

EVEN BIGGER BETTER FASTER STRONGER

"WITH STRONG FOUNDATIONS, DISCIPLINED EXECUTION AND A CLEAR STRATEGIC ROADMAP, WE ARE CONFIDENT IN OUR ABILITY TO DELIVER CONSISTENT PERFORMANCE AND LONG TERM VALUE FOR ALL STAKEHOLDERS."

BUSINESS REVIEW

Financial performance

- › Revenue of £700m, up 8% in year (2024: £646m), with organic meter point growth of 49% to 131k (2024: 88k) and equivalent volume of energy supplied growth of 14% to 2.5 TWh (2024: 2.2 TWh).
- › Adjusted EBITDA¹ at £51m (2024: £49m), with a normalising gross margin of 14.3% (2024: 14.5%), highly effective customer collection rates despite declining economic conditions and continuing leverage of operational overheads through Digital by Default.
- › Profit before tax increased 9% to £49m (2024: £45m).
- › Cash balance of £106m at 31 December 2025 (2024: £85m).
- › Smart meter rollout continues to deliver benefits to the Group with a long-term index-linked annuity income ("ILARR"), of £2.2m at 31 December 2025 (2024: £1.3m).
- › Adjusted earnings per share, fully diluted, increased to 216p (2024: 210p).
- › Final recommended dividend of 45p per share (2024: 41p), providing a total 2025 dividend of 67p per share (2024: 60p) and continuing our progressive dividend policy whilst retaining cover of >3.0x on adjusted diluted EPS.

Operational delivery

- › The Group has delivered record-breaking meter growth, delivering 43k net additions (2024: 35k) and growing market share to 3.5% (2024: 2.7%). Market opportunity remains with 3.6m meter points and a £50bn B2B addressable market.
- › Yü Group continues to significantly over-index in acquisition of available switchers, acquiring 11% of market switchers in the B2B market in 2025 (2024: 7%).
- › Yü Smart has had a transformational year, with significant investment in systems and processes as well as engineer training through our technical training and development centre to streamline the meter install process and deliver a seamless customer experience.

1. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, non-recurring costs and share-based payments. See reconciliation in note 7 to the financial statements.

- › During 2025, the Group entered a new strategic partnership with HSBC to provide banking arrangements to the Group, offering enhanced capabilities and commercial terms, as well as a clear route to flexible competitive financing arrangements where required.
- › Yü Energy was recognised for a third year in a row in the Sunday Times Top 100 Places to Work.

Current trading and outlook

- › Strong momentum from 2025 has continued into 2026 with record revenue, EBITDA and record cash balance in February, despite market uncertainty.
- › Strong contract book as we enter 2026. £668m contracted revenue at end of 2025 for 2026 delivery, with commodity prices expected to fluctuate dependent on geopolitical and macroeconomic factors with some planned growth in non-commodity prices as a result of UK policy. Total contract book of £1.4bn (2024: £1.0bn).
- › 2026 kicks off the three-year plan to deliver at least 7% market share, with a self-funded incremental £9m+ planned opex investment to grasp the market opportunity planned in year.
- › Management targets growth in 2026:
 - › Over 175k meter points under contract and over 60k smart meter assets owned.
 - › Contract book growth to over £1.75bn by 31 December 2026.
 - › Revenue to be in a range of £850m – £875m.
 - › Adjusted EBITDA and PBT in line with 2025, with growth of underlying profitability tempered by overhead investment to support future opportunity.
 - › Cash expected to decline marginally due to early ROC payment and further investment in sales acquisition costs.
- › Progressive dividend policy expected to remain, trending towards the 3x dividend cover on adjusted diluted EPS.

OUR PURPOSE

At Yü, we do not believe that managing the gas and power contract for your business needs to be complicated, drawn out or expensive. Our purpose is to help businesses to realise Yütility Simplicity, freeing up time and resources so that they can focus on making their businesses thrive.

OUR VISION

To revolutionise the utilities market by empowering businesses with simple, smart, and innovative energy solutions. We aim to disrupt the dominance of the Big Six energy suppliers, champion the adoption of smart meters, and lead the way towards a transparent, sustainable, and customer-centric future.

OUR ACTIVITIES



ENERGY

Supply of business gas and electricity



SMART

Smart meter installation, maintenance and ownership

WHO WE SERVE



Micro, small and medium businesses



Multi-site, complex, industrial and commercial companies



Third-party intermediaries ("TPIs")



Other partners

CONTENTS

IFC Strategic Report

IFC Business review
02 Strategic approach
10 At a glance
12 Chairman's statement
14 Business model
16 Market opportunity and positioning
18 Chief Executive Officer's statement
20 Investment case
22 Finance review
25 Strategic partnerships
26 Our financial framework and capital allocation policy
28 Key performance indicators
32 Section 172 statement and our stakeholders
36 Risk management
37 Principal risks and uncertainties

42 Corporate Governance

44 Board of directors
46 Corporate governance report
52 Audit Committee report
54 Remuneration report
58 Directors' report
61 Statement of directors' responsibilities

62 Financial Statements

64 Independent auditor's report
69 Consolidated statement of profit and loss and other comprehensive income
70 Consolidated and Company balance sheet
71 Consolidated statement of changes in equity
72 Company statement of changes in equity
73 Consolidated statement of cash flows
74 Notes to the consolidated financial statements
109 Company information



Visit our website to find out more about Yü Group PLC

STRATEGIC APPROACH

BIGGER

HIGH GROWTH

As an independent, forward-thinking challenger brand, Yü Group PLC was founded to disrupt the business energy market and provide a reliable alternative to the Big Six suppliers. Since our inception, we've experienced significant growth, surpassing all expectations. We continue to capitalise on the vast potential of the commercial energy sector, exploring diverse avenues to seize new opportunities.

By offering a compelling customer proposition that fosters loyalty amongst our existing clients, combined with strategic acquisitions, we are committed to sustainably scaling our operations. Our smart metering division, Yü Smart, has opened up new avenues for growth, expanding our meter ownership, tapping into higher-value opportunities, and generating index-linked rental income that will support our long-term growth.

READ MORE

- ▶ Our business model: [page 14](#)
- ▶ Market opportunity and positioning: [page 16](#)

131k

METER POINTS SUPPLIED
2024: 88k

2.5 TWh

EQUIVALENT VOLUME SUPPLIED
2024: 2.2 TWh

40%

CONTRACTED REVENUE GROWTH
2024: £1.0bn, 2025: £1.4bn

£46m

AVERAGE MONTHLY BOOKINGS
2024: £43m

STRATEGIC APPROACH continued

BETTER

MORE PROFITABLE

Our goal is to continue our market-leading business growth but also to ensure that it remains sustainable and controlled. Having faced unprecedented volatility and events within the market over recent years, we have refined our process, controls and strategy to adapt and deliver within the ever evolving landscape.

Our healthy balance sheet position and close supplier relationships, combined with streamlined operational processes, a driven team and low cost to serve, leaves Yü Group well positioned to continue driving profitable and resilient growth.

READ MORE

- ▶ Finance review: **page 22**
- ▶ Key performance indicators: **page 28**

£700m

REVENUE
2024: £646m

£51m¹

ADJUSTED EBITDA
2024: £49m

£106m

CASH
2024: £85m

216p²

EARNINGS PER SHARE
2024: 210p

1. Adjusted EBITDA is reconciled to operating profit on page 23.
2. Adjusted and fully diluted.

F A S

UTILISING TECHNOLOGY

Yü Energy is delighted that in the most recent Market Share Report by Cornwall Insight, our market-leading growth has continued. Having moved into the Top 20 in 2023, Yü Energy moved into the Top 10 in 2025, now as the seventh largest SME supplier in the UK for business gas and eighth largest SME supplier for electricity meters. Yü Energy held a 3.5% market share of the SME sector by 31 October 2025.

Our relentless obsession with Digital by Default has helped drive this growth forward, as we have begun to harness the power of Artificial Intelligence to improve every stage of the customer experience and continue to make energy simple for business owners. All of this is supported by our drive to ensure every business utilises a smart meter to improve accuracy, insight and speed to resolve issues.

[READ MORE](#)

► Smart meters: page 17

T E R

11%

B2B SWITCHERS CHOOSING YÜ
2024: 7%

3.5%

MARKET SHARE
2024: 2.7%

£2.2m

INDEXED ANNUITY INCOME FROM
SMART METERS
2024: £1.3m

16.4k

SMART METERS INSTALLED
2024: 22.9k

STRO NGER

ROBUST SYSTEMS AND EXPERIENCED MANAGEMENT

By implementing our robust risk management strategy alongside the rollout of smart meters, we're able to mitigate many of the risks the market presents. This is supported by our experienced management team, which brings a wealth of knowledge from the energy sector and beyond, using its expertise to develop innovative solutions that optimise our performance and set us apart in the market.

We're also dedicated to fostering the development of our people through strong stakeholder engagement, offering clear career paths and creating unique roles such as our smart meter technician position. Our employees play a vital role in ensuring our customers receive the best possible experience, helping us maintain high retention rates, actively manage our portfolio, and attract new clients.

Our commodity trading agreement with Shell was implemented in 2024, allowing the continued focus on commodity risk management and hedging, without the requirement of posting cash collateral, allowing the Group to invest in other areas to drive growth.

READ MORE

- ▶ Commodity agreement: [page 25](#)
- ▶ Our people: [page 34](#)

100%

COMPLIANCE WITH COMMODITY HEDGING RISK MANDATE

3.9

TRUSTPILOT SCORE
2024: 4.2

0.5%

REDUCTION IN GENERAL OVERHEADS¹
2024: 4.9% > 2025: 4.4%

1. General overheads are as defined on [page 31](#).

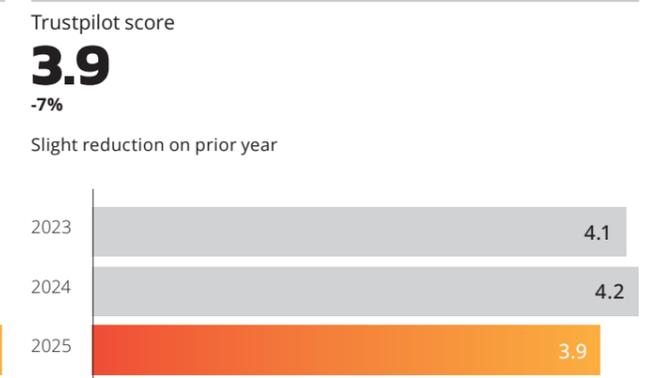
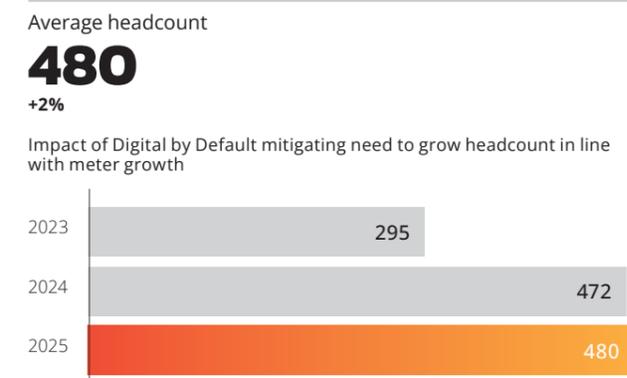
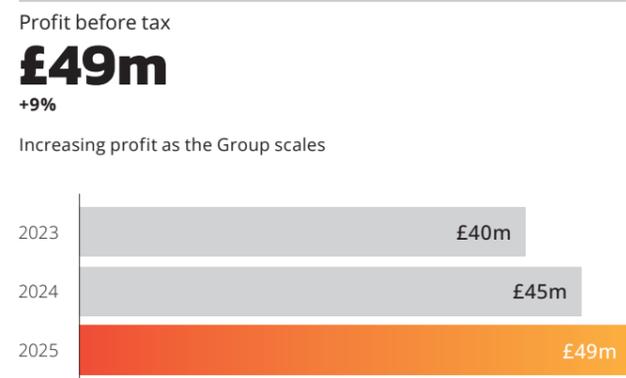
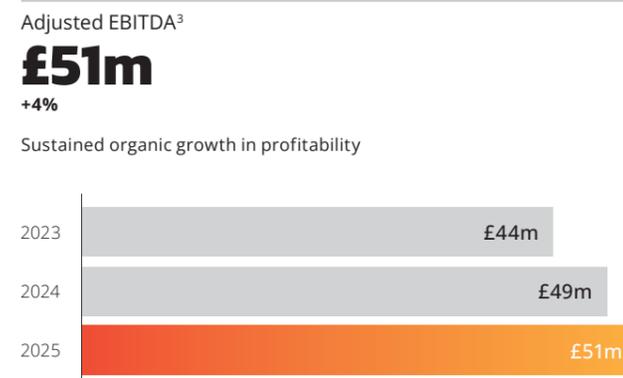
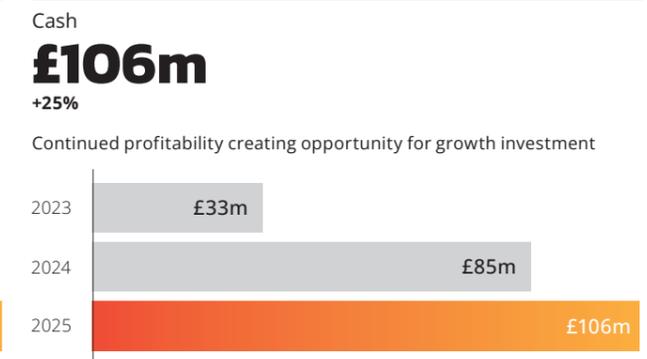
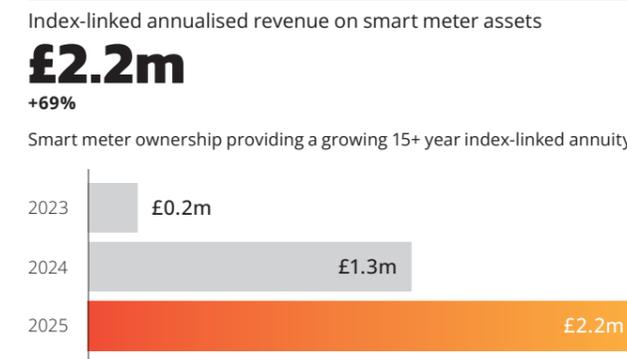
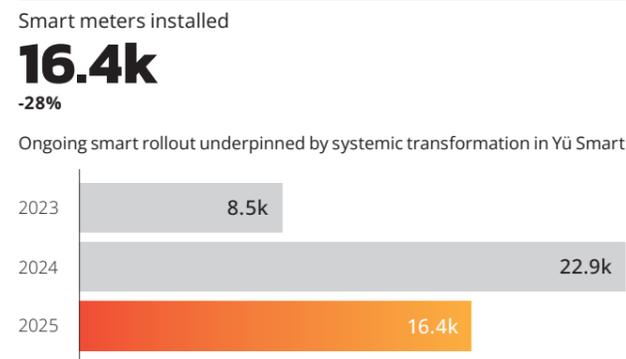
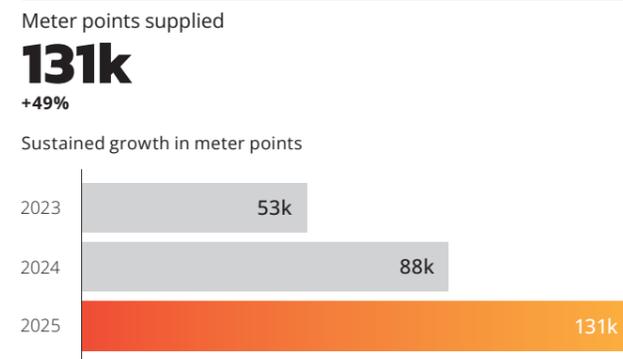
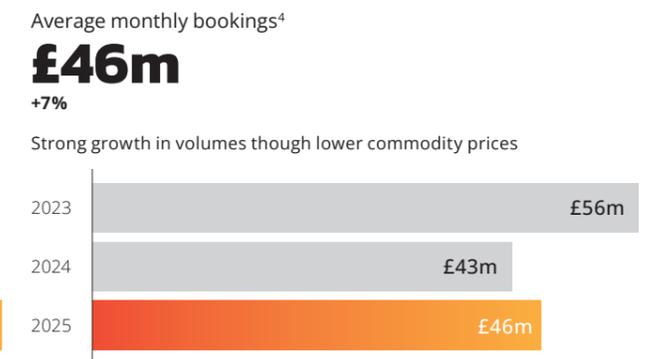
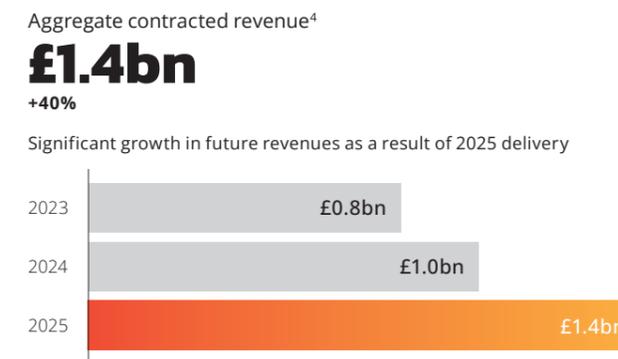
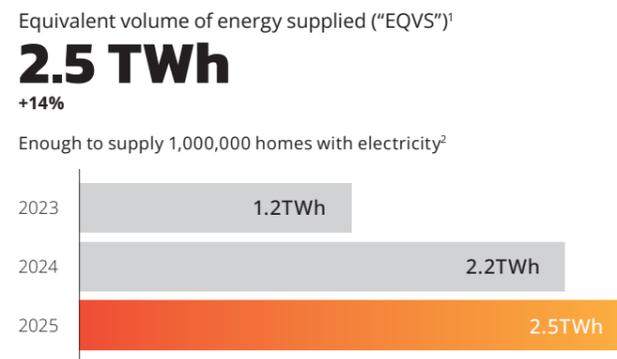
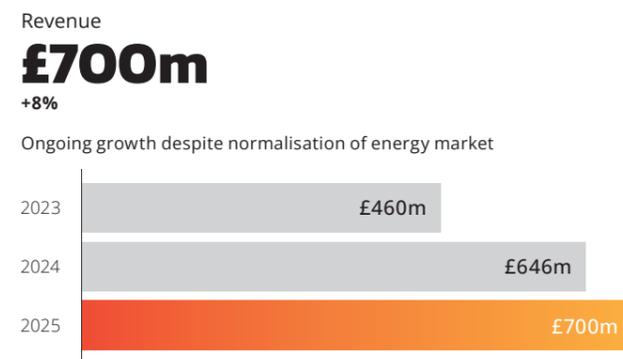
TOP 100

THE SUNDAY TIMES BEST PLACES TO WORK LIST
BIG ORGANISATIONS CATEGORY
THIRD CONSECUTIVE YEAR

AT A GLANCE

PUSHING BOUNDARIES: GROWING MARKET SHARE THROUGH ORGANIC GROWTH

2025 delivered ongoing growth for the Group, with continued revenue, EBITDA and contract book progress despite the headwind of reducing market prices. Our strategy of Digital by Default, underpinned by smart metering, continues to deliver benefits to the Group with a 49% increase in meter points supplied and a 60% increase in meters owned as the meter asset provider, all delivered with a flat headcount profile.



1. Equivalent volume of energy supplied ("EQVS") is as defined on page 28.
2. Based on average consumption of 2.5 MWh of electricity, ofgem.gov.uk.
3. Adjusted EBITDA is reconciled to operating profit on page 23.

4. Average monthly bookings and aggregate contracted revenue and volume are as detailed from page 28.

CHAIRMAN'S STATEMENT

A STEADFAST COMMITMENT TO OUR STRATEGY

Delivering significant organic growth and customer-centric innovation within a robust corporate governance framework underpinned by the effective management of risk and opportunity.



Robin Paynter Bryant
Independent non-executive Chairman

It is my pleasure to again report success to you in the meeting of our targeted financial and operational results.

The new performance records achieved this year evidence the ongoing roll out of ambitious strategic initiatives devised, and now being delivered upon, by our teams.

As we continue to scale in the markets we serve, customer-centric innovation and a growth-minded challenger ethos remain the core traits of Yü Group.

Our approach is designed to make robust and intelligent corporate governance a guarantor of long-term value and an engine of growth in pursuit of the Group's high organic growth objectives.

Significant and ambitious short, medium and long-term growth plans are well developed, and I have great confidence in the teams' abilities to break further records, across a broad range of key metrics, under the energetic and vigilant leadership of our Chief Executive Officer, the indomitable Bobby Kalar.

The Group continues to scale at pace. Revenue increased to £700m (2024: £646m) and was delivered via organic growth despite the effects of lower commodity markets.

Our UK market share is now 3.5%, up from 2.7% in 2024, and our forward contract book increased 40% to £1.4bn (2024: £1.0bn).

Profit before tax increased 9% to £49m (2024: £45m) while earnings per share (on a statutory reported basis) grew to 214p (2024: 200p).

Our cash increased to £106m (2024: £85m), and we have increased dividends per share by 12% to 67p (2024: 60p).

Board composition, evolution and succession planning

As stated in the Governance Report on page 46 the Group continuously monitors the evolution of its board's composition and its succession plans.

During 2025, our succession plan for the role of Chief Financial Officer was implemented. Andy Simpson, after an induction and hand-over period which began in February 2025, was welcomed to the Board in September. Andy brings with him deep experience in the financial management of fast-scaling B2B businesses and is delivering significant added value as a valuable member of our executive management team.

Concomitantly and as planned, Paul Rawson was appointed to the role of non-executive director, thereby enabling the Group to continue to benefit from his clarity of insight and his deep experience. Paul also continues to serve as Board and Company Secretary.

Two independent non-executive directors, John Glasgow and Tony Perkins, raised their intention in 2025, after a suitable transitional period, to retire from the Group during the course of 2026.

Over the previous decade and since the Group was listed in 2016, John Glasgow has made a truly invaluable contribution, through thick and thin, to getting the Group to where it is today. Tony Perkins has contributed to a significant and positive evolutionary development of the Group's audit and risk management over the past six years. I wish them both all the best for the future and sincerely thank them for the exceptionally fine work that they have done in furthering the Group's success. Our succession and selection plans will ensure that incoming Directors bring key evolutionary skills and depth of experience to the Board.

The executive management and wider senior leadership teams have continued to grow in number, in depth, and in maturity of experience. They continue to deliver controlled yet significant growth as the Group enthusiastically builds out new capabilities.

I am proud to note the exemplary and continued evolution of the Group's management team: its strength in depth is one of our key strategic enablers.

Delivering for our shareholders and stakeholders

► Read more about stakeholder engagement from [page 32](#) and risk management from [page 36](#)

Your Company has again been recognised by The Sunday Times "Best Places to Work" list, and the Group's ethos and pace of growth continues to allow us to attract first-rate talent into our ranks. Navaz Dean, our HR Director, continues to make a notable contribution to our ongoing success and to maintaining and developing the foundations of future success, viz; our people.

Our shareholders now include a greater number of institutional investors with increasing levels of holdings. We continue to maintain our stakeholder engagement programme, which is carefully designed to benefit existing, future and long-term shareholders.

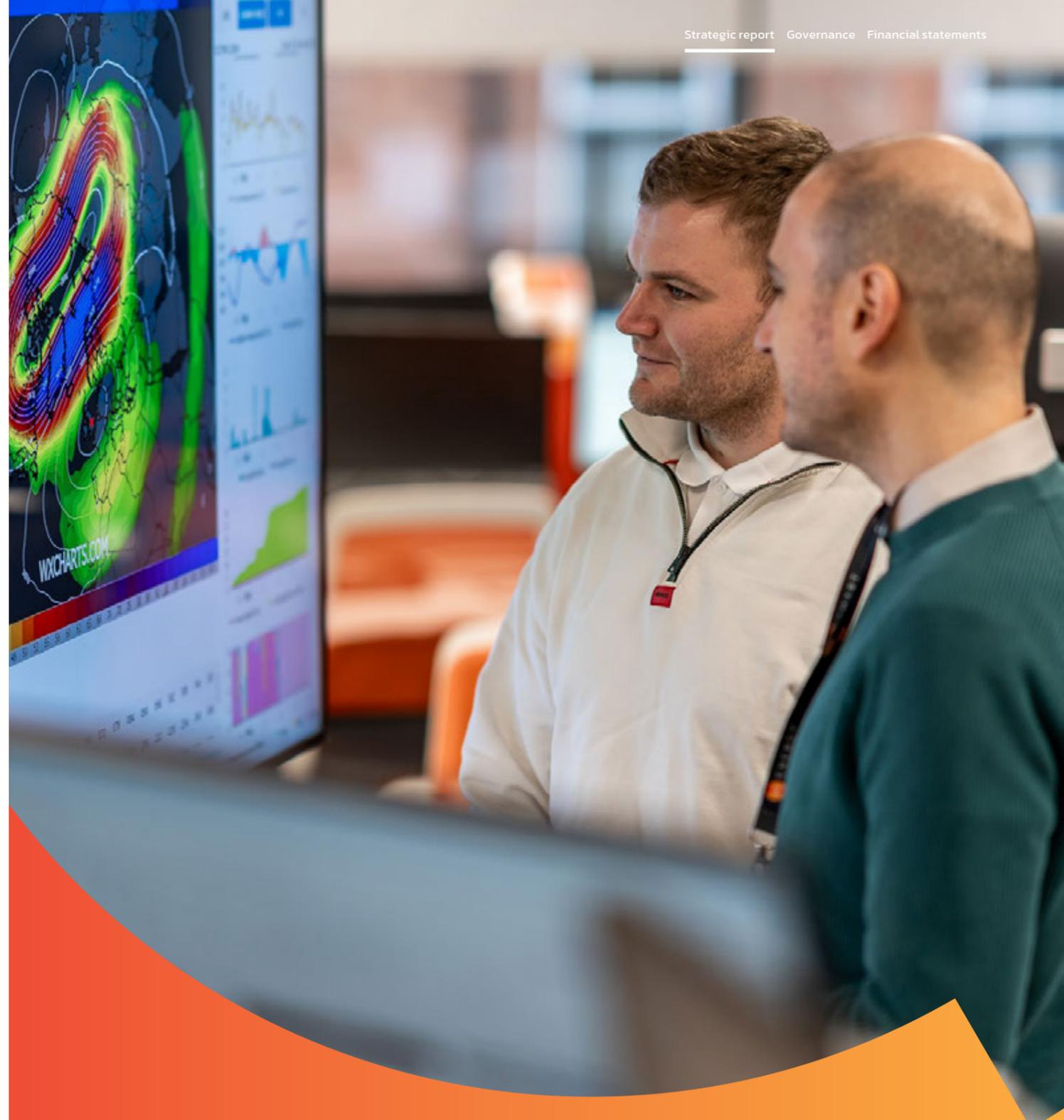
Summary

Your Board will continue to ensure an appropriate environment within which to deliver growth and innovation whilst maintaining high standards of governance and risk management.

I look forward to the Group continuing to break this year's newly set records as the benefits from various strategic plans and innovative projects flow through to an increase in your company's value.

Robin Paynter Bryant
Chairman

16 March 2026



"YOUR BOARD WILL CONTINUE TO ENSURE AN APPROPRIATE ENVIRONMENT TO DELIVER GROWTH AND INNOVATION WHILST MAINTAINING HIGH STANDARDS OF GOVERNANCE AND RISK MANAGEMENT."

BUSINESS MODEL

SIMPLE, RELIABLE AND AFFORDABLE BUSINESS UTILITIES AND SMART METERS



SERVICES

Electricity	Gas	Green energy	Installation	Maintenance	Ownership
CHANNELS			BENEFITS OF SMART METERS		
Inbound	Outbound	Third-party intermediaries	Other partners	Reduce estimated reads	Accurate billing
				Hedging accuracy	Index-linked annuity income

HOW WE CREATE VALUE

- | | |
|--|---|
| Energy supply to businesses | Engineering and asset management |
| Innovation and expertise | Skilled workforce |
| Comprehensive risk management | Asset maintenance and lifecycle optimisation |
| Dynamic hedging and competitive pricing | Extensive training for engineers |
| Digital by Default approach | Accurate billing for customers |
| Excellent customer service | Usage insights to inform decisions |
| Strong governance and regulatory compliance | Better management of customer outcomes |

OUR STAKEHOLDERS

Customers	Shareholders	Colleagues	Communities	Regulators
------------------	---------------------	-------------------	--------------------	-------------------

► Read more about our stakeholders from [page 32](#)

WHY YÜ?

B2B FOCUSED

Our expertise in the B2B sector means we understand the different needs of business versus domestic consumers. Our focus is on the SME sector, though the Group also serves larger industrial and commercial organisations.

SIMPLICITY

Buying utilities doesn't need to be complicated. We have invested in technology to ensure that our processes are intuitive and that we get things right the first time. We turn around quotes quickly and take the hassle out of choosing a new supplier. We call it Yü Utility Simplicity!

GREAT PRICES

In times of energy market volatility, we offer our customers certainty that they are getting a great price. We keep a sharp eye on the market, on our competitors, and on our own costs, so that customers can be confident that we give them the best value for money.

SAFE PAIR OF HANDS

Customers have seen many suppliers fail over recent years. Our diligent approach to risk management means that our customers can be confident that we are here to stay.

► See risk management: [page 36](#)

CUSTOMER SERVICE FOCUS

Part of making utilities simple involves ensuring that customers can complete the jobs they need to do with minimum hassle. We work hard to ensure that customers can self-serve if they want to, and also have access to other communication channels whenever, and wherever, they need it.

EXPERT PEOPLE

We've been growing fast over recent years and that means lots of new colleagues have joined the Yü family. We take pride in making Yü a great place to work, giving our colleagues training and development opportunities, and keeping them focused on delivering the best possible outcome for our customers.

WHO WE SERVE



Micro, small and medium businesses ("SME")



Multi-site, complex, industrial and commercial companies



Third-party intermediaries ("TPIs")



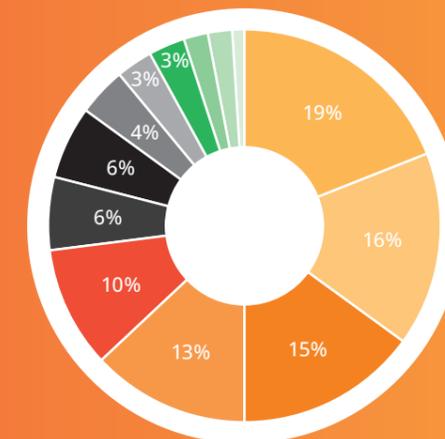
Other partners

A DIVERSE PORTFOLIO

Overall, our portfolio is diversified across multiple industry segments, reducing any risks that may arise if certain sectors are hit by factors out of our control. Our portfolio has developed to include a range of businesses, from multi-site restaurant chains to independent schools.

