,384)**	**-**	**(60,439)**
	97,942	**1,699,780**	**549**	**1,798,271**

31 December 2024	Less than one year £'000	Between two and five years £'000	Over five years £'000	Total contractual cash flows £'000
Contractual maturities of financial liabilities				
Trade payables	35,802	–	–	35,802
Bank loan	54,093	806,095	–	860,188
Other liabilities	569	–	–	569
Lease liabilities	1,844	7,952	22,170	31,966
Derivatives	(4,055)	10,136	–	6,081
	88,253	824,183	22,170	934,606

(e) Credit risk

The Group's credit risk primarily arises from credit exposures to energy suppliers (our customers), including outstanding receivables, due to the Group trading with a limited number of companies, which are generally large utility companies or financial institutions.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum rating of AA– are accepted. The Group does not expect cash and cash equivalents to be at significant risk. Similarly, the Group's Other receivables primarily comprise of cash collateral which is not considered to be at significant risk by the Group. With regard to customers, the Group assesses the credit quality of the customer, considering its financial position, past experience and other factors. The Group does not expect, in the normal course of events, that debts due from customers are at significant risk. The Group's maximum exposure to credit risk equates to the carrying value of cash and cash equivalents, trade and other receivables, derivative financial instruments, contract assets and investments. The Group's maximum exposure to credit risk from its customers is £68,985,000 (2024: £47,649,000), being the sum of the carrying value of trade receivables and accrued income, including contract assets, as disclosed within Trade and other receivables in note 13. The Group regularly monitors and updates its cash flow forecasts to ensure it has sufficient and appropriate funds to meet its ongoing operational requirements.

Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's expected credit loss model:

- trade receivables, which consist of billed receivables arising from contracts with customers, for the provision of meter asset installation, management and energy services; and
- accrued income, which consists of contract assets and unbilled receivables arising from contracts with customers.

While cash and cash equivalents, other receivables, and the loan to parent held at amortised cost, are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring forward-looking expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and accrued income, including contract assets.

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Notes to the Financial Statements (continued)

To measure the ECL, trade receivables and accrued income have been Grouped based on shared credit risk characteristics and the days past due. Accrued income relates to rights to consideration for performance, and other operating charges, before payment is due from customers, and consists of unbilled receivables and contract assets (see note 13 for details). These have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued income.

The Group has established a provision matrix based on the payment profiles of sales, over the most recent twelve-month period that is an appropriate representation of loss patterns, and the corresponding historical credit losses experienced within the year. The historical loss rates are adjusted to reflect current and forward-looking information that might affect the ability of customers to settle the receivables, including macroeconomic factors as relevant. In calculating the loss rates, certain historical losses arising from specific circumstances with customers have been removed where these are not indicative of future loss patterns.

On that basis, the loss allowance at 31 December 2025 was determined as £1,516,000 (2024: £2,098,000) for trade receivables and accrued income. A reconciliation of these balances is provided as follows:

	Accrued income £'000	**Trade receivables £'000**	**Total £'000**
At 1 January 2025	**48**	**2,050**	**2,098**
Increase/(Decrease) in loss allowance recognised in profit or loss during the year – underlying	**(5)**	**(555)**	**(560)**
Amounts reversed/written off during the year	**–**	**(22)**	**(22)**
At 31 December 2025	**43**	**1,473**	**1,516**

	Accrued income £'000	**Trade receivables £'000**	**Total £'000**
On incorporation	–	–	–
Acquired loss allowance	153	2,099	2,252
Increase in loss allowance recognised in profit or loss during the year – specific	–	417	417
(Decrease)/increase in loss allowance recognised in profit or loss during the year – underlying	(105)	67	(38)
Amounts reversed / written off during the year	–	(533)	(533)
At 31 December 2024	48	2,050	2,098

The overall loss allowance is calculated based on applications of specific and underlying provisions based on loss rates calculated under IFRS 9.

