

SUMMARY OF THE PROPOSED ENERGY TRANSFER SCHEME OF BULB ENERGY LIMITED (IN ENERGY SUPPLY COMPANY ADMINISTRATION)

1 Introduction

- 1.1** It is proposed that certain assets and liabilities of Bulb Energy Ltd (in energy supply company administration) (the “**Company**”), as described in paragraph 3 below (the “**Transferring Business**”), will be transferred to Octopus Energy Retail 2022 Limited (the “**New Parent**”) (a wholly owned subsidiary of Octopus Energy Group Limited) in two stages (as described in paragraphs 4 and 5 below) (the “**Transaction**”).
- 1.2** The Transaction will be implemented through a statutory process available to energy supply companies that are in special administration under Schedule 21 of the Energy Act 2004 as applied by section 96(1) of the Energy Act 2011 (the “**Scheme**”).
- 1.3** The Scheme is subject to the approval of the Secretary of State for Business, Energy and Industrial Strategy (“**BEIS**”). In addition, it is for the High Court of Justice of England & Wales (the “**Court**”) to order the time at which the transfers contemplated in the Scheme (the “**Scheme Transfers**”) will become effective. It is currently expected that the Scheme Transfers will become effective on or around 15 November 2022.
- 1.4** The detailed terms of the Scheme are set out in a separate document (the “**Scheme Document**”). This document is intended to provide a high level summary of the main terms of the Scheme. Please note that this summary is not a substitute for a review of the Scheme Document in its entirety. If you require further information or a copy of the Scheme Document, please contact bulb@teneo.com. A copy of the Scheme Document is also available at: <https://www.ips-docs.com/case/BULBE00011/TeneoRS2021>.

2 Reason for the Scheme

- 2.1** The Company entered into energy supply company administration on 24 November 2021. The energy supply company administration regime is a special administration regime which applies to certain energy supply companies and is provided for in legislation (in particular, the Energy Act 2011). The objective of an energy supply company administration is (in summary) to continue to supply energy to customers at the lowest cost which is reasonably practicable to incur, with a view to, in parallel, ensuring that the energy supply company administration order no longer needs to remain in place on account of so much of the undertaking of the energy supply company being transferred as a going concern to another supplier as is appropriate to achieve the objective, as is the case here.
- 2.2** Following their appointment as Joint Energy Administrators of the Company, Matthew David Smith, Matthew James Cowlshaw and Daniel Francis Butters of Teneo Financial Advisory Limited (the “**Joint Energy Administrators**”) have conducted a thorough marketing and sale process with the assistance of financial advisors to find a purchaser of the Company and/or its business. The Scheme represents the culmination of that process.
- 2.3** If BEIS approves the Scheme, the Scheme Transfers will take effect at the times ordered by the Court (see paragraphs 4 and 5 below for more details). Following this, there will be a transitional period during which the New Parent will migrate customers to the Octopus Energy platform.

3 The Transferring Business

3.1 The Transferring Business consists of certain assets (the “**Transferring Business Assets**”) and certain liabilities (the “**Transferring Business Liabilities**”) of the Company. Under the Scheme, the Transferring Business will be transferred to Bulb UK Operations Limited (a subsidiary of the Company) as the first step of the Scheme Transfers.

3.2 *Transferring Business*

3.2.1 The Transferring Business Assets include, among other things:

- (i) the energy supply contracts the Company has with its customers for the supply of electricity and/or gas, and all rights and interests arising from such contracts (the “**Customer Contracts**”);
- (ii) customer debit balances (note that customer credit balances are addressed in the following paragraph);
- (iii) renewable obligation certificates and renewable energy guarantee of original certificates;
- (iv) the Company’s electricity supply licence, gas supply licence and gas shipper licence (the “**Energy Licences**”);
- (v) the Company’s participation in certain industry codes and arrangements relating to those industry codes; and
- (vi) business records and personal data.

No other assets of the Company other than the Transferring Business Assets will transfer to Bulb UK Operations Limited or the New Parent.