CONTRACTED REVENUE BY INDUSTRY

19% Restaurants	16% Manufacturing	15% Retail and Wholesale
---------------------------	-----------------------------	------------------------------------



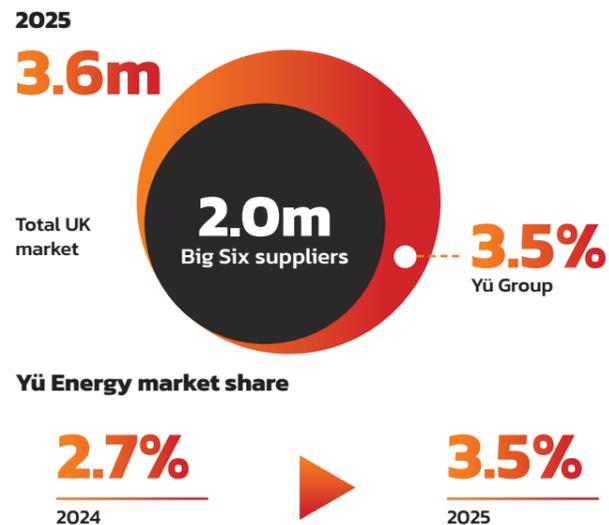
- Restaurants
- Manufacturing
- Wholesale, Retail, Personal and Household Goods
- Real Estate, Renting and Business Activities
- Other Community, Social and Personal Service Activities
- Hotels
- Health and Social Work
- Education
- Construction
- Mining and Quarrying
- Transport, Storage and Communication
- Sale and Repair of Motor Vehicles and Motorcycles
- Other

MARKET OPPORTUNITY AND POSITIONING

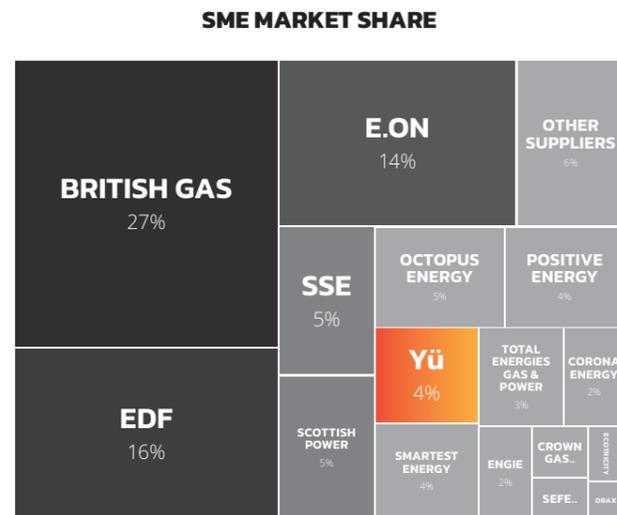
CONTINUED GROWTH IN A £50BN+ MARKET

The UK business energy market consists of over 3.6m meters. Yü Energy's unique blend of agility, simplicity and reliability, backed by our Digital by Default strategy and Yü Smart's meter capabilities, continues to support our acquisition of market share and challenge to the Big 6.

Significant market share growth



The Big 6 continue to lose market share



The B2B market contains 3.6m meter points, with the SME market alone containing 2.3m. Yü Energy has seen continued growth through 2025, with our market share of the SME sector growing from 2.7% to 3.5%. Yü Energy continues to significantly over-index its share of new business with acquisitions consistently above 10%

of all B2B switchers. Despite having grown from <1% market share to 3.5% market share in three years, the scale of opportunity remains exciting and challenging to make significant gains¹.

* Source Electralink.

“THE OCTOBER 2025 SURVEY HIGHLIGHTED THE GROWTH IN YÜ ENERGY’S SME PORTFOLIO.”

Cornwall Insight Market Share Report, October 2025

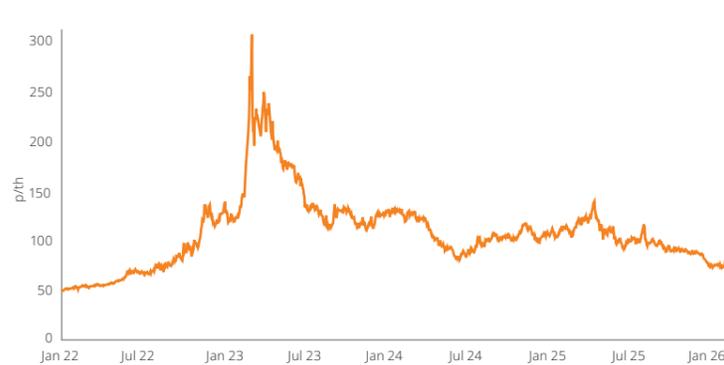
Energy market stabilising

Wholesale energy prices began to stabilise in 2023 and returned to a normalised pre-pandemic position. Through 2024 and 2025, customers have been acquired and renewed on these more normalised prices, as commodity prices are reflected in tariffs offered to new customer contracts, and as we head into 2026 we can see a normalised contract book.

Revenue per EQVS reduced by 6% in FY25 versus FY24, compared to a 21% reduction in FY24 versus FY23 as we see prices continue to normalise.

Non-commodity headwinds from Nuclear RAB and TNUoS are likely to see an uptick in average pricing upon acquisition in 2026 dependent upon commodity pricing.

EVOLUTION OF FORWARD GAS PRICE



1. Cornwall Insight Business Market Share Report, October 2025.
2. Department for Energy Security and Net Zero Q3 Smart Meter Report 2025.

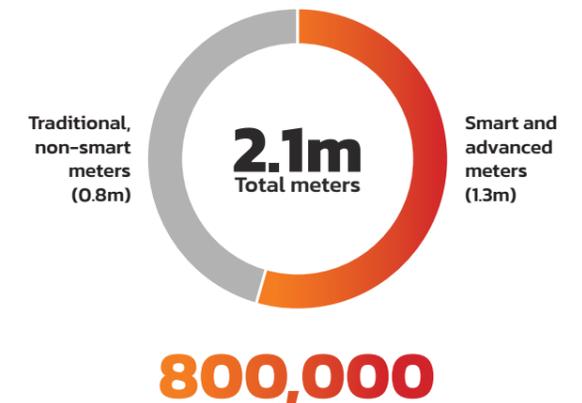
SMART METERING UNDERPINNING STRATEGIC GROWTH

Leading smart meter uptake

Yü Group welcomes the Department of Energy Security and Net Zero's consultation on the non-domestic smart meter rollout. The core requirement to universally implement smart meter contingent contracts has been in place for all Yü Energy new customer contracts since 2022 and have proven customer benefits to help reduce usage and ensure reliable billing.

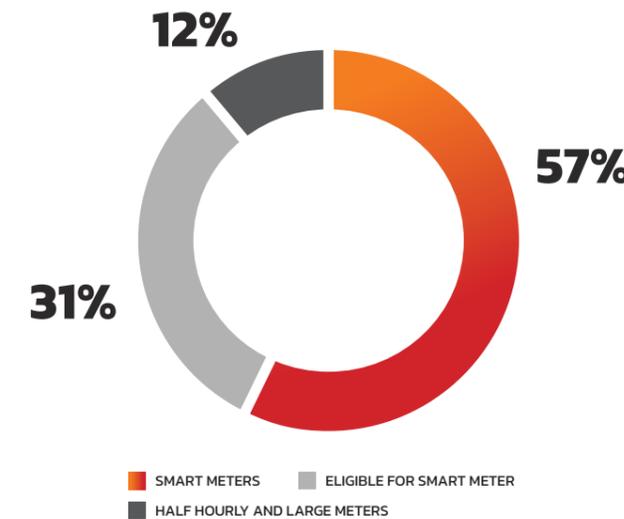
Yü Energy held 69% smart / half-hourly ("HH") meters at 31 December 2025 against a UK-wide 59% smaller non-domestic site rollout. With the transformation to Yü Smart's processes and systems through 2025, this is expected to increase to over 75% through 2026.

SMART METER OPPORTUNITY IN SMALLER BUSINESS SITES



800,000 of non-domestic market still using traditional meters²

METERS SUPPLIED BY METER TYPE



YÜ SMART delivering strategic benefits to the Group

In 2023, the Group launched their in-house metering division, Yü Smart, marking a significant milestone in our journey towards sustainability and long-term growth. By owning and operating their own meters, the Group unlocks substantial annuity income potential, ensuring a steady stream of recurring revenue that will support our continued market expansion and overall growth trajectory.

Throughout 2025, Yü Smart has undergone a thorough system and process transformation, enabling seamless meter installation booking at point of order direct through to engineer install without human intervention. This change will enable Yü Smart to scale with Yü Energy's growth ambitions and deliver our strategic benefits of the long-term annuity income stream.



BENEFITS TO CONSUMERS



BENEFITS TO SUPPLIERS



CHIEF EXECUTIVE OFFICER'S STATEMENT

DELIVERING GROWTH AND SUSTAINABLE VALUE

A new record performance for the Group as we continue to take market share.



Bobby Kalar
Chief Executive Officer

I am pleased to report another year of strong growth and profitability. This marks our fifth consecutive year of profitable growth, reinforcing my confidence that our strategy continues to deliver value to our growing investor base.

Yü Energy

Our gas and electricity supply business has performed strongly, delivering year on year organic meter point growth of 49% and combined volume growth ("EQVS") of 14%, increasing our market share to 3.5%.

Whilst I'm pleased with our full year performance and confident in the strength and predictability of our forward-facing business model, supported by our Digital by Default strategy, I believe we can grow even faster and deliver even better shareholder returns. To this end, my team and I have secured a Board-approved mandate to invest a further £9m to deliver our next three year business plan.

I have been clear in my ambition to significantly scale the Group and showcase the business as a standout success story. Achieving our stated target of 7% market share is firmly within our control. In 2025 alone, we successfully contracted 11% of all market switching activity. Additional routes to market are now in motion with increased technology integration across the business, I believe 7% represents a prudent and achievable target. Further validation of this trajectory comes from the recent independent leading consultancy for the industry, The Cornwall Report, which confirms that Yü Energy is the fastest-growing B2B supplier in the UK.

It is important to recognise that the demand for supplying and distributing business gas and electricity to the end user will not diminish with the introduction of technology or predatory pricing but instead will become more competitive. Suppliers who are not agile or entrepreneurial will over the course of the next few years struggle to maintain market share as underinvestment and creaking systems begin to take their toll. While our focus remains to "stick to our knitting" through strategic and sustainable organic growth, we remain wide awake and attentive for book purchasing opportunities.

"SUSTAINABLE GROWTH IS NOT A SEPARATE INITIATIVE, IT'S EMBEDDED WITHIN OUR OPERATING MODEL AND LONG-TERM PLANNING."

Yü Smart and meter ownership

Our Smart business, which primarily focuses on the installation and maintenance of smart meters to help customers better manage their energy usage and payment behaviour, continues to complement our supply business. That said, I am disappointed that we did not meet our installation targets this year.

During the year, we implemented automated booking and engineering scheduling capabilities to support future demand. However, we were slow to adapt to these changes, and the transition from manual spreadsheets to automation created temporary delays. We also underestimated the level of resourcing required to support the increasing installation demand generated by our retail business.

I am confident that these short-term growing pains are now behind us and that we are well positioned to deliver our 2026 installation targets.

Growing strategic partnerships

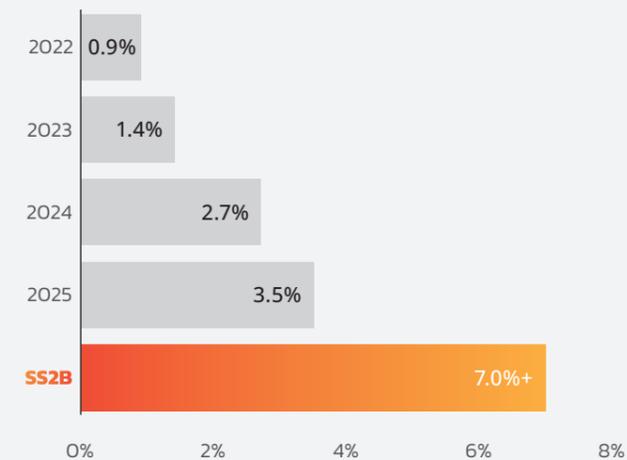
I'm pleased to welcome HSBC as the Group's preferred corporate banking partner, following a significant and robust RFI tender process involving a number of top-tier corporate finance institutions.

HSBC has demonstrated a particularly strong appetite for, and understanding of, our business operations and is well aligned with the Group's corporate banking requirements as we pursue our ambition to become the largest and fastest-growing independent energy supplier in the UK.

Additionally, our partnership with Shell Energy remains strong. Our significant volume growth over the past few years has been applauded by Shell and corroborates our strong alignment for market growth within our respective businesses. Our collaborative alliance and strong working relationship will continue to bear fruit.

It should also be noted that a significant factor in selecting the counterparty that best aligned with and supported our needs did not hinder our growth. We will not again be beholden to, or have our strategy dictated by, trading or banking counterparties who are not aligned with the Group's interests.

MARKET SHARE GROWTH



"THE CORNWALL REPORT CONFIRMS THAT YÜ ENERGY IS THE FASTEST-GROWING B2B SUPPLIER IN THE UK."

Three year business plan

As Chief Executive of this exceptional business, I have carefully reflected on the Group's long-term trajectory, the pace of growth we can responsibly achieve, and the sustainable value that growth can create for our shareholders, customers and communities.

Being mindful that over the past five years we have delivered a consistent, disciplined performance. Our focus on operational excellence, service quality, prudent financial management and robust risk controls have positioned the Group as a reliable, predictive operator and a value creating investment for long-term shareholders. Importantly, this growth has been underpinned by strong governance and a clear commitment to regulatory compliance. Whilst my team has remained rightly focused on delivering cyclical results, we have also been preparing deliberately for the next phase of our growth. Behind the scenes, we have strengthened our operational capabilities, enhanced systems resilience, invested in leadership capacity and refined our capital allocation framework, positioning us in 2026 to further invest in additional value creating opportunities.

Our three year business plan, SS2B, maintains the same disciplined approach that has characterised our success to date. We will continue to prioritise high standards of service, operational efficiency, prudent debt management and strict adherence to trading and risk mandates.

SS2B, reflects a step-change in our ambition. I am confident in our ability to deliver against our three year business plan and take advantage of the opportunity to expand our market presence within the UK.

Our approach to capital allocation will remain disciplined, with all projects self-funded via in-year earnings. We will prioritise projects that enhance resilience, improve efficiency, strengthen the long-term value of our asset base and underpin a stable and predictable earnings profile.

This approach enables sustainable cash generation and prudent leverage to support reinvestment in sales and technology, maintain a robust balance sheet, strengthening liquidity, and deliver attractive long-term shareholder returns. Sustainable growth is not a separate initiative, it's embedded within our operating model and long-term planning.

Our business has been built for durability. The investments we are making this year are designed to enhance resilience, scale and sustainability over the coming years, not simply reporting cycles. With strong foundations, disciplined execution and a clear strategic roadmap, we are confident in our ability to deliver consistent performance, and long-term value for all stakeholders. Central to our medium-term success is the Group's ability to pivot towards value creating opportunities and while we have achieved success domestically, I am pleased to have established a subsidiary 'hub of talent' and office presence in the UAE.

Our UAE office represents an exciting new opportunity for us to deliver operational improvements and efficiencies through the development of robotic technology and AI automation that will accelerate our growth ambitions while positioning ourselves as the tech outlier and disruptor in the B2B energy space.

I am personally leading this strategy and, as such, I am spending more time in the UAE supported by my fantastic UK team, and I look forward to updating you on progress in due course.

We have made a great start to 2026, and with a strong forward-contracted order book already locked in and a focused and capable workforce to help deliver the full year targets, I am confident the Group will enjoy continued growth in our key performance indicators, and I look forward to the year ahead with confidence.

Summary

Finally, it takes a special kind of individual to thrive in a fast-paced, entrepreneurial environment with high expectations and slim margins for error. I am proud to lead an entire workforce of such people, all of whom are dedicated to my quest and ambition for this Group. To my team, thank you for your extraordinary efforts in helping the business achieve its 2025 targets.

Bobby Kalar
Chief Executive Officer

16 March 2026

INVESTMENT CASE

OUR STRONG INVESTMENT CASE

YÜTILITY SIMPLICITY

Yü Group prides itself on being the only supplier offering businesses straightforward, comprehensive and cost-effective multi-utility plans for gas and electricity. We offer our customers simple, fixed-price utility plans, combined with a focus on customer service, to help save businesses time and money.

Our online portal, extensive support articles and multi-channel customer service provide the best experience for our customers at every interaction.



SMART METERS CHANGING THE GAME

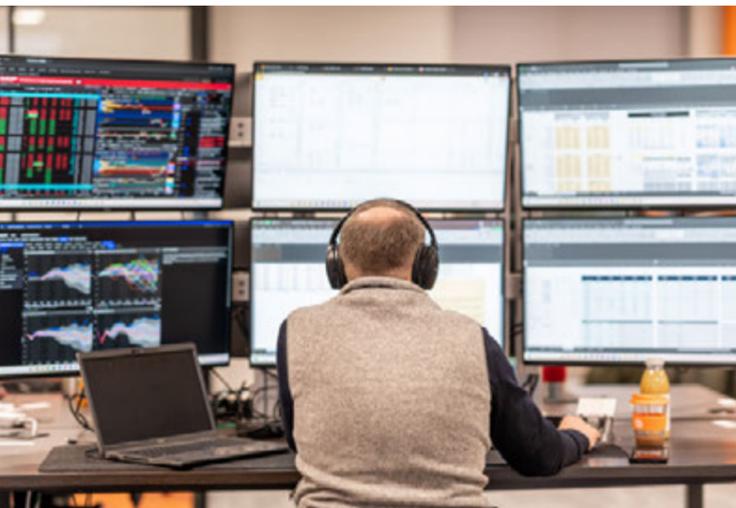
Our metering division, Yü Smart, has opened up significant opportunity for the Group in the form of growth, annuity income and favourable customer outcomes. We are continuing to increase our ownership of meters whilst better understanding usage and payment habits to optimise our trading decisions and billing accuracy.

Smart meters have unlocked asset ownership opportunities which provide 15+ year, index-linked rental income, simultaneously helping to reduce risk.

STRONG FOUNDATIONS

A strong balance sheet, capital light model and excellent cash generation supported by a newly established strategic banking relationship, create opportunities to invest for growth. Our strong hedge book provides sustainable profitability despite changing energy markets. We have proven our agility and adaptability to volatile market conditions, not just showing our resilience, but thriving despite a number of well-publicised supplier failures. Now the market has stabilised, we are well positioned to continue growing our market share.

Through our efficient and professional commodity hedging activities, supported by the capital light trading agreement with Shell, we access wholesale commodity markets to forward buy our customers' demand requirements, which mitigates risks from market volatility and preserves gross margin assumed at the point of sale.



PROVEN STRATEGY

Our clear financial framework delivers very strong, profitable growth, with excellent earnings visibility and clear trajectory for sustainable growth. Everything we do is underpinned by our Bigger, Better, Faster, Stronger approach.

Bigger

Targeting significant growth delivered organically through a multi-channel approach and through the strategic acquisition of customer books from competitors.

Better

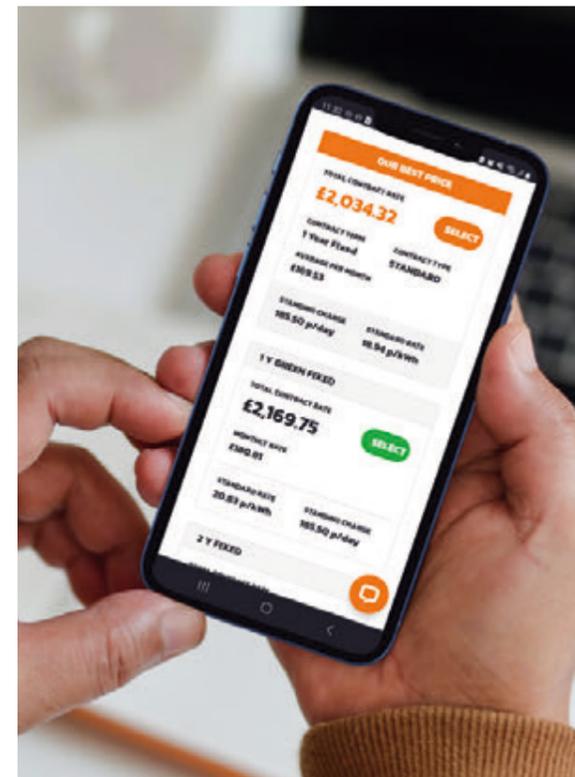
Continued development of the Group's strong financial performance through increased top-line revenue, improving net customer contribution and leveraging overheads.

Faster

Our Digital by Default strategy drives new opportunities to grow, giving customers easy access to sign up. It also lowers our cost to acquire and serve, supported by data science to enhance business outcomes.

Stronger

Managing the Group's ambitious growth plans requires robust governance, robust hedging, customer centricity and a workforce fully engaged and aligned to the Group's vision.



DIGITAL INNOVATION

Our Digital by Default strategy is revolutionising how businesses buy their energy, continually improving customer experience, and significantly reducing our cost to serve. Businesses are able to onboard and manage their accounts online, and speak to an adviser instantly via live chat.

Our technology stack seamlessly guides customers through the entire lifecycle, from onboarding to renewal, whilst gathering insights that inform future decisions. We constantly review our processes against the customer journey, ensuring we stay ahead of the competition.

EXPERT MANAGEMENT

Our ambitious, highly experienced leadership team is committed to delivering for all our stakeholders, sharing their wealth of knowledge and industry insight to ensure success in every area. We are proud of our people and believe we have some of the best talent in the industry driving consistent growth and providing an excellent customer experience.

SIGNIFICANT SUPPLY OPPORTUNITY

As the leading challenger brand, we're continuing to take market share in a £50bn+ addressable market with significant barriers to entry. Our SME market positioning gives us a competitive advantage with huge opportunity for growth through multiple avenues and routes to market.

FINANCE REVIEW

OPERATIONAL MOMENTUM TO DRIVE GROWTH

Providing sustainable, profitable growth, with strong momentum going into 2026.



Andy Simpson
Chief Financial Officer

In overview

- Revenue increased 8% to £700m (2024: £646m)
- Adjusted EBITDA increased 4% to £51m (2024: £49m)
- Profit before tax increased 9% to £49m (2024: £45m)
- Net cash inflow of £21m (2024: £53m, including one-off £50m return of cash collateral)
- Closing cash of £106m, representing 631p per share (2024: 508p)
- Adjusted fully diluted EPS of 216p, up 3% (2024: 210p)
- Delivering on progressive dividend policy, with return increased by 12%
- Final dividend of 45p per share recommended, following 22p interim payment
- Forward contracted revenue of £1.4bn (2024: £1.0bn)
- Investment in smart meters providing ILARR³ of £2.2m (2024: £1.3m)

Financial metrics

£'m unless stated (* % of revenue)	Change	2025	2024
Revenue	+8.5%	700.4	645.5
Gross margin* %	-0.2%	14.3%	14.5%
Net customer contribution ^{1*} %	-0.8%	11.7%	12.5%
General overheads* %	+0.5%	(4.4%)	(4.9%)
Adjusted EBITDA* %	-0.4%	7.2%	7.6%
Adjusted EBITDA ²	+1.8	50.6	48.8
Profit before tax	+4.2	48.7	44.5
Net cash flow	-32.0	20.7	52.7
Cash	+20.7	105.9	85.2
Earnings per share (adjusted, fully diluted)	+6p	216p	210p
Dividend per share (interim and final)	+7p	67p	60p

Other metrics

£'m unless stated	Change	2025	2024
One year forward contract revenue ⁴	+18%	668	566
Aggregate contracted revenue ⁴	+40%	1.4bn	1.0bn
Equiv. volume of energy supplied ⁴	+14%	2.5 TWh	2.2 TWh
Smart meter assets, ILARR ³	+0.9	2.2	1.3
Overdue customer receivables ⁴	+1 day	4 days	3 days

1. Net customer contribution represents gross margin less bad debt.
2. Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, and before any non-recurring costs and share-based payment charges and as reconciled to statutory operating profit on page 23 and in note 7 to the financial statements.
3. ILARR: Index-linked, annualised recurring revenue, estimated from investment in smart meters.
4. Contracted revenue, equivalent volume of energy supplied, and overdue customer receivables are as defined on pages 28 to 31.

Results summary

I am pleased to report the Group has continued to deliver sustained profitable growth, as well as significant growth in both market share and cash generation. The energy market had continued to normalise through 2025 after significant market turmoil over the previous five years, with the Group delivering ongoing revenue growth despite declining market prices. Recent global events have created renewed uncertainty to commodity prices. Continued growth in EPS and cash generation, the dividend for 2025 of 67p (including a 45p recommended final dividend) per share is up 12% from 2024.

Delivering organic volume and meter growth

Revenue of £700m (2024: £646m) is an increase of 8%, with revenue achieving a compound annual growth rate ("CAGR") of 47% since 2020.

Meter points contracted grew by 49% to 131k at the end of 2025, with the average number of meter points supplied during the year up 29%. Average consumption per meter fell by 12% during 2025 from 31.2 MWh ("megawatt hours") to 27.6 MWh, as a result of which EQVS to customers increased by 14% to 2.5 TWh. Revenue per MWh of EQVS has decreased 6% from £292 in 2024 to £275 in 2025 as a result of lower global commodity prices.

The Group's forward contract book provides ongoing visibility and security of future revenues which underpin 2026 and 2027 revenues. As the energy market normalised, customer demand for increased contract length is growing with 8% growth from 2024, increasing certainty but reducing the annualised bookings with reduced customer renewal opportunities as they hold longer contracts. The aggregate contract book grew 40% to £1.4bn of secured future revenue, of which £668m will be delivered in 2026.

We have seen H2 2025 bookings and forward contracted revenue converging at a price around 5% below that delivered in 2025, demonstrating that the historical high prices have now largely washed through. Based on current market conditions, it is expected that commodity prices will fluctuate dependent on geopolitical and macroeconomic factors with some planned growth in non-commodity prices as a result of UK government policy.

Sustainable profitability as we scale

Adjusted EBITDA has increased by 4%, with net profit increasing by 7%. This has led to growth in earnings per share of 7% on a basic, reported basis and 3% (to 216p) on an adjusted, diluted basis.

Profitability met management expectations, with adjusted EBITDA of £51m (2024: £49m), representing a 7.2% margin (2024: 7.6%); and 7.0% profit before tax margin (2024: 6.9%).

Gross margin decreased, as expected, to 14.3% (2024: 14.5%) as industry and commodity costs continued to stabilise with resultant less volatile commodity prices increasing competition and therefore squeezing margins. Gross margin on the over £1.4bn of contracted revenue continues to be underpinned by the Group's closely managed commodity hedging strategy, which locks in contract margin on signing of new contracts.

With changes to National Insurance and ongoing economic uncertainty, we have taken a cautious view of the bad debt charge, increasing from 2.1% of revenue in 2024 to 2.6% in 2025. While the bad debt percentage has increased for the Group as a result of the impact of wider market challenges on our customers, we remain confident that our internal approaches and strategies continue to mitigate the risk and help deliver the right customer outcome.

General overheads decreased to 4.4% of revenue (2024: 4.9%) from the leverage benefit of the Group's digital strategy, with cost to serve, systems and certain fixed costs not increasing with revenue growth as tight control of costs ensures the business scales appropriately.

Adjusted EBITDA reconciliation

£'m	2025	2024
Adjusted EBITDA	50.6	48.8
% of revenue	7.2%	7.6%
Adjusted items:		
Non-recurring operational costs	(0.6)	(1.4)
Share-based payment charges	(2.1)	(4.0)
Depreciation and amortisation	(2.9)	(2.5)
Statutory operating profit	45.0	40.9
Net finance income	3.7	3.6
Profit before tax	48.7	44.5

As further disclosed in note 7 of the financial statements, adjusted EBITDA provides management with a profitability measure based on business trading performance. It excludes £0.6m of costs that have been incurred by the Group diversifying and investing into operations that are outside of the normal course of business and therefore excluded from adjusted EBITDA.

Adjusted EBITDA also excludes £2.1m (2024: £4.0m) of share-based payment charges as they are not related to business operational trading which provides clearer views of operating cash generation in the year.

Net finance income remained relatively flat at £3.7m (2024: £3.6m) with the improvement in the Group's cash balance offset by the reducing Bank of England base rate. Profit before tax increased £4m to £49m (2024: £45m).

Increasing cash whilst investing for future returns

Cash has continued to grow, increasing from £85m to £106m. This significant cash generation, supported via the commodity arrangement with Shell, allows for strategic investments to unlock additional value without any requirement for additional debt, whilst increasing shareholder distribution.

Movement in cash

Cash flow £'m	2025	2024
Adjusted EBITDA	50.6	48.8
Commodity trading cash collateral	—	49.8
Early payment of ROC liability	—	(9.0)
ROC liability movement	17.4	13.5
Customer acquisition costs	(19.1)	(12.3)
Corporation tax payments	(11.1)	(11.3)
Other working capital movement	(1.5)	(7.4)
Operating cash flow	36.3	72.1
Investment in smart meter assets	(3.3)	(4.5)
Other investing activities	(5.5)	(5.2)
Share buy-back	—	(4.0)
Dividends paid	(10.6)	(9.4)
Other financing activities	3.8	3.7
Net cash movement in year	20.7	52.7
Closing cash balance	105.9	85.2
Opening cash balance	85.2	32.5

FINANCE REVIEW continued

Increasing cash whilst investing for future returns continued

Corporation tax payments totalled £11m (2024: £11m), with tax losses now utilised.

In total, operating cash flow of £36m (2024: £72m) provides a continued strong base despite significant investments in operating costs to drive growth and/or margin improvement.

Net current assets increased by £14m to £60m (2024: £46m), reflecting the strength of the Group's cash position and balance sheet.

The Group continues to drive its investment in smart meter activities, with £3.3m capital investment (2024: £4.5m). In addition to the clear customer benefits of smart meters, they also provide the Group with increased hedging and customer outcome benefits, as well as an index-linked annuity income stream. The Group exited 2025 with an ILARR of £2.2m (2024: £1.3m), providing a growing impact on forward EBITDA secured by a long-term capital-based return. The Group continues to plan additional investment going forward and is expected to significantly increase this income stream.

The cash balance of £106m (2024: £85m) includes £74m of future liabilities (2024: £55m); annual ROC liability payment of £53m (2024: £35m) payable in August 2026 and quarterly HMRC liabilities of £21m (2024: £20m).

The Group's Capital Allocation Strategy remains strong, with our focus remaining to use our earnings to continue funding customer acquisition, smart meters and system investment, as well as targeted investments to support the long-term Digital by Default strategy and deliver improved products and services to our customers. We continue to deliver a progressive dividend strategy whilst funding ongoing organic growth.

Other financing activities include repayments of certain lease obligations in respect of vehicles together with interest on borrowings wholly secured on the investment in smart meters. The Group entered into an additional £10m loan facility agreement in June 2025, in addition to an existing £5.2m facility agreed during 2023 with Siemens Finance in relation to the finance of such meters.

Increased shareholder distributions and progressive dividend policy

The Group's cash performance enabled continued growth in dividend payments, the total awarded rising by 13% to £10.6m (2024: £9.4m).

An interim dividend of 22p (2024: 19p) per share is to be supplemented by a final recommended dividend of 45p (2024: 41p) per share. The Group has previously announced a progressive dividend policy, increasing returns with expected EPS growth, and maintaining dividend cover at 3x over the short to medium term.

The final recommended dividend of 45p per share is payable on 18 June 2026. The shares will go ex-dividend on 28 May 2026, and the record date is 29 May 2026.

Summary: continued financial progression

In summary, the Board is very pleased with the continued delivery of sustained operational and financial growth, cash generation and again being the fastest growing B2B supplier in the UK. We have increased our market share to 3.5% and contract book by 40%, as we continue to deliver upon our Digital by Default strategy and take market share from the Big 6 providers. The scale of opportunity to the Group remains both exciting and deliverable. With the foundations in place, the Board has agreed a new three year plan which will see a step-change in our ambition to accelerate our growth to more than double our market share and continue to deliver shareholder value.

As the Group continues to grow, our partners' support has grown with us. Shell continues to provide a highly supportive commodity hedging agreement. We have also invested in our banking arrangements in 2025, establishing a strategic relationship with HSBC to support our growth plans as needed through our next three year plan. It is pleasing to see the ongoing support and commitment of our strategic partners.

The introduction of market-wide half hourly settlement combined with the consultation from Ofgem to universally implement smart-contingency contracts from 2027 underpins our investment and strategy in Yü Smart. Meter ownership continues to provide a beneficial investment case with a valuable 15+ year annuity income stream, already at £2.2m at the end of 2025. The ongoing relationship with Siemens Finance, which was increased by £10m in 2025, continues to support this growth.

The development of smart meters provides material benefits in risk management and optimisation in our supply business, alongside customer benefits.

Dividends and shareholder distributions have continued to increase year on year to £10.6m (2024: £9.4m), enabled by strong cash generation. The Board is confident that the stated progressive dividend policy and strong positioning of the Group provide substantial onward potential for dividend and distribution growth in 2026 and beyond.

Andy Simpson
Chief Financial Officer
16 March 2026

STRATEGIC PARTNERSHIPS

STRENGTHENING OUR CORPORATE RELATIONSHIPS

BANKING PARTNERSHIP WITH HSBC TO SUPPORT GROWTH



In 2025, HSBC have been appointed as the Groups preferred Corporate Banking partner. Having been established through 2025 as the primary banking facility for the group, they are now working with the Group on any financing requirements that could become required to support the ambition to be the largest and fastest-growing independent energy supplier in the UK.