Total impairment gain on financial and contract assets were £1,590,000 in 2025 (2024: loss of £388,000). Included in this amount is a £1,174,000 decrease (2024: £379,000 increase) relating to expected credit loss provisions over trade receivables and accrued income, £nil in 2025 (2024: £207,000) of debts written off directly to the Income Statement, offset by £416,000 (2024: £161,000) primarily relating to dividend payouts confirmed on insolvent customers whose balances were previously written off.

(f) Capital management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern. The board maintains a strong capital structure so as to maintain investor and creditor confidence and to sustain the future development of the business.

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Notes to the Financial Statements (continued)

(g) Disclosure of offsetting arrangements

31 December 2025	Gross balances[1] £'000	Amounts offset[2] £'000	Balance sheet[3] £'000
Financial assets			
Accrued income	**27,766**	**(2,840)**	**24,926**
Financial liabilities			
Accruals	**29,073**	**2,840**	**31,913**

31 December 2024	Gross balances[1] £'000	Amounts offset[2] £'000	Balance sheet[3] £'000
Financial assets			
Trade receivables	27,235	–	27,235
Accrued income	22,100	(1,686)	20,414
Financial liabilities			
Trade payables	(35,802)	–	(35,802)
Accruals	(17,630)	(1,686)	(19,316)

[1] The gross amounts of the recognised financial assets and liabilities.

[2] Amounts are offset where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and liability simultaneously, in accordance with IAS 32.

[3] The net amounts presented in the consolidated statement of financial position.

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24 Business combinations

For year ended 31 December 2025

In February 2025, the Group acquired 100% of the issued share capital of Salisbury Topco Limited and SMA Topco Limited for total consideration of £484,853,000. Together, these businesses operate within the UK metering sector, providing meter rental and related services to domestic and non-domestic energy suppliers, as well as owning and managing smart electricity and gas metering assets. Salisbury Topco Limited also provides outsourced services to other Meter Asset Providers (MAPs) and offers funding and rental solutions for a range of water and low-carbon infrastructure assets, including electric vehicle charging infrastructure, solar generation assets and heat pumps.

The fair values of the assets and liabilities acquired and of the consideration are as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Trade and other receivables	25,269	–	25,269
Other tax receivables	2,160	–	2,160
Cash and cash equivalents	23,084	–	23,084
Customer contracts and relationships	223,674	(51,373)	172,301
Property plant and equipment	561,394	174,550	735,944
Investment in Finance Leases	506	–	506
Derivative financial instruments	85,849	–	85,849
Goodwill (excluding workforce)	120,346	(120,346)	–
Trade and other payables	(24,164)	–	(24,164)
Current portion of long-term debt	(52,772)	–	(52,772)
Deferred tax liabilities	(107,986)	(32,546)	(140,532)
Long-term indebtedness	(853,309)	–	(853,309)
Net identifiable assets acquired	**4,051**	**(29,715)**	**(25,664)**

Net identifiable assets acquired	**4,051**	**(29,715)**	**(25,664)**
Add: goodwill			510,517
Net assets acquired			**484,853**

Satisfied by:	
Cash	**484,853**
Total consideration	**484,853**

The net outflow of cash in respect of the purchase of the business is:

	2025 £'000
Cash consideration	**484,853**
Cash and cash equivalents acquired	(23,084)
Net cash outflow in respect of the purchase of the business	**461,769**

No contingent assets or liabilities were acquired.

The goodwill is attributable to the opportunity to accelerate growth of the Group's metering business. Goodwill will not be deductible for tax purposes.

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Notes to the Financial Statements (continued)

The acquisitions contributed to the Group's revenue by £124,651,000 and increased the Group's loss before tax by £6,919,000 between the date of acquisition and 31 December 2025.

Had the acquisitions completed on 1 January 2025, the acquisitions would have contributed revenue of £135,983,000 and a loss before tax of £7,549,000 for the year ended 31 December 2025.

£38,709,000 of costs were incurred in connection with the acquisition of Salisbury Topco Limited and SMA Topco Limited, these were paid by Cyrus Bidco Limited, a subsidiary company of the Group. In the Income Statement these have been classed as exceptional costs.

