Consolidated Segmental Statement (CSS)

Conrad Energy (Trading) Limited

Financial Year Ended 31 March 2025

Basis for preparation

This Consolidated Segmental Statement (CSS) has been produced in accordance with Standard Condition 19A of the Electricity and Gas Supply Licences. It provides transparency over the profitability of Conrad Energy's licensed supply activities, focusing on the non-domestic electricity segment.

Conrad Energy (Trading) Limited supplied electricity only to non-domestic customers during the reporting year. There were no domestic or gas supply activities during this period.

The CSS has been produced using the financial data included in Conrad Energy (Trading) Limited's financial statements for the year ended 31 March 2025.

Description	Unit	Electricity supply		Gas supply		Aggregate supply business
		Domestic	Non-Domestic	Domestic	Non-Domestic	
Total revenue	£'M	**0.0**	**20.9**	**0.0**	**0.0**	**20.9**
Revenue from sale of electricity and gas	£'M	0.0	20.9	0.0	0.0	20.9
Other revenues	£'M	0.0	0.0	0.0	0.0	0.0
Total operating costs	£'M	**0.0**	**18.8**	**0.0**	**0.0**	**18.8**
Direct fuel costs	£'M	0.0	7.6	0.0	0.0	7.6
Direct costs:	£'M					
Transportation costs	£'M	0.0	5.4	0.0	0.0	5.4
Environmental and social obligations costs	£'M	0.0	2.3	0.0	0.0	2.3
Other direct costs	£'M	0.0	0.6	0.0	0.0	0.6
Indirect costs	£'M	0.0	2.9	0.0	0.0	2.9
EBITDA	£'M	**0.0**	**2.1**	**0.0**	**0.0**	**2.1**
Depreciation and amortisation	£'M	0.0	0.0	0.0	0.0	0.0
EBIT	£'M	**0.0**	**2.1**	**0.0**	**0.0**	**2.1**
Volume	TWh, m therms	0.0	0.1	0.0	0.0	
WACO E/G	£/MWh, p/th	0.0	89.1	0.0	0.0	
Meter Points	000s	0.0	0.1	0.0	0.0	0.1

Revenues

Revenues comprise of the value of electricity supplied to non-domestic customers during the year, based on billed volumes and an estimate of unbilled volumes between the date of last billing and the year end date.

Direct costs

Direct Fuel costs for Supply include electricity and imbalance costs. Energy Supply is procured at market prices via a combination of bilateral, over-the-counter (OTC), and exchange-based trades/contracts. Market prices will be those that are current at time of procurement and fixed price products are hedged based on the expected demand prior to the start of the contract period. For Supply the WACOE (Weighted Average Cost of Electricity (£/MWh)) covers the wholesale energy cost, balancing and shaping costs, margin and any imbalance costs incurred by the Supply licensees

Transportation costs

Transportation costs cover all use of system charges (TNUoS and DUoS) as well as Balancing Use of System Charges (BSUoS).

Environmental and social obligations costs

Environmental and Social Obligation Costs comprise of the Climate Change Levy (CCL), Contracts for Difference (CfD) charges, Feed-in Tariff (FiT) costs, and Renewables Obligation (RO) provisions related to supplied volumes. Costs are allocated to the electricity supply segment based on the applicable scheme and the volume of electricity supplied.

Other direct costs

Other Direct Costs include brokers' fees, including the non-capital elements of sales commissions paid to intermediaries, where such costs are directly attributable to generating revenue through electricity contract acquisition.

Indirect costs

Indirect Costs are the costs associated with billing, customer service, support services, sales and marketing, staff costs, and metering-related costs. Where it is not possible to allocate these costs directly to a specific customer segment, they are apportioned using a costing model based on customer numbers, transaction volumes, and employee activity. In addition, where direct attribution is not feasible, a reasonable proportion of CETL overheads, including payroll, recharged from the parent company, Conrad Energy Limited, has been assumed to relate solely to the supply side of the business.