KEY BENEFITS:



TREASURY MANAGEMENT

System linked efficient treasury management, ensuring improved accuracy of receipts and payments, improving customer experience as payment rapidly reflected upon customer portal



VALUE ENHANCEMENT

Improved interest rate yield, combined with lower currency rates and cost to serve



ACCESS TO DEBT AND CREDIT FACILITIES

Significant and wide opportunities to the group to access efficient capital as required to support growth ambitions

"I'M PLEASED TO WELCOME HSBC AS THE GROUP'S PREFERRED CORPORATE BANKING PARTNER, FOLLOWING A SIGNIFICANT AND ROBUST RFI TENDER PROCESS INVOLVING A NUMBER OF TOP-TIER CORPORATE FINANCE INSTITUTIONS."

Bobby Kalar
CEO Yü Energy

TRANSFORMATIONAL TRADING WITH SHELL



Yü Group signed a five-year commodity trading arrangement with Shell Energy Europe Limited ("SEEL"), effective from February 2024. The arrangement provides access to gas and electricity commodity markets to forward hedge the commodity risk exposure, without need for significant cash collateral to be lodged.

Entering into the third year of the arrangement, the Board are delighted with the strength of the trading relationship with Shell, as the two organisations continue to collaborate to deliver value enhancing propositions to our customers.

In light of the latest political situation in the Middle East and the risk to gas prices, the Shell trading arrangement backed by the Company's risk averse hedging mandate ensured the Company has significantly mitigated the risk of rising prices to existing customer contracts and can continue to manage risk for new customer acquisition without significant capital collateral risk.

KEY BENEFITS:



SCALABLE

The arrangement means SEEL will support Yü Energy for gas and electricity commodity arrangements both now and as we scale. The facility provided can take the Group to >£2bn revenue and beyond.



VALUE ENHANCING

Our customers can continue to benefit from fair prices, with Yü Energy able to access the market for traded commodity products for the coming days, weeks, months and seasons ahead.



CAPITAL LIGHT

SEEL's structure is "capital light" for Yü Energy, allowing cash that was previously held on the balance sheet to be invested in initiatives which could further accelerate growth or performance.



SUSTAINABLE

The agreement allows access to renewable or sustainable sources of gas and electricity, allowing Yü Energy customers to benefit from low carbon offers backed by significant assets.

OUR FINANCIAL FRAMEWORK AND CAPITAL ALLOCATION POLICY

OUR FINANCIAL FRAMEWORK ENABLES A FOCUS ON SHAREHOLDER VALUE

GROWTH

BIGGER | Subscription revenue model

Being Bigger in a huge market and benefiting from a subscription revenue model

Our focus:

- › High organic growth in gas and electricity supply activities
- › Clear forward revenue visibility from one, two and three year supply contracts
- › Contracted revenue supplemented by customers supplied on variable out of contract arrangements
- › Clear, consistent and simple billing
- › Inorganic growth in existing or new areas

Our position:

3.5% market share, up from 2.7%

£1.4bn of revenue already contracted, of which £668m relates to FY26

£46m of average monthly bookings

PROFITABILITY

BETTER | Net customer contribution

FASTER | Leverage overheads

Generating Better net customer contribution (improving gross margin and controlling bad debt)

Our focus:

- › Ensuring a quality customer book, priced dependent on credit risk with security deposits and Pay as You Go, as suitable for customer requirements
- › Strong hedging and customer lifecycle management
- › Managing customer credit risk, with continually improving processes and range of potential solutions
- › Clear, consistent and simple billing
- › Increasing our smart metering rollout and capability to deliver better outcomes

Our Faster Digital by Default approach allows us to leverage overheads as we scale

Our focus:

- › Unlock scale benefits by ensuring our platforms are fit for growth
- › Increase efficiency, via technology, process improvement and simplicity, to reduce cost to serve and acquire
- › Ongoing scale benefits with systems fit for significant continuous growth with low additional investment
- › Cost-conscious culture to deliver low administrative costs
- › Targeted, controlled opex investment in future value creation (e.g. Sales)

Our position:

14.3% gross margin

11.7% net customer contribution¹

4.4% general overheads¹

1. NCC represents gross margin less bad debt, and general overheads are those costs charged against adjusted EBITDA, both expressed as a percentage of revenue.
 2. Index-linked, annual recurring revenue from owned smart meter assets.
 3. ROCE being return on capital employed and WACC being weighted average cost of capital.

CASH AND INVESTMENT MANAGEMENT

STRONGER | Close cash and capex management

STRONGER | Targeted capital allocation

Having Stronger controls and governance, and a clear focus on cash generation and risk management, provides long-term potential for shareholder value

Our focus:

- › Prompt “bill to cash” conversion of trade receivables
- › Investment into smart meter assets to drive long-term annuity income with financed facility
- › Targeted, planned investment of overheads to accelerate profitable growth
- › Robust hedging of commodity risk
- › Managing capital allocation in line with clear plan
- › Progressive dividend policy

Our position:

£106m end of year cash balance

£2.2m ILARR²

67p per share total dividend for FY25

OUR CAPITAL ALLOCATION PLAN

Our capital allocation plan aims to ensure focus on those areas of opportunity to enhance shareholder value.

1. WORKING CAPITAL REQUIREMENT

- › Maintain appropriate working capital levels to meet liabilities as they fall due
- › Maintain commodity hedging arrangements
- › Accurate forecasting of future liabilities

3. DIGITAL AND AI INVESTMENT

- › Investment in people and systems to deliver our Digital by Default strategy
- › Investment in AI and other assets to facilitate ongoing growth and efficiency within the Group

5. SHAREHOLDER RETURNS

- › Dividend increasing on a sustainable basis, broadly aligned with earnings, and to c.3x dividend cover
- › Share buy-back and/or special dividend to the extent surplus cash is available, and there are no other opportunities to provide better value enhancement

2. GROWTH INVESTMENT

- › Investment in sales resource and cost to accelerate profitable growth
- › Controlled working capital investment in payment terms to support key sales channels
- › Capital investment in long-term smart metering assets delivering improved customer service and billing, combined with index-linked annuity income stream

4. VALUE ACCRETIVE ACQUISITION

- › Targeted M&A investments to support Digital by Default and growth strategies
- › Customer book or strategic alliance M&A
- › Requires appropriate ROCE and cash flow returns above WACC³

Funded through cash reserves and asset backed finance.

KEY PERFORMANCE INDICATORS

CONTINUED GROWTH AND PERFORMANCE IMPROVEMENT

Links to strategy:

- **Bi** Bigger (High growth)
- **Be** Better (More profitable)
- **Fa** Faster (Digital by Default)
- **St** Stronger (Well managed)

Link to strategy: ● **Bi**

EQUIVALENT VOLUME SUPPLIED

2.5 TWh

Increase of 14%



Definition

Equivalent volume of energy supplied ("EQVS") is a measure to provide additional insight as to the volume of energy delivered to customers, based on electricity volume equivalent and measured in terawatt hours ("TWh") where 1 TWh equals one million megawatt hours ("MWh"). This is after considering that a MWh of electricity is worth approximately 4 times a MWh of gas (in revenue terms) as per Ofgem analysis. EQVS therefore provides an indication of the value-weighted volume of energy supplied by the Group, being a significant driver of revenue recognised by the Group.

Performance

The Group has delivered an EQVS of 2.5 TWh during 2025, an increase of 14% on the volume supplied in 2024. Although below the prior year target, management is pleased with the increase observed in this measure despite increased competition, which is reflective of the organic growth in the Group's customer portfolio.

Whilst the volume delivered in 2025 is at a lower revenue per MWh than in the previous year, at £275/MWh, this is driven by a continued reduction in commodity prices during 2025 and increased competition. This reduction is now largely already priced in the tariffs included in forward contracted revenue and in new bookings being made, which suggests a more normalised tariff, approximately 5% below the FY25 value.

Target

In line with the Group's growth strategy, the Board targets continued organic growth, despite the lower commodity market environment.

Internal management targets note an increase in this metric of between 10% and 20% for 2026.

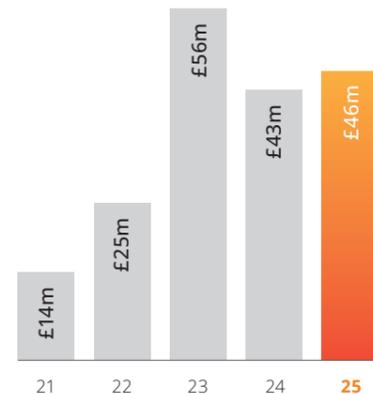
Link to strategy: ● **Bi** ● **Be** ● **St**

AVERAGE MONTHLY NEW BOOKINGS

Average contract term: 27 months

£46m

Increase of 7%



Definition

Bookings represent the estimated¹ annualised revenue (or contract term if less than one year) of new business signed for the supply of energy, averaged monthly. Such bookings are secured through renewal or cross-sell of additional services with existing customers or the acquisition of new customers through various sales channels.

Bookings will result in additional contracted revenue, dependent on contract start dates and excluding adjustments (for example, for contracts which do not go live as expected or where the booking is an early renewal).

Performance

Bookings were strong this year, evidenced by the significant increase in the total number of meter points on supply and under contract, with the normalising commodity pricing and consumption per meter adding headwinds to the monthly bookings.

The average contract term on new bookings in the year rose to 27 months, compared with the 25 months achieved in 2024. The increase reflected the declining energy price environment over the course of the year, which has encouraged new and renewing customers to lock in prices for a longer term with greater certainty.

Target

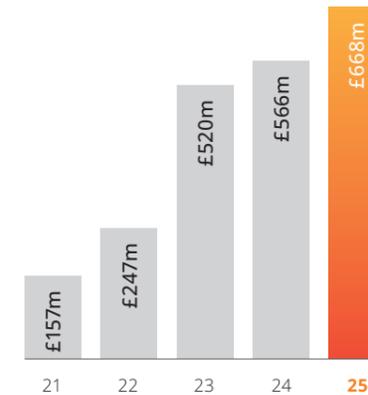
The Board expects to deliver strong bookings performance at least aligned to that achieved in FY25 as the Group scales its activities and takes further market share.

Link to strategy: ● **Bi** ● **Be** ● **Fa**

CONTRACTED REVENUE (ONE CALENDAR YEAR FORWARD)

£668m

Increase of 18%



Definition

The estimated² revenue value from agreed contracts with customers for the next financial year.

The KPI excludes revenue contracted beyond a year forward and any out of contract customers.

The level of contracted revenue represents a good basis on which to calculate potential growth in revenue for the next year.

Performance

Contracted revenue at the end of 2025 for delivery in 2026 was £668m, being 18% above the £566m contracted at the end of 2024 (for delivery in 2025). The increase reflects strong underlying sales volumes but at reduced tariffs compared to the 2024 exit position, due to the reduction in commodity prices through 2023 to 2025. In addition, total contracted revenue (i.e. revenue to deliver in 2026 to 2029) grew 40% from 2024, rising from £1.0bn to £1.4bn.

This performance provides management with confidence that the Group can continue to achieve high growth in revenue in FY26 and beyond. Additional revenues from in-year sales as well as uncontracted volume are expected to further add to this amount.

Target

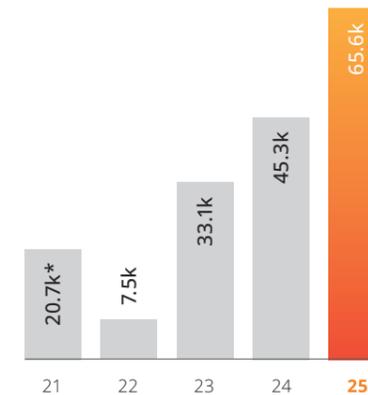
Management has set internal targets to increase the contracted revenue by the end of 2026, for delivery in 2027, to be significantly above the £668m contracted for delivery in 2026 and for aggregate contract revenue to also increase proportionally. Internal management targets note an increase in this metric of between 20% and 40% for 2026.

Link to strategy: ● **Bi** ● **Be**

GROSS METER ADDS

65.6k

Increase of 45%



Definition

Gross meter adds represents the number of new customers acquired in year, exclusive of any loss or renewal of existing customers. This KPI is based on meters rather than customers, so one customer may have multiple meters. The KPI includes both organic and inorganic additions, with the only inorganic addition in 2021 when 8.2k customers were acquired via the Supplier of Last Resort ("SOLR") process.

Performance

Gross meter adds were 65.6k in year, an increase of 45% on the 45.3k during 2024. Management are pleased with the performance of this KPI, reflecting ongoing over-indexation of acquisition in 2025. It is estimated that there were approximately 600k gas and electric B2B switchers in year, indicating 11% of all switchers chose to join Yü Energy through 2025.

Target

In line with the Group's growth strategy, the Board targets continued organic and inorganic growth. Internal management targets sustained meter additions for 2026.

* Including 8.2k inorganic via SOLR.

1. The actual amount of revenue recognised can typically vary by up to 10% due to the inherent estimation involved in this calculation.
 2. The actual amount of contracted revenue to deliver can typically vary by up to 20% for contracts which do not deliver in line with the agreed contract (e.g. for contracts which do not start at the scheduled time or where consumption is lower than that contracted by the customer).

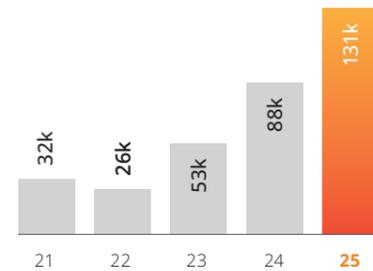
KEY PERFORMANCE INDICATORS continued

Link to strategy: **Bi** **Be**

SUPPLY METER POINTS

131k

Increase of 49%



Definition

The total meter points demonstrate the gas, electricity and water supply points served or under contract to be served by the Group at the relevant year end. They represent an approximate indicator of business growth, though each meter will have its own revenue characteristics depending on the scale of use of the utilities by the end customer.

Performance

The number of meter points increased by 49% in 2025, demonstrating strong performance in the number of customer bookings and volumes of energy secured under new contracts. Management is pleased with the growth in the Group's customer portfolio, which reflects a focus on attracting and retaining customers in its core market segments.

The level of meter points supplied also provides further value opportunity for the Group in installing new smart meters or providing service and maintenance to supplied meters.

Target

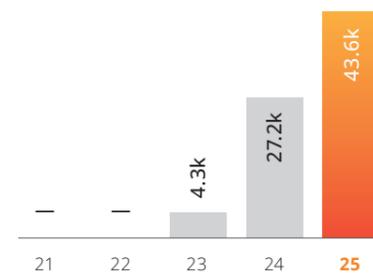
In line with the Group's growth strategy, the Board targets continued organic and inorganic growth. Internal management targets note an increase of 20% to 40% for 2026.

Link to strategy: **Bi** **Be**

SMART METERS OWNED

+16.4k

43,600 assets owned by the Group, representing £2.2m annual, index-linked revenue



Definition

The Group installs and owns smart meters via its Yü Smart segment. Meters have a 15 year life span and migrate if the customer leaves Yü Energy.

Performance

Yü Smart commenced activities in late 2022 and has continued to scale its operations that has driven up annual index-linked revenue year on year. After a fast 2024, installations slowed down in 2025 by 28% as the business focused on system and process automation.

With significant meter acquisition in H2 2025, Yü Smart enters 2026 with significant volume of meter installation opportunities and the Board expects an increased performance in 2026.

At 31 December 2025, these meters are expected to generate an ILARR³ of £2.2m.

Target

The Board targets a significant increase of over 30% for 2026 as the business continues to scale. The potential to invest in such meters provides a potential significant index-linked recurring income stream for the Group over a 15+ year asset life.

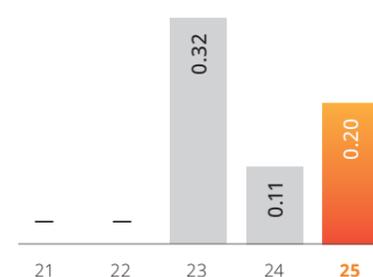
Link to strategy: **St**

ACCIDENT FREQUENCY RATE

Incidents per 100,000 hours worked

0.2

Our goal is to have zero incidents



Definition

The accident frequency rate ("AFR") measures the safety performance of our operations, with particular focus on the engineering activities delivered through Yü Smart.

It is calculated as the number of accidents resulting in an absence of more than one day per 100,000 hours worked. This metric is used in conjunction with other key performance indicators, such as near misses, minor accidents and RIDDOR incidents, to provide a comprehensive view of our safety performance.

Performance

The Group recorded an AFR of 0.2. While the AFR has increased slightly from the prior year, the number of incidents remains low, averaging 0.21 over the last three years, and reflects the Group's prioritisation of safety matters. Despite this improvement, our commitment to the safety and well-being of our employees requires a focus on a goal of zero incidents.

Target

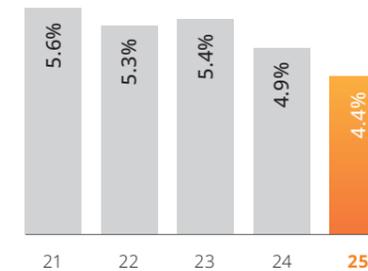
Our goal is to achieve zero lost time incidents and therefore a zero AFR. We strive to improve our AFR performance at all times, building momentum towards this target every year and ensuring we operate as one of the safest performers in the industry.

Link to strategy: **Be** **Fa** **St**

GENERAL OVERHEADS

4.4%

Decrease of 0.5% from 2024



Definition

General overheads represent, as a percentage of revenue, the overhead expenses (excluding bad debt) charged to adjusted EBITDA. They comprise the operating costs, on a normalised basis, before any exceptional or non-recurring costs.

Such general overheads are allocated by management between cost to acquire (incurred in sales, marketing and pricing new business), cost to serve (to operate and deliver core services to customers, including credit control), and general administrative (typically relatively fixed costs of the Board, functional support such as IT, HR and finance, and property costs).

Performance

Overheads as a proportion of revenue have decreased in the year as a result of continued operational efficiencies that the Group is now able to achieve following its investment in its Digital by Default strategy.

Target

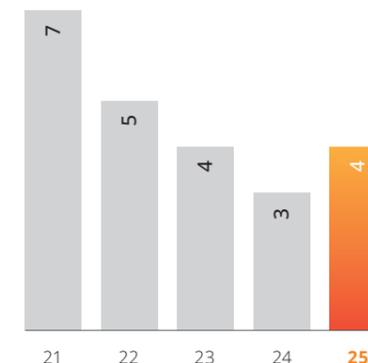
The Board expects this KPI to remain relatively flat this year, with ongoing operational efficiencies as a result of Digital by Default offset by investment in Cost to Acquire to drive the new three year business plan.

Link to strategy: **Be** **St**

OVERDUE CUSTOMER RECEIVABLES

4 days

Increase of 1 day in 2025



Definition

Overdue customer receivables ("OCR") represent the amount outstanding and overdue, net of provision and deferrals, to key customer receivable balances compared with the revenue recognised. Such balances are the amounts held in relation to accrued income which is beyond the normal one month billing cycle, plus trade receivables (net of VAT and CCL) that are overdue.

Management utilises this metric as it assesses the trending of working capital tied up in customer receivable balances and demonstrates unprovided risk to the income statement on such balances.

Performance

OCR has increased by one day as a result of wider macroeconomic challenges facing our customers driving increased debt collection challenges. Despite this increase, the Group continues to have a robust performance in this key measure and comfortably under internal targets.

The Group maintains a cautious bad debt and credit loss provision policy, as shown by the OCR metric.

Target

The continued improvement in this metric over recent years has shown clear focus by management in this area. Based on the wider economic context, the Board targets OCR to be below five days as a reasonable performance, depending upon wider macroeconomic conditions.

Other key performance indicators

Adjusted EBITDA is one of the significant profitability measures used by the Group to benchmark against strategic aims. See notes 1, 7 and 8 of the financial statements for definitions and reconciliation of these performance measures.

In addition, the Board and Executive Management Team monitor various other financial and non-financial metrics to manage the business and drive forward performance. Such metrics include reported dangerous occurrences and near misses, customer interaction volumes, call wait and handling performance, the Group's Trustpilot score and complaint information, total contracted revenue, average term of contract, contract renewal rate, ratio of billing to cash, customer engagement via digital channels, employee engagement, and compliance with covenants and internal risk policies.

Links to remuneration

Management bonus incentives are linked to business growth, profitability and other KPIs to deliver appropriate outcomes.

The Group has previously awarded performance shares which are linked to share price growth and operational targets. More recent awards of LTIPs under performance share awards link vesting requirements to the achievement of certain ambitious yet achievable business performance conditions, with such conditions set, and to be monitored by, the Remuneration Committee.

Links to strategy:

Bi Bigger (High growth)

Fa Faster (Digital by Default)

Be Better (More profitable)

St Stronger (Well managed)

3. ILARR represents index-linked annualised recurring revenue from investment in smart meters.

SECTION 172 STATEMENT AND OUR STAKEHOLDERS

CONSIDERING OUR KEY STAKEHOLDERS

Our stakeholders are vital to the success of our business. Our carefully managed engagement plan is aimed at benefiting our shareholders, customers, people, regulators and community.

SHAREHOLDERS



Investors seek a clear grasp of the Group's financial health, future prospects, and strategic initiatives, emphasising transparent reporting on performance, risk and dividends. Shareholders value insight into the Company's long-term vision, innovation, and ability to tackle challenges.

A proactive approach to addressing concerns and consistent communication on progress are vital for building and maintaining trust, while ensuring management remains focused on its core strategic priorities.

How we engage

- › Regular meetings and presentations to significant investors following key events and results announcements in the year
- › Engagement with broker (and other investor-facing advisers) to ensure appropriate stakeholder communication
- › Online presentations at key times of the year (AGM/Annual Results)
- › Full year and half year trading updates shared via regulatory news service, website and social media
- › Ensuring appropriate dialogue via the investor relations contact
- › Investor days where we invite shareholders into our offices for an update on the Group's progress and strategic priorities and introduce key team members
- › Events with our nominated adviser and broker

Key matters and outcomes

- › Appointment of additional non-executive to the board to utilise experience and strategic initiatives based to deliver for shareholders
- › Engagement with shareholders over the use of capital and dividend policy
- › Continued engagement with investors and institutional shareholders

REGULATORS



Regulators seek compliance, reliability and adherence to industry standards. Regulators want assurance that the Company is operating ethically and in the best interests of the industry, customers, and the public. Engaging in open dialogue with regulatory bodies helps foster a co-operative relationship and ensures the Company stays ahead of evolving industry standards.

How we engage

- › As a responsible supplier, we engage with Ofgem and Ofwat as regulators of the industry, the Government and appropriate departments (including BEIS)
- › Implementation of various Government backed schemes to support customer bills
- › Responsive approach to regulators' various requests for information
- › Strong governance ensuring compliance with AIM and other market listing corporate compliance
- › Membership of Quoted Companies Alliance to promote good governance

Key matters and outcomes

- › The Group continues to have positive engagement with government departments and regulators and are actively sought out for bi-lateral discussions on policy direction as well as engaging in Group development and consultations responses.
- › The Government review of Ofgem is nearing completion and the Group expects to see streamlining of Ofgem's duties over the course of this Parliament as part of its Growth Mission to reduce the overall regulatory cost to business by 25%
- › The Group welcomes Government plans in its efforts to bring about energy reform, enhance the uptake of smart meters in the non-domestic sector, and move forward in developing a clean, flexible energy system of the future

CUSTOMERS



For our customers, the focus is on reliability, simplicity and value. They expect a seamless experience, from switching, to smart meter installation, and through to renewal.

Regular updates regarding their accounts, energy-saving advice and cost-saving initiatives are essential to keep customers engaged. Additionally, transparent communication and responsive customer support help build and maintain customer loyalty.

How we engage

- › Simple, digitally led engagement to allow self-service through channels such as online quote tool and customer portal
- › Customer surveys to gather feedback on satisfaction levels and shape future products and service offerings
- › Customer insights gained through market research to better inform our support and customer experience
- › Website pages, FAQ pages and regular communications to support new and existing customers and to promote our range of complementary products and services
- › Free smart meter installation to help customers better manage consumption
- › Increased range of automated marketing to further support customers on energy efficiency and cost-saving initiatives
- › Multiple channels to contact customer services, as well as comprehensive range of support articles, for fast resolution of queries and issues

Key matters and outcomes

- › The Group continues to invest in its smart meter operations in order to improve accuracy, reliability and billing for our customers
- › Invested in system transformation to deliver more efficient customer journeys as part of our Digital by Default strategy
- › Dedicated programmes to ensure our people are trained to deliver customer success that is core to our operations
- › Engaged with customers and customer facilitators to identify needs, products and services to enhance their energy experience

“BOX POWER HAS WORKED WITH YÜ ENERGY FOR MANY YEARS, PLACING OUR RENEWAL AND NEW BUSINESS CLIENTS WHICH CONSIST OF LARGE MULTI-SITE GROUPS. WE HAVE RETAINED AND PLACED MANY OF OUR GROUPS WITH YÜ ENERGY DUE TO THEIR ABILITY TO BE ABLE TO PRICE AND ACCOUNT MANAGE MULTI-SITE GROUPS. AS LARGER NATIONAL ACCOUNTS NEED TO HAVE THE CONFIDENCE AND KNOWLEDGE THAT THEY WILL BE PROVIDED WITH A DEDICATED AND NAMED ACCOUNT MANAGER, WHICH IS SOMETHING THAT YÜ ENERGY OFFER, AND WE WOULDN'T HESITATE TO RECOMMEND YÜ ENERGY AS A SUPPLIER.”

Claire Owen - Head of Risk and Client Retention
Box Power CIC

SECTION 172

In accordance with section 172 of the Companies Act 2006, each of our directors acts in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. The directors ensure a focus on quality management, ensuring high standards of conduct and sound business ethics, including clear and well-communicated Company values and policies. The Group's governance frameworks, as referenced in the Corporate Governance section of this annual report from page 46, provide further information on how the directors ensure appropriate consideration for such decisions. The Board's principal considerations and decisions in FY25 are documented on page 49.

SECTION 172 STATEMENT AND OUR STAKEHOLDERS continued

COLLEAGUES



Our people are at the heart of everything we do. We are committed to creating an environment where colleagues feel informed, supported and empowered to grow. Open and transparent communication, alongside a clear sense of purpose and direction, helps our people understand how their work contributes to Yü's success and the delivery of our strategic goals.

Key matters and outcomes

- Listening to our colleagues is central to how we continue to build a great place to work. Through our annual engagement survey, 95% of colleagues say they feel proud to work at Yü, and we actively involve our people in sharing ideas and shaping improvements that make Yü an even better place to work. Recognition, fair reward, wellbeing and development remain key priorities in sustaining a positive and inclusive culture
- We have designed and launched our Internal Leadership Development Programme, investing in our future leaders and supporting the development of emerging high-potential talent across the organisation
- Our strong and vibrant culture has once again been recognised externally, with Yü named in The Sunday Times Best Places to Work 2025 for the third consecutive year, reflecting the continued commitment of our people and leaders across the business

How we engage

- Quarterly Town Hall meetings led by senior leaders to celebrate achievements, welcome new starters and provide transparent updates on business performance and strategy
- Annual company-wide event recognising individual and team excellence, including employee/team, engineer and line manager of the year awards
- Centralised employee knowledge base to support knowledge sharing, capability building and upskilling across teams
- Disability Confident Employer accreditation, reinforcing our commitment to inclusion and accessibility
- Regular employee feedback and engagement sessions, including monthly one-to-one meetings, an annual engagement survey, biannual development reviews and structured team briefings
- Company-wide intranet and internal newsletter to strengthen communication and engagement
- Clearly defined career pathways introduced in response to engagement survey feedback, supporting progression, capability building and long-term retention
- Design and launch of our Internal Leadership Development Programme, investing in our future leaders and supporting the development of emerging high-potential talent across the organisation
- Comprehensive benefits package supporting employee wellbeing, including Group life insurance and a health and wellbeing app
- Year-round programme of staff events to encourage collaboration, connection and a positive, inclusive culture

Health and safety statement

The Group continues to be firmly committed to maintaining the highest standards of health and safety across all areas of its operations, including Yü Smart and the activities carried out by its field operatives.

Field-based work can present an increased risk of injury or illness. The Group therefore recognises its responsibility to ensure that robust and appropriate measures are in place to safeguard the health and safety of employees, customers, and members of the public.

Our approach to health and safety is holistic, taking into account the full scope of work undertaken, the risks and hazards involved, and the environments in which activities are carried out. This approach includes:

- conducting thorough risk assessments to identify and evaluate hazards associated with field-based activities,

and implementing appropriate precautions and controls to protect people and property;

- maintaining a comprehensive health and safety plan that sets out clear procedures for incident and accident reporting, investigation, and resolution, supported by effective training and communication arrangements;
- ensuring employees have access to suitable personal protective equipment and are appropriately trained in its correct use;
- keeping employees informed of health and safety risks and control measures through regular training, briefings, meetings, and written communications; and
- regularly monitoring and reviewing the effectiveness of health and safety arrangements, with continual improvement through enhanced communication, training, methods, processes, and procedures where required.

COMMUNITIES



Our local communities expect more from us than the energy we provide. They look to Yü to act responsibly, operate sustainably and play an active role in supporting local initiatives. By working closely with community stakeholders and creating positive local impact, we build trust and strengthen our long-term relationships with the communities we serve.

How we engage

- Supporting career development in local communities by engaging with local educational institutions to offer student placements and apprenticeships
- Continued community activities alongside fundraisers to help make a difference

Key matters and outcomes

- Raised £7,683 during the year for our chosen charity, Mind, one of the leading mental health charities in England and Wales, dedicated to offering advice, resources, and helplines for people with mental health issues
- Continued investment into supporting a low carbon future via the continued expansion of our smart meter offering (allowing customers to better manage their energy usage) and, whilst modest today, our Pure Green energy plan – offering 100% renewable electricity – plus our Carbon Neutral gas plan

OUR SUSTAINABILITY STRATEGY

<p>PRODUCT</p> <p>SUSTAINABLE ENERGY SOLUTIONS</p> <p>Our ambition</p> <p>To support businesses on their journey to net zero, our core smart meter offering enables customers to measure and manage their energy consumption. We also offer green energy which, whilst modest today, is scalable as demand increases.</p>	<p>PLANET</p> <p>SOCIAL AND ENVIRONMENTAL IMPROVEMENT</p> <p>Our ambition</p> <p>To reduce our impact on the environment, where possible, by operating responsibly and to have a positive effect on society, supporting charity initiatives and the communities in which we operate.</p>	<p>PEOPLE</p> <p>POSITIVE PEOPLE CULTURE</p> <p>Our ambition</p> <p>To continue to develop a dynamic, engaging and inclusive work culture where ambition thrives and our employees feel valued and can fulfil their potential to deliver excellence in business utility supply.</p>
--	---	--

317 GWh
OF PURE GREEN ELECTRICITY SUPPLIED TO CUSTOMERS ON OUR 100% GREEN ELECTRICITY PLAN

102 GWh
OF GREEN GAS SUPPLIED TO CUSTOMERS ON CARBON NEUTRAL GAS PLAN



480

Average number of employees in 2025



65%/35%

Male/female split



37 years

Average age



79.3%

Employee engagement score



£7,683

Raised for Mind

RISK MANAGEMENT

AN EFFECTIVE RISK MANAGEMENT APPROACH

Managing risk and opportunities in line with strategic goals.

APPROACH TO RISK

The Board is responsible for maintaining the Group's risk management and internal control systems and for the monitoring and mitigation of risk (and benefiting from opportunities) in line with the Group's objectives. The Audit Committee also reviews risks on behalf of the Board and provides further oversight and risk mitigation when working with executive team members.