Period ended 31 December 2024

In March 2024, the Group acquired Smart Metering Systems Limited for total consideration of £1,319,289,000. The principal activities of the Company were the installation, operation and management of meter and energy infrastructure assets and related data services; the construction and operation of grid-scale battery energy storage systems, the design, installation and management of utility connections and energy infrastructure; and the delivery of energy management and carbon reduction solutions, including the operation of carbon reduction ('CaRe') assets.

The fair values of the assets and liabilities acquired and of the consideration are as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Intangible assets: customer contracts, IT developments and software	17,580	295,300	**312,880**
Goodwill	8,810	(8,810)	–
Tangible assets	691,469	82,300	**773,769**
Investments	1,031	–	**1,031**
Non-current other receivables	16,559	–	**16,559**
Loans to associate	2,000	–	**2,000**
Inventory	435	–	**435**
Trade and other receivables	98,658	–	**98,658**
Cash at bank and in hand	37,315	–	**37,315**
Restricted cash	3,363	–	**3,363**
Trade and other payables	(71,014)	–	**(71,014)**
Current lease liabilities	(773)	–	**(773)**
Other liabilities	(325)	–	**(325)**
Current bank loans and overdrafts	(2,661)	–	**(2,661)**
Other Long Term Liabilities	(3,454)	–	**(3,454)**
Non-current bank loans	(249,037)	–	**(249,037)**
Non-current lease liabilities	(14,899)	–	**(14,899)**
Deferred tax liabilities	(16,031)	(94,400)	**(110,431)**
Net identifiable assets acquired	**519,026**	**274,390**	**793,416**

Net identifiable assets acquired	**519,026**	**274,390**	**793,416**
Add: goodwill			525,873
Net assets acquired			**1,319,289**

Satisfied by:	
Cash	**1,319,289**
Total consideration	**1,319,289**

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Notes to the Financial Statements (continued)

The net outflow of cash in respect of the purchase of the business is:

	2024 £'000
Cash consideration	**1,319,289**
Cash and cash equivalents acquired	(37,315)
Restricted cash acquired	(3,362)
Net cash outflow in respect of the purchase of the business	**1,278,612**

No contingent assets or liabilities were acquired.

The goodwill is attributable to the opportunity to accelerate growth of the Group's metering business. Goodwill will not be deductible for tax purposes.

The acquisition contributed to the Group's revenue by £147,149,000 and increased the Group's loss before tax by £7,723,000 between the date of acquisition and 31 December 2024.

If the acquisition had been completed on 1 January 2024, the Group's revenue would have been £199,434,000 and loss before tax would have been £123,397,000 for the year ended 31 December 2024.

£63,908,000 of costs were incurred in connection with the acquisition of the SMS Group, these were paid by Sienna Bidco. In the Income Statement these have been classed as exceptional costs.

Management has completed its assessment of the fair values assigned to the identifiable assets and liabilities acquired as part of the acquisition of Smart Metering Systems Limited at the end of the measurement period. Following this reassessment, no further fair value adjustments were identified and therefore no changes have been made to the provisional fair values previously recognised.

25 Related party transactions

(a) Key management personnel compensation

The Group has determined that its key management personnel comprise the Executive Directors and certain senior management personnel. The aggregate compensation paid or payable to key management is shown below:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Short-term employee benefits	**5,095**	1,407
Post-employment benefits	**89**	42
Termination benefits	**1,076**	193
	6,260	1,642

(b) Directors

Directors' emoluments

Aggregate remuneration for Executive Directors in respect of qualifying services was:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Aggregate emoluments	**773**	–
Company contributions to money purchase pension scheme	**22**	–
	795	–

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Notes to the Financial Statements (continued)

Number of Directors who accrued benefits under Company pension schemes	2025 £'000	2024 £'000
Money purchase schemes	**1**	–

No Directors exercised options in the current year and no amounts vested under LTIPs.

