

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	28 September 2021
From	Helen Hardy	Pages	3
Subject	Value of Octopus Energy triples to £3 billion as new investor acquires 7 per cent interest		

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

28 September 2021

Value of Octopus Energy triples to £3 billion as new investor acquires 7 per cent interest

Origin Energy Limited (Origin) advises that Octopus Energy Group Limited (Octopus) will continue its rapid expansion, with a fund managed by leading sustainable investor Generation Investment Management (GIM) to invest £211 million to acquire approximately 7 per cent of the company. GIM's investment values Octopus at approximately £3 billion (A\$5.5 billion).

Origin will invest an additional £38 million (~A\$70 million*) in Octopus to maintain its 20 per cent equity interest in the company. Octopus is an energy retailer with approximately 5.3 million customer accounts, a technology and software provider licencing its proprietary platform, Kraken, to a growing list of leading energy retailers around the world, and a renewable asset manager with more than £3.4 billion of assets under management. Octopus is also increasingly focused on developing future energy products and services, including the decarbonisation of heat, smart meters and electric vehicle leasing and charging.

GIM will have an option to double its stake in Octopus under the same terms prior to 30 June 2022, with Origin having an option to invest to maintain its 20 per cent share if GIM exercises its option.

Origin CEO Frank Calabria said, "Since our investment in May 2020, Octopus has emerged as a global leader in energy retailing and technology, achieving significant growth in its home market and expanding into several international markets. It has also continued licencing its Kraken technology platform to leading energy retailers around the world with a target of 100 million customer accounts on Kraken by 2027.

"The rapid expansion of Octopus underpinned by its market leading technology has driven a tripling in the company's value to approximately £3 billion since we made our initial investment.

"Origin's additional investment demonstrates our confidence in Octopus' strategy, management team and growth prospects, confirmed by GIM, which is one of the world's most innovative sustainable investment funds. Our exposure to Octopus' continued success is expected to be an important avenue of growth for Origin.

"In the competitive and fast-changing energy sector, a technology-enabled retail business that delivers superior customer experience at low cost will be core to Origin's continued success. The strategic partnership with Octopus will help Origin achieve these objectives and strengthen our retail leadership, as we migrate our retail customers to Kraken by the end of 2022 and replicate its low cost, high service operating model, delivering an expected \$100-150 million of cash benefits from FY2024.

"Importantly, Octopus has demonstrated its ability to deliver major customer migrations onto Kraken, moving more than 4.3 million customer accounts for E.On and nPower in the UK in less than 12 months," Mr Calabria said.



On 26 September, Octopus agreed with the UK energy regulator to take on Avro Energy's 1.1 million customer accounts under the supplier of last resort mechanism, enabling the company to keep the lights on for Avro customers and materially grow its customers base at a competitive cost. When combined with continued organic growth, Octopus' total UK customer base is now approximately 5.3 million energy accounts comprising approximately 9.5 per cent of the UK market. In addition, Octopus expects approximately £250 million in licensing revenue over the next three years based on deals done to date to license the Kraken platform.

Octopus has also expanded into new markets, with strategic acquisitions in Spain, Texas and New Zealand. Octopus and Tokyo Gas have also progressed their entry into Japan, the world's largest deregulated energy market, and are on track for their first electricity customers in October.

Origin entered into a strategic partnership with Octopus in May 2020, acquiring a 20 per cent equity interest for £215 million.

Octopus will use the investment to accelerate its growth strategy focused on international expansion of technology licencing and energy retail, including innovative customer solutions such as electric vehicle charging and leasing capabilities and electric heat pump services.

On completion of the initial GIM investment, Octopus Energy's ownership will comprise 48.2 per cent Octopus Capital, 15.48 per cent Octopus founders and employees, 20 per cent Origin, 9.08 per cent Tokyo Gas and 7.25 per cent GIM.

*At an exchange rate of 0.533 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	-
Total	128	141	~270	~10

* Including transaction costs

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About Generation Investment Management

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