The key features of the Group's systems of internal control are:

- a risk and internal control improvement register is maintained by the Group Risk Manager and reviewed regularly by the Board and Audit Committee. The risks are identified and discussed by executive team members and operational managers as well as in risk reviews held by Board members;

- an organisational structure with clear segregation of duties and control and documented, Board-approved, delegated levels of authority;
- a strengthened internal audit assurance capability, led by a newly appointed Head of Internal Audit, delivering a risk-based internal audit programme to provide further review and support in reviewing the Group's performance and control environment;
- a regulatory and internal compliance team to provide oversight to ensure we meet customer expectations and comply with relevant regulation, including with the main Group regulator, Ofgem;

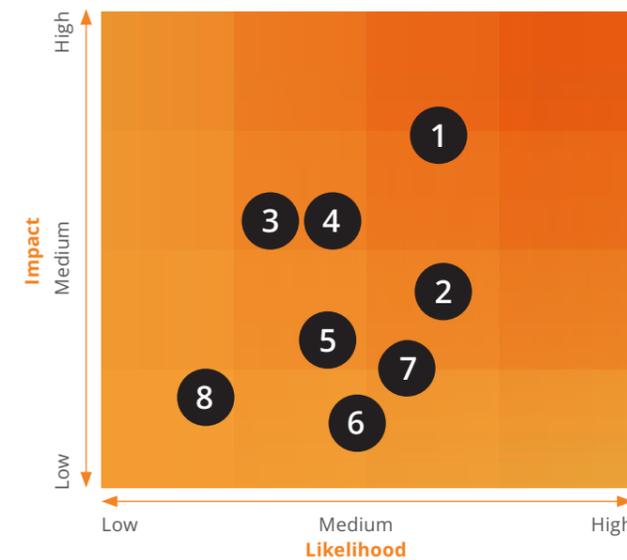
- a regular risk and internal control forum takes place, chaired by the Group Risk and Internal Control Manager with the Chairman of the Audit Committee, Chief Executive Officer and Chief Financial Officer in attendance. This gives clear visibility and accountability for risk management;
- an annual assessment by the Board of any climate-related risks and opportunities, comprising a review of the potential impact on the Group achieving its strategic goals or meeting stakeholder expectations; and
- formalised commodity hedging policies and a risk mandate that govern the Group's approach to the forward purchase of commodity contracts.



PRINCIPAL RISKS AND UNCERTAINTIES

MITIGATING RISK TO PROTECT SHAREHOLDER VALUE

Risk assessment, being net risk after mitigating controls and actions



Compared with 2024, the Board has refreshed the principal risk set and the 2025 'increase', 'no change' and 'decrease' indicators reflect the movement in risk level year on year. Where risks have reduced below our principal risk threshold, they have been removed from the principal risk set rather than presented as a 'Decrease'. In 2025, the risks removed from the principal risk set compared with 2024 were: Trading agreement breach or removal and Disrupting the market. These risks continue to be monitored through the Group's wider risk management framework.

Trading agreement breach is no longer considered to sit above the principal risk threshold at year end, reflecting the Group's strengthened operational and governance arrangements around trading activity, including enhanced oversight of counterparties and associated controls.

Disrupting the market has also reduced below the principal risk threshold. As market conditions have continued to normalise, the risk has been assessed as less acute than in the prior year, with its key elements now captured within other principal risks, including political and regulatory intervention, commodity pricing and hedging, customer credit and delayed receivables. Competitive dynamics and customer outcomes continue to be monitored through regular management reporting and Board oversight.

- 1 Cyber and data security
- 2 Customer credit and delayed receivables
- 3 Commodity hedging and price volatility
- 4 Large-scale change management
- 5 Political and regulatory intervention and relationships
- 6 Climate change
- 7 Smart meter activity
- 8 Revenue recognition

Key for strategy:

- Bi Bigger
- Be Better
- Fa Faster
- St Stronger

1. CYBER AND DATA SECURITY Strategy **Be** **St** New principal risk

Description

The Group's operations rely on technology and on the availability, integrity and confidentiality of data, including customer, meter and commercial information. This risk reflects a heightened external cyber threat environment affecting UK organisations and the increasing reliance on digital services, data and third parties to support the Group's operations and growth. The impact of a cyber incident would also be more significant as the Group scales and the volume of customer, meter and commercial data increases.

Cyber security threats are continually evolving, including risks from ransomware, phishing, denial-of-service attacks and other malicious activity. The UK National Cyber Security Centre has highlighted that pro-Russian hacktivist activity continues to target UK organisations, including attempts to disrupt operations and take services offline through distributed denial-of-service attacks.

A significant cyber incident, data breach or systems outage could disrupt operations, impact customer service, lead to financial loss, regulatory intervention and reputational damage.

Risk Mitigation

The Group maintains information security policies and controls, including user access management, monitoring, vulnerability management and an incident response framework, alongside controls designed to prevent, detect and respond to unauthorised access to, or disclosure of, personal data.

Security awareness training and communication are used to support appropriate behaviours and to reduce the risk of successful phishing or social engineering attacks.

Third-party risk management processes are in place to support appropriate oversight of suppliers and technology partners, including consideration of data protection and security requirements where personal data is processed.

The Group engages external security specialists to perform periodic penetration testing and simulated attack exercises across cyber and physical security, with recommendations tracked and acted on.

In line with good practice for denial-of-service resilience, the Group continues to review defences and response arrangements, including upstream protections with service providers, the ability to scale services during an attack, and incident response plans that support graceful degradation, retention of administrative access and timely recovery. Monitoring and testing activities are used to provide confidence in defences and to support prompt detection and response.

PRINCIPAL RISKS AND UNCERTAINTIES continued

2. CUSTOMER CREDIT AND DELAYED RECEIVABLES

Strategy **Bi** **Be** **St**  Increase**Description**

The Group has increased, and is increasing, its revenue significantly and there is a risk that this growth, along with the wider economic context, can lead to significant increases to levels of bad debt or materially delayed payment in the Group's customer collections cycle.

There is also a risk that new customers may have a more delayed payment history, or that the Group provides extended payment terms to customers to secure new business.

This can lead to a material increase of the working capital required by the Group, and/or to financial loss where trade receivables are not recoverable from customers.

In addition, the Group can be exposed to increased credit risk through broker channels and, in certain circumstances, to unrecoverable prepayment or upfront payments, which can also impact cash conversion and liquidity.

This risk is assessed as increased compared to the prior year, driven by ongoing economic uncertainty and affordability pressures on customers, alongside continued growth in the Group's revenue and customer book, increasing the absolute level of receivables exposure. This is reflected in the Group's cautious approach to expected credit losses.

Risk Mitigation

Management mitigates risk with robust credit checks prior to and during contract terms, requiring upfront security deposits where necessary, enhancement of certain terms and conditions, agreement of payment plans to support customers, and application of appropriate credit control activities to focus on recoverability of receivables.

The Group also diversifies risk by providing services to multiple market segments and ensuring no single customer has a material contract for the Group.

Technical innovation is part of the Group's Digital by Default strategy. This includes the use of smart meters (including prepayment mode) which provide significant benefits to customers through detailed knowledge and budgeting of their usage, and access to better value tariffs, whilst also assisting the Group in managing risk through improved billing accuracy, reduced reliance on estimated bills and earlier identification of issues, helping to prevent debt build-up.

The Group continues to invest in its debt management capability, including the full implementation of a debt case management system and ongoing colleague upskilling and process improvements to support customers and deliver better outcomes.

3. COMMODITY HEDGING AND PRICE VOLATILITY

Strategy **Bi** **Be** **St**  No change**Description**

Energy commodity markets remain inherently volatile and are impacted by geopolitical, weather and other factors. There is a risk that, without operating a robust hedging policy, the Group would be significantly exposed to commodity market prices.

In addition, without suitable pricing mechanisms and controls, there is a risk that fixed-term and fixed-price tariffs are agreed with customers which are below the cost of energy and the associated industry costs.

Price volatility can also provide further (when assessed at financial value) risk or opportunity in balancing final customer demand with the traded position, where the difference between contracted and current market price is more material.

Risk Mitigation

The Group continues to hedge demand, using detailed forward consumption analysis, to mitigate the impact of commodity market volatility. Customer demand is diversified across multiple customers and sectors, and standard terms and conditions provide protection where there are significant variances in volumes consumed.

Energy trading software and pricing information systems, supported by a strong and highly experienced team, provide a robust control environment for managing this risk. Trading processes are well established and have been proven through both bearish and bullish market cycles. The Group operates a policy of back-to-back hedging, within defined risk limits and to the extent practicable, and hedges contracted positions to lock in margins at the point contracts are signed.

Forward hedging and ongoing monitoring are governed by a detailed, Board-approved risk mandate. The Group reviews its position through Board oversight, detailed cash forecasting and scenario modelling, including to support covenant compliance. The Group also continues to strengthen pricing governance through internal and independent assurance activity, including the planned execution of a KPMG pricing audit.

4. LARGE-SCALE CHANGE MANAGEMENT

Strategy **Bi** **Be** **Fa**  New principal risk**Description**

The Group continues to invest in technology and change initiatives to improve customer experience, enhance operational efficiency and support the Group's growth ambitions.

The Group's change agenda includes complex deliveries across systems, processes, controls and third-party suppliers. There is a risk that time, effort and money are wasted, and change programmes do not deliver the expected benefits, are not delivered to the required timetable, or introduce disruption to business operations.

There is also a risk that margins on contracts are reduced as part of a more digitally enabled approach to pricing and cost efficiency, including through new technology. This risk is assessed as increased compared to the prior year as the pace, scale and complexity of the Group's change agenda has expanded to support growth ambitions, including delivery across systems, processes, controls and third-party suppliers. This increases execution risk and the potential for operational disruption or delayed benefits realisation if change is not governed and implemented effectively.

Risk Mitigation

The Group draws on a global talent pool and dedicates management time, focus, people and financial investment to change activities. Selected partners support the Group in achieving its targets and are carefully selected to ensure alignment of values and focus.

Change management is embraced, so as to find new opportunities to deliver the Group's ambitions. There are clear project deliverables and milestones for the Group to deploy new technology to unlock business benefits, with progress monitored by operational management, Executive Committee ("ExCo") and the Board.

The Group continues to strengthen its change control environment, including through a change oversight board, the ongoing embedding of formal change governance and oversight, and through targeted assurance reviews on change controls.

5. POLITICAL AND REGULATORY INTERVENTION AND RELATIONSHIPS

Strategy **Bi** **Be** **St**  No change**Description**

The utilities industry continues to be heavily regulated, particularly due to heightened attention and scrutiny on the energy sector. The Group is therefore exposed to risks of regulatory intervention, any political action, and changes in the Group's operations required to comply with new regulation.

This includes, for example, changes to customer protections, supplier obligations, market frameworks and settlement processes. Such change can increase operational complexity, introduce additional cost, and may require significant change to systems, processes and controls to remain compliant. In addition, broader UK fiscal policy changes, including changes to employer National Insurance contributions, can materially increase employment costs and may constrain staffing and recruitment plans, impacting the Group's ability to resource operations and deliver change at pace.

A key industry programme is the transition to Market Wide Half Hourly Settlement (MHHS) for electricity. MHHS introduces new market roles, data flows and settlement arrangements. There is a risk that the Group does not deliver the required change within the industry timetable or does not achieve the required levels of readiness.

Failure to do so could result in operational disruption, settlement inaccuracies, increased industry charges, regulatory intervention and reputational damage.

The Group is also impacted by broader industry change and recommendations which can result in changes to industry processes and charges.

Risk Mitigation

The Group remains aware and compliant with regulatory intervention, including with the senior team actively engaging with a variety of industry and Government stakeholders and monitoring market changes.

The Group has a compliance function which helps ensure the business operates in accordance with regulation, and promotes ways of working to ensure our customers are treated well and our operating practices are appropriate.

The senior team engages through relevant industry bodies and directly, reflecting the Group's increasing market share and focus on the small and medium-sized business sector, which is generally under-represented in the industry.

The Board and Executive Committee also monitor forthcoming changes in industry regulation or processes, and provides appropriate resource and investment to comply with any such changes to systems or processes as a result.

For MHHS, the Group has established a formal programme of work, with senior sponsorship, to deliver readiness. Progress, risks and dependencies are monitored via governance forums and are reported to ExCo and the Board.

The Group continues to engage with industry bodies, service providers and other stakeholders and has allocated appropriate resource and investment to deliver the required system and process changes, including data and controls.

PRINCIPAL RISKS AND UNCERTAINTIES continued

6. CLIMATE CHANGE

Strategy **Bi** **Be** **Fa** **St** — No change**Description**

Climate-related risks to the Group present themselves in various aspects of the business, both short and long term in nature.

The transition to more sustainable energy generation results in risks (and opportunities) related to market changes, such as new pricing or industry mechanics to promote green energy generation, or more regional pricing of certain distribution or transmission costs of energy.

Fluctuations in weather have a potential impact on present or future revenue and profitability, should this result in increased volatility on volume of energy consumed by customers.

Geopolitical factors and how global commodity markets react result in potential risks for fossil fuel supplies, shortages of supply, or significant volatility in prices. This can be impacted by different approaches and national policies across the world.

The risk of market, regulatory and policy changes driven by climate change may also affect the ability of the Group to execute its future strategy. Environmental, social and governance management, and reporting requirements are continually adapting with determined timelines, which the Group will be legally obligated to comply with.

There is an expected increase in focus from customers, Government and investors to commit to meaningful carbon reduction targets that will require the Group's strategy to adapt to navigate the risks and opportunities from future energy transition targets.

Over the longer term, decarbonisation policy and changing customer preferences may accelerate a shift away from fossil fuels (including natural gas), which could reduce gas demand and require continued evolution of the Group's product mix and operating model.

Risk Mitigation

The Group has a dynamic hedging strategy to reduce the exposure to commodity price and weather-related factors, which in turn mitigates against adverse impacts of environmental changes. Strategies are reviewed by senior management and appropriate future risk management decisions are considered by the Board.

The impact on commodity markets and hedging from various stress cases are considered, and the Group employs experienced commodity hedging experts to keep track of any geopolitical factors to consider as part of its hedging and pricing positions.

The Board considers its agility as a key strength, and notes that regulatory or social changes provide the ability for the Group to quickly flex its offering or strategy to identify new products, services or other mitigating actions required.

Timing and execution of future decarbonised heating, power and transport products and services are regularly monitored by management to ensure that the Group's strategy is aligned to set targets. Reviews are carried out at appropriate levels within the Group and include monitoring progress against our climate change targets, as well as updating for reporting requirements as required.

Whilst modest, the Group's green offerings are available today and can be scaled should the Group's customer demand increase.

7. SMART METER ACTIVITY

Strategy **Bi** **Be** **Fa** — No change**Description**

Smart meter installation activity supports the Group's Digital by Default strategy and is important in improving customer outcomes, billing accuracy and the availability of high quality consumption data, including for settlement and forecasting.

The Group continues to scale its smart metering activity. There is a risk that the Group does not deliver installations to the required timetable or quality standards, including due to operational capacity constraints, supply chain availability, customer access issues, or third-party delivery performance.

A material failure in smart meter installation controls could result in safety incidents, poor customer outcomes, increased complaints, regulatory scrutiny, and additional cost associated with remedial work and delayed benefits realisation.

Risk Mitigation

The Group maintains governance and oversight over smart metering activity, including defined plans, performance monitoring and clear accountability for delivery.

Controls are in place to support safe and compliant installation activity, including competency requirements, supplier and contractor oversight, and quality assurance checks.

Customer communications and appointment management processes are used to support access and minimise disruption, and installation performance metrics are monitored to identify trends and implement corrective actions.

The Group continues to strengthen end-to-end controls over smart metering processes, including through targeted assurance activity on key controls and third-party delivery arrangements.

8. REVENUE RECOGNITION

Strategy **Be** **St** — No change**Description**

The Group recognises revenue from the supply of energy and related services. Revenue recognition relies on accurate consumption data, billing processes and settlement information, including for the estimation of unbilled consumption and the allocation of revenue to the correct accounting period.

There is a risk that billing, meter data, estimation methodologies, settlement processes or systems changes result in inappropriate revenue recognition, including through timing differences, inaccurate accruals or errors in underlying data. A material error could result in misstatement of reported results, increased audit and regulatory scrutiny and reputational damage.

Risk Mitigation

The Group maintains financial reporting controls and reviews over revenue recognition, including management review of key judgements, monitoring of unbilled revenue, and reconciliation activities across billing and settlement data.

The ongoing rollout of smart meters supports improved data quality and reduces reliance on estimates, alongside continued investment in systems and controls across billing, settlement and reporting.

Change governance and assurance activity are used to help ensure that material system or process changes are appropriately controlled, and that revenue recognition and related controls continue to operate as intended.

The Strategic Report on **pages 1 to 41** was approved by the Board and signed on its behalf by:

Paul Rawson
Company Secretary
16 March 2026



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

44

Board of directors

46

Corporate governance report

52

Audit Committee report

54

Remuneration report

58

Directors' report

61

Statement of directors' responsibilities

BOARD OF DIRECTORS

AN EXPERIENCED AND EVOLVING BOARD

Ensuring our high-growth strategy is delivered with appropriate governance.



A R

Robin Paynter Bryant
Independent non-executive Chairman

Skills and experience

Robin has more than three decades of experience in corporate finance, with a strong background in utilities. After joining City merchant bank Hill Samuel & Co. Ltd. in 1983 to work on asset, liability and treasury risk management for utilities and large companies, he worked at financial institutions including LCF Edmond de Rothschild, Credit Lyonnais Securities, Daiwa Europe and the Industrial Bank of Japan/Mizuho Corporate Bank. With international experience across water, electricity and oil and gas, he has advised companies such as Severn Trent Water Plc, Endesa SA, Italgas SpA and Centrex European Energy & Gas AG. He has previously served as a non-executive director of Ofwat (the water services economic regulatory authority) and Prime International Investments Group Plc, and as a board member of London Merchant Bank Ltd. Robin joined Yü Group in January 2020.

External appointments

Robin is currently a non-executive director of My Community Bank.



Bobby Kalar
Chief Executive Officer

Skills and experience

Bobby has a degree in electrical and electronics engineering, and started his career working as electronics engineer at Marconi PLC. In 2000, having moved to London to work for COLT Telecommunications, he headed a team of engineers involved with the bid and installation of the congestion charge scheme on behalf of the Mayor of London's Transport for London initiative. Following this major project, Bobby invested in the care home sector, eventually owning and running a group of four care homes. In 2013 he sold the care homes so that he could focus on the market opportunity presented by the deregulation of the energy sector. He is the sole founder of the Group.

External appointments

Bobby is also a director of CPK Investments Limited.



Andy Simpson
Chief Financial Officer
(appointed 1 September 2025)

Skills and experience

Andy is an experienced Chief Financial Officer with a background in utility sector high growth businesses. He holds a degree in Business Management and is a qualified accountant with the Chartered Institute of Management Accountants. Andy spent seven years at BT Group as Finance Director delivering cost transformation combined with financial leadership of a £1bn revenue B2B business unit. Andy has also completed roles at both Origin and ITS Technology as Chief Financial Officer, leading turnaround to exit as well as significant equity and debt capital raise combined with M&A transactions. Andy joined Yü Group in February 2025 and became Chief Financial Officer in September 2025.

External appointments

Andy is currently a non-executive director of Celandine Consulting Ltd, Emtec Colleges Ltd and Nottingham College Services Ltd.



A R

John Glasgow
Independent non-executive director

Skills and experience

John has over 40 years' experience in engineering, operations, commodity trading and IT across the energy industry. Senior roles have included head of Powergen technical audit and head of Powergen's energy management centre, covering energy trading and power plant portfolio optimisation, and general manager of Powergen Energy Solutions. Latterly, he was in board roles including head of strategy for the establishment of the new E.ON Energy Services business, E.ON director of new connections and metering and director of operations and asset management at E.ON Central Networks. During this time John was also a board member of the Energy Networks Association and a member of the DECC Energy Emergencies Executive Committee ("E3C"). Upon leaving E.ON, John became managing director of Sterling Power Utilities Ltd until autumn 2013. Subsequently John has carried out a number of technical consultancy and business advisory assignments across the industry. John joined Yü Group in March 2016 and has announced his intention to retire from the Group during 2026.

External appointments

None.



A R

Anthony (Tony) Perkins
Senior independent non-executive director

Skills and experience

Tony has a degree in accountancy and is a fellow of the Institute of Chartered Accountants in England and Wales. He left BDO (a top five accounting firm) in 2019 where he was a senior audit partner for many years, having joined the firm in 1980 and becoming a partner from 1990. He has acted for many fully listed and AIM companies in the professional services, natural resources, technology, manufacturing and retail sectors. He has extensive experience in financial, governance and risk management. He has advised on corporate strategy, transactions and expansion of businesses in the UK and internationally. Tony has held senior management positions at BDO as a member of the firm's leadership team, including head of its London operations and national head of audit. Tony joined Yü Group in January 2020 and has announced his intention to retire from the Group during 2026.

External appointments

Tony is also a director of D. J. Squire and Company Limited, and is non-executive director, senior independent director and chair of the audit committee of AIM listed Bango plc.



Paul Rawson
Non-executive director

Skills and experience

Paul has a degree in accountancy and is a qualified chartered accountant (ICAEW) with a history in financial and commercial management in high growth businesses. In 2001 he left KPMG to join the energy industry in what is now the Engie Group, where he held various senior financial and general management positions. These ranged from the financial and commercial aspects of a £100m investment project to generate and supply energy across the London Olympic Park to several energy related M&A transactions. Paul was latterly responsible, as divisional CEO, for energy solutions spanning the retail supply of gas and electricity to businesses, and the provision of low carbon generation, energy Software as a Service and smart building technologies. Paul joined Yü Group in September 2018 and served as Chief Financial Officer until 1 September 2025, at which time Paul's role transitioned to non-executive director.

External appointments

None.

Board skills	
Strategy	Accounting and audit
General management	Financing and capital markets
High growth	Commodity trading
Mergers and acquisitions	Regulatory
Business consulting	Health and safety
Digital change	Risk management

Committee key

- A** Audit Committee
- R** Remuneration Committee
- Committee Chairman

► Read more about the skills, diversity and contribution of each director from [page 46](#)

CORPORATE GOVERNANCE REPORT

ROBUST CORPORATE GOVERNANCE

Statement by the directors on compliance with the Code of best practice.



The Group is a member of the QCA and Board members have access to the required resources in order to support the application of effective corporate governance.

The Board

The Group is controlled via a Board of directors which is comprised of: an independent non-executive Chairman, two independent non-executive directors, of which one (Tony Perkins) is the senior independent director, a further non-executive director, and two executive directors. The Board has grown from five to six members during the year as part of the planned succession of the Chief Financial Officer. The Group has previously announced planned forthcoming changes to its Board composition to be made during 2026.

The Chairman is Robin Paynter Bryant. The Chief Executive Officer is Bobby Kalar, the Group's founder.

Three of the non-executive Board members viz Robin Paynter Bryant, Tony Perkins and John Glasgow, were considered to be independent throughout 2025. Paul Rawson transitioned from Chief Financial Officer to assuming a non-executive director position during 2025 and is not currently considered to be independent. Paul Rawson has continued to serve as Company Secretary.

The two executive directors are Bobby Kalar (Chief Executive Officer) and Andy Simpson (Chief Financial Officer), appointed during the course of the year. Bobby Kalar is also Chairman of the Executive Committee ("ExCo"), which is comprised of the experienced senior individuals who drive the day-to-day implementation of the Board's approved strategy.

The Board operates both formally, through regular Board and Committee meetings, and informally through regular contact amongst directors and with members of the Executive Management Team. All directors make appropriate commitment of their time, balancing such other appointments as they may hold, to our Board and Committee meetings and to such additional mentoring and planned or ad hoc committee topical reviews as may be required for the successful conduct of the Company's business.

There is a schedule of matters which are reserved to the Board for its decision, including, inter alia: approval of the interim and annual financial results; the setting and monitoring of strategy; and the examination of opportunities for business expansion. It is a requirement that the Board be supplied with information in a timely manner and in a form and quality appropriate to enable the discharge of its duties.

The directors can, may, and do obtain independent professional advice at the Group's expense where required. They keep their skills up to date both through continual professional development and formal training.

The Board is committed to upholding the highest standards of corporate governance to ensure the long-term sustainability and success of the Group.

Our approach is designed to make robust and intelligent corporate governance a guarantor of long-term profitability and an engine of out-performance in pursuit of the Group's objectives. Our governance practices evolve under constant review in order to keep pace with best current practice. This report describes the application of the principles of the Quoted Companies Alliance ("QCA") Corporate Governance Code to our business.

Robin Paynter Bryant
Chairman
16 March 2026

The Board proactively fosters the best practice in corporate governance appropriate to the Company's size and in accordance with the regulatory framework applicable to AIM-listed companies. The Board has elected to apply and adhere to the Quoted Companies Alliance ("QCA") Code.

The QCA Code guides to the key elements of good governance and applies them in a manner which is appropriate to listed and growing companies. The QCA Code is based upon the 10 broad principles which underpin a sustainable growth strategy. Further details on the application of the QCA Code can be found on the Governance section of the Company's website at www.yugroupplc.com.



Board effectiveness

The Board and its Committees' effectiveness is considered regularly ensuring that actions from previous reviews are acted upon.

The Group annually undertakes a formal internal review of the Board and its Committees, through a questionnaire and a benchmarked scoring system. Topics considered as part of ongoing effectiveness reviews include, inter alia: consideration of the profile and composition of the Board (diversity, competency and knowledge); Board dynamics; the methodology of the selection of appropriate topics for meetings; effectiveness and efficiency in the monitoring of both strategy and performance and our approach to risk and opportunity management.

Board composition



- Non-executive directors
- Independent non-executive Chairman
- Independent non-executive directors
- Executive directors

Tenure



- More than five years
- Less than one year

Sector experience



- Previous energy sector experience
- Partial energy and other sector experience

The Board continuously monitors the evolution of its composition and its succession plans. Andy Simpson joined the Group as Group Finance Director on 17 February 2025 following a thorough headhunting process. Post a planned hand-over period, he was subsequently appointed Chief Financial Officer on 1 September 2025. As part of our succession planning, Paul Rawson was appointed to the role of non-executive director thereby enabling the Group to continue to benefit from his insight and experience.

Under continued Board effectiveness reviews, John Glasgow and Tony Perkins raised their intention, after a suitable transitional period, to retire from the Group during 2026. Over the previous decade since the Group was listed in 2016, John Glasgow has provided invaluable support. Tony Perkins has contributed to a significant and positive evolutionary continuation of the Group's audit and risk management.

Succession and selection plans are in place to ensure that new independent directors bring key skills and depth of experience to the Board.

The most recent effectiveness review, conducted internally during December 2025 and January 2026, noted overall effectiveness of the Board.

In due course, the need for commissioned external evaluation of Board performance will be considered by the Board.

Board skills, diversity and contribution

The biographies of directors are on page 44. The skills and capabilities of each; how these skills are maintained and their alignment to the needs of the Group in achieving its strategic goals are outlined below. Whilst the directors' range of experience, expertise and skills is diverse, and the directors come from different backgrounds, there is a recognition that our relatively small team does not yet afford diversity of gender. This aspect is to be considered as part of its planning by the Board.

Each director contributes both formally and informally through extensive engagement and collectively bring their varied experience to bear on the consideration of all Board matters. Specific individual contributions during the year include:

- Robin Paynter Bryant, as Chairman, has utilised his experience from larger corporates, Ofwat and the City to ensure that matters of governance are actively promoted by the Board throughout the Group. He maintains focus on appropriate governance and the maintenance of board effectiveness via evolutionary changes in the Board's composition. Robin has also supported the Chief Executive Officer on developing various strategic projects;
- Tony Perkins, as senior independent director, has supported senior management on further evolving the Group's risk and internal controls framework. The Group has appointed an experienced Head of Internal Audit, and Tony, based on his experience as a senior audit partner of BDO, has provided mentoring and support in developing that function;
- John Glasgow, as non-executive director, has provided significant support on the appointment of certain key executive and leadership roles, and in the mentoring and support with regard to engineering and health and safety matters based on his experience with a major engineering business. John has also supported the review and consideration of the acquisition of new digital capabilities;
- Bobby Kalar, as Chief Executive Officer, continues to drive the strategic advancement of the Group to support business growth, whilst further developing an experienced and empowered executive and senior management team. Bobby has been instrumental in various initiatives, including in the management of bad debt, the acquisition of new digital capabilities and the exploration of potential new technologies and markets for development. Bobby has also provided support to Andy Simpson in his role as Chief Financial Officer, whilst also leading on investor relations matters. Bobby has led, and continues to lead, on strategic development and its effective implementation across the organisation;
- Paul Rawson, who previously served as Chief Financial Officer has now moved to a non-executive director position. Paul provided support to the Chief Executive Officer in the delivery of various strategic initiatives based on his past experience in the energy and engineering services sector, as well as in the recruitment of Andy Simpson and the Group's Head of Internal Audit. Paul also continues to support the Board as Company Secretary; and
- Andy Simpson, as Chief Financial Officer since 1 September 2025, has driven commercial and profit improvement measures in the efficiency of operations and the oversight of debt management based upon his extensive experience in similar business-to-business sectors. Andy has supported Bobby Kalar on strategic initiatives, the making of an acquisition to enhance our digital capability as well as the development of our ambitious and detailed medium-term plan.

CORPORATE GOVERNANCE REPORT continued**Board skills, diversity and contribution** continued

Succession planning for directors and for wider senior management is considered essential and this has been evidenced during the year. The selection and consideration process for new appointments includes candidates drawn from our internal talent pool. For specialist skills, where suitable candidates might not be immediately available, head-hunters are appointed. Planned succession timetables are reviewed and monitored by the Board.

Board Committees

The Company's Board Committees are the Audit Committee and the Remuneration Committee. Ad-hoc committees may be appointed to deal with nominations or corporate acquisitions or such other matters as are deemed appropriate or necessary by the Board. The composition and Chairmanship of the Audit Committee and Remuneration Committee is reviewed as part of the Group's succession planning.

Audit Committee

During 2025, the Audit Committee comprised three members, all of whom are independent non-executive directors. Tony Perkins, senior independent director, is the Chairman of the Audit Committee. The other members are John Glasgow and Robin Paynter Bryant.

By invitation, the Group's external auditor, along with the wider Board where appropriate, attends Audit Committee meetings convened by the Committee Chairman. The Head of Internal Audit, appointed during the year, may also where appropriate be asked to attend Audit Committee meetings.

The Audit Committee considers the internal control, accounting and reporting of the Group. Further, it monitors and assists in the ongoing refinement and development of the risk assurance framework of the Group.

Remuneration Committee

The Chairman of the Remuneration Committee is John Glasgow, an independent non-executive director. Tony Perkins and Robin Paynter Bryant are the other two independent non-executive members.

The Committee meets periodically and is responsible for overseeing policy regarding executive remuneration. The Board as a whole is responsible for approving the remuneration packages for the Group's Executive Management Team and for the remuneration of all directors. The Remuneration Committee is also responsible for reviewing incentive schemes and for providing guidance on the packages of new appointments to the Executive Management Team. The Committee seeks external professional advice and undertakes benchmarking against appropriate external corporate peer groups.

Nominations Committee

There is currently no standing Nominations Committee. An ad-hoc committee is in place to manage the appointment process of non-executive directors planned for 2026. The establishment of a standing Nominations Committee will be reviewed over time as the Group grows and develops. The appointment of new directors is considered by an ad-hoc committee of the Board. The Board approves the appropriate leads for such committees depending on the nature of the position being filled. The final decision upon the making of any appointments involves and rests with the Board as a whole.

Other committees

The Board establishes such committees as are required to ensure effective corporate governance and the pursuit of the group's objectives.

A Safety, Health, Environmental and Quality ("SHEQ") Group Strategy Committee has been established to ensure appropriate review and Board oversight. This Committee is supported by monthly operational SHEQ reviews. It is chaired by the Group HR Director and includes directors and senior leaders drawn from within the Group.

In addition to the safety and health of employees and other stakeholders, the Committee also considers climate and sustainability risks and opportunities.

Board considerations in the year

As standing agenda items, the Board considers updates from the Audit Committee and the Remuneration Committee in respect of their specific scope. The Board reviews other information presented by the executive directors, including safety reports; monthly financial information; the M&A pipeline; progress on strategic initiatives; related KPIs and ROIs; and updates on matters raised by the Executive Management Team. Other matters reserved to the Board include investor and stakeholder engagement, the approval of corporate financing matters and the grant or exercise of options under employee or management share schemes.