(c) Associates

The following transactions were carried out with Clenergy EV LTD, an associate of the SMS Group:

Amounts due from associates	2025 £'000	2024 £'000
Opening balance	**2,030**	–
Loans at acquisition	–	2,000
Conversion to equity	**(2,045)**	–
Interest accrued	**15**	30
Closing balance	–	2,030

The loan was unsecured and bore interest at a rate of 3% per annum on the outstanding balance. The loan included an option to convert the outstanding balance into ordinary shares, representing 5.6% of the ordinary share capital of Clenergy EV LTD, in the event that the loan remained unpaid.

As at April 2025, the outstanding loan balance, including accrued interest, was converted into equity at its carrying amount, which was assessed to be equal to the fair value of the equity interest received. Accordingly, no gain or loss was recognised on conversion.

(d) Parent undertaking

On 22 December 2025 ownership of Sienna Midco 2 transferred from Sienna Midco 1 Limited to Sienna Holdco Limited. The transaction did not result in a change in the ultimate controlling party, Kohlberg Kravis Roberts & Co. Inc., and therefore had no impact on the consolidated financial statements of the Group.

During the year, the Group paid a dividend of £159 million to Sienna Midco 1 Limited, the Group's immediate parent company prior to the transfer of ownership.

The following transactions were carried out with Sienna Midco 1 Limited in the period ending 31 December 2024, prior to the transfer of ownership, the Group's immediate parent company post-Acquisition:

Amounts due to parent undertaking	2024 £'000
As at 1 January	–
Loan notes received	989,388
Cash repayment of loan notes	(43,000)
Settlement of shareholder loan through share issue (see Note 26)	(946,388)
Closing balance	–

The loan note was due to be fully redeemed or repaid, on the 360th day following issuance on 2nd April 2024 if not previously redeemed or purchased before then and accrued no interest.

(e) Other related parties

During the year payments of £5,132,000 were made to KKR Capstone EMEA LLP, KKR Kohlberg Kravis Roberts & Co LP and Hamilton Investment Holdco Limited for reimbursement of costs borne in relation to portfolio company management services in the year. No balance remains outstanding as payable to KKR Capstone EMEA LLP as at 31 December 2025.

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Notes to the Financial Statements (continued)

26 Share capital

	2025 £'000	2024 £'000
Allotted and called up:		
38,414,828 (2024: 24,465,625) ordinary shares of £0.01	**384**	245

The Group has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

During the year 13,949,203 (2024: 24,465,625) shares were issued with a nominal value of £139,492 (2024: 244,656) and aggregate consideration of £562,583,000 (2024: 986,429,000) was received. Consideration was received in cash of £562,583,000 (2024: £40,041,000) with the remaining balance of £nil (2024: £946,388,000) received via settlement of shareholder loan payable (see note 25).

27 Reserves

Share premium

Share premium comprises the proceeds received in excess of the nominal proceeds on issue of the Group's equity share capital.

Non-controlling interest

The Non-Controlling Interest (NCI) reserve represents the proportion of equity in subsidiaries not attributable, directly or indirectly, to the parent company. This reserve reflects the share of net assets and post-acquisition results that are allocated to minority shareholders, measured at the proportionate share of the subsidiary's identifiable net assets at the acquisition date, in accordance with IFRS 3 Business Combinations. Movements in the NCI reserve arise from the allocation of profit or loss, other comprehensive income, and any transactions with non-controlling shareholders, including dividends and changes in ownership interests that do not result in a loss of control.

28 Capital commitments

Significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

	2025 £'000	2024 £'000
Property, plant and equipment	**4,571**	20,743

Capital expenditure of £4,571,000 was contracted for in 2025 in relation to property, plant and equipment, primarily relating to the purchase of metering assets. In 2024, capital expenditure of £20,743,000 was contracted for in relation to property, plant and equipment, primarily relating to the Group's grid-scale battery storage projects which were under construction.

29 Ultimate controlling party

Throughout the year and as at 31 December 2025, the ultimate controlling party was Kohlberg Kravis Roberts & Co. Inc.

