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Company	ASX Limited	Date	26 July 2022
From	Helen Hardy	Pages	3
Subject	Origin lifts investment in fast growing Octopus Energy		

Please find attached a release on the above subject.

Regards



Authorised for lodgement by:
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Company Secretary

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ASX/Media Release

26 July 2022

Origin lifts investment in fast-growing Octopus Energy

Origin Energy Limited (Origin) will invest an additional £94 million (~\$163 million*) in Octopus Energy Group Limited (Octopus) to maintain its 20 per cent equity interest and support the UK technology and energy company to continue its rapid expansion.

Since Origin's last investment in September 2021, Octopus has made significant progress across its retail, renewable energy, and technology businesses. Octopus has grown to become the UK's fifth largest energy retailer, increasing its customer base by 25 per cent to 3.1 million customers (5.5 million customer accounts). It recently entered the French market through the acquisition of Plum Energie, adding 90,000 customers and the Kraken segment is profitable and has doubled its revenue forecast for the next three years, to more than £500 million. In addition, renewable energy assets under management have increased by £600 million, to £4 billion.

Underscoring Kraken's global appeal in the energy transition is its ability to rapidly transform both business operations and customer experience. In just two years, Octopus has successfully migrated 8.7 million customer accounts for E.ON energy in the UK, delivering both cash savings and an uplift in customer experience. Following the recent agreement with EDF UK, more than 25 million customer accounts are now contracted on the platform, with many other opportunities being pursued, including Kraken for water and broadband and Kraken Flex.

The price of Origin's investment is the same as the last investment in September 2021. It follows recent investments in Octopus by other major international investors, Canada Pension Plan Investment Board (CPP Investments), Generation Investment Management¹ (GIM) and Tokyo Gas, which have invested a total £175 million in the latest funding round.

Recent capital raisings now value Octopus at more than £3.5 billion, representing close to a four-fold increase in value since Origin's initial investment in May 2020.

Origin CEO Frank Calabria said, "We are very impressed with the way Octopus has navigated an incredibly challenging period for the UK energy market, with the company emerging much bigger and as the UK's fifth largest retailer, better placed to deliver on its vision and growth strategy.

"Recent events have clearly underscored the significant advantage Octopus' low-cost operating model and market-leading technology platform, Kraken, provides in a rapidly changing energy landscape, with Octopus able to grow and thrive while other companies failed to survive amid the consolidation of UK retailers.

"Octopus has already grown materially in value since Origin's initial investment in 2020, and we believe our incremental investment provides a return well above our internal hurdle and is strategically aligned with our ambition to lead the energy transition to net zero. We believe Octopus provides an important avenue for future growth," Mr Calabria said.

In Origin's business, the migration of all electricity and gas customers to Kraken is progressing well and on track to be completed by the end of the 2022 calendar year.

As of today, more than 2.3 million customer accounts are on Kraken, well over half of Origin's customer base, and customer happiness has continued to rate highly and above expectations as

¹ GIM's most recent investment is subject to GIM obtaining required regulatory approvals.



migrations have scaled up. Productivity performance has been strong, and Origin is on track to achieve the targeted cost benefits.

“We are delighted with the progress we are making on Kraken and the transformation of our retail operating model. Developing and operating Kraken in the complex Australian energy market further underscores our belief that the already profitable platform will be a leading global enterprise software platform through the energy transition,” Mr Calabria said.

*At an exchange rate of 0.577 AUD/GBP.

APPENDIX: SCHEDULE OF ORIGIN EQUITY PAYMENTS TO OCTOPUS ENERGY

Tranches (A\$m)	FY2020	FY2021	FY2022	FY2023
Equity investment May 2020	128	90	~190	–
Equity investment December 2020	–	51	~10	~10
Equity investment September 2021	–	–	~70	–
Equity investment in August 2022				~163
Total	128	141	~270	~173

* Including transaction costs

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About Octopus Energy

- Part of the Octopus Group, Octopus Energy is a global clean energy tech business launched in the UK in 2016.
- Octopus has expanded rapidly and now operates in 13 countries, including the United Kingdom, Australia, Italy, France, Spain, United States and New Zealand. Octopus has also established a strategic partnership with Tokyo Gas in Japan, the world's largest deregulated energy market.
- Octopus is the UK's fifth largest energy retailer, serving 3.1 million customers.
- Octopus' proprietary technology platform, Kraken, has been licensed to a growing number of leading retailers around the world, including Origin, E.ON and EDF UK. Kraken supports more than 25 million customer accounts globally.