Find out more about our corporate governance at yugroupplc.com

2025 KEY MATTERS

- | | |
|--|--|
| <p>Q1</p> <ul style="list-style-type: none"> › Review of Board effectiveness and consideration of any conflicts › Review of regulatory matters › Consideration of management's short-term incentives for FY25, and final awards for FY24 › Review of "people" matters, including the promotion of internal talent and succession management › Continued consideration of shareholder engagement, capital markets day planning and capital market positioning › Strategic developments, including in the Group's digital innovation activities › Consideration of risks and opportunities › Consideration of findings during the annual audit with the Audit Committee › Approval of the 2024 annual report, including the recommendation of a final dividend | <p>Q2</p> <ul style="list-style-type: none"> › Organic sales growth strategy, including medium-term planning for recruitment and market positioning › Approval of new strategic initiative related to further digital transformation › Consideration in relation to capital markets strategy and performance, including presentation from the Group's corporate broker › Board succession planning matters › Strategy review and business planning › Preparation for the Company's annual general meeting › Consideration of new Long Term Incentive Plan ("LTIP") awards for key executives, and update to remuneration framework to align to strategic priorities › Update in relation to the work of the newly established internal audit function |
| <p>Q3</p> <ul style="list-style-type: none"> › Appointment of Andy Simpson to the Board as Chief Financial Officer, and Paul Rawson as a non-executive director › Appointment of a Chief Operating Officer to the Executive Management Team › Update in respect of additional sales product offerings › Consideration of acquisition of a digital technology business, and update in relation to other strategic digital initiative › Customer debt recovery strategy › Group profitability improvement planning › Changes to the Group's bankers, and smart meter financing › Consideration and approval of interim dividend › Review and approval of July trading update and H1 25 interim results announcement, and consideration of investor engagement plan | <p>Q4</p> <ul style="list-style-type: none"> › Strategic update and business plan finalisation, including related draft budgets › Review and approval of internal Group policies › Approval of the commodity risk hedging mandate for FY25 › Approval of LTIP for the newly appointed Chief Operating Officer › Consideration of commodity trading arrangements › Updates in relation to strategic initiatives in digital transformation and related operating and corporate model › Organic sales growth planning › Board succession and nominations planning following planned retirements from the Group of John Glasgow and Tony Perkins |

2026 KEY MATTERS

- Q1**
- › Review of Board effectiveness and consideration of any conflicts
 - › Consideration and approval of the FY26 budget and strategic KPIs
 - › Review of regulatory matters
 - › Consideration of management's short-term incentives for FY26, and final awards for FY25, and approval of SAYE related matters
 - › Review of "people" matters, including the promotion of internal talent and succession management
 - › Consideration of risks and opportunities
 - › Update in relation to nominations process for Board transition
 - › Consideration of findings during the annual audit with the Audit Committee
 - › Approval of the 2025 annual report, including the recommendation of a final dividend

CORPORATE GOVERNANCE REPORT continued

Risk management and internal controls

The directors are responsible for the Group's systems of internal control and for reviewing its effectiveness, whilst the role of management is to implement Board-approved policies on risk management and control. The Board gains assurance on the effectiveness of risk management and controls through making appropriate enquiries; instigating periodic reviews with and via ExCo; through the internal audit function, and via monitoring other key internal and external stakeholders.

The Audit Committee also reports to and considers the risk assurance framework of the Group with and on behalf of the Board as referred to on page 36.

The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group operates a series of controls to meet its needs. These controls include, but are not limited to: a clearly defined organisational structure; written policies; a comprehensive annual strategic planning and budgeting process; and detailed monthly reporting. The annual budget is approved by the Board as part of its normal responsibilities. In addition, budget figures are regularly re-examined and re-forecast throughout the year to facilitate the Board's understanding of the Group's overall position. In addition to the reporting of actual monthly results during the year, these forecasts are also reported to the Board.

The Audit Committee receives reports from management, the internal audit function and the external auditor concerning the system of internal control which guards against material weaknesses. Any significant risk issues are considered by the Board.



Shareholder communications and value

The Chief Executive Officer and the Chief Financial Officer regularly meet with existing shareholders and potential investors to foster a mutual understanding of objectives. Meetings with analysts and shareholders are, where appropriate, held following the announcement of results. Feedback from these meetings and market updates prepared by the Company's nominated adviser are presented to the Board to ensure that it has an understanding of shareholders' views. The Chairman and the other non-executive directors are available to shareholders to discuss strategy and governance issues, and the activities of the Board's Committees.

The directors encourage the participation of all shareholders, including private investors, at the annual general meeting. The results of the polls and proxy votes on each resolution are declared shortly after the meeting by means of an announcement on the London Stock Exchange and via the Company's website. The annual report and accounts are published on the Company's website, www.yugroupplc.com, and can be accessed by shareholders. Investors' questions and answers and recorded statements are released to supplement the annual general meeting.

The Board is pleased to note the increase in the Company's share price over the past six years. This has been substantially above the AIM index (rebased) as shown in the above chart, and the Board remains committed to driving further value over the short, medium and longer terms.

Our people and culture

The Group has a fundamental strategy of continued investment in the building of an experienced and mature team capable of scaling the Group to ever higher yet prudently sustainable levels. Such investment involves ensuring a suitable mix of industry knowledge and "larger company" experience, whilst maintaining an appropriate cultural fit with the Group's "disruptor-challenger" ethos.

The Board regularly reviews its people strategy in order to maintain high ethical standards in the workplace and to promote sound core values and standards throughout the business. The Board, ExCo, management and colleagues are focused on ensuring customer-centricity via agile and timely personal performance within a working environment where innovative thinking is encouraged to reflect the Group's positioning and ethos as a "challenger business".

The Board is pleased to report that our culture, values and people engagement activities are aligned with the Group's ambitious strategy.

During 2025 average staff numbers increased from 472 to 480 people, reflecting continued growth of the business through increased market share.

Review of matters

The Board of directors has a forward calendar of matters requiring specific attention throughout the year and further considers ad-hoc elements as required.

In addition to specific matters during the annual cycle, and ad-hoc matters requiring consideration, the Board also has a base standing agenda incorporating:

- Board planning and administration;

- safety reporting, including appropriate KPIs and detailed reports on any incidents or matters arising;
- updates from the Chief Financial Officer, including, inter alia: commentary on the management accounts, cash flow and covenant maintenance, reviews of financial forecasts and strategic key performance indicators;
- updates from the Chief Executive Officer, including, inter alia: commentary on ExCo performance and matters raised by the ExCo, feedback on ongoing strategy implementation, growth opportunities (including potential merger or acquisition opportunities), regulatory matters and other key business matters; and
- updates from the Audit Committee (also comprising risk assurance) and the Remuneration Committee.

The Group's Audit and Remuneration Committees provide corporate governance as noted in the following pages.

Attendance at meetings

Name	Role	Joined the Board	Attendance at meeting ¹		
			Board	Audit Committee	Remuneration Committee
Total number of meetings in 2025					
Robin Paynter Bryant	Independent non-executive Chairman	January 2020	11 100%	3 100%	6 100%
Bobby Kalar	Chief Executive Officer	March 2016	11 100%	n/a ²	n/a ²
Paul Rawson	Chief Financial Officer to 1 September 2025, then non-executive director	September 2018	11 100%	n/a ²	n/a ²
Andy Simpson	Chief Financial Officer (from 1 September 2025)	September 2025	5 ³ 100%	n/a ²	n/a ²
John Glasgow ⁴	Independent non-executive director	March 2016	11 100%	3 100%	6 100%
Tony Perkins ⁴	Independent non-executive director	January 2020	11 100%	3 100%	6 100%

- A limited number of Board and Board Committee meetings have been held virtually rather than in person.
- The Audit Committee and Remuneration Committee invite non-committee Board members, the Head of Internal Audit and the external auditor to be present where appropriate. In such cases, the invitee has been present in all cases.
- Andy Simpson was also invited to additional meetings prior to being appointed to the Board on 1 September 2025 to assist with his transition to the Board.
- John Glasgow and Tony Perkins have noted their intention to retire from the Group during 2026.

AUDIT COMMITTEE REPORT

PROVIDING REVIEW, CHALLENGE AND RIGOUR TO SUPPORT OUR STRATEGY

Effective review of financial reporting, risk management and internal control.



Anthony (Tony) Perkins
Chairman of the Audit Committee

Committee members

- > Tony Perkins (Committee Chairman)
- > John Glasgow
- > Robin Paynter Bryant

Allocation of time

Planning (including with external auditor) and review of H1 25 and FY25 reporting, and finalisation of FY24



Membership and scope of the Audit Committee

Throughout 2025 the Audit Committee comprised three members (who are all non-executive directors), being Tony Perkins, as Chairman of the Committee, John Glasgow and Robin Paynter Bryant. Tony, who is a fellow of the Institute of Chartered Accountants in England and Wales, worked at BDO LLP from 1980 to 2019 where he was an audit partner for 30 years. He is also the Senior Independent Director and Audit Committee Chair of Bango plc, an AIM listed technology company. All Committee members are considered independent. Tony and John have confirmed their intention to retire from the Group during 2026 (after a period of transition) which provides support for renewed independence in view of their length of service. The Board is reviewing appropriate nominations for suitable replacements to the Audit Committee.

The Group's external auditor, the Head of Internal Audit, along with the wider Board where appropriate, may attend Committee meetings as requested by the Committee Chairman.

The Committee has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Group and the involvement of the Group's auditor in that process. It particularly focuses on the review of and compliance with accounting policies, together with ensuring that an effective system of audit and financial control is maintained. It also reviews risks and opportunities, ensures appropriate policies and controls to mitigate risks are in place and reviews the key risk matters to support Board decisions.

The ultimate responsibility for risk management and for reviewing and approving the annual report and financial statements together with the interim and other reports remains with the Board.

The Committee meets at least twice a year at the appropriate times in the financial reporting and audit cycle, and at such other times as may be deemed necessary.

The terms of reference of the Audit Committee cover such issues as membership and the frequency of meetings, together with requirements of any quorum for, and the right to attend, such meetings. The responsibilities of the Committee are covered in the terms of reference, and include external audit engagement and interaction, internal audit, financial reporting, internal control review and risk management. The terms of reference also set out the authority of the Committee to carry out its responsibilities.

Any non-audit services that are to be provided by the external auditor are reviewed to safeguard auditor objectivity and independence. The external auditor has the opportunity during the Audit Committee meetings to meet privately with Committee members in the absence of executive management.

The Committee is responsible for reviewing the Company's procedures for the identification, assessment, management and reporting of risks.

The Company has a whistleblowing policy through which staff may notify management or non-executive directors of any concerns regarding suspected wrongdoing or dangers at work.

The Audit Committee Chairman also interacts with the Group's internal risk function, and other senior managers, as required.

Review

The Audit Committee met three times during 2025 (2024: three meetings). In addition, the Chairman of the Committee provided an update to each Board meeting on any audit, risk and other related governance matters worthy of consideration.

The Committee Chairman also engaged with management and senior leadership teams, and with the Head of Internal Audit and Risk Manager for ad-hoc discussions.

The Committee performed a review of the Group interim accounts and annual report and liaised with the Group's external auditor in the period.

The external auditor provided no non-audit services during 2025 or to the date of this report, and the Audit Committee is satisfied that the auditor is suitably independent. The Audit Committee also reviewed, and confirmed its assessment, that the auditor is highly and appropriately experienced, both in the energy sector and in high growth listed companies, providing comfort for a high quality and effective audit.

Strengthening the Group's internal audit assurance capability, through the appointment of a Head of Internal Audit, has been a key activity for the Audit Committee during the year. This included review and approval of the internal audit charter, audit methodology and proposed reporting formats, and review of the proposed risk-based internal audit programme, including the internal audit plan focused on key matters. The Audit Committee and other members of the Board have also supported communication to senior managers of the Group to reinforce the purpose, independence and value of internal audit in providing review of operational processes and internal controls. The internal audit framework is designed to align, proportionately, with enhanced corporate governance expectations typically associated with larger listed businesses, supporting the Group's growth trajectory.

Key review matter: strengthening of the internal audit function

During the year the Audit Committee welcomed the appointment of a highly experienced Head of Internal Audit, strengthening the Group's internal audit capability and supporting the ongoing development of risk management and internal control, primarily through delivery of a risk-based internal audit programme.

The internal audit charter and methodology have been established, together with reporting formats and escalation routes to support clear and consistent communication of audit outcomes, findings and consequent management actions.

"THE AUDIT COMMITTEE REMAINED FOCUSED ON SUPPORTING REVIEW AND CONSIDERATION OF RISKS THAT COULD IMPACT THE GROUP'S STRATEGIC OBJECTIVES, AND SUPPORTED THE STRENGTHENING OF THE GROUP'S INTERNAL AUDIT ASSURANCE CAPABILITY."

The internal audit plan has also been established, based on input from the Executive Committee, the risk and compliance function, senior managers, together with the Audit Committee and Board, and is aligned to the Group's principal risks and strategic priorities.

The Audit Committee will monitor delivery of the internal audit plan, together with the timely implementation of agreed actions, and will continue to support a culture of continuous improvement across the business. It has been pleasing to see this evolution in the Group's maturity, and with the adoption and engagement by the wider business in the activities, outputs and learnings which the internal audit function can bring.

A further key activity of the Audit Committee for 2025 related to the continued review of risk management. In particular, the Audit Committee considered risks and opportunities in relation to implementing the Group's strategy and business plan.

The Committee reviewed the Group's principal risks and uncertainties including those summarised from page 37. The consideration of risks and uncertainties are regularly reviewed by the Audit Committee, who provide detailed reviews as required. The risks related to cyber security and the requirement to ensure best practice in this sector was also considered.

In terms of the FY25 financial statements and H1 25 interim results, the Audit Committee reviewed various disclosures and reports, including the approach to cost accruals, revenue recognition (including accrued income), bad debt provisioning and trade receivables, commodity and hedging related accounting and disclosures, tax reporting and alternative performance measures, including the treatment, inputs and disclosure of adjusted EBITDA.

After liaison with management, discussion with the external auditor, and enquiries by the Committee, the Audit Committee concluded that the relevant disclosures, estimates and treatments had been appropriately made.

Tony Perkins
Chairman of the Audit Committee
16 March 2026

REMUNERATION REPORT

ENSURING REWARD AND STRATEGIC PRIORITIES ALIGN

The Remuneration Committee links reward to shareholder value and performance.



John Glasgow
Chairman of the Remuneration Committee

As an AIM listed company, Yü Group PLC is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The content of this report is unaudited unless stated.

Membership of the Remuneration Committee

John Glasgow, independent non-executive director, is Chairman of the Remuneration Committee. He is joined by two further independent non-executive directors, being the senior independent director, Tony Perkins, and the Chairman of the Board, Robin Paynter Bryant. John and Tony have confirmed their intention to retire from the Group during 2026 (after a period of transition) which provides support for renewed independence in view of their length of service. The Board is reviewing appropriate nominations for suitable replacements to the Remuneration Committee.

The Remuneration Committee sets targets for Board executive directors and reviews their performance. It makes recommendations to the Board on matters relating to remuneration, terms of service, granting of share options and other equity incentives. It also approves ranges of packages to offer to the Executive Management Team and recommends to the Board the terms and conditions offered to senior appointments to the Group's management team. The Committee also engages professional consultants from time to time to provide external benchmarking and to keep updated on best practice, and, as appropriate, the Chairman of the Committee interacts with key stakeholders including the Group's nominated adviser.

The Remuneration Committee met six times in 2025 (2024: five times). In addition, the Chairman of the Committee regularly updated the Board on any remuneration related matters.

Remuneration policy

The objectives of the remuneration policy are to enable the Company to attract, retain and motivate high quality executives across its Board executive directors and senior team, while encouraging the executive and senior managers to operate within the risk parameters set by the Board. In turn it aims to ensure that the overall remuneration is aligned with the short, medium and long-term performance of the Group and preserves an appropriate balance of remuneration and shareholder value. The policy also considers environmental, social and governance ("ESG") matters (in relation to ensuring a clear focus), and how they link to the success of the Group's strategic objectives.

From 2025, the remuneration policy also reflects new requirements to compensate, through appropriate allowances to cover personal costs and to ensure focus on key strategic priorities which are planned to add significant value to the Group.

The policy for executive director remuneration is based on an external benchmarking exercise against peer companies and, as appropriate, after dialogue with the Group's nominated adviser and other stakeholders.

Committee members

- > John Glasgow (Committee Chairman)
- > Robin Paynter Bryant
- > Tony Perkins

Allocation of time

Review of key executive management remuneration including attraction and retention risks with reference to market



Structuring of remuneration and related allowances in respect of new strategic initiatives



Consideration of LTIP related matters, including SAYE



Consideration of short-term award schemes



Setting of remuneration levels for Executive Committee appointments



Review of the effectiveness of the Remuneration Committee



Non-executive directors

Remuneration of the non-executive directors is determined by the Board as a whole after considering any potential conflicts of interest. Non-executive directors are not entitled to pensions, annual bonuses or employee benefits.

The annual fee payable for each non-executive director from 1 January 2026 is as follows:

- > Robin Paynter Bryant – £85,000;
- > Tony Perkins – £66,000;
- > John Glasgow – £66,000; and
- > Paul Rawson – £71,000 (inclusive of a fee to operate as Company Secretary).

Directors' remuneration

The normal remuneration arrangements for executive directors consist of basic salary, employer contributions to defined contribution pensions, life insurance, annual performance related bonuses and participation in the Long Term Incentive Plan ("LTIP") and the Group's Save As You Earn ("SAYE") scheme. The Group also operates a salary sacrifice scheme for vehicles, although no executive director currently participates.

In 2025, the Board, following consideration by the Remuneration Committee, approved certain employment-related arrangements in respect of the Bobby Kalar, Chief Executive Officer.

Directors' share options

Aggregate emoluments disclosed in the directors' remuneration table do not include any amounts for the value of options to acquire ordinary shares in the Company granted to, exercised or held by the directors.

	Number of options at date of this report	Weighted average exercise price at date of this report	Number of options at 31 Dec 2025	Weighted average exercise price at 31 Dec 2025	Number of options at 31 Dec 2024	Weighted average exercise price at 31 Dec 2024
Executive directors						
Bobby Kalar	397,894	£5.34	707,062	£3.71	567,062	£0.92
Andy Simpson	238,000	£14.07	238,000	£14.07	—	—
Non-executive director						
Paul Rawson	209,222	£1.60	217,116	£1.63	194,894	£0.10

The only non-executive director holding share options in the Company is Paul Rawson, who retained certain options (pro-rated down based on time spent as an executive director) when transitioning from his previous executive role as Chief Financial Officer.

Of the share options outstanding at 31 December 2025:

- > 309,168 share options for Bobby Kalar accrued under previous share schemes and performance share plans. Such share options have fully vested, and have a weighted average exercise price of £1.62 per share
- > 250,000 options for Bobby Kalar and 187,000 options for Paul Rawson were awarded in 2022, conditional on achieving certain performance targets linked to the Group's profitability, which have been achieved. Such performance share options are at an exercise price of the par value, being £0.005 per share, and are expected to fully vest on 31 March 2026
- > 7,894 options for each of Bobby Kalar and Paul Rawson are granted under the Group's 2022 SAYE scheme, at an exercise price of £2.28 per share, and vested in January 2026

During 2025, Bobby Kalar, Paul Rawson and Andy Simpson were granted options, conditional on performance of certain conditions related to profitability, growth and strategic project delivery. The options vest, to the extent the conditions are met, in March 2028 and have an exercise price of £15.03 per share. The number of options accruing to Bobby Kalar and Andy Simpson are 140,000 and 78,000 respectively. Paul Rawson was initially awarded 100,000 options, though the options were decreased to 22,222 outstanding on transition to a non-executive director role. Andy Simpson was awarded a further 160,000 options during the year, vesting March 2029 at an exercise of £13.60 per share, subject to the meeting of performance conditions related to the Group's profitability.

No director exercised any options during the period.

The Remuneration Committee reviewed the matter in the context of the responsibilities undertaken during the period and with reference to relevant external market practice to ensure the approach remained appropriate and consistent with the Company's remuneration framework. The cost for services provided during the period totalled £557,000 and was recognised in profit and loss.

In respect of the year ended 31 December 2025, bonuses were payable to the executive directors based on agreed objectives related to profitability, growth and the development of the smart meter business, whilst ensuring appropriate governance and personal performance. A similar scheme also applied to bonuses paid in respect of the year ended 31 December 2024.

During the year, the terms of appointment of Andy Simpson, initially as Group Finance Director from February 2025, and then as Chief Financial Officer from 1 September 2025, were approved by the Remuneration Committee by reference to internal and external benchmarks.

The service agreement of the Chief Executive Officer can be terminated by either party giving at least 12 months' written notice, and that of the Chief Financial Officer by 6 months' written notice.

Directors' interests

Details of the directors' shareholdings are included in the Directors' Report on page 59.

REMUNERATION REPORT continued

Directors' remuneration

£'000	Salary / fees	Bonus ¹	Other benefits & allowances ²	Employers pension contributions	Total 2025
Executive					
Bobby Kalar (CEO)	416	255	557	10	1,238
Paul Rawson (previous CFO) ³	191	161	—	6	358
Andy Simpson (CFO) ⁴	73	120	—	2	195
Non-executive					
Robin Paynter Bryant	85	—	—	—	85
Tony Perkins	66	—	—	—	66
John Glasgow	66	—	—	—	66
Paul Rawson ³	24	—	—	—	24
	921	536	557	18	2,032

£'000	Salary / fees	Bonus	Other benefits & allowances	Employers pension contributions	Total 2024
Executive					
Bobby Kalar (CEO)	396	300	—	10	706
Paul Rawson (previous CFO) ³	274	208	—	8	490
Andy Simpson (CFO) ⁴	—	—	—	—	—
Non-executive					
Robin Paynter Bryant	73	—	—	—	73
Tony Perkins	56	—	—	—	56
John Glasgow	56	—	—	—	56
Paul Rawson ³	—	—	—	—	—
	716	1,075	—	17	1,808

- The bonus amounts in relation to the period ended 31 December 2025 are payable in H1 26.
- The allowances related to the period ended 31 December 2025 were paid in full in February 2026.
- The remuneration of Paul Rawson is allocated between his role as Chief Financial Officer until 1 September 2025, and thereafter as non-executive director.
- The remuneration of Andy Simpson excludes amounts paid (which were made under the normal course of business) from his appointment in February 2025 as Group Finance Director until appointment to the Board, as Chief Financial Officer, from 1 September 2025.

Future policy towards directors' remuneration

The policy adopted for the remuneration of directors for 2026 is expected to remain broadly consistent with 2025, though reflects the increasing scale of the organisation and the delivery of significant value through various strategic projects which are ongoing. With that in mind, remuneration will remain under review and will be adapted to ensure the Group meets its strategic objectives and reward links with shareholder value creation. Costs are expected to increase, subject to the achievement of significant growth and delivery objectives.

The remuneration of executive directors comprises the following elements:

Component	Details
Salary and benefits	<p>The salary of executive directors is reviewed on or around 1 January each year, after considering inflation, external benchmarking analysis, the scale and complexity of the organisation, and a review of the directors' performance.</p> <p>The salary of executive directors (and other senior leaders and colleagues) is set to attract and retain talent in key areas of the Group's activities, whilst ensuring sufficient remuneration potential is weighted towards achievement of short-term and long-term performance objectives.</p> <p>Benefits in relation to executive directors are consistent with other employees, comprising employer pension contributions and life insurance. The executive directors are also authorised to participate in the SAYE scheme, which is open to all employees.</p>
Bonus	<p>Bonuses for executive directors, as for all colleagues, are based on performance against key performance indicators personal to them. For executive directors, these indicators relate to Group profits, being a key driver, and the growth of the Group in contract book, the delivery of new innovations, and key other strategic targets. The bonus award also considers matters to ensure good health and safety and cash management, whilst promoting strong corporate governance, sustainability, leadership and customer service values.</p> <p>The bonus is sized such as to incentivise performance to match achievement of the Group's strategic objectives, which is expected to link through to increased shareholder value, by enabling a percentage of salary to be achieved based on achieving or exceeding annual financial targets.</p> <p>Depending on performance, the bonus awarded to executive directors is expected to out-turn in the range of 0% to 100% of salary, though this could be exceeded for exceptional performance. Deferral of bonus above 100% of salary is considered by the Committee based on the relevant circumstances of such performance.</p>
Long Term Incentive Plan	<p>Executive directors, alongside a small number of non-Board senior leaders, can participate in the Group's performance related LTIP scheme.</p> <p>This LTIP provides a link between performance objectives to drive shareholder value over the medium term, whilst supporting talent retention.</p> <p>A new LTIP award is due for release after publication of the annual report FY25, in line with the usual scheme rules, which include stretch targets, and malus and clawback provisions. Further LTIP awards will be considered based on Group succession planning and the promotion of talent, as well as in the normal course of the reward cycle.</p> <p>The Remuneration Committee will also consider the level of appropriate performance conditions aligned to new and existing LTIPs, to recommend to the Board the amount and structure of such awards as relevant.</p>

John Glasgow
Chairman of the Remuneration Committee
 16 March 2026

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025 ("FY25").

Strategic Report

The Group has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out in the Group's Strategic Report certain information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report. Such information is included in the review of the business on the inside front cover of this report, our business model (from page 14) and strategy (from pages 2 to 9), the review of performance in the Chairman's Statement, Chief Executive Officer's Statement and Finance Review from pages 12, 18 and 22 respectively, the risks and uncertainties from page 37, and the going concern accounting policy in note 1 to the financial statements.

S172 and stakeholder engagement statement

The s172 and stakeholder engagement statement can be found on page 33.

Registered office

The registered office of Yü Group PLC (registered in England and Wales no. 10004236) is CPK House, 2 Horizon Place, Nottingham Business Park, Mellors Way, Nottingham NG8 6PY.

Dividends

The Board propose the payment of a final dividend of 45p per share in respect of FY25 (2024: 41p per share). An interim dividend for 2025 of 22p per share was paid (2024: 19p).

Directors

The directors of the Group during the year and up to the date of signing the financial statements were:

- › Robin Paynter Bryant
- › John Glasgow
- › Bobby Kalar
- › Tony Perkins
- › Paul Rawson
- › Andy Simpson (appointed 1 September 2025)

The Company maintains directors' and officers' liability insurance. This insurance cover has been established for all directors to provide appropriate cover for their reasonable actions on behalf of the Group. This was in force during the year ended 31 December 2025 and at the date of this report.

Significant shareholders

The Company is informed that, at 31 December 2025 (and the directors are not aware of any material change to the date of this report), individual registered shareholdings of more than 5% of the Company's issued share capital were as follows:

	Number of ordinary shares held	% of issued ordinary share capital
Bobby Kalar	8,665,506	51.6%
Schroder Investment Management	1,388,143	8.3%
Jamieson Principal Pension Fund	1,156,607	6.9%
Premier Miton Group	850,423	5.1%

Directors' shareholdings

The beneficial interests of the directors in the share capital of the Company at 31 December 2025 were as follows:

	Number of ordinary shares held	% of issued ordinary share capital
Executive directors		
Bobby Kalar	8,665,506	51.6%
Andy Simpson	—	—
Non-executive directors		
John Glasgow	13,811	0.1%
Robin Paynter Bryant	—	—
Tony Perkins	15,500	0.1%
Paul Rawson	62,823	0.4%

Post-balance sheet events

The financial statements include, in note 30, details of post-balance sheet events.

Employees

The Group's executive management regularly delivers briefings on the Group's strategy and performance. The Group remains committed to fair treatment of people with disabilities in relation to job applications, training, promotion and career development. Every effort is made to find alternative jobs for those who are unable to continue in their existing job due to disability.

The Group takes a positive approach to equality and diversity. The Group promotes equality in the application of reward policies and employment and development opportunities and aims to support employees in balancing work and personal lifestyles.

Members of the Board and the Executive Committee, together with senior and line management teams, hold regular briefings and engagement activities with employees. Representations from employees are considered in decision making, and the annual employee engagement survey is utilised for benchmarking of performance against peers, and to identify areas of focus. The Group's engagement with employees, and how the Group supports employee health and wellbeing, promotion of diversity and encouragement and training of key talent and all colleagues, is as further detailed in the Strategic Report from page 34.

Annual general meeting

The annual general meeting of the Company is to be held on 21 May 2026 at 11.30 at the offices of Panmure Liberum Capital Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY. The notice of meeting will be issued to shareholders on or around 2 April 2026.

Financial instruments

Details of how the Group manages its risk in relation to use of financial instruments are included in note 23 to the financial statements.

Political and charitable donations

During the year ended 31 December 2025, the Group made political donations of £nil (2024: £nil) and raised donations for charity totalling £7,683 (2024: £12,559).

Supplier payment policy and practice

The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations. The number of creditor days outstanding at 31 December 2025 was seven days (2024: seven days).

DIRECTORS' REPORT continued**Carbon and energy reporting**

The Group recognises that its business operations have an environmental impact and we are committed to monitoring and where possible reducing our emissions each year. The Group also provides smart meters, which are core to customers managing their energy consumption by being able to monitor their usage. In addition, the Group also provides green energy as part of its operations, providing low or zero carbon electricity and gas to a number of customers, though this remains a relatively modest activity, currently, of the Group.

The directors are also aware of their reporting obligations under the Companies Act 2006, as below:

UK operations	2025	2024
Energy consumption used to calculate emissions (kWh)	2,364,460	2,051,415
Emissions from direct sources (tCO ₂ e) (Scope 1)	—	—
Emissions from energy purchased for own use (tCO ₂ e) (Scope 2)	551	478
Emissions from indirect sources such as business travel (tCO ₂ e) (Scope 3)	—	—
Intensity ratio (tCO ₂ e/employee)	1.1	1.0

The above information has been calculated in line with the Climate Disclosure Standard Board's approved methodology.

The majority of our operations are UK based.

Energy consumption within the Group continues to increase year on year in line with the expansion of Group operations, and in particular the emissions from travelling to customer sites as part of the Group's smart metering activities. This represents the fuel and mileage to deliver a mobile engineering service, as part of our smart metering activities, which increases disclosed carbon emissions beyond the largely legacy operations which were office based.

The emissions from day-to-day office business activity have not moved significantly from prior years, maintaining the same operations from the same premises throughout the year.

The continued expansion of the Smart business unit of the Group is the key driver of increased emissions in the year. Average engineer numbers have increased from 84 in FY24 to 88 in the current year, requiring the continued use of the van fleet to service our customers around the country, and in turn factor into the increased emissions disclosures above. Generally, such engineers are installing smart energy meters, which allows end customers to monitor and, where applicable, manage and reduce their energy consumption.

Measures taken to increase the energy efficiency of the Group outside of such travel remain, including an employee electric car scheme, incentives for car sharing, and the promotion of EV charge points at the Group's offices.

The Board's targets reflect an increase in emissions due to increased scope of engineering services and increased fuel usage for Company vans.

Further information on the Group's sustainability strategy is included on page 35.

Statement of disclosure of information to auditor

As at the date this report was signed, so far as each of the directors is aware, there is no relevant information of which the auditor is unaware and each director has taken all steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

In accordance with section 489 of the Companies Act, a resolution for the reappointment of RSM UK Audit LLP as auditor of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Andy Simpson
Chief Financial Officer

16 March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES**In respect of the annual report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

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;
- 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 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 and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and 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 Yü Group website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

64

Independent auditor's report

69

Consolidated statement of profit and loss and other comprehensive income

70

Consolidated and Company balance sheet

71

Consolidated statement of changes in equity

72

Company statement of changes in equity

73

Consolidated statement of cash flows

74

Notes to the consolidated financial statements

109

Company information

INDEPENDENT AUDITOR'S REPORT

To the members of Yü Group PLC

Opinion

We have audited the financial statements of Yü Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the consolidated statement of profit and loss and other comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, including 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 Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- › the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit 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
- › the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities 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.