The smallest group for which Group financial statements are prepared as at 31 December 2025 is Smart Metering Systems Limited. The largest group for which Group financial statements are prepared as at 31 December 2025 is Sienna Midco 2 Limited. Consolidated financial statements of this Group are available from Prennau House Copse Walk, Pontprennau, Cardiff, Wales, CF23 8XH.

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Notes to the Financial Statements (continued)

30 Subsidiary undertakings and associates

A full list of the Group's subsidiaries and associated undertakings (as defined in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008) as at 31 December 2025 is detailed below. Unless otherwise stated, they have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The country of registration is also their principal place of business.

All interests presented in the table below are subsidiaries of the Group except for Clenergy EV Ltd which is an associate of SMS Metering Systems Limited.

	Registered office (see key below table)	Holding	Proportion of shares held	Nature of business
Cyrus Bidco Limited	5	Ordinary shares	100%	Holding company
Salisbury Topco Limited	2	Ordinary shares	100%	Holding company
Salisbury Midco Limited	2	Ordinary shares	100%	Holding company
Salisbury Debtco Limited	2	Ordinary shares	100%	Holding company
Salisbury Parentco Limited	2	Ordinary shares	100%	Holding company
SMA Topco Limited	2	Ordinary shares	100%	Holding company
SMA Parentco Limited	2	Ordinary shares	100%	Holding company
SMA Debtco Limited	2	Ordinary shares	100%	Holding company
SMA Midco Limited	2	Ordinary shares	100%	Holding company
Salisbury Bidco Limited	2	Ordinary shares	100%	Holding company
SMA Bidco Limited	2	Ordinary shares	100%	Holding company
Sienna Midco 3 Limited	5	Ordinary shares	100%	Holding company
Sienna Bidco Limited	5	Ordinary shares	100%	Holding company
Smart Metering Systems Limited	1	Ordinary shares	100%	Business support service activities
SMS Energy Connections Limited	1	Ordinary shares	100%	Gas utility connections
SMS Meter Assets Limited	1	Ordinary shares	100%	Gas and electric asset management
SMS MAPCO 1 Limited	2	Ordinary shares	100%	Gas and electric asset management
SMS Data Management Limited	1	Ordinary shares	100%	Data management
UKMA (AF) Limited*	2	Ordinary shares	100%	Funding
SMS Corporate Services Limited	1	Ordinary shares	100%	Administrative services
SMS Asset Management Limited*	2	Ordinary shares	100%	Gas and electric third-party asset management
SMS Energy Services Limited	2	Ordinary shares	100%	Electricity utility connections and management
SMS Data Services Limited*	2	Ordinary shares	100%	Electric asset and data management
CH4 Gas Utility and Maintenance Services Limited*	2	Ordinary shares	100%	Meter installation
SMS Utilities Academy Limited*	2	Ordinary shares	100%	Engineer training and development
Trojan Utilities Limited*	2	Ordinary shares	100%	Meter installation
Qton Solutions Limited*	2	Ordinary shares	100%	Business and domestic software development
Solo Energy Limited (UK)*	1	Ordinary shares	100%	Renewable asset management
Solo Energy Limited (Ireland)*	3	Ordinary shares	100%	Renewable asset management
Horizon Water Infrastructure Limited	5	Ordinary shares	100%	Meter Asset Provider
Horizon Energy Deutschland GmbH	7	Ordinary shares	100%	Meter Asset Provider
N3rgy Data Limited*	2	Ordinary shares	100%	Renewable asset management

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Notes to the Financial Statements (continued)

