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Company	ASX Limited	Date	23 December 2020
From	Helen Hardy	Pages	3
Subject	Origin invests in continued expansion of Octopus Energy as it launches into Asian market		

Please find attached a release on the above subject.

Regards



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## ASX/Media Release

23 December 2020

### **Origin invests in continued expansion of Octopus Energy as it launches into Asian market**

Origin Energy Limited (Origin) has announced it will invest an additional £36 million (approximately A\$65 million) in Octopus Energy Group Limited (Octopus) to maintain its 20 per cent equity interest following a partnership between Octopus and Tokyo Gas that will see the launch of Octopus into the Japanese market.

Under the agreements, leading Japanese utility Tokyo Gas will take a 9.7 per cent equity share in Octopus for a consideration of US\$200 million. Octopus and Tokyo Gas will also establish a new retailer, TG Octopus Energy, that will pursue growth in the Japan market, one of the world's biggest competitive energy markets comprising 83 million electricity customers and 25 million gas customers.

Origin chief executive officer Frank Calabria said, "We have seen Octopus continue to grow rapidly since we announced our partnership earlier this year, and we are thrilled to be supporting the company as it launches into the Asian market with Tokyo Gas.

"We are lifting our investment in Octopus to maintain our 20 per cent equity share because we see strong potential in our strategic partnership, underpinned by our confidence in Octopus' operating model, market-leading technology and management team.

"There has been a material value uplift in Octopus Energy since our initial investment in May this year, evidencing the company's impressive growth trajectory.

"Octopus is a globally distinctive, disruptive energy and technology company that is delivering on its tremendous growth prospects both as a retailer and through licencing of Kraken to leading utilities all over the world, with a target of reaching 100 million accounts by 2027.

"Since May, Octopus has grown UK customer accounts by approximately 300,000 to 1.8 million and launched in the United States and German markets, while transformational licensing deals with both Origin and E.ON are progressing well.

"We have already reached Origin's target to have 50,000 customers on the platform by the end of 2020, and we will progressively move more customers to the platform.

"Kraken will enable Origin to achieve a step change improvement in customer experience, significantly lower our costs and offer more sophisticated products and services that give customers value from the tremendous changes underway in energy," Mr Calabria said.

Origin's further investment in Octopus is on the same commercial terms as Tokyo Gas and will be paid in three tranches based on agreed milestones, with 75 per cent expected in FY2021 and the remainder in FY2022 and FY2023.

The terms have been agreed and formal execution of the transaction will take place and will become binding when the transaction between Octopus and Tokyo Gas is executed. This is



expected to occur in the first quarter of 2021. Octopus remains well funded to pursue its growth initiatives.

In May 2020, Origin announced it was entering a strategic partnership with Octopus Energy, taking a 20 per cent equity share in the fast-growing company as well as a perpetual license to Kraken in Australia for a combined consideration of approximately A\$500 million staged over a number of years.

### **TG Octopus Energy joint venture**

TG Octopus Energy will be 30:70 joint venture between Octopus and Tokyo Gas which will supply 100 per cent renewable energy. Octopus will licence Kraken to TG Octopus Energy on a per customer basis. The joint venture will be backed by working capital and growth funding provided by Tokyo Gas. Tokyo Gas will maintain its existing retail presence in Japan with 2.5 million electricity and 12 million gas customers.

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