Depreciation and Amortisation

Depreciation and Amortisation Costs include depreciation of fixed assets and leased properties, and amortisation of computer software and other intangible assets.
<u>No depreciation or amortisation noted for year ended 31st March 2025</u>

Exceptional items

In line with Ofgem guidelines, exceptional items may include, but are not limited to, profits or losses on disposals, recognised restructuring costs, and impairment charges.
<u>No exceptional items have been reported for the year.</u>

Hedging Policy and Energy Procurement

Conrad Energy (Trading) Limited ("CETL") supplies electricity to non-domestic customers through both fixed and flexible contracts.

CETL is also active in the power purchase agreement ("PPA") market and procures electricity from a variety of renewable (wind, solar, hydro) and non-renewable sources, on both short and medium term contracts. These PPA's are sourced either directly with the asset owner or are tendered for through third party intermediaries ("TPI") or on various renewable exchanges i.e. EPower.

Power from PPA's and supply to end users is then compared on a half-hour by half-hour basis (forecasted) forwarded into the future. Where there are differences i.e. PPA volume imported is greater than supply volume exported CETL will place volumes in the wholesale electricity market with market counterparties. The forecasted volumes and balancing trades are done regularly to ensure the combined PPA and Supply books are matched.

CETL is a member of both EPEX-Spot and Nordpool Power exchanges in the UK which gives it access to within day and day ahead power.

CETL also has GTMA/EFET trading relationships for electricity with AXPO, Danske, Shell and Exelon that provide access to the forward wholesale curve for power.

Procurement is aligned with expected customer demand, and pricing reflects market conditions at the time of trade.

Balancing costs address variance between forecasts and actual usage.

The volume risk associated with differences between forecast and actual customer demand is borne by CETL. Hedging and procurement strategies are designed to mitigate exposure to wholesale price volatility; however, residual volume risk remains with CETL.

Where trading arrangements involve Affiliates, Trading Counterparties, or third parties , these arrangements are executed on an arm's length basis and do not transfer underlying volume risk unless explicitly contractually agreed. In standard arrangements, such counterparties provide price risk management and market access, while volume risk remains with CETL.

Volumes and Meter Points Definitions

- Volumes (0.1 TWh rounded to 1 decimal place – total for the year in GWh 85.32) represent net energy delivered at the meter point after losses.
- Meter Points (0.1k) are the average number of electricity, non domestic meter points during the reporting year.

WACOE

Weighted Average Cost of Electricity – calculated as Direct Fuel Costs / Volume Supplied.

Reconciliation to Statutory Financial Statements of Conrad Energy (Trading) Limited

For the Year Ended 31st March 2025
(£ million)

Revenue Reconciliation

Description	Amount (£m)
Revenue in segmental reporting *(CSS)*	20.9
Revenue from other trading activities *(Reconciling item)*	16.8
Total Revenue per Statutory Accounts	**37.7**

Cost of Sales Reconciliation

Description	Amount (£m)
Direct cost of sales in segmental reporting *(CSS)*	(15.9)
Cost of sales from other trading activities *(Reconciling item)*	(19.1)
Total Cost of Sales per Statutory Accounts	**(35.0)**

Overheads Reconciliation

Description	Amount (£m)
Overheads in segmental reporting *(CSS)*	(2.9)
Overheads from other trading activities *(Reconciling item)*	(4.1)
Total Overheads per Statutory Accounts	**(7.0)**

EBIT in segmental reporting *(CSS)*	2.1
Net EBIT from other Trading activities *(Reconciling item)*	(6.4)
EBIT per Statutory Accounts (Total)	**(4.3)**

Narrative Notes

The segmental reporting reflects the supply business performance only.
Revenue and cost figures from non-supply activities are included to reconcile with total company revenue and cost of sales in the statutory financial statements.
Overheads are allocated between supply and non-supply segments based on internal cost allocation methodologies.
EBIT reconciles with statutory accounts after accounting for all segments and recharges.