	Registered office (see key below table)	Holding	Proportion of shares held	Nature of business
Clenergy EV Ltd	4	Ordinary shares	48%	Renewable asset management
Metis Energy Limited	2	Ordinary shares	100%	Home energy solutions
EO Infraco 1 Len Limited	6	Ordinary shares	75%	Home energy solutions
Smart Battery Systems Limited	2	Ordinary shares	100%	Dormant
Metering Limited	2	Ordinary shares	100%	Dormant
Horizon Energy Infrastructure Limited	2	Ordinary shares	100%	Meter Asset Provider
HGS Metering Limited	2	Ordinary shares	100%	Meter Asset Provider
Smart Meter Assets 1 Limited	2	Ordinary shares	100%	Meter Asset Provider
Horizon Energy Ventures Limited	2	Ordinary shares	100%	Renewable asset management
Heat RHIght Limited	2	Ordinary shares	100%	Meter Asset Provider

* The shareholding in this company is indirect, via a subsidiary company.
[1] Registered office address: 2nd Floor, 48 St. Vincent Street, Glasgow G2 5TS.
[2] Registered office address: Prennau House, Copse Walk, Cardiff Gate Business Park, Cardiff CF23 8XH.
[3] Registered office address: Unit 4 Joyce House, Barrack Square, Ballincollig, Cork, P31HW35, Republic of Ireland.
[4] Registered office address: The Mill House Erw Hir, Llantrisant, Pontyclun, Wales, CF72 8BY.
[5] Registered office address: Brewery House, 34-44 Gigant Street, Salisbury, United Kingdom, SP1 2AP
[6] Registered office address: C/O External Services Limited Central House, 20 Central Avenue, St Andrews Business Park, Norwich, United Kingdom, NR7 0HR
[7] Registered office address: Luise-Ullrich-Straße 14, 80636 Munich, Germany

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2025.

Name	Registration number
CH4 Gas Utility and Maintenance Services Limited	07541243
Cyrus Bidco Limited	16079622
Heat RHIght Limited	10799854
Horizon Energy Ventures Limited	12966640
Horizon Water Infrastructure Limited	15786027
Metis Energy Limited	14648082
Qton Solutions Limited	07046582
Salisbury Debtco Limited	12234630
Salisbury Midco Limited	12234445
Salisbury Parentco Limited	12234721
Salisbury Topco Limited	12234247
Sienna Midco 3 Limited	15311037
Sienna Bidco Limited	15311159
SMS Asset Management Limited	12285853
SMA Parentco Limited	15842085
SMA Topco Limited	12859155
SMS Corporate Services Limited	SC614591
SMS Data Management Limited	SC367412
SMS Data Services Limited	13166529
SMS Energy Connections Limited	SC247671

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Notes to the Financial Statements (continued)

Name	Registration number
SMS Energy Services Limited	03197379
SMS MAPCO 1 Limited	11022594
SMS Metering Assets Limited	SC320750
SMS Utilities Academy Limited	11896547
Solo Energy Limited	SC487193
Trojan Utilities Limited	07790830
UKMA (AF) Limited	07130739

31 Post balance sheet events

In August 2026 the Group entered into a new debt package totalling £2.3 billion which comprises a £1.5 billion term loan, a £0.6 billion revolving credit facility and £0.2 billion of private placement loan notes. In entering the new debt package, the Group repaid all existing loan facilities including any accrued interest and associated costs in full.

On 2 September 2026 the Group declared and paid an interim dividend of £35 million to the immediate parent company, Sienna Holdco Limited.

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Parent Company Balance Sheet

As at 31 December 2025

	Notes	2025 £'000	2024 £'000
Non-current assets			
Investments in subsidiaries	3	1,548,868	986,284
Total non-current assets		**1,548,868**	**986,284**
Current assets			
Deferred tax asset		90	25
Cash and cash equivalents	6	152	149
Total current assets		**242**	**174**
Current Liabilities			
Trade and other payables	7	369	99
Total current liabilities		**369**	**99**
Total assets less current liabilities		**1,548,741**	**986,359**
Net assets		**1,548,741**	**986,359**
Capital and reserves			
Share capital	8	384	245
Share premium	10	–	986,185
Retained earnings/(deficit)		1,548,357	(71)
Equity shareholders' funds		**1,548,741**	**986,359**

No profit and loss account is presented by the Company, as permitted by section 408 of the Companies Act 2006. The profit after taxation dealt with in the financial statements of the Company was £158,800,000 (2024: loss of £71,000) for the financial year ended 31 December 2025.