Summary of our audit approach

Key audit matters	Group Revenue recognition Valuation of trade receivables Parent Company No parent company key audit matters
Materiality	Group Overall materiality: £2,450,000 (2024: £2,240,000) Performance materiality: £1,830,000 (2024: £1,680,000) Parent Company Overall materiality: £700,000 (2024: £1,090,000) Performance materiality: £525,000 (2024: £817,000)
Scope	Our full scope audit procedures covered 100% of revenue, 99% of total assets and 91% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter description	Refer to accounting policy on page 75 regarding revenue. Appropriate and accurate income recognition is required to be applied by the Directors and revenue is a presumed fraud risk in accordance with auditing standards. Revenues are based on the energy supplied to customers using estimates and meter readings. Where real time meter information is not available, assumptions are made to estimate the volumes of energy consumed by customers. Actual and expected usage information, together with the contractual rates, are used to accrue revenue which is then billed to customers. There is a risk that revenue and accrued income is recognised inappropriately.
How the matter was addressed in the audit	We performed the following procedures: <ul style="list-style-type: none"> › evaluated the appropriateness of the recognition policy and associated estimates as disclosed in note 1 with reference to the requirements of IFRS 15; › tested the design and implementation of the controls used in the revenue process including in respect of the billing system; › utilised data analytics to reconcile reported revenue in the year to the underlying data in the customer billing system including cash receipts and the amounts billed to customers and the movements in trade receivables and accrued income. We also tested a sample of the cash receipts included in this reconciliation. We obtained explanations for any reconciling items and tested these substantively on a sample basis; and › performed cut off testing in respect of income accrued at the year end based on meter data and compared the balance in total to subsequent billing (including billing adjustments) and cash receipts to assess valuation and recoverability.

Valuation of trade receivables

Key audit matter description	Refer to accounting policy on page 76 regarding trade and other receivables and note 23 which considers expected credit risk. The group has a significant number of customers. The recoverability of trade receivables on customer contracts can be impacted by the customer's creditworthiness, the ageing of the debt and whether the contract has been terminated. Management's assessment of the recoverability and expected credit loss for trade receivables with their customers is inherently judgemental. There is a risk that the net trade receivables will be recovered at amounts materially different to the value recognised.
How the matter was addressed in the audit	We performed the following procedures: <ul style="list-style-type: none"> › assessed the appropriateness of the methodology utilised by management to calculate the expected credit loss provision with reference to the requirements of IFRS 9; › retrospectively assessed the prior year provision with reference to the amount of cash ultimately recovered to assess the reliability of management's process to estimate the expected credit loss provision; › disaggregated the customer base to reflect the underlying risk profile and then utilised a combination of the historic cash collection profile and the cash collected post year end to estimate the total expected amount to be recovered in respect of the current year and compared this to the net trade receivables balance to identify any potentially unprovided exposure; and › assessed the adequacy of the Group's trade and other receivables accounting policy disclosed in note 1 and note 23 which refers to credit risk.

INDEPENDENT AUDITOR'S REPORT continued

To the members of Yü Group PLC

Our application of materiality

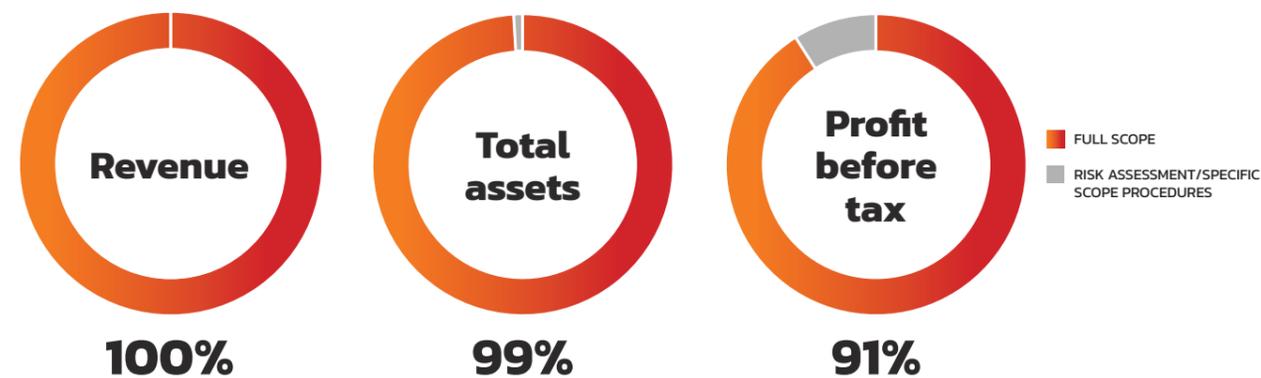
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£2,450,000 (2024: £2,240,000)	£700,000 (2024: £1,090,000)
Basis for determining overall materiality	5% of Profit before tax	1% of Total assets
Rationale for benchmark applied	This is considered the focus for large and established listed businesses.	Total assets was chosen as the entity is a non-trading holding company.
Performance materiality	£1,830,000 (2024: £1,680,000)	£525,000 (2024: £817,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £122,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £35,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 12 components, with one based overseas.

The coverage achieved by our audit procedures was:



Full scope audits were performed for three components, with the remaining components subject to detailed risk assessment procedures and specific audit procedures where deemed necessary based on this risk assessment.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- understanding how the cash flow forecasts for the going concern period had been prepared and the assumptions adopted;
- obtaining management's going concern model, which includes details of facilities available, and testing its clerical accuracy;
- comparing management's historical forecasts to actual results to determine whether forecast cash flows are reliable based on past experience;
- assessing the reasonableness of the assumptions used in the forecasts with reference to the committed customer contract book and actual historical margins;
- performing reverse stress testing on the going concern model by understanding what reduction in trading would be required (after taking into account mitigating actions) before the covenants in the counterparty trading agreement are breached and assessing the likelihood of this scenario, given covenants would be breached prior to liquidity being exhausted; and
- assessing the going concern disclosures in the financial statements to ensure they are in accordance with UK-adopted International Accounting Standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 this 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 61, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT continued

To the members of Yü Group PLC

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- › obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- › inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- › discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/ regulation	Additional audit procedures performed by the audit engagement team included:
UK-adopted IAS, FRS101 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Review of information received from external tax advisors. Review of tax workings and inspection of correspondence with tax authorities where any has been received.
Ofgem regulation	Inquiries of management and those charged with governance as to any instances of non-compliance.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	See key audit matters above.
Management override of controls	We identified journals which exhibited higher characteristics of risk for testing using data analytics software. Assessing whether the judgements made in making accounting estimates are indicative of a potential bias. Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

Andrew Williams (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG
 16 March 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	31 December 2025 £'m	31 December 2024 £'m
Revenue		700.4	645.5
Cost of sales		(600.3)	(551.6)
Gross profit		100.1	93.9
Operating costs before non-recurring items and share-based payment charges		(34.0)	(34.1)
Operating costs – non-recurring items	7	(0.6)	(1.4)
Operating costs – share-based payment charges	25	(2.1)	(4.0)
Total operating costs		(36.7)	(39.5)
Net impairment losses on financial and contract assets	19	(18.4)	(13.5)
Operating profit	4	45.0	40.9
Finance income	5	4.3	4.2
Finance costs	5	(0.6)	(0.6)
Profit before tax		48.7	44.5
Taxation	9	(12.8)	(11.0)
Profit and total comprehensive income for the year		35.9	33.5
Earnings per share			
Basic	8	214p	200p
Diluted	8	201p	187p

CONSOLIDATED AND COMPANY BALANCE SHEET

At 31 December 2025

	Notes	Group		Company	
		31 December 2025 £'m	31 December 2024 £'m	31 December 2025 £'m	31 December 2024 £'m
ASSETS					
Non-current assets					
Goodwill	12	2.0	0.2	—	—
Intangible assets	13	5.8	2.8	—	—
Property, plant and equipment	14	15.8	12.3	—	—
Right-of-use assets	15	1.0	1.8	0.1	0.1
Deferred tax assets	17	1.8	2.8	—	—
Trade and other receivables	19	24.5	11.8	14.6	11.4
Investment in subsidiaries	16	—	—	0.3	0.1
		50.9	31.7	15.0	11.6
Current assets					
Inventory	18	0.4	0.4	—	—
Trade and other receivables	19	117.7	97.1	0.9	1.1
Cash and cash equivalents	20	105.9	85.2	54.2	42.8
		224.0	182.7	55.1	43.9
Total assets		274.9	214.4	70.1	55.5
LIABILITIES					
Current liabilities					
Trade and other payables	21	(160.7)	(133.7)	(0.3)	(2.0)
Corporation tax payable	9	(3.0)	(2.5)	—	(0.4)
Borrowings	22	(0.5)	(0.2)	—	—
		(164.2)	(136.4)	(0.3)	(2.4)
Non-current liabilities					
Trade and other payables	21	(3.1)	(2.9)	(15.6)	(15.6)
Borrowings	22	(9.8)	(4.8)	—	—
		(12.9)	(7.7)	(15.6)	(15.6)
Total liabilities		(177.1)	(144.1)	(15.9)	(18.0)
Net assets		97.8	70.3	54.2	37.5
EQUITY					
Share capital	24	0.1	0.1	0.1	0.1
Share premium	24	—	—	—	—
Merger reserve	24	—	—	—	—
Retained earnings	24	97.7	70.2	54.1	37.4
		97.8	70.3	54.2	37.5

The Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes. The Company generated a profit of £25.4m for the year (2024: £16.7m).

The financial statements on pages 69 to 109 were approved by the Board of directors on 16 March 2026 and signed on its behalf by:

Bobby Kalar
Chief Executive Officer

Andy Simpson
Chief Financial Officer

Company number 10004236.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital £'m	Share premium £'m	Merger reserve £'m	Retained earnings £'m	Total £'m
Balance at 1 January 2025	0.1	—	—	70.2	70.3
Total comprehensive income for the year					
Profit for the year and other comprehensive income	—	—	—	35.9	35.9
	—	—	—	35.9	35.9
Transactions with owners of the Company					
Contributions and distributions					
Equity-settled share-based payments	—	—	—	1.9	1.9
Deferred tax on share-based payments	—	—	—	0.3	0.3
Equity dividends paid in the year	—	—	—	(10.6)	(10.6)
Total transactions with owners of the Company	—	—	—	(8.4)	(8.4)
Balance at 31 December 2025	0.1	—	—	97.7	97.8
Balance at 1 January 2024	0.1	11.9	(0.1)	34.9	46.8
Total comprehensive income for the year					
Profit for the year and other comprehensive income	—	—	—	33.5	33.5
	—	—	—	33.5	33.5
Transactions with owners of the Company					
Contributions and distributions					
Equity-settled share-based payments	—	—	—	0.9	0.9
Deferred tax on share-based payments	—	—	—	2.0	2.0
Proceeds from share issues	—	0.4	—	—	0.4
Buy-back of shares	—	—	—	(4.0)	(4.0)
Share premium cancellation	—	(12.3)	—	12.3	—
Transfer from reserve	—	—	0.1	—	0.1
Equity dividends paid in the year	—	—	—	(9.4)	(9.4)
Total transactions with owners of the Company	—	(11.9)	0.1	1.8	(10.0)
Balance at 31 December 2024	0.1	—	—	70.2	70.3

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital £'m	Share premium £'m	Merger reserve £'m	Retained earnings £'m	Total £'m
Balance at 1 January 2025	0.1	—	—	37.4	37.5
Total comprehensive income for the year					
Profit for the year	—	—	—	25.4	25.4
	—	—	—	25.4	25.4
Transactions with owners of the Company					
Contributions and distributions					
Equity-settled share-based payments	—	—	—	1.9	1.9
Equity dividends paid in the year	—	—	—	(10.6)	(10.6)
Total transactions with owners of the Company	—	—	—	(8.7)	(8.7)
Balance at 31 December 2025	0.1	—	—	54.1	54.2
Balance at 1 January 2024	0.1	11.9	(0.1)	22.3	34.2
Total comprehensive income for the year					
Profit for the year	—	—	—	16.7	16.7
	—	—	—	16.7	16.7
Transactions with owners of the Company					
Contributions and distributions					
Equity-settled share-based payments	—	—	—	0.9	0.9
Deferred tax on share-based payments	—	—	—	(1.4)	(1.4)
Proceeds from share issues	—	0.4	—	—	0.4
Buy-back of shares	—	—	—	(4.0)	(4.0)
Share premium cancellation	—	(12.3)	—	12.3	—
Transfer from reserve	—	—	0.1	—	0.1
Equity dividends paid in the year	—	—	—	(9.4)	(9.4)
Total transactions with owners of the Company	—	(11.9)	0.1	(1.6)	(13.4)
Balance at 31 December 2024	0.1	—	—	37.4	37.5

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	31 December 2025 £'m	31 December 2024 £'m
Cash flows from operating activities		
Profit for the financial year	35.9	33.5
Adjustments for:		
Depreciation of property, plant and equipment	1.0	0.7
Depreciation of right-of-use assets	0.8	1.0
Amortisation of intangible assets	1.1	0.8
Decrease in inventory	—	0.2
Increase in trade and other receivables	(14.4)	(11.2)
Increase in customer acquisition costs	(19.1)	(12.3)
Decrease / (increase) in industry related deposits	0.6	(2.6)
Decrease in cash collateral for commodity trading arrangements	—	49.8
Increase / (decrease) in trade and other payables	8.8	(4.9)
Increase in renewable obligation liability	17.4	13.5
National Insurance on share options exercised	—	(0.6)
Finance income	(4.3)	(4.2)
Interest received	4.1	4.1
Finance costs	0.6	0.6
Taxation charge	12.8	11.0
Corporation tax paid	(11.1)	(11.3)
Share-based payment charge	2.1	4.0
Net cash from operating activities	36.3	72.1
Cash flows from investing activities		
Purchase of property, plant and equipment	(0.2)	(2.2)
Smart meter asset capital expenditure	(3.3)	(4.5)
Smart meter assets under construction	(1.0)	(1.7)
Payment of software development costs	(2.1)	(1.3)
Payment for acquisition of subsidiary, net of cash acquired	(2.2)	—
Net cash used in investing activities	(8.8)	(9.7)
Cash flows from financing activities		
Borrowings drawn down	5.6	4.6
Interest paid on borrowings	(0.5)	(0.2)
Interest paid on lease obligations	(0.1)	(0.2)
Repayment of principal element of borrowings	(0.3)	(0.1)
Repayment of principal element of lease obligations	(0.9)	(0.8)
Net proceeds from share option exercises	—	0.4
Cash paid on repurchase of shares	—	(4.0)
Dividends paid	(10.6)	(9.4)
Net cash used in financing activities	(6.8)	(9.7)
Net increase in cash and cash equivalents	20.7	52.7
Cash and cash equivalents at the start of the year	85.2	32.5
Cash and cash equivalents at the end of the year	105.9	85.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting policies

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 16 March 2026. Yü Group PLC ("the Company") is a public limited company incorporated in the United Kingdom, with company number 10004236. The Company is limited by shares and the Company's ordinary shares are traded on AIM.

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its parent company financial statements in accordance with UK accounting standards (UK Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

The following exemptions from the requirements of IFRS have been applied in the preparation of the parent company financial statements and, where relevant, equivalent disclosures have been made in the Group accounts, in accordance with FRS 101:

- presentation of a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- IFRS 7 "Financial Instruments: Disclosures";
- disclosures in respect of capital management;
- disclosures in respect of key management personnel;
- comparative period reconciliations for share capital; and
- disclosure of the future impact of new IFRS in issue but not yet effective at the reporting date.

The consolidated financial statements are presented in British pounds sterling (£), which is the presentation currency of the Group. All values are rounded to the nearest million (£m), except where otherwise indicated.

Going concern

The financial statements are prepared on a going concern basis.

At 31 December 2025 the Group had net assets of £97.8m (2024: £70.3m), cash of £105.9m (2024: £85.2m) and net current assets of £59.8m (2024: £46.3m).

Management prepares detailed budgets and forecasts of financial performance and cash flow (including capital commitments) over the coming 14 months. The Board has confidence in achieving such targets and forecasts and has performed comprehensive analysis of various risks (including those set out in the Strategic Report) and sensitivities in relation to performance, the energy market and the wider economy.

The Group continues to demonstrate significant progress in its results. This has led to adjusted EBITDA (note 7) in 2025 of £50.6m (2024: £48.8m), which continues the momentum in the Group's results occurring since 2018. Management is confident in continuing this improvement in profitability based on its business model.

Profitability metrics remain strong in 2025, and the Group continues to drive sustainable, profitable growth. The Group's hedging strategy, approach to bad debt, and investment in digital technologies all contribute to achieving acceptable levels of profitability over the medium term.

Group cash liquidity is strong, with continued growth in cash reserves to £105.9m at year end (2024: £85.2m). The five-year commodity trading agreement entered into in February 2024 with the Shell Energy Europe Limited ("Shell") provides significant access to commodity markets whilst preserving Group liquidity, and the contract is performing well.

The Board actively seeks to utilise the Group's cash reserves to further their strategic operational aims, delivering the Group's strategic priorities through investment in subscriber acquisition costs, Digital by Default and other opportunities within the Capital Allocation Framework. Significant capital investment continues in smart meter assets to provide a long-term annuity income.

The Board has assessed risks and sensitivities and potential mitigation steps available to it in detail and continues to monitor risk and mitigation strategies in the normal course of business. These considerations include the following:

Customer receivables and bad debt

The Board considers customer receivable risks in view of the wider market, the energy price environment and the Group's ability to contract and protect its position in respect of late or non-payment.

The Board performed sensitivities on material changes to customer payment behaviour including the timing of payments or if bad debt levels were to increase.

The Group has extensive mitigating actions in place. These include credit checks at point of sale and throughout the customer lifecycle, the requirement for some customers to pay reasonable security deposits at the point of sale, and the offering (ensuring compliance with regulation and good industry practice) of pay as you go products which enable certain customers to access more favourable tariffs. The Group also supports customers with payment plan arrangements, for those customers who will, when able, provide payment, and will ultimately (for some customers, as appropriate based on the circumstances) progress legal and/or disconnection proceedings to mitigate further bad debt.

In view of the Group's effective hedging strategy against volatile market prices, and the Group's ability to manage debt through various mitigating actions, the Board is confident that there will be no material impact relevant to the going concern assumption. While the bad debt percentage has increased for the Group as a result of the impact of wider market challenges on our customers, our internal approaches and strategies have mitigated this risk over the year and forecast to continue to do so going forward.

1. Significant accounting policies continued

Going concern continued

Hedging arrangements and Trading Agreement

A five-year commodity trading arrangement between Shell and the main entities of the Group (including Yü Group PLC, Yü Energy Holding Limited and Yü Energy Retail Limited), signed February 2024 ("the Trading Agreement"), enables the Group to purchase electricity and gas on forward commodity markets. The Trading Agreement enables forecasted customer demand to be hedged in accordance with an agreed risk mandate (further detailed in the Group's risks and uncertainties reporting in the Strategic Report). This hedging position and the Board-defined risk strategy has mitigated, and is expected to continue to mitigate, the impact on the Group from underlying movements in global commodity markets.

As part of the Trading Agreement, and is customary for such arrangements, Shell provides access to commodity products and holds security over the main trading assets of the Group which could, ultimately and in extreme and limited circumstances, lead to a claim on some or all of the assets of the Group. In return, Shell provides market access without the need to post cash collateral in the normal course of operation.

The Board carefully modelled in detail, and continues to monitor, certain covenants related to profitability, net worth and liquidity associated with the Trading Agreement to assess the likelihood of any breach of such agreement and the impact any such breach would likely have. Such scenarios include reduced gross margin and increased bad debt, and the impact these might have on the ability to maintain compliance with covenants.

After a detailed review, the Board has concluded that liquidity or covenant compliance scenario issues to be remote based on worst-case scenario modelling that would impact the going concern status of the Group.

Summary

Following an extensive review of the Group's forward business plan and associated risks and sensitivities to these base forecasts (and available mitigation strategies), the Board concludes that it is appropriate to prepare the financial statements on a going concern basis. The Board also considers that there is sufficient headroom to ensure the Group meets covenants based on various downside scenarios assessed.

Basis of consolidation

The consolidated accounts of the Group include the assets, liabilities and results of the Company and subsidiary undertakings in which Yü Group PLC has a controlling interest. 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.

Revenue recognition

The Group enters into contracts to supply gas, electricity and water to its customers, and provides availability of smart meter assets. Revenue represents the fair value of the consideration received or receivable from the sale of actual and estimated gas, electricity and water supplied during the year, net of discounts, climate change levy and value-added tax. Revenue is recognised on consumption, being the point at which the transfer of the goods or services to the customer takes place and based on an assessment of the extent to which performance obligations have been achieved.

Due to the nature of the energy supply industry and its reliance with some traditional (non-smart) meter types upon estimated meter readings, gas, electricity and water revenue includes the directors' best estimate of differences between estimated sales and billed sales. The Board remain focused upon the smart meter roll out through Yü Smart to mitigate this risk. The Group makes estimates of customer consumption based on available industry data, and also seasonal usage curves that have been estimated from industry available historical actual usage data, as appropriate for each site supplied by the Group.

Revenues for the supply of metering services or the installation of metering assets are, where for Group companies, eliminated on consolidation.

Government support to customers

The Energy Bills Discount Scheme ("EBDS"), implemented by HM Government through BEIS, was in place from 1 April 2023 to 31 March 2024 and resulted in customers being provided financial support through a contribution to their energy charges. The scheme has now closed.

Under the EBDS arrangement, amounts receivable from BEIS do not impact the Group's contract with customers; therefore, the amounts contributed under the schemes are treated as a cash payment towards customer bills. As such, revenue recognised is based on the amount chargeable per the contract with customers which is gross of the amount contributed through EBDS.

Costs to obtain a contract

Under IFRS 15 "Revenue from Contracts with Customers", the incremental costs of obtaining a contract are recognised as an asset if they are expected to be recovered. These costs include expenditures that would not have been incurred if the contract had not been secured and include broker sales commissions payable for energy contracts with customers.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**1. Significant accounting policies** continued**Financial instruments** continued**Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any specific impairments and expected credit losses.

Impairment

The Group has elected to measure credit loss allowances for trade receivables and accrued income at an amount equal to lifetime expected credit losses ("ECLs"). Specific impairments are made when there is a known impairment need against trade receivables and accrued income. When estimating ECLs, the Group assesses reasonable, relevant and supportable information, which does not require undue cost or effort to produce. This includes quantitative and qualitative information and analysis, incorporating historical experience, informed credit assessments and forward-looking information. Loss allowances are deducted from the gross carrying amount of the assets.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits (monies held on deposit are accessible with one month's written notice). Cash and cash equivalents exclude any cash collateral posted with third parties and bank accounts which are secured by the Group's bankers (or others).

Derivative financial instruments

The Group uses commodity purchase contracts to hedge its exposures to fluctuations in gas and electricity commodity prices. The Group's main commodity trading activities are expected to be delivered entirely to the Group's customers and therefore the Group classifies them as "own use" contracts and outside the scope of IFRS 9 "Financial Instruments". This is achieved when:

- a physical delivery takes place under all such contracts;
- the volumes purchased or sold under the contracts correspond to the Group's operating requirements; and
- no part of the contract is settled net in cash.

This classification as "own use" allows the Group not to recognise the commodity purchase contracts, at fair value, on its balance sheet at the year end.

To the extent that any commodity purchase contracts do not meet the criteria listed above, then such contracts are recognised at fair value under IFRS 9. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Details of the sensitivity analysis performed in relation to the Group's financial instruments are included in note 23.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

For business combinations, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations where the Group has entered into a put and call option arrangement over future equity interest, the present obligation to acquire the equity interest is recognised as a financial liability in accordance with IAS 32 and not recognised as non-controlling interest.

If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

1. Significant accounting policies continued**Goodwill**

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Goodwill is not amortised, as it is subject to impairment review.

Intangible assets

Intangible assets that are acquired separately by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date. After initial recognition, intangible assets acquired in a business combination are reported at their initial fair value less amortisation and accumulated impairment losses.

Software and system assets are recognised at cost, including those internal costs attributable to the development and implementation of the asset in order to bring it into use. Cost comprises all directly attributable costs, including costs of employee benefits arising directly from the development and implementation of software and system assets.

Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives are as follows:

➤ Licence	–	35 years
➤ Customer contract books	–	Over the period of the contracts acquired (typically 2-3 years)
➤ Software and systems	–	3 to 5 years

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

➤ Freehold land	–	Not depreciated
➤ Freehold property	–	30 years
➤ Plant and machinery	–	5 years
➤ Installed smart meter assets	–	15 years
➤ Assets under construction	–	Not depreciated
➤ Computer equipment	–	3 years
➤ Fixtures and fittings	–	3 years

Smart meter assets

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

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).

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 life of installed smart meter assets is defined above.

Upon removal of an installed meter asset, the meter unit condition is reviewed to determine re-installation viability and classified as temporarily idle until re-installed. The meter continues to be depreciated throughout. Meter units that are not deemed fit for re-use are disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Significant accounting policies continued

Leased assets

The Group as a lessee

For any new contract entered into the Group considers whether a contract is, or contains, a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”.

To apply this definition, the Group assesses whether the contract meets three key evaluations, which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if that rate is readily available, or the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets are separately identified and lease liabilities have been included in trade and other payables.

Impairment of goodwill, intangible assets and property, plant and equipment

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (‘CGUs’). Goodwill is allocated on initial recognition to each of the Group’s CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. Impairment loss recognised for goodwill is not reversed.

Inventory

Inventory is held at the lower of cost, being all directly attributable costs, and net realisable value.

Share-based payments

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The cost of equity-settled transactions with employees is measured by reference to the fair value on the date they are granted. Where there are no market conditions attaching to the exercise of the option, the fair value is determined using a range of inputs into a Black-Scholes pricing model. Where there are market conditions attaching to the exercise of the options a Black-Scholes option pricing model is used to determine fair value based on a range of inputs. The value of equity-settled transactions is charged to the statement of comprehensive income over the period in which the service conditions are fulfilled with a corresponding credit to a share-based payments reserve in equity.

1. Significant accounting policies continued

Share-based payments continued

Cash-settled share-based awards are initially measured at fair value at the date of grant. Subsequently the awards are fair valued at each reporting date and a proportionate expense for the duration of the vesting period elapsed is recognised in profit and loss together with a liability on the balance sheet.

Employer’s National Insurance costs arising and settled in cash on exercise of unapproved share options are included in the share-based payment charge in the profit or loss, with no corresponding credit to reserves in equity.

Pension and post-retirement benefit

The Group operates a defined contribution scheme which is available to all employees. The assets of the scheme are held separately from those of the Group in independently administered funds. Payments are made by the Group to this scheme and contributions are charged to the statement of comprehensive income as they become payable.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that the temporary difference can be utilised against future available taxable profits.

Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Treasury shares

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. Shares held by and disclosed as treasury shares are deducted from contributed equity.

Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to share premium.

Fair value measurement

A number of assets and liabilities included in the Group’s financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group’s financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the ‘fair value hierarchy’):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available.

Segmental reporting

In accordance with IFRS 8 “Operating Segments”, the Group has made the following considerations to arrive at the disclosure made in this financial information.

IFRS 8 requires consideration of the Chief Operating Decision Maker (“CODM”) within the Group. In line with the Group’s internal reporting framework and management structure, the key strategic and operating decisions are made by the Executive Committee, which regularly reviews the Group’s performance and balance sheet position and receives financial information for the Group as a whole and acts in accordance with the overall strategy as set by the Board of directors. Accordingly, the Executive Committee is deemed to be the CODM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Significant accounting policies continued

Segmental reporting continued

The Group's revenue and profit were predominantly delivered from its principal activity, which is the supply of utilities to business customers in the UK, and with an increasing additional revenue stream from the supply and installation of smart meters. The Group's operational segments are:

- › Retail – being the supply of electricity, gas and water to business customers in the UK;
- › Smart – being the provision of engineering and related services to install and maintain smart and other meters;
- › Metering assets – being the ownership and rental of smart metering assets; and
- › Group – representing centrally managed Group functions, and other items which are not directly attributable to the other operating segments.

Segmental profit is measured at two profit levels, being operating profit, as shown on the face of the statement of profit and loss, and adjusted EBITDA, as utilised by management to manage the business segment activity (and as reconciled to operating profit in note 7).

Assets, liabilities and cash flows related to the various segments are managed at the Group level and are therefore not allocated or disclosed for each segment. The Group does disclose non-current assets and additions of such assets, allocation of goodwill and trade and other receivables by segment in line with its management of the Group's operations.

Alternative Performance Measures (“APMs”)

The Group discloses Alternative Performance Measures (“APMs”) that are not defined by IFRS. The directors believe that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business but does not consider them to be a substitute for or superior to IFRS measures.

The Group's APMs are used to assist in measuring the performance of the business. The APMs are determined to offer valuable insights to users of the Group's financial statements by highlighting key value drivers and the effects of certain events and transactions on the entity's performance, financial position and cash flows. Adjusted results exclude certain items, because if included, these could distort the understanding of the Group's performance. The definition, purpose and how the measures are reconciled to statutory measures are set out in note 7 and note 8.

Standards and interpretations

The Group has adopted all of the new or amended accounting standards and interpretations that are mandatory for the current reporting period.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- › Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)
- › Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- › IFRS 18 “Presentation and Disclosure in Financial Statements”
- › IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

The Group is currently assessing the effect of these new accounting standards and amendments. IFRS 18 “Presentation and Disclosure in Financial Statements”, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 “Basis of Preparation of Financial Statements” (renamed from “Accounting Policies, Changes in Accounting Estimates and Errors”). Even though IFRS 18 may not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to apply IFRS 19.

1. Significant accounting policies continued

Significant judgements and estimates

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

› the assessment of forward energy commodity contracts as “own use” under IFRS 9;

The Group enters into forward purchase contracts to hedge its position to closely match customers' expected demand over the term of the contract and does not engage in speculative trading. Factors such as the shape/granularity of traded products available (which do not perfectly align with customer demand) and variations in energy consumed by customers (as a result of varying customer behaviour and activity, and (particularly for gas) the weather impact) can influence the demand of customers and the extent to which the Group's forward commodity hedged position matches such customer demand.

The Board considers the extent to which forward contracts are entered into and continue to be held for the purpose of delivery of energy that is matched to customer expected volume. Factors considered in making this judgement include recent trading experience; historical accuracy in demand forecasting; and growth in volumes supplied to customers. Based on an assessment of these factors during the years ended 31 December 2024 and 31 December 2025, the Board considers that the forward commodity trades outstanding at the balance sheet date are intended to be fully utilised for the Group's “own use” to meet expected customer demand in the normal course of business. The judgement in relation to forward contracts being for “own use” results in such contracts not being assessed at fair value and therefore with no unrealised financial derivative asset or liability recognised at the balance sheet date.

Estimates and assumptions

› the estimated consumption (in lieu of accurate meter readings) of energy by customers;

Revenue includes some sales invoices raised which, where no actual meter read has been available, are based on industry data and estimates or other source information. Such invoices can therefore represent estimates which are lower or higher than the actual out-turn of energy consumption once accurate meter readings are obtained. The utilisation of smart or automatic meters is significant and growing in the Group, which reduces the amount estimated on invoiced sales. Estimates of meter readings utilised for billing customers are also utilised for settlement of costs, and therefore an over or under-estimated revenue is largely mitigated by an opposite amendment to cost of sales.

A change in estimated meter consumption volumes of +/-10% would impact revenue and accrued income by £6.0m (2024: £4.2m), with an approximate £5.2m (2024: £3.6m) corresponding adjustment to cost of sales and accruals. The impact on gross profit for each +/-10% of estimated consumption is therefore £0.8m (2024: £0.6m).

› the accrual for certain energy and industry related costs;

Certain gas and electricity costs are based on industry or management estimates based on knowledge of the market, historical norms and estimates of the expected out-turn position which may be over or underestimated. There are a number of specific cost areas that are material to the Group and include elements of significant estimation and judgement to determine the carrying amounts.

› Industry settlement and impact on energy and industry costs

The energy industry involves settlement of industry costs to balance each participant's position so that its purchased energy matches its used energy. For the Group, as with other energy suppliers, this settlement of industry to balance its position (“Settlement”) occurs on the difference between energy supplied to customers and energy purchased to settle such liability. These costs can be reconciled over periods of several months and years, though typically such costs have larger estimates over periods of up to three months with Settlement adjustments reducing beyond that time period.