3.2.2 The Transferring Business Liabilities include, among other things:

- (i) customer credit balances;
- (ii) liabilities attaching to the Energy Licences; and
- (iii) any liabilities otherwise deriving from the Transferring Business Assets.

No other liabilities of the Company will transfer to Bulb UK Operations Limited or the New Parent but note the summary on the effect of the Scheme in paragraph 6 below.

3.2.3 Further details of the Transferring Business, including the Transferring Business Assets and Transferring Business Liabilities are set out in paragraph 1.1 of the Scheme Document.

4 Business Transfer

4.1.1 As explained above, it is for the Court to appoint the date and time at which the Scheme Transfers become effective, by a Court order. In this document, and in the Scheme Document, the time and date at which the transfer of the Transferring Business to Bulb UK Operations Limited becomes effective is referred to as the “**Hivedown Effective Time**”.

4.1.2 On the Hivedown Effective Time:

- (i) the Transferring Business Assets will be transferred from the Company to Bulb UK Operations Limited; and

- (ii) the Transferring Business Liabilities will be transferred to Bulb UK Operations Limited and will cease to be liabilities of the Company. Bulb UK Operations Limited will assume the Transferring Business Liabilities on the Company's behalf.

4.1.3 Any assets or liabilities which are excluded in the Scheme will not be transferred to Bulb UK Operations Limited.

5 Bulb UK Operations Limited Share Transfer

Immediately after the Hivedown Effective Time, the entire issued share capital of Bulb UK Operations Limited will be transferred from the Company to the New Parent as the second step of the Scheme Transfers. This transfer will be subject to all encumbrances (if any) affecting the share capital of Bulb UK Operations Limited, save as expressly varied, amended or modified under the terms of the Scheme.

6 Effect of Scheme Transfers

6.1 In relation to the rights, remedies and liabilities of the Company, Bulb UK Operations Limited will replace the Company in relation to the Transferring Business. This means that, with effect from the Hivedown Effective Time:

- (i) any person who previously had rights and remedies against the Company (or liabilities towards the Company), will have the same rights and remedies against (or liabilities owed to) Bulb UK Operations Limited; and
- (ii) any Transferring Business Asset or Transferring Business Liability of the Company will be held by, vested in or enforceable against Bulb UK Operations Limited.

6.2 The Scheme Transfers will not entitle parties to any of the contracts or licences which will be transferred to Bulb UK Operations Limited as part of the Transferring Business to terminate those contracts or licences.

6.3 Bulb UK Operations Limited will also be able to rely on any undertaking, covenant, indemnity, consent, waiver, representation, warranty, statement or estoppel which was available to the Company before the Scheme Transfers.

6.4 The Scheme does not amend, modify, reduce or limit any contractual provisions which exclude liability or grant a right of indemnity from or in favour of the Joint Energy Administrators.

7 Continuity

Following the Scheme Transfers, references in documents or other arrangements to the Company will instead be read as if these were references to Bulb UK Operations Limited.

8 Specific Provisions

8.1 Details of the specific provisions relating to the Transferring Business are set out in paragraphs 7 to 10 of the Scheme Document. In summary:

8.2 *Customer Contracts*

From the Hivedown Effective Time, the Company's Customer Contracts will transfer to Bulb UK Operations Limited. Customers will be entitled to exercise against Bulb UK Operations Limited the same rights which they were previously able to exercise against the Company. This will include customer credit and debit balances, which will also have transferred to Bulb UK Operations Limited. Bulb UK Operations Limited will notify customers of the Scheme Transfers once they have taken place.

8.3 *Energy Licences*

From the Hivedown Effective Time, the Company's Energy Licences, which enable the Company to provide gas and electricity to customers in the UK, will be transferred to Bulb UK Operations Limited and Bulb UK Operations Limited will become responsible for all liabilities and obligations in connection with the Energy Licences, including ensuring compliance with regulatory obligations.

8.4 *Industry codes and related arrangements*

Industry codes are documents which licenced energy suppliers in the UK must sign up to. As part of the Scheme Transfers, industry codes and related arrangements (including arrangements where cash collateral is posted with certain commercial counterparties) to which the Company is a party will be transferred to Bulb UK Operations Limited. The Company will notify counterparties to the industry codes (and related arrangements) of the Scheme Transfers.

