

# Evolve Energy

## Consolidated Segmental Statement

This (non-audited) Consolidated Segmental Statement ("CSS") has been prepared in accordance with Standard Licence Condition 19A of the Gas and Electricity Supply Licences and Standard Licence Condition 16B of the Electricity Generation Licence. Evolve Energy is the Ofgem licensed entity. It has been produced retrospectively following OFGEM's decision that took effect from 29th March 2024, requiring all non-domestic suppliers within excess of 10 meter supply points to publish CSS activity of Evolve Energy in the provision and supply of electricity and gas to industrial and commercial customers ("Supply"). The September 2024 CSS will be audited.

### Evolve Energy Consolidated Segmental Statement for year ended 30 September 2023

	Unit	Electricity Supply		Gas Supply		Aggregate Supply Business
		Domestic	Non-Domestic	Domestic	Non-Domestic	
		2023	2023	2023	2023	
<b>Total Revenue</b>	£m	0.0	273.2	0.0	32.9	306.1
Revenue from sale of electricity and gas	£m	0.0	273.2	0.0	32.9	306.1
Other Revenues	£m	0.0	0.0	0.0	0.0	0.0
<b>Total Operating Costs</b>	£m	0.0	269.3	0.0	31.7	301.0
Direct fuel costs	£m	0.0	174.2	0.0	27.0	201.2
Direct Costs:		0.0	92.3	0.0	4.3	96.5
Transportation Costs	£m	0.0	52.0	0.0	0.0	52.0
Environmental and social obligations costs	£m	0.0	34.1	0.0	0.0	34.1
Other direct costs	£m	0.0	6.2	0.0	4.3	10.5
Indirect costs	£m	0.0	2.8	0.0	0.4	3.2
EBITDA	£m	0.0	3.9	0.0	1.2	5.1
Depreciation and amortisation	£m	0.0	0.1	0.0		0.1
EBIT	£m	0.0	3.9	0.0	1.2	5.1
<b>Volume</b>	TWh, m therms	N/A	1.0	N/A	16.4	
<b>WACO E/G</b>	3/MWh, p/th	N/A	178.7	N/A	164.6	
<b>Meter Points</b>	000s	0.0	13.0	0.0	2.3	15.3

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30/07/2024

- (1) Volume measured net of losses i.e. Customers Meter Point for electricity supply and Local Distribution Zone for Gas supply.
- (2) Weighted average input cost of fuel ("WACO") for Supply of electricity / gas. WACO is calculated as the direct fuel cost per MWh. This covers the wholesale energy costs, the energy element of Reconciliation by Difference costs as well as balancing and shaping costs.
- (3) Dual Fuel customers are included within Customer numbers in both Electricity and Gas supply segments. Customer numbers are based on average number of meters. Our Supply Business
- (4) Indirect costs have been proportionally split between Electricity and Gas based on revenue.

### Basis of Preparation

#### Revenue

Revenues from sales of electricity and gas include revenues from the direct sale of electricity and gas to non-domestic customers.

#### Direct fuel costs

Direct fuel costs represent the cost of purchasing energy in advance from external counterparties, as well as on the day ahead "spot" price. It also includes the cost of shape and imbalance charges incurred. Evolve Energy's hedging policy is to take an ultra-low risk to all forms of price risk. This is principally enacted by ensuring that all Evolve Energy trading with our GTMA/EFET counterparties mirrors the hedging activity of our customers through our trade desk in real time. Evolve Energy does not engage in any speculative trading of volumes.

#### Transportation costs

Transportation Costs include all costs incurred in delivering energy to customers (e.g. Transmission ("TNUoS"), Balancing Services ("BSUoS"), Distribution ("DUoS").

#### Environmental and social obligation costs

These include costs such as Contracts for Difference (CfD), Capacity Market (CM), the Renewable Obligation ("RO"), Feed in Tariff ("FIT"), Assistance for Areas with High Electricity Distribution Costs ("AAHEDC") and Renewable Energy Guarantees of Origin "REGOs".

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### Basis of Preparation Continued

#### Other direct costs

These include all other gross margin costs but do not include customer or business support costs (e.g. Customer service costs and HR costs, which are included in indirect costs). Such costs include Metering and Credit Insurance.

#### Indirect costs

Indirect costs contain staff costs, property costs, I.T and marketing costs. These have been proportionally allocated between Electricity and Gas based on revenue generated.

#### EBITDA/EBIT

- EBITDA is earnings before interest, tax, depreciation and amortisation.
- EBIT is earnings before interest and tax.

#### WACO

As required by Ofgem's guidance, the weighted average input cost of fuel ("WACO") covers the wholesale energy cost, losses, balancing and shaping costs. It does not include other direct costs such as distribution, transportation, metering and renewable obligations.

#### Volume

The Supply volume is as recorded at the customer meter point (i.e. net of losses) for electricity and at the Local Distribution Zone (LDZ) for gas (i.e. purchased volumes which are net of shrinkage but before subsequent losses).

#### APPENDIX 1: Reconciliation of EBITDA and EBIT to the Evolve energy Financial Statements

This is not required given that there are no reconciling items, and EBITDA and EBIT agrees to the figures in the statutory accounts of the Company.