In addition to the cost of gas and electricity adjusted as part of the Settlement process, other non-commodity related costs can also be subject to adjustments based on the same or similar processes. Such costs include those under the renewables obligation scheme, which requires the Group to settle a liability based on its settled energy consumption; costs related to the distribution and transmission of energy to end customers; and certain green levies and other charges utilised in operating the energy network.

A change of +/-10% in settled volumes for the quarter preceding the year end, being the directors' view of the most material months subject to potential change (and which does not have a corresponding adjustment to revenue), would impact costs and accruals by £7.8m (2024: £8.3m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Significant accounting policies continued

Significant judgements and estimates continued

Estimates and assumptions continued

Unidentified Gas

Unidentified Gas ("UIG") is the shortfall between the volume of gas that enters the National Grid and what is consumed by end users, which the industry spreads across market participants. The Group's cost is determined by estimating the extent to which UIG is expected to arise from historical consumption across the industry using market data available, settled UIG costs to date and determining the expected net position for further payment or rebate of cost. Expected UIG allocations have been volatile in 2020 as a result of the pandemic, and also in 2023 as a result of the out-turns of unexpected low gas demand caused by the energy crisis. This led to industry under allocating gas to energy suppliers, requiring an estimation of accruals in the prior year for industry settlement to 'catch up'. Energy prices have returned to more stable and expected levels in recent years, but continues to require significant directors' judgement in its estimation at year end.

A change of +/-10% in estimated UIG rates that are expected to be attributable to the Group for the month of December 2025 would impact costs and accruals by £4.9m (2024: £4.1m).

the recoverability of trade receivables and accrued income and related expected credit loss provision;

The Group has continued to grow its revenue and customer base which in turn increases the levels of billed and unbilled debt as part of the customer collections cycle. The customer base of the Group changes over time and the expected impact of macroeconomic factors on our client base around increased costs, interest rates, inflation and pressures on businesses creates increased uncertainty over the recoverability of debt. New customers increase estimation uncertainty as the Group does not have specific historical backwards-looking data for these customers, and therefore may have a more delayed payment history, or that the Group provides extended payment terms to customers to secure new business.

Trade receivables and accrued income recoverability is estimated based on historical performance, forward-looking macroeconomic factors affecting the customers' ability to settle the amounts outstanding based on available information available at the reporting date about past events, current conditions and a forward-looking view of future economic conditions to determine the directors' estimate of losses over the Group's customer receivable balances. Management also conducts a detailed review of significant debtor balances at the year end, including exposure after recoverability of VAT and Climate Change Levy ("CCL"). Given the growing customer portfolio, estimation assumptions and factors noted above the carrying amount of trade receivable and accrued income net of expected credit losses is considered to be a significant estimate. Sensitivity analysis on expected credit loss estimates is provided in note 23.

2. Segmental analysis

Operating segments

The directors consider there to be three operating segments, being the supply of utilities to businesses ("Retail"), the installation and maintenance of energy meters and other assets ("Smart") and the ownership and rental of smart metering assets ("Metering assets"). In addition, the Group eliminates intra-segment trading, where one segment trades with another, and has central income, expenses, assets and liabilities ("Group") which are not directly attributable to the operating segments.

2025	Retail £'m	Smart £'m	Metering assets £'m	Intra-segment trading £'m	Group £'m	Total £'m
Revenue	700.0	10.9	1.8	(12.3)	—	700.4
Cost of sales	(603.4)	(7.8)	—	10.9	—	(600.3)
Gross profit	96.6	3.1	1.8	(1.4)	—	100.1
Operating costs, before non-recurring items, share-based payments and depreciation	(28.4)	(2.0)	(0.1)	—	(0.6)	(31.1)
Non-recurring items	—	—	—	—	(0.6)	(0.6)
Share-based payments	—	—	—	—	(2.1)	(2.1)
Depreciation and amortisation	(1.4)	(0.9)	(0.6)	—	—	(2.9)
Net impairment losses on financial and contract assets	(18.3)	—	(0.1)	—	—	(18.4)
Operating profit / (loss)	48.5	0.2	1.0	(1.4)	(3.3)	45.0
Adjusted EBITDA (note 7)	50.0	1.2	1.7	(1.9)	(0.4)	50.6
Non-current assets	32.2	1.3	11.3	—	6.1	50.9
Non-current asset additions	2.0	0.2	4.6	—	3.6	10.4
Goodwill	—	0.2	—	—	1.8	2.0
Trade and other receivables	141.0	0.1	0.7	—	0.4	142.2

2. Segmental analysis continued

Operating segments continued

2024	Retail £'m	Smart £'m	Metering assets £'m	Intra-segment trading £'m	Group £'m	Total £'m
Revenue	645.3	12.7	0.7	(13.2)	—	645.5
Cost of sales	(559.8)	(8.8)	—	17.0	—	(551.6)
Gross profit	85.5	3.9	0.7	3.8	—	93.9
Operating costs, before non-recurring items, share-based payments and depreciation	(29.0)	(2.7)	(0.1)	0.8	(0.6)	(31.6)
Non-recurring items	(1.4)	—	—	—	—	(1.4)
Share-based payments	(4.0)	—	—	—	—	(4.0)
Depreciation and amortisation	(1.5)	(0.9)	(0.3)	0.3	(0.1)	(2.5)
Net impairment losses on financial and contract assets	(13.5)	—	—	—	—	(13.5)
Operating profit / (loss)	36.1	0.3	0.3	4.9	(0.7)	40.9
Adjusted EBITDA (note 7)	42.9	1.2	0.6	4.7	(0.6)	48.8
Non-current assets	36.3	5.5	6.8	(34.3)	17.4	31.7
Non-current asset additions	3.4	5.4	4.9	(3.9)	1.8	11.6
Goodwill	—	0.2	—	—	—	0.2
Trade and other receivables	134.3	3.7	0.8	(42.5)	12.6	108.9

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information.

100% of Group revenue, for both financial years, is generated from sales to customers in the United Kingdom (2024: 100%).

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

2025	Retail £'m	Smart £'m	Metering assets £'m	Intra-segment trading £'m	Total £'m
Product type					
Energy supply	700.0	—	—	—	700.0
Meter installation	—	10.9	—	(10.9)	—
Meter rental	—	—	1.8	(1.4)	0.4
Revenue from contracts with customers	700.0	10.9	1.8	(12.3)	700.4
Timing of transfer of goods and services					
Goods transferred over time	686.0	—	1.8	(1.4)	686.4
Goods transferred at a point in time	14.0	10.9	—	(10.9)	14.0
Revenue from contracts with customers	700.0	10.9	1.8	(12.3)	700.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

2. Segmental analysis continued

Disaggregation of revenue continued

2024	Retail £'m	Smart £'m	Metering assets £'m	Intra-segment trading £'m	Total £'m
Product type					
Energy supply	645.3	—	—	—	645.3
Meter installation	—	12.7	—	(12.7)	—
Meter rental	—	—	0.7	(0.5)	0.2
Revenue from contracts with customers	645.3	12.7	0.7	(13.2)	645.5
Timing of transfer of goods and services					
Goods transferred over time	631.2	—	0.7	(0.5)	631.4
Goods transferred at a point in time	14.1	12.7	—	(12.7)	14.1
Revenue from contracts with customers	645.3	12.7	0.7	(13.2)	645.5

The Group has no individual customers representing over 10% of revenue (2024: none).

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 31 December 2025:

	Within 1 year £'m	2-5 years £'m	After 5 years £'m	Total £'m
Revenue expected to be recognised	668.2	759.9	2.9	1,431.0
	668.2	759.9	2.9	1,431.0

3. Auditor's remuneration

	2025 £'m	2024 £'m
Audit of these financial statements	0.1	0.1
Amounts receivable by auditor in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	0.1	0.1
	0.2	0.2

4. Operating profit

	2025 £'m	2024 £'m
Profit for the year has been arrived at after charging:		
Staff costs (see note 6)	24.4	23.3
Costs to obtain customer contracts	33.8	24.9
Depreciation of property, plant and equipment	1.0	0.7
Depreciation of right-of-use assets	0.8	1.0
Amortisation of intangible assets	1.1	0.8

5. Net finance income/(expense)

	2025 £'m	2024 £'m
Bank interest receivable	4.1	3.4
Other interest received	0.2	0.8
Total finance income	4.3	4.2
Bank interest and other finance charges payable	—	(0.2)
Interest on borrowings	(0.5)	(0.2)
Interest on lease liabilities	(0.1)	(0.2)
Total finance costs	(0.6)	(0.6)
Net finance income	3.7	3.6

Other interest received consists of amounts due on collateral posted with the Group's industry deposit arrangements.

6. Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	2025 Number	2024 Number
Engineering	88	84
Sales	39	41
Administration	353	347
	480	472

The aggregate payroll costs of these persons were as follows:

	2025 £'m	2024 £'m
Wages and salaries	21.6	19.4
Social security costs	2.4	2.4
Pension costs	0.4	0.4
Share-based payments	2.1	4.0
	26.5	26.2
Of which:		
Amounts charged to operating profit	24.4	23.3
Amounts related to smart metering installation in property, plant and engineering assets	2.1	2.9

There were four persons employed directly by the Company during the year ended 31 December 2025 (2024: three), being the non-executive directors. The Company had three (2024: two) executive directors who served during the year, all of which had service contracts with a wholly owned subsidiary of the Company while in this role. In 2025, one executive director transitioned to the role of non-executive director.

Key management personnel

The aggregate compensation made to directors and other members of key management personnel (being members of the Group's Executive Committee comprising the Chief Executive Officer, Chief Financial Officer and other senior leaders) is set out below:

	2025 £'m	2024 £'m
Short-term employee benefits	2.8	2.2
Social security and pension costs	0.4	0.9
Share-based payments	2.0	3.9
	5.2	7.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**6. Staff numbers and costs** continued**Key management personnel** continued

Remuneration of the executive and non-executive directors is as follows:

	2025 £'m	2024 £'m
Short-term employee benefits	2.0	1.4
Social security and pension costs	0.2	0.5
Share-based payments	1.5	2.0
	3.7	3.9

The total remuneration received by the highest paid director was £1.8m in the year (2024: £2.8m).

7. Alternative Performance Measures**Adjusted EBITDA**

Non-GAAP measure. Adjusted EBITDA represents profit before interest and tax, depreciation, amortisation, non-recurring business expense and equity-related share-based payment charges.

The directors utilise adjusted EBITDA to make Group financial, strategic and operating decisions. The measure separates out certain items from defined IFRS measures because these are determined to assist users of these financial statements to evaluate business performance from recurring and normalised profitability that better align to operational cash flow (before the impact of working capital movements) and to obtain profitability margins as a percentage of revenue. This measure is frequently used by external stakeholders to evaluate financial performance and compare performance of other industry competitors, and will assist users to understand and evaluate, in the same manner as management, the movement in Group's operational performance on a comparable basis.

As adjusted EBITDA can exclude significant costs or gains, it should not be regarded as a complete picture of the Group's financial performance, which is presented in its total results.

The reconciliation of operating profit and adjusted EBITDA is as follows:

	Notes	2025 £'m	2024 £'m
Adjusted EBITDA reconciliation			
Operating profit		45.0	40.9
Add back:			
Non-recurring operational costs ¹		0.6	1.4
Share-based payments ²	25	2.1	4.0
Depreciation of property, plant and equipment	14	1.0	0.7
Depreciation of right-of-use assets	15	0.8	1.0
Amortisation of intangibles	13	1.1	0.8
Adjusted EBITDA		50.6	48.8

1. The non-recurring operational costs excludes costs incurred in connection with the establishment of new business units, including early-stage development activities prior to the commencement of normal commercial operations. These costs do not relate to the performance of the Group in the year or the ongoing operating performance and are incurred as part of discrete strategic initiatives intended to generate future growth. As they are outside of the normal course of business are therefore considered exceptional to the trading result.

In 2024, non-recurring fees were incurred in the termination of the Group's previous commodity trading agreement. The five-year commodity trading arrangement between Shell Energy Europe Limited ("Shell") and the main entities of the Group (including Yü Group PLC, Yü Energy Holding Limited and Yü Energy Retail Limited) was signed February 2024. Given the non-recurring nature of these costs and basis for reporting the APM measure, these costs have not been charged to adjusted EBITDA.

2. Share-based payment charges on share options are excluded from adjusted EBITDA as they are not related to business operational trading which provides clearer views of operating cash generation in the year. Further details of the share-based payments are documented in note 25.

Adjusted earnings per share

Adjusted earnings per share is defined as earnings per share excluding adjusted items. The measure is determined by dividing profit after tax, adjusted for post-tax adjusted items (relating to non-recurring operational costs and share-based payment charges) by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held, and on a basic and fully diluted basis. This APM is a measure of management's view of the Group's underlying earnings per share.

Refer to note 8 for a reconciliation between earnings per share and adjusted earnings per share.

8. Earnings per share**Basic earnings per share**

Basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2025 £'m	2024 £'m
Profit for the year attributable to ordinary shareholders	35.9	33.5

	2025	2024
Weighted average number of ordinary shares		
At the start of the year	16,784,337	16,741,195
Effect of shares issued in the year	5,621	175,825
Effect of purchase of treasury shares	—	(146,861)
Number of ordinary shares for basic earnings per share calculation	16,789,958	16,770,159
Dilutive effect of outstanding share options	1,071,836	1,170,383
Number of ordinary shares for diluted earnings per share calculation	17,861,794	17,940,542

	2025 p	2024 p
Basic earnings per share	214p	200p
Diluted earnings per share	201p	187p

Adjusted earnings per share

See note 7 for details on adjusted earnings per share.

	2025 £'m	2024 £'m
Adjusted earnings per share		
Profit for the year attributable to ordinary shareholders	35.9	33.5
Add back operating profit adjusting items (per note 7):		
Share-based payments after tax	2.1	3.2
Non-recurring operational cost after tax	0.5	1.0
Adjusted basic profit for the year	38.5	37.7

	2025 p	2024 p
Adjusted earnings per share	229p	225p
Diluted adjusted earnings per share	216p	210p

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**9. Taxation**

	2025 £'m	2024 £'m
Current tax charge		
Current year	12.9	9.9
Adjustment in respect of prior years	(1.4)	(0.1)
	11.5	9.8
Deferred tax charge		
Current year	0.6	1.1
Adjustment in respect of prior years	0.7	0.1
	1.3	1.2
Total tax charge	12.8	11.0
Tax recognised directly in equity		
Current tax recognised directly in equity	—	—
Deferred tax recognised directly in equity	(0.3)	(2.0)
Total tax recognised directly in equity	(0.3)	(2.0)
Reconciliation of effective tax rate		
Profit before tax	48.7	44.5
Tax at UK corporate tax rate of 25% (2024: 25%)	12.2	11.1
Expenses not deductible for tax purposes	1.6	0.4
Tax relief on exercise of share options	—	(1.1)
Fixed asset differences	(0.3)	0.6
Adjustments in respect of prior periods	(0.7)	—
Tax charge for the year	12.8	11.0

Deferred taxes at 31 December 2025 and 31 December 2024 have been measured using the enacted tax rates at that date and are reflected in these financial statements on that basis. The tax rate effective from 1 April 2023 is 25%.

The corporation tax payable by the Group at 31 December 2025 was £3.0m (2024: £2.5m). The corporation tax payable by the Company at 31 December 2025 was £nil (2024: £0.4m).

10. Dividends

The Group paid the following dividends in the year ended 31 December 2025:

- › An interim dividend of 22p per share totalling £3.7m
- › Final dividend of 41p per share totalling £6.9m, proposed in the year ended 31 December 2024

The Group paid the following dividends in the year ended 31 December 2024:

- › An interim dividend of 19p per share totalling £3.2m
- › Final dividend of 37p per share totalling £6.2m, proposed in the year ended 31 December 2023

The directors propose a final dividend in relation to 2025 of 45p per share (2024: 41p per share).

11. Business combinations**ELX Solutions Ltd**

On 17 December 2025, the Group acquired 51% of the voting equity instruments and control of ELX Solutions Ltd ("ELX"), a company whose principal activity is the provision of energy software and metering services. The principal reason for the acquisition was to use the expertise and software to improve product services delivered to customers.

The details of the business combination are as follows:

	£'m
Fair value of consideration transferred	
Amount settled in cash	2.2
Fair value of contingent consideration	1.8
	4.0
Recognised amounts of identifiable net assets	
Intangible assets	2.0
Property, plant and equipment	—
Inventory	—
Trade and other receivables	0.3
Cash and cash equivalents	0.2
Trade and other payables	(0.1)
Borrowings	—
Corporation tax payable	—
	2.4
Goodwill on acquisition (note 12)	1.6
Net cash outflow on acquisition	
Consideration transferred settled in cash	2.2
Cash and cash equivalents acquired	(0.2)
	2.0

The total acquisition costs charged to expenses was £36,000. These have been recognised as part of administrative expenses in the statement of comprehensive income.

The purchase agreement includes a put and call option over the remaining 49% of the remaining equity interest. The put option is exercisable by the non-controlling interest from 1 April 2027 until 31 March 2028 and the contingent consideration is determined based on a multiple of the revenue of ELX for a set qualifying period based on exercise date. The call option is exercisable by the Group from 1 April 2028 until lapse on 31 March 2029.

The £1.8m contingent consideration liability recognised represents the present value of the Group's probability-weighted estimate of the cash outflow. It reflects management's estimate of a 43% probability that the targets will be achieved and is discounted using an interest rate of 8%. As at 31 December 2025, there have been no changes in the estimate of the probable cash outflow or change in fair value. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

No non-controlling interest has been recognised in relation to ELX. The Group has entered into a put and call option arrangement that gives rise to a present obligation to acquire the remaining 49% equity interest, which is accounted for as a financial liability in accordance with IAS 32.

The identifiable net assets on acquisition have a fair value equal to their carrying value.

Goodwill reflects growth expectations, expected future profitability and the substantial skill and expertise of ELX's workforce.

ELX has not generated significant disclosable results for the period from acquisition from 17 December 2025 to the reporting date. If ELX had been acquired on 1 January 2025, revenue of the Group for 2025 would have been £701.5m, and profit for the year would be £36.2m.

Toucan Energy Limited

On 20 June 2025, the Group acquired 100% of the equity instruments of Toucan Energy Limited ("Toucan"), thereby obtaining control. The acquisition was made to support the Group's strategic market growth ambitions.

The business combination was settled for £0.2m in cash on the acquisition date, for minimal identifiable net assets. The goodwill on acquisition was £0.2m and the net cash outflow of consideration less cash and cash equivalents acquired totalled £0.2m.

The total acquisition costs charged to expenses was £43,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**12. Goodwill**

The movements in the net carrying amount of goodwill are as follows:

Group	2025 £'m	2024 £'m
Cost		
At 1 January	0.2	0.2
Acquired through business combination	1.8	—
At 31 December	2.0	0.2
Accumulated impairment		
At 1 January	—	—
Impairment loss recognised	—	—
At 31 December	—	—
Net book value at 31 December	2.0	0.2

Impairment testing

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The carrying amount of goodwill is allocated to the cash-generating units (CGUs) as follows:

	2025 £'m	2024 £'m
Goodwill allocated to cash-generating units		
Retail	0.2	—
Smart	0.2	0.2
Software	1.6	—
	2.0	0.2

Smart

Goodwill arose on the acquisition of the management and certain other assets of Magnum Utilities Limited in May 2022, forming the foundations for the Yü Smart business unit to deliver the Group's smart metering installation activities. The recoverable amount of the CGU does not hold a significant proportion of the Group's overall goodwill balance and management have concluded no material impairment indicators exist.

Toucan

Goodwill arose on the acquisition of Toucan Energy Limited as disclosed in note 11. The recoverable amount of the CGU does not hold a significant proportion of the Group's overall goodwill balance and management have concluded no material impairment indicators exist.

ELX

The recoverable amounts of all the above CGUs have been determined from value in use calculations based on cash flow projections from budgets covering a five-year forecast approved by management. The present value of the expected cash flows of each cash generating unit is determined by applying a suitable discount rate reflecting current market assessments of the time value of money. Other major assumptions are as follows:

	2025 %	2024 %
2025		
Discount rate	8	—
Operating margin	47	—
Growth rate	2	—

Discount rates are based on the Group's weighted average cost of capital to reflect management's assessment of market and specific risks related to the cash-generating unit.

Growth rates beyond the first five years are based on economic data pertaining to the cash-generating unit concerned. At this stage and considering the direct exposure of the Group to the climate changes, management has considered growth rates were not significantly affected and were still consistent with long-term perspectives of its industry and expectations from market participants.

12. Goodwill continued**ELX continued**

Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions.

The recoverable amount of the CGU is assessed to be £7.6m which exceeds its carrying amount by £3.9m.

If any one of the above key assumptions were to change by +/- 1%, no impairment would be recognised, and the recoverable amount would exceed the carrying amount by:

	2025 £'m	2024 £'m
2025		
Discount rate	2.8	—
Operating margin	3.8	—
Growth rate	3.0	—

13. Intangible assets

Group	Electricity licence £'m	Customer books £'m	Software and systems £'m	Total £'m
Cost				
At 1 January 2025	0.1	0.7	4.7	5.5
Additions	—	—	2.1	2.1
Acquired through business combinations	—	—	2.0	2.0
At 31 December 2025	0.1	0.7	8.8	9.6
Amortisation				
At 1 January 2025	—	0.7	2.0	2.7
Charge for the year	—	—	1.1	1.1
At 31 December 2025	—	0.7	3.1	3.8
Net book value at 31 December 2025	0.1	—	5.7	5.8
Cost				
At 1 January 2024	0.1	0.7	3.4	4.2
Additions	—	—	1.3	1.3
At 31 December 2024	0.1	0.7	4.7	5.5
Amortisation				
At 1 January 2024	—	0.7	1.2	1.9
Charge for the year	—	—	0.8	0.8
At 31 December 2024	—	0.7	2.0	2.7
Net book value at 31 December 2024	0.1	—	2.7	2.8

The useful economic life of the acquired electricity licence is 35 years, which represents the fact that the licence can be revoked by giving 25 years' written notice but that this notice cannot be given any sooner than 10 years after the licence came into force in January 2013.

The customer book intangibles relate to acquisitions that took place in 2020. They represent the fair value of the customer contracts purchased in those acquisitions. The intangible assets were amortised over a useful economic life of two years, representing the average contract length of the customer books acquired.

Software and systems assets relate to investments made in third-party software packages, and directly attributable internal personnel costs in implementing those platforms, as part of the Group's Digital by Default strategy.

The amortisation charge is recognised in operating costs in the income statement.

The above intangible assets are Group assets only. The Company has no intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

14. Property, plant and equipment

Group	Freehold land £'m	Freehold property £'m	Fixtures and fittings £'m	Plant and machinery £'m	Assets under construction £'m	Computer equipment £'m	Total £'m
Cost							
At 1 January 2025	0.2	5.1	0.9	5.4	1.7	0.8	14.1
Additions	—	—	—	2.1	2.3	0.1	4.5
Reclassification	—	—	—	1.3	(1.3)	—	—
At 31 December 2025	0.2	5.1	0.9	8.8	2.7	0.9	18.6
Depreciation							
At 1 January 2025	—	0.4	0.6	0.2	—	0.6	1.8
Charge for the year	—	0.2	0.2	0.4	—	0.2	1.0
At 31 December 2025	—	0.6	0.8	0.6	—	0.8	2.8
Net book value at 31 December 2025	0.2	4.5	0.1	8.2	2.7	0.1	15.8
Cost							
At 1 January 2024	0.2	3.3	0.7	0.9	—	0.7	5.8
Additions	—	1.8	0.2	2.9	3.3	0.1	8.3
Reclassification	—	—	—	1.6	(1.6)	—	—
At 31 December 2024	0.2	5.1	0.9	5.4	1.7	0.8	14.1
Depreciation							
At 1 January 2024	—	0.3	0.4	—	—	0.4	1.1
Charge for the year	—	0.1	0.2	0.2	—	0.2	0.7
At 31 December 2024	—	0.4	0.6	0.2	—	0.6	1.8
Net book value at 31 December 2024	0.2	4.7	0.3	5.2	1.7	0.2	12.3
Company							
Cost							
At 1 January 2024				Freehold land £'m	Freehold property £'m		Total £'m
Additions				—	1.8		1.8
Disposals				(0.2)	(5.1)		(5.3)
At 31 December 2024 and 31 December 2025				—	—		—
Depreciation							
At 1 January 2024				—	0.3		0.3
Charge for the year				—	—		—
Disposals				—	(0.3)		(0.3)
At 31 December 2024 and 31 December 2025				—	—		—
Net book value at 31 December 2024 and 31 December 2025				—	—		—

The freehold land and building in 2024 related to the Leicester office of the Group and was sold by the Company to Yü Propco Leicester Ltd, a wholly owned subsidiary, at the estimated market value (equivalent to book value) of £3.2m at the date of disposal. This transaction does not impact the Group's consolidated balance sheet position.

In 2024, the Company entered into an agreement to acquire freehold property relating to the Nottingham office from a related party (as disclosed in note 27). The Company acquired the property on an arm's length basis at the estimated market value determined by an independent party. Subsequent to its purchase, the Company sold the freehold building to Yü Propco Nottingham Ltd, a wholly owned subsidiary, at the estimated market value (equivalent to book value) of £1.7m at the date of disposal. The intergroup sale and purchase transaction does not impact the Group's consolidated balance sheet position.

15. Right-of-use assets

Group	Buildings £'m	Motor vehicles £'m	Total £'m
Cost			
At 1 January 2025	0.2	2.8	3.0
Additions	—	—	—
Disposals	—	(0.5)	(0.5)
Lease modifications	—	0.2	0.2
At 31 December 2025	0.2	2.5	2.7
Depreciation			
At 1 January 2025	—	1.2	1.2
Charge for the year	0.1	0.7	0.8
Disposals	—	(0.3)	(0.3)
At 31 December 2025	0.1	1.6	1.7
Net book value at 31 December 2025	0.1	0.9	1.0
Cost			
At 1 January 2024	2.0	0.8	2.8
Additions	—	2.0	2.0
Disposals	(1.8)	—	(1.8)
At 31 December 2024	0.2	2.8	3.0
Depreciation			
At 1 January 2024	0.8	0.3	1.1
Charge for the year	0.1	0.9	1.0
Disposals	(0.9)	—	(0.9)
At 31 December 2024	—	1.2	1.2
Net book value at 31 December 2024	0.2	1.6	1.8

The Company has a property lease with a cost of £0.1m. The depreciation charge for the year was £26,000 (2024: £27,000). The net book value at 31 December 2025 of £0.1m (2024: £0.1m) is included within the Group right-of-use asset as above.

During 2024, as disclosed in note 14, the Group entered into an agreement to purchase its main office facilities in Nottingham from a related party (as disclosed in note 27). For the purposes of the Group consolidated balance sheet position the lease has been disposed of in that year.

Other assets relate to lease arrangements for motor vehicles to undertake engineering activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. Investments in subsidiaries

The Company has the following direct and indirect investments in subsidiaries, all of which are incorporated in the United Kingdom:

Company name	Holding	Proportion of shares held	Nature of business
Yü Energy Holding Limited	Ordinary shares	100%	Gas shipping services and holding company
Yü Energy Retail Limited ¹	Ordinary shares	100% ¹	Supply of energy to businesses
Yu Water Limited	Ordinary shares	100%	Supply of water to businesses
KAL Portfolio Trading Limited	Ordinary shares	100%	Dormant/holding company
Yü PropCo Leicester Ltd ²	Ordinary shares	100% ²	Property ownership
Yü PropCo Nottingham Ltd ²	Ordinary shares	100% ²	Property ownership
Yü-Smart Ltd	Ordinary shares	100%	Smart metering installation and maintenance
Yü Services Limited	Ordinary shares	100%	Holding company
Kensington Meter Assets Ltd ³	Ordinary shares	100% ³	Ownership of energy meter assets
Yü Innovate Limited	Ordinary shares	100%	Holding company
Toucan Energy Limited	Ordinary shares	100%	Dormant energy licensed company
ELX Solutions Ltd ⁴	Ordinary shares	51% ⁴	Energy software and metering services provider
Adaptive Robotic Information Consultants LLC ⁵	Ordinary shares	100% ⁵	Software systems research and development

All of the above entities are included in the consolidated financial statements and are direct holdings of the Company except:

- Yü Energy Retail Limited is a subsidiary of Yü Energy Holding Limited.
- Yü PropCo Leicester Ltd and Yü PropCo Nottingham Ltd are subsidiaries of KAL Portfolio Trading Limited.
- Kensington Meter Assets Ltd is a subsidiary of Yü Services Limited.
- ELX Solutions Ltd is a subsidiary of Yü Innovate Limited. Its registered address is Suite 15 Highfield House, 185 Chorley New Road, Bolton, BL1 4QZ. See note 11 for details of acquisition.
- Adaptive Robotic Information Consultants LLC is incorporated in the UAE with registered address Al Fattan Business Hub, Level 9 / 903 & 904, Marsa Dubai, Dubai, UAE.

All entities excluding ELX Solutions Ltd and Adaptive Robotic Information Consultants LLC have the same registered address as Yü Group PLC. The address is listed as part of the Company information on page 109.

The carrying value of investments in subsidiaries for the Company are as follows:

	2025 £'m	2024 £'m
At 1 January	0.1	—
Additions	0.2	0.1
At 31 December	0.3	0.1

Investments in subsidiaries are stated at cost, less any provision for impairment.

17. Deferred tax assets

Deferred tax assets are attributable to the following:

	Group		Company	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Property, plant and equipment	(2.1)	(0.8)	—	—
Share-based payments	3.9	3.6	—	—
	1.8	2.8	—	—

Movement in deferred tax in the period:

	At 1 January 2025 £'m	Recognised in income £'m	Recognised directly in equity £'m	At 31 December 2025 £'m
Property, plant and equipment	(0.8)	(1.3)	—	(2.1)
Share-based payments	3.6	—	0.3	3.9
	2.8	(1.3)	0.3	1.8

	At 1 January 2024 £'m	Recognised in income £'m	Recognised directly in equity £'m	At 31 December 2024 £'m
Property, plant and equipment	(0.3)	(0.5)	—	(0.8)
Tax value of loss carry-forwards	0.8	(0.8)	—	—
Share-based payments	1.6	—	2.0	3.6
	2.1	(1.3)	2.0	2.8

The deferred tax asset is expected to be utilised by the Group in the coming years and there is no time limit to utilisation of such losses. The Board forecasts sufficient taxable income as a result of the growth in the customer base and increased profitability against which it will utilise these deferred tax assets.

Deferred tax for the Company for 2025 and 2024 includes the Group movements recognised directly in equity in share-based payments. There was no other movement in deferred tax in the year (2024: none).

18. Inventory

The Group has the following inventory balances in relation to its engineering activities:

	2025 £'m	2024 £'m
Stock of goods for resale	0.4	0.4
	0.4	0.4

There is no inventory held by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

19. Trade and other receivables

	Group		Company	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Current				
Net trade receivables	21.5	16.0	—	—
Net accrued income	65.1	57.8	—	—
Prepayments	1.3	1.3	0.1	0.1
Costs to obtain customer contracts	16.1	9.7	—	—
Industry collateral deposits	6.4	7.0	—	—
Other receivables	7.3	5.3	0.2	0.6
Amount due from subsidiary undertakings	—	—	0.6	0.4
	117.7	97.1	0.9	1.1
Non-current				
Costs to obtain customer contracts	24.5	11.8	—	—
Amount due from subsidiary undertakings	—	—	14.6	11.4
	24.5	11.8	14.6	11.4

The reconciliation of gross trade receivables and accrued income and expected credit loss provision for the Group is as follows:

	2025		2024	
	Trade receivables £'m	Accrued income £'m	Trade receivables £'m	Accrued income £'m
Gross carrying amount	53.3	67.6	50.4	60.0
Provision for doubtful debts and expected credit loss	(31.8)	(2.5)	(34.4)	(2.2)
Net carrying amount	21.5	65.1	16.0	57.8

The movement in accrued income reflects the transfer from accrued income to trade receivables in the period plus the unbilled estimate of customer performance obligations satisfied. There are no other movements in accrued income balances.