The parent company financial statements on pages 68 to 74 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Signed by:
03EB3043BCC8412...

Ian Smyth
Director

Date: 28 September 2026
Company registration number
15310672

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Parent Company Statement of Changes in Equity

For the year ended 31 December 2025

Attributable to the owners of the parent company	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
As at 27 November 2023	–	–	–	**–**
Total comprehensive loss for the period	–	–	(71)	**(71)**
Transactions with owners in their capacity as owners				
Shares issued	245	986,185	–	**986,430**
As at 31 December 2024	**245**	**986,185**	**(71)**	**986,359**
Total comprehensive loss for the year			**158,800**	**158,800**
Transactions with owners in their capacity as owners			**158,800**	**158,800**
Shares issued	**139**	**562,443**	**–**	**562,582**
Share capital reduction	**–**	**(1,548,628)**	**1,548,628**	**–**
Dividend paid	**–**	**–**	**(159,000)**	**(159,000)**
As at 31 December 2025	**384**	–	**1,548,357**	**1,548,741**

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Notes to the Parent Company Financial Statements

The parent company financial statements of Sienna Midco 2 Limited (the 'Company') for the ending 31 December 2025 were authorised for issue by the Board of Directors on 28 September 2026 and the balance sheet was signed on the Board's behalf by Ian Smyth. Sienna Midco 2 Limited is a private limited company limited by shares and incorporated and domiciled in England, with its registered office at Prennau House Copse Walk, Pontprennau, Cardiff, Wales, CF23 8XH.

1 Parent company accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and on a historical cost basis.

The accounting policies of the parent Company financial statements follow those policies which apply in preparing the consolidated financial statements for the year ended 31 December 2025. The financial statements are prepared in British Pounds Sterling and are rounded to the nearest thousand Pounds (£'000).

The prior period financial statements were prepared for a reporting period of just over 13 months in 2024, from the date of incorporation on 27 November 2023 to 31 December 2024 as the Company's first period of accounts. The period was extended to bring the accounting reference date in line with the fellow group companies.

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

- the requirements of IFRS 7 'Financial Instruments: Disclosures';
- the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- the requirements of paragraphs 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures and the requirements in IAS 24 to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is part to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(f)(ii)-(iii), 134(d) – 134(f) and 135(c) – 135(e) of IAS 36 Impairment of Assets in respect of disclosure of valuation techniques, assumptions on which projections used in the impairment review are based and sensitivity analysis.

Equivalent disclosures are included in the Group's consolidated financial statements as required by FRS 101 where exemptions have been applied.

Disclosure of auditor remuneration for non-audit fees is not given in the individual financial statements as the Group accounts are required to comply with regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 and present the information on a consolidated basis.

The Company is a guarantor in respect of the Group's borrowing facility to the extent the facilities are utilised by another member of the Group other than the Company itself. The fair value of the parental guarantee has been assessed and is not considered significant on the basis that the subsidiary undertaking utilising the facility has a creditworthiness at least similar to the Company. The Company assesses, on a forward-looking basis, the expected credit losses associated with the guarantee. The impairment assessment considers the financial position of the subsidiary undertaking utilising the facility and concluded that there is no significant risk to the Company of impairment over the guarantee. While the guarantee is subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Going concern

Based on the current projections and facilities in place, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis. A detailed assessment for the Group is disclosed in the accounting policies to the consolidated financial statements.

Investments in subsidiaries

Investments in subsidiary undertakings are stated in the balance sheet of the Company at cost, or nominal value of the shares issued as consideration where applicable, less provision for any impairment in value.

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Notes to the Parent Company Financial Statements (continued)

Cash and cash equivalents

Cash and cash equivalents in the company statement of financial position comprises cash at bank and in hand.

The tax charge or credit represents the sum of tax currently payable.