8.5 *Regulatory scheme cash collateral*

Any collateral in the form of cash provided by the Company that is held by counterparties in relation to certain regulatory schemes will be transferred to Bulb UK Operations Limited as part of the Scheme Transfers.

8.6 *REGO purchase agreements*

The obligations of the Company under its purchase agreements in respect of renewable energy guarantee of origin certificates will not be transferred as part of the Scheme Transfers. However, Bulb UK Operations Limited will be entitled to all rights of the Company to receive such certificates on and with effect from the Hivedown Effective Time.

8.7 *Energy Price Guarantee and Energy Bills Support scheme documents*

The Energy Price Guarantee scheme is a government scheme which limits the amounts which domestic customers in the UK can be charged per unit of gas or electricity. The Energy Bills Support scheme is a government scheme which provides a non-repayable discount to eligible households to help with their energy bills. The Company is currently a party to certain documents in relation to these schemes, which will be transferred to Bulb UK Operations Limited on the Hivedown Effective Time. The Company will also notify other relevant parties to the relevant documents of the Scheme Transfers. This means that customers of Bulb UK Operations Limited will continue to benefit from the Energy Price Guarantee scheme and the Energy Bills Support scheme.

8.8 *Energy Bill Relief scheme documents*

The Energy Bill Relief scheme and Northern Ireland Energy Bill Relief scheme are proposed government schemes which will provide energy bill relief for non-domestic customers in Great Britain and Northern Ireland. If these schemes are enacted by the government and

the Company becomes a party to these schemes before the Hivedown Effective Time, the Company's participation in the schemes will be transferred to Bulb UK Operations Limited on the Hivedown Effective Time.

8.9 *Renewables and CHP register account*

From the Hivedown Effective Time, the Company's account on Ofgem's 'Renewables and CHP Register' will be transferred to Bulb UK Operations Limited. Bulb UK Operations Limited will also notify Ofgem of the Scheme Transfers.

9 Other

9.1 *Data protection*

In relation to personal data being transferred as part of the Transferring Business, Bulb UK Operations Limited will be treated as becoming the same person as the Company for the purposes of application data protection legislation. This means that Bulb UK Operations Limited will become the controller and / or processor of personal data being transferred (as applicable) and will be responsible for compliance with data protection legislation going forwards.

9.2 *Modifications*

9.2.1 Before the Court approves the Scheme, the Court may make minor amendments to the Scheme (with the consent of the Company and the New Parent) as necessary in order to implement the Scheme Transfers. The Scheme will not be amended in a way which is reasonably expected to have a material adverse effect on the interests of the parties to the Scheme.

9.2.2 Additionally, after the Hivedown Effective Time, BEIS may modify the Scheme in accordance with paragraph 9 of Schedule 21 to the Energy Act 2004, as applied and modified by section 96(1) of the Energy Act 2011.

9.3 *Joint Energy Administrators' liability*

The Joint Energy Administrators will not incur personal liability in respect of the Scheme.

9.4 *Governing law*

The Scheme will be governed by English law and any disputes in connection with it will be dealt with in the English courts.

10 Further information

10.1 The information in this summary is intended to be a summary of the Scheme only. Copies of the full terms of the Scheme Document and this summary, are available, free of charge, at <https://www.ips-docs.com/case/BULBE00011/TeneoRS2021> or on request from Teneo Financial Advisory Limited at bulb@teneo.com. All of those documents will be available until the date of the Court hearing, which is currently expected to be on or around 11 November 2022.

10.2 The Company will publish a notice in relation to the proposed Scheme. This is expected to be published in *The London Gazette*.

11 Change of final hearing date

As referred to above, the final Court hearing in respect of the Scheme is expected to take place on or around 11 November 2022. If this date is changed for any reason, an announcement will be made on the website at: <https://www.ips-docs.com/case/BULBE00011/TeneoRS2021>.