The Group applies the simplified IFRS 9 approach in measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and accrued income. To measure expected credit losses on a collective basis, trade receivables and accrued income are grouped based on similar credit risk and ageing. The expected credit loss of trade receivables and accrued income are allocated between two credit risk groups made up of active customer accounts ("Active"), which represent customers that remain on supply at the balance sheet date, and those customers which have left the supply ("Terminated") of the Group.

Provision rates for customer balances are determined based on the age of the balance outstanding, whether the customer remains being supplied energy by the Group, an assessment of historical debt and recovery on a customer basis and the extent and position of the balance in the Group's credit control process. Credit losses are adjusted to reflect current and forward-looking macroeconomic factors affecting the customers' ability to settle the amounts outstanding based on information available at the reporting date about past events, current conditions and a forward-looking view of future economic conditions. There have been no significant changes in the estimation techniques or significant assumptions made during the reporting period.

The gross amount of trade receivables and accrued income is stated inclusive of VAT and CCL of approximately 17% which, on the write-off of debt, would typically be recoverable and is therefore not provided for.

Expected credit losses and the recognition, where appropriate, of previous customer credit balances are recognised in the income statement as net impairment losses on financial and contract assets.

19. Trade and other receivables continued

The lifetime expected loss provision for trade receivables and accrued income is as follows:

Active	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total £'m
	£'m	£'m	£'m	£'m	
31 December 2025					
Gross trade receivables	5.6	4.7	2.2	11.9	24.4
Gross accrued income	67.6	—	—	—	67.6
Expected credit loss rate	5%	42%	51%	67%	16%
Expected credit loss allowance	(3.6)	(2.0)	(1.1)	(8.0)	(14.7)
31 December 2024					
Gross trade receivables	4.7	1.8	1.3	5.1	12.9
Gross accrued income	60.0	—	—	—	60.0
Expected credit loss rate	5%	36%	41%	66%	11%
Expected credit loss allowance	(3.4)	(0.6)	(0.5)	(3.3)	(7.8)
Terminated					
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total £'m
	£'m	£'m	£'m	£'m	
31 December 2025					
Gross trade receivables	5.1	1.7	1.7	20.4	28.9
Gross accrued income	—	—	—	—	—
Expected credit loss rate	30%	68%	70%	77%	68%
Expected credit loss allowance	(1.5)	(1.2)	(1.2)	(15.7)	(19.6)
31 December 2024					
Gross trade receivables	2.4	1.6	1.5	32.0	37.5
Gross accrued income	—	—	—	—	—
Expected credit loss rate	43%	68%	66%	80%	77%
Expected credit loss allowance	(1.0)	(1.1)	(1.0)	(25.7)	(28.8)

Movements in the provision for doubtful debts and expected credit loss in gross trade receivables are as follows:

	2025 £'m	2024 £'m
Opening balance	34.4	27.7
Provisions recognised less unused amounts reversed	18.1	13.0
Provision utilised in the year	(20.7)	(6.3)
Closing balance – provision for doubtful debts and expected credit losses	31.8	34.4

The provision utilised in 2025 relates to a write off of legacy debt balances historically fully provided for. There has been no significant impact to profit and loss in the year.

Movements in the provision for doubtful debts and expected credit loss in accrued income are as follows:

	2025 £'m	2024 £'m
Opening balance	2.2	1.7
Provisions recognised less unused amounts reversed	0.3	0.5
Provision utilised in the year	—	—
Closing balance – provision for doubtful debts and expected credit losses	2.5	2.2

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their maturities being short term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

19. Trade and other receivables continued

The Group other receivables balance contains £0.6m (2024: £0.7m) relating to bank cash deposits and restricted funds, of which £nil (2024: £0.5m) is held by the Company. These funds do not fulfil the criteria of being classified as cash and cash equivalents in view of the balance being secured for operational activities of the Group.

The Board of Yü Group PLC has considered the provisions around impairment of intercompany indebtedness contained within IFRS 9 "Financial Instruments" and concluded that there is no requirement for an expected credit loss provision at 31 December 2025 (2024: no provision).

20. Cash and cash equivalents

	Group		Company	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Cash at bank and in hand	105.9	85.2	54.2	42.8
	105.9	85.2	54.2	42.8

As disclosed in note 19, the cash and cash equivalents amounts exclude £0.6m (2024: £0.7m) of cash which is included in other receivables.

21. Trade and other payables

	Group		Company	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Current				
Trade payables	12.0	10.2	0.3	0.2
Energy and industry cost accruals	50.8	47.3	—	—
Renewable obligation liability	52.8	35.4	—	—
Operating and other accruals	9.7	7.8	—	—
Lease liabilities	0.7	0.9	—	—
Tax and social security	18.2	17.2	—	—
Other payables	16.5	14.9	—	—
Amounts due to subsidiary undertakings	—	—	—	1.8
	160.7	133.7	0.3	2.0
Non-current				
Accrued expenses	1.1	2.0	0.6	0.6
Contingent consideration	1.8	—	—	—
Lease liabilities	0.2	0.9	—	—
Amounts due to subsidiary undertakings	—	—	15.0	15.0
	3.1	2.9	15.6	15.6

Included within amounts due to subsidiary undertakings in the Company as at 31 December 2025 is a £15.0m (2024: 15.0m) formal intra-Group loan payable to Yü Energy Retail Limited. The initial loan term is for a period of three years plus an extended term of 18 months from notice. Interest is accrued daily on the loan equivalent to an annual rate of 0.5% below SONIA.

21. Trade and other payables continued

Lease liabilities

Group	Buildings £'m	Motor vehicles £'m	Total £'m
At 1 January 2025	0.1	1.7	1.8
Additions	—	—	—
Interest expense	—	0.1	0.1
Disposals	—	—	—
Payments	(0.1)	(0.9)	(1.0)
At 31 December 2025	—	0.9	0.9
Current	—	0.7	0.7
Non-current	—	0.2	0.2
At 1 January 2024	1.1	0.5	1.6
Additions	—	1.9	1.9
Interest expense	0.1	0.1	0.2
Disposals	(0.9)	—	(0.9)
Payments	(0.2)	(0.8)	(1.0)
At 31 December 2024	0.1	1.7	1.8
Current	—	0.9	0.9
Non-current	0.1	0.8	0.9

Company	2025 Buildings £'m	2024 Buildings £'m
At 1 January	0.1	0.1
Additions	—	—
Interest expense	—	—
Payments	(0.1)	—
At 31 December	—	0.1
Current	—	—
Non-current	—	0.1

The incremental borrowing rate used to measure lease liabilities was 6%. The same rate was applicable for both the leased buildings and motor vehicles.

The contractual maturities (representing undiscounted contractual cash flows) of the lease liabilities are disclosed in note 23.

The total cash outflow for Group leases in 2025 was £1.0m (2024: £1.0m) and for the Company was £30,000 (2024: £8,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**22. Borrowings**

	Group		Company	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Current				
Bank loan	0.5	0.2	—	—
Non-current				
Bank loan	9.8	4.8	—	—
Total borrowings	10.3	5.0	—	—

Borrowings solely relate to the Group's investment in smart meters which return an index-linked, recurring annuity over a 15+ year term, with Siemens Finance.

The Group entered into an additional £10m loan facility agreement in June 2025, in addition to an existing £5.2m facility agreed during 2023 with Siemens Finance in relation to the finance of such meters. The amounts outstanding relate to the amounts drawn down on the total £15.2m facilities. Repayments are over a 10-year period with a bullet repayment, and with an interest rate fixed at the date of drawdown. The borrowings are fully secured on the assets of the wholly owned subsidiary entity, Kensington Meter Assets Limited.

The bank loan is shown net of unamortised arrangement fees of £0.2m (2024: £0.2m) which are being amortised over the life of the loan.

The contractual maturities (representing undiscounted contractual cash flows) of the bank loans are disclosed in note 23.

23. Financial instruments and risk management

The Group's principal financial instruments are cash, trade and other receivables, trade and other payables and derivative financial assets.

The categories of financial instruments, including contract assets and liabilities, held by the Group are as follows:

	2025 £'m	2024 £'m
Financial assets		
Cash and cash equivalents	105.9	85.2
Financial assets recorded at amortised cost	100.3	86.1
Financial liabilities		
Financial liabilities recorded at amortised cost	(151.1)	(120.8)
Fair value through profit or loss	(1.8)	—
Lease liabilities	(0.9)	(1.8)

Management considers that the book value of financial assets and liabilities recorded at amortised cost and their fair value are approximately equal.

Derivative instruments, related to the Group's hedging of forward gas and electricity demand, are level 1 financial instruments and, should they not be treated as for "own use" under IFRS 9, would be measured at fair value through the statement of profit or loss. Such fair value would be measured by reference to quoted prices in active markets for identical assets or liabilities. All derivatives are held at a carrying amount equal to their fair value at the period end.

The Group trades entirely in pounds sterling and therefore it has no foreign currency risk.

The Group has exposure to the following risks from its use of financial instruments:

- commodity hedging and derivative instruments (related to customer demand, market price volatility and counterparty credit risk);
- customer, industry participants and financial institution credit risk; and
- liquidity risk.

23. Financial instruments and risk management continued**(a) Commodity hedging and derivative instruments**

The Group is exposed to market risk in that changes in the price of electricity and gas may affect the Group's income or liquidity position. The use of derivative financial instruments to hedge customer demand also results in the Group being exposed to risks from significant changes in customer demand (beyond that priced into the contracts), and counterparty credit risk with the trading counterparty.

Commodity, energy prices and customer demand

The Group uses commodity purchase contracts to manage its exposures to fluctuations in gas and electricity commodity prices. The Group's objective is to reduce risk in energy price volatility by entering into back-to-back (to the extent practical) energy contracts with its suppliers and customers, in accordance with a Board-approved risk mandate. Commodity purchase contracts are entered into as part of the Group's normal business activities.

Commodity purchase contracts are expected to be delivered entirely to the Group's customers and are therefore classified as "own use" contracts. These instruments do not fall into the scope of IFRS 9 and therefore are not recognised in the financial statements.

If any of the contracts in the Group's portfolio are expected to be settled net in cash and are not entered into so as to hedge, in the normal course of business, the demand of customers, then such trades are measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit and loss. All forward trades were considered to meet the criteria for "own use" at 31 December 2025.

As far as practical, in accordance with the risk mandate, the Group attempts to match new sales contracts (based on estimated energy consumption, assuming normal weather patterns, over the contract term) with corresponding commodity purchase contracts. There is a risk that at any point in time the Group is over or under-hedged. Holding an over or under-hedged position opens the Group up to market risk which may result in either a positive or negative impact on the Group's margin and cash flow, depending on the movement in commodity prices. In view of the Group's commodity hedging position and available mitigation, any major deviation in customer demand is not considered to deliver a material impact on the Group's financial performance.

Increased volatility of global gas and electricity commodity prices had increased the potential gain or loss for an over or under-hedged portfolio over the 2024 and 2025 periods, and the Group continues to closely monitor its customer demand forecast to manage volatility. The Group also applies premia in its pricing of contracts to cover some market volatility (which has proven to be robust despite the market context), and contracts with customers also contain the ability to pass through costs which are incurred as a result of customer demand being materially different to the estimated volume contracted.

As contracts are expected to be outside of IFRS 9, there is no sensitivity analysis provided on such contracts.

Liquidity risk from commodity trading

The Group's trading arrangements can, in the absence of suitable credit lines or other arrangements being in place, result in the need to post cash or other collateral to trading counterparties when commodity markets are below the Group's average weighted price contracted forward. A significant reduction in electricity and gas markets could, therefore, lead to a material exposure arising for any trading counterparty which, in the absence of a suitable credit arrangement, could result in credit support such as cash being required as collateral.

As part of the Group's Trading Agreement with Shell, signed in February 2024, there is no requirement in the normal course to provide any such credit support and, as such, no impact on liquidity risk in the normal course of business.

Trading counterparty credit risk

In mirror opposite to the liquidity risk noted above, the Group carries credit risk to trading counterparties where market prices are above the average weighted price contracted forward. This risk is mitigated by energy delivered and not yet paid for, and no credit risk is therefore assessed as held at 31 December 2025.

The Board monitors the position in respect of credit exposure with its trading counterparties, and contracts only with major organisations which the Board considers to be robust and of appropriate financial standing. The Group's agreement with a group of Shell's standing has significantly reduced the exposure to counterparty risk, in view of the robust standing and contractual protections.

(b) Customer and financial institution or other counterparty credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, the Group's bankers where cash deposits are held, and the Group's trading counterparties as noted in section (a) above. These operational exposures are monitored and managed at Group level.

Credit risk related to customer trade receivables

All customers operate in the UK and turnover is made up of a large number of customers each owing relatively small amounts. New customers have their credit checked using an external credit reference agency prior to being accepted as a customer. The provision of a smart meter is also mandatory for some sales channels.

Credit risk is further managed through the Group's standard business terms, which require all customers to make a monthly payment predominantly by direct debit and requires security deposits in advance where appropriate. At 31 December 2025 there were no significant concentrations of credit risk. The carrying amount of the financial assets (less the element of VAT and CCL included in the invoiced balance, which is recoverable in the event of non-payment by the customer) represents the maximum credit exposure at any point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

23. Financial instruments and risk management continued

(b) Customer and financial institution or other counterparty credit risk continued

Credit risk related to customer trade receivables continued

The Board considers the exposure to debtors based on the status of customers in its internal debt journey, the level of customer engagement in finding an appropriate solution, the customer's creditworthiness, the provision for doubtful debts and expected credit loss held, the level of reclaimable VAT and CCL on the balances and cash received after the period end.

At 31 December 2025 the Group held a provision against doubtful debts and expected credit loss of £34.3m (2024: £36.6m). This is a combined provision against both trade receivables at £31.8m (2024: £34.4m) and accrued income at £2.5m (2024: £2.2m). The increase reflects the growth in the Group's activities.

In relation to trade receivables, after provision and accounting for VAT and CCL reclaimable the maximum exposure assessed by directors is less than 12% of the gross balance, being £6.7m, pre the consideration of any cash received from customers post the balance sheet date. If expected customer credit loss rate on trade receivables was +/-1% of that assessed, the gain or loss arising recognised in the income statement and impacting net assets would be +/-£0.5m.

If the expected customer credit loss rate on accrued income was +/-1%, the gain or loss arising would be +/-£0.7m.

Credit risk related to industry participants

The Group holds exposure to certain industry participants which, under Ofgem licence and market regulatory conditions, require payments in advance or other credit support. The total paid and outstanding to such industry participants at 31 December 2025 of £6.4m (2024: £7.0m) represents the maximum credit exposure.

Such amounts due are considered by management and refunds are requested, or alternative security provided by non-cash means, to the extent practicable. In view of the quasi-regulated nature of such counterparties, the directors consider the credit exposure to be low risk.

Credit risk with financial institutions

Cash balances are held in current and deposit accounts with the Group's bank, and short-term deposit accounts (which are either interest or non-interest accounts) with other major financial institutions.

At 31 December 2025 the Group had £105.9m (2024: £85.2m) of cash and bank balances (as per note 20). This balance can also fluctuate materially during the normal working capital cycle of the Group, reaching significantly above the reported balance through each monthly cycle, and increasing to a typical high point on 31 August of each year.

The Group only holds cash deposits with highly rated financial institutions, with significant credit rating, and diversified from the Group's main banker to at least one further institution.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board is responsible for ensuring that the Group has sufficient liquidity to meet its financial liabilities as they fall due and does so by monitoring cash flow forecasts and budgets.

The Board also monitors the position in respect of the Group's performance against covenants as part of its trading arrangements, and any requirements under its licence to operate including its Ofgem energy supply licence.

As part of assessing the Group's liquidity, the Board considers: low profitability; delays in customer receivable payments; major risks and uncertainties; and the ability to comply with its Trading Agreement.

A deemed low cash collection scenario of +/-1% of billed cash in a month being delayed, in which customers delay or default on payment, would result in cash flow timing adjustments to management expectations of £0.7m.

Undiscounted contractual cash flows

The tables below have been drawn up based on the undiscounted contractual maturities of the Group's financial liabilities, including interest that will be unwound on those liabilities:

Group	Carrying amounts £'m	Within 1 year £'m	2-5 years £'m	After 5 years £'m	Contractual cash flows £'m
Trade and other payables	142.6	139.8	3.5	—	143.3
Borrowings	10.3	1.3	5.2	9.3	15.8
Lease liabilities	0.9	0.8	0.2	—	1.0
At 31 December 2025	153.8	141.9	8.9	9.3	160.1
Trade and other payables	115.8	114.9	1.0	—	115.9
Borrowings	5.0	0.6	2.5	4.3	7.4
Lease liabilities	1.8	1.0	0.9	—	1.9
At 31 December 2024	122.6	116.5	4.4	4.3	125.2

23. Financial instruments and risk management continued

(d) Financial instruments measured at fair value

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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 or indirectly
- Level 3: unobservable inputs for the asset or liability

The fair value hierarchy of financial instruments measured at fair value is provided below:

Group	2025 Level 1 £'m	2025 Level 2 £'m	2025 Level 3 £'m	2024 Level 1 £'m	2024 Level 2 £'m	2024 Level 3 £'m
Financial liabilities						
Contingent consideration	—	—	1.8	—	—	—
At 31 December 2025	—	—	1.8	—	—	—

There were no transfers between levels during the period. The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are as follows:

- **Contingent consideration (level 3)** – The fair value of contingent consideration related to the acquisition of ELX (see note 11) is estimated using a present value technique. The £1.8m fair value is estimated by probability-weighting the estimated future cash outflows, adjusting for risk and discounting at 8%. The probability-weighted cash outflows before discounting are £2.5m and reflect management's estimate of a 43% probability that the contract's target level will be achieved. The discount rate used is 8%, based on the Group's estimated incremental borrowing rate, and therefore reflects the Group's credit position. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate. There were no changes to the valuation techniques during the period.

There has been no movement in the opening and closing fair value balance of level 3 financial instruments outside of the fair value acquired through business combination disclosed above.

24. Share capital and reserves

Share capital	2025 Number	2025 £'m	2024 Number	2024 £'m
Allotted and fully paid ordinary shares of £0.005 each	17,019,315	0.1	17,019,315	0.1

The Company has one class of ordinary share with nominal value of £0.005 each, 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. The Company holds 224,628 shares in treasury and as at 31 December 2025 (2024: 234,978), the total number of shares in issue with voting rights was 16,794,687 (2024: 16,784,337).

The Group and Company-only movement in share capital and reserves is as per the statement of changes in equity as detailed on pages 73 and 74.

Share capital represents the value of all called up, allotted and fully paid shares of the Company.

The share premium movement in 2024 for the Group and the Company relates to:

- the excess of the price at which share options were exercised during the year, over the £0.005 nominal value of those shares, being £0.4m during the year; and
- the cancellation of the share premium account on 3 July 2024, when such cancellation was approved and certified under the Companies Act 2006. The share premium account of £12.3m was credited to distributable reserves on that date.

Treasury shares

On 22 May 2024 the Company purchased 234,978 ordinary shares at a price of £17 a share totalling £4.0m to hold in treasury. It is intended that these ordinary shares held in treasury will be utilised to satisfy future option exercises.

In 2025 the Group transferred 10,350 ordinary shares from treasury to settle exercise of employee share options.

Other equity	2025 Number	2025 £'m	2024 Number	2024 £'m
Treasury shares	(224,628)	(3.8)	(234,978)	(4.0)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

24. Share capital and reserves continued

Merger reserve

The merger reserve was previously created as part of the 2016 Group reorganisation prior to listing and has been reclassified in 2024.

Retained earnings

Retained earnings comprises the Group's cumulative annual profits and losses, including adjustments for equity-settled share-based payments (and related tax), the purchase of shares to be held in treasury, and the credit as a result of the cancellation of the share premium account.

25. Share-based payments

The Group operates a number of share option plans for qualifying employees, both as equity and cash-settled share-based remuneration schemes. Equity-settled options in the plans are settled in equity in the Company.

Equity-settled share-based payments

The terms and conditions of the outstanding grants made under the Group's schemes are as follows:

Date of grant	Expected term	Exercisable between		Exercise price	Vesting schedule	Amount outstanding at 31 December 2025	Amount outstanding at 31 December 2024
		Commencement	Lapse				
6 April 2017	3	6 April 2020	6 April 2027	£0.005	1	43,950	43,950
6 April 2017	6.5	6 April 2020	6 April 2027	£2.844	1	87,900	87,900
28 September 2017	6.5	28 September 2020	28 September 2027	£5.825	1	13,500	13,500
9 April 2018	6.5	9 April 2021	9 April 2028	£10.38	1	38,084	38,084
4 October 2020	3	30 April 2023	4 October 2030	£0.005	2	76,617	76,617
4 October 2020	3	30 April 2024	4 October 2030	£0.005	2	76,617	76,617
1 December 2022	3	1 January 2026	1 July 2026	£2.28	3	120,227	141,715
19 December 2022	3.3	31 March 2026	19 December 2032	£0.005	4	662,000	662,000
17 May 2024	2	31 March 2026	17 May 2034	£0.005	5	30,000	30,000
18 March 2025	3	31 March 2028	18 March 2035	£15.03	6	342,222	—
22 July 2025	2.7	31 March 2028	22 July 2035	£15.03	6	78,000	—
22 July 2025	3.7	31 March 2029	22 July 2035	£13.60	7	160,000	—
20 October 2025	2.4	31 March 2028	20 October 2035	£15.03	6	70,000	—
20 October 2025	3.4	31 March 2029	20 October 2035	£13.60	7	100,000	—
						1,899,117	1,170,383
Weighted average remaining contractual life of options outstanding						7.0 years	6.1 years

The following vesting schedules apply to the options:

- 100% of options vest on the third anniversary of date of grant.
- 100% of options have vested on the achievement of a performance condition related to the Group's share price at a pre-determined date.
- 100% of options vest on the third anniversary of the Save As You Earn ("SAYE") savings contract start date.
- The level of vesting is dependent on a performance condition, being the Group's EBITDA over a qualifying period. Shares are expected to vest in full.
- The level of vesting is dependent on a performance condition, being the number of meters owned over a qualifying period.
- The level of vesting is dependent on performance conditions, being a combination of the Group's EBITDA, the number of meters owned and forward contracted revenue all over a qualifying period.
- The level of vesting will be based on Group earnings per share secured over the four financial years from FY25 to FY28.

25. Share-based payments continued

Equity-settled share-based payments continued

The number and weighted average exercise price of equity-settled share options were as follows:

	2025 Shares	2024 Shares
Balance at the start of the period	1,170,383	1,533,324
Granted	828,000	30,000
Forfeited	(88,916)	(114,821)
Lapsed	—	—
Exercised	(10,350)	(278,120)
Balance at the end of the period	1,899,117	1,170,383
Vested at the end of the period	336,668	336,668
Exercisable at the end of the period	336,668	336,668
Weighted average exercise price for:		
Options granted in the period	£14.58	£0.005
Options forfeited in the period	£13.43	£0.299
Options exercised in the period	£2.28	£1.353
Weighted average share price of exercised shares	£15.84	£17.03
Exercise price in the range:		
From	£0.005	£0.005
To	£15.03	£10.38

The fair value of each option grant is estimated on the grant date using an appropriate option pricing model. The following fair value assumptions were assumed in the year:

	2025	2024
Dividend yield	3.3%	2.4%
Risk-free rate	3.9%	4.3%
Share price volatility	57%	66%
Weighted average contractual life (years)	3 years	2 years
Weighted average fair value of options granted during the period	£6.11	£16.40

Cash-settled share-based payments

For the cash-settled share scheme, the following information is relevant:

Date of grant	Expected term	Commencement	Lapse	Exercise price	Vesting schedule	Amount outstanding at 31 December 2025	Amount outstanding at 31 December 2024
1 January 2024	3.3	30 April 2027	30 May 2027	£10.00	1	149,000	174,500
1 January 2025	3.3	30 April 2028	30 May 2028	£10.00	1	47,000	—
						196,000	174,500
Weighted average remaining contractual life of options outstanding						1.7 years	2.4 years

The following vesting schedules apply to the options:

- 100% of options vest on the vesting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**25. Share-based payments** continued**Cash-settled share-based payments** continued

	2025 Options	2024 Options
Balance at the start of the period	174,500	—
Granted	47,000	240,000
Forfeited	(25,500)	(65,500)
Lapsed	—	—
Exercised	—	—
Balance at the end of the period	196,000	174,500
Weighted average exercise price for:		
Options granted in the period	£10.00	£10.00
Options forfeited in the period	£10.00	£10.00
Options exercised in the period	—	—
Weighted average share price of exercised shares	—	—

The fair value of each option grant is estimated on the grant date using the Black-Scholes option pricing model. The following fair value assumptions were assumed in the year:

	2025	2024
Risk-free rate	4.19%	3.5%
Share price volatility	59%	60%
Weighted average contractual life (years)	3.25 years	3.25 years
Weighted average fair value of options granted during the period	£11.21	£13.03

The carrying value of the cash settled share-based payments included within accruals is £0.6m (2024: £0.6m).

The share price volatility assumption in 2025 was based on the actual historical share price of the Group since January 2023.

The total expenses recognised for the year arising from share-based payments are as follows:

	2025 £'m	2024 £'m
Equity-settled share-based payment expense	1.9	0.9
Cash-settled share-based payment expense	—	0.6
National Insurance costs related to share options	0.2	2.5
Total share-based payment charge	2.1	4.0

Employer's National Insurance contributions are accrued, where applicable on unapproved (for tax purposes) share options, at the rate of 15% (2024: 13.8% or 15.0%) which management expects to be the prevailing rate at the time the options are exercised.

26. Commitments**Commodity purchase commitments**

As disclosed in note 23, the Group has entered into commodity purchase contracts to hedge its exposures to fluctuations in gas and electricity commodity prices which meet the criteria for "own use" and are classified as off-balance sheet arrangements. Such contracts to purchase gas and electricity are set so as to match, to the extent possible, the demand from customers; therefore, they play a significant role in securing the forward expected gross margin on customer contracts which are set at the point of contracting new customers.

As part of the Group's risk mandate, the total commodity purchase contracts at 31 December 2025 amount to £395.6m (2024: £315.0m). Such purchase contracts carry inherent risk to the Group through the value of such contracts, being significant commitment costs, and the potential exposure should customer contracts not cover commitment costs. The Group, however, has a significant contract book in excess of the purchase commitments, which limits the exposure risk, which is considered to be low, given they are underpinned by customer contracts. The benefits to the Group of the commodity purchase contract commitments arises through fixing future commodity costs against contracted revenue where a pre-determined margin and profit are realised.

26. Commitments continued**Capital commitments**

The Group has entered into contracts to develop its digital platform as part of the Digital by Default strategy. Such contracts may be terminated with a limited timescale and as such are not disclosed as a capital commitment.

The Group and Company have no other capital commitments at 31 December 2025 (2024: £nil).

Security

The Group has entered into Trading Agreements with the Shell group in February 2024 to provide access to commodity markets. As part of this arrangement, as is common for such structures, there is a requirement to meet certain covenants, a fixed and floating charge (including mandate over certain banking arrangements in the event of default) over the main trading subsidiaries of the Group, being Yü Energy Holding Limited and Yü Energy Retail Limited, and a parent company guarantee from the Company.

As part of the Group's activities in financing smart meters, a Group entity has provided security over smart meter assets in relation to bank debt provided by Siemens Finance.

Yü Group PLC provides parent company guarantees on behalf of its wholly owned subsidiaries to a small number of industry counterparties as is commonplace for the utilities sector.

Contingent liabilities

The Group has no contingent liabilities at 31 December 2025 (2024: £nil) other than those disclosed in note 23.

27. Related parties and related party transactions

Other than remuneration of key management personnel (note 6), the only related party transactions in the period have been between the Company and its subsidiaries, which have been eliminated on consolidation.

In the prior year, the Group has transacted with CPK Investments Limited (an entity owned by Bobby Kalar). The Nottingham office property was sold by CPK Investments Limited to the Group to provide additional flexibility for the Group's property strategy. The consideration paid of £1,709,000 was largely based on an independent valuation of the building, together with an assessment of value of fixtures and fittings acquired. The lease agreement between Yü Energy Retail Limited and CPK Investments Limited was transferred between Group entities and disposed of for the purposes of the consolidated Group accounts. During 2024 the Group paid £92,000 in lease rental and service charges to CPK Investments Limited. There was a net balance of £35,000 owed to the Group from CPK Investments Limited at 31 December 2024, which was settled in full in January 2025.

In 2024 the Company acquired 234,978 ordinary shares, at the then-market rate of £17 per share, via its broker Liberum Wealth Limited. These shares remain in treasury on 31 December 2024. On the same date as the Company's purchase, Paul Rawson (Chief Financial Officer during the period) and a person closely related to him, and two employees of the Group, sold shares through Liberum Capital Limited, of which some such shares were sold at the same market price (less commission).

28. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Borrowings £'m	Lease liabilities £'m	Total £'m
Balance as at 1 January 2024	0.5	1.6	2.1
Cash flows:			
Drawdown of new borrowings	4.6	—	4.6
Repayment	(0.3)	(1.0)	(1.3)
Non-cash:			
Recognition of new leases	—	1.9	1.9
Interest	0.2	0.2	0.4
Disposal of lease liabilities	—	(0.9)	(0.9)
Balance as at 31 December 2024	5.0	1.8	6.8
Cash flows:			
Drawdown of new borrowings	5.6	—	5.6
Repayment	(0.8)	(1.0)	(1.8)
Non-cash:			
Interest	0.5	0.1	0.6
Disposal of lease liabilities	—	—	—
Balance as at 31 December 2025	10.3	0.9	11.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued**29. Subsidiary audit exemption**

The following UK subsidiary undertakings are exempt from the requirements of an audit for the year ended 31 December 2025, under section 479A of the Companies Act 2006.

Company name	Company Number
Yü Water Limited	09918643
Yü PropCo Leicester Ltd	14307346
Yü PropCo Nottingham Ltd	15994888
Yü-Smart Ltd	12311416
Yü Services Limited	11440201
Yü Innovate Limited	16742823
Toucan Energy Limited	09688876
ELX Solutions Ltd	12269209

30. Post-balance sheet events

On 13 February 2026:

- › the Company has issued 195,926 Ordinary Shares with nominal value of £0.005 per share;
- › the Company transferred 113,242 ordinary shares from treasury to settle an exercise of employee share options; and
- › the Company acquired 309,168 ordinary shares, at the then-market rate of £19.06 per share via its broker Panmure Liberum Capital Limited and were held in treasury. On the same date, Bobby Kalar (Chief Executive Officer), exercised and agreed to sell options over 309,168 ordinary shares in the Company.

There are no other significant post-balance sheet events.

COMPANY INFORMATION**Company Secretary**

Paul Rawson

Company website and email

www.yugroupplc.com
ir@yugroupplc.com

Registered office

CPK House
 2 Horizon Place
 Nottingham Business Park
 Mellors Way
 Nottingham NG8 6PY

Nominated adviser**Panmure Liberum Capital Limited**

Ropemaker Place
 25 Ropemaker Street
 London EC2Y 9LY

Corporate broker**Panmure Liberum Capital Limited**

Ropemaker Place
 25 Ropemaker Street
 London EC2Y 9LY

Auditor**RSM UK Audit LLP**

2nd Floor
 East West Building
 2 Tollhouse Hill
 Nottingham NG1 5FS

Solicitors to the Company**DLA Piper UK LLP**

160 Aldersgate Street
 Barbican
 London EC1A 4HT

Osborne Clarke LLP

One London Wall
 London EC2Y 5EB

Gunnercooke LLP

1 Cornhill
 London EC3V 3ND

Registrars**Neville Registrars Limited**

Neville House
 Steelpark Road
 Halesowen B62 8HD

0121 585 1131



Yü Group PLC's commitment to environmental issues is reflected in this Annual Report, which has been printed on Symbol Freelifa Satin, an FSC® certified material. This document was printed by L&S using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. The printer is a CarbonNeutral® company. Both the printer and the paper mill are registered to ISO 14001.

Produced by

designportfolio

AR:25

YÜGROUP PLC | ANNUAL REPORT AND FINANCIAL STATEMENTS 2025



CPK House
2 Horizon Place
Nottingham Business Park
Mellors Way
Nottingham NG8 6PY
www.yugroupplc.com