Taxation

Tax currently payable is based on the taxable profit for the year and any adjustment to tax payable in respect of prior years. Taxable profit differs from accounting profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date. Current tax is recognised in the income statement.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is recognised in respect of all temporary differences that have originated from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the asset or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. It is recognised in the income statement.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The financial assets that the Company holds are classified as follows:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss within operating income in the Statement of Comprehensive Income.

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Notes to the Parent Company Financial Statements (continued)

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less. Cash and cash equivalents comprise cash and short-term deposits as defined above, net of bank overdrafts, where there is a right to offset against corresponding cash balances.

Deposits held with original maturities of greater than three months are shown as other financial assets.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities
The financial liabilities include other payables. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss as appropriate. Other payables are subsequently measured at amortised cost using the effective interest rate method. Other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Due to their short-term nature, carrying value is considered to approximate fair value.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

2 Critical accounting judgements and key sources of estimation uncertainty

The Directors make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are made and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of investments
The Company determines at each reporting date whether there is any objective evidence that their investment is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount adjacent to “impairment” in the income statement.

In assessing the recoverable amount, management estimates the recoverable amount of the subsidiary based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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Notes to the Parent Company Financial Statements (continued)

3 Investments in subsidiaries

Carrying value	2025 £'000	2024 £'000
At 1 January	**986,284**	–
Additions	**562,584**	986,284
At 31 December	**1,548,868**	986,284

Additions in the year relate to newly acquired share capital in existing subsidiary, Cyrus Bidco Limited.

Investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired.

Subsidiary undertakings
Details of the subsidiary undertakings of the Company, including those that are held indirectly, are listed in note 30 to the consolidated Group financial statements.

4 Dividends

Please refer to details in note 7 to the Group financial statements.

5 Tax expense

The Company was incorporated in the United Kingdom ("UK").

(a) Analysis of tax charge/(credit) for the year

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Current tax:		
UK corporation tax at 25%	**(66)**	**(24)**
Tax charge for the year	**(66)**	**(24)**

(b) Reconciliation of tax credit

The reconciliation of tax on loss at the standard rate of UK corporation tax to the Company's actual tax charge is analysed as follows:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Profit before taxation	**158,735**	**(96)**
Tax on profit at standard UK tax rate of 25%	**39,684**	(24)
Income not taxable	**(39,750)**	**-**
Tax charge for the year	**(66)**	**(24)**

6 Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank	**152**	**149**

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Notes to the Parent Company Financial Statements (continued)

7 Trade and other payables

	2025 £'000	2024 £'000
Accruals	**369**	99
As at 31 December	**369**	99

8 Share capital

	2025 £'000	2024 £'000
Allotted and called up:		
38,414,828 (2024: 24,465,625) ordinary shares of £0.01	**384**	**245**

All ordinary shares entitle the holders to receive notice of, to attend, speak at and vote at all general meetings of the Company.

During the year 13,949,203 (2024: 24,465,625) shares were issued with a nominal value of £139,492 (2024: 244,656) and aggregate consideration of £562,583,000 (2024: 986,429,000) was received.

9 Related party transactions

During the year there were no transactions with related parties or outstanding balances at 31 December 2025.

10 Reserves

Share premium

Share premium comprises the proceeds received in excess of the nominal proceeds on issue of the Company's equity share capital.

On 4 December 2025, the Company's share premium was reduced by £1,548,628,000 in accordance with the solvency statement procedure set out in Section 642 of the Companies Act 2006, with the amount credited to the Company's distributable reserves.

Share capital

On 22 December 2025 the share capital transferred from Sienna Midco 1 Limited to Sienna Holdco Limited. Share capital represents the nominal value of subscribed capital.

11 Post balance sheet events

On 27 August 2026 Sienna Midco 2 Limited received dividends of £65,543,000 from subsidiary Cyrus Bidco Limited. Subsequently Sienna Midco 2 then declared and paid an interim dividend of £35,000,000 to the immediate parent company, Sienna Holdco Limited.