Consolidated Segmental Statement (CSS)

Shell Energy UK Limited (SEUK) Company Number 07489042 Financial Year ended 31 DEC 2025

Executive Summary

This consolidated Segmental Statement (CSS) has been prepared in accordance with Standard License Condition 19A of the Electricity and Gas Supply Licenses ("Financial Information Reporting") and the associated published Ofgem Guidance. The CSS provides transparency of the supply activities and profitability for the licensed entity/group of licensed entity for financial year ended 31 Dec 2025. The Licensee hold electricity and gas supply licenses and supplies energy to non-domestic customers in the UK. This statement includes all supply licensed activities with the Licensee and its affiliates as required under the license conditions. The figures have been reconciled to the statutory accounts for the licensed entity/group Shell Energy UK Limited for year ended 31 Dec 2025.

#ID		Unit	Electricity supply		Gas supply		Aggregate supply
			Domestic	Non Domestic	Domestic	Non Domestic	
1	**Total revenue**	**£'M**	**0.0**	**886.2**	**0.0**	**94.7**	**980.9**
1.1	Revenue from sale of electricity and gas	£'M	0.0	886.2	0.0	94.7	980.9
1.2	Other revenues	£'M					0.0
2	**Total operating costs**	**£'M**	**0.0**	**854.2**	**0.0**	**92.0**	**946.2**
2.1	Direct fuel costs	£'M		381.0		72.7	453.7
	Direct costs:	**£'M**	**0.0**	**454.9**	**0.0**	**14.0**	**468.9**
2.2	Transportation costs	£'M		212.7		10.9	223.6
2.3	Environmental and social obligations costs	£'M		232.0		0.8	232.8
2.4	Other direct costs	£'M		10.2		2.3	12.5
2.5	**Indirect costs**	**£'M**		**18.3**		**5.3**	**23.6**
3	**EBITDA**	**£'M**	**0.0**	**32.0**	**0.0**	**2.8**	**34.7**
3.1	Depreciation and amortisation	£'M		2.3		0.6	2.9
3.2	**EBIT**	**£'M**	**0.0**	**29.6**	**0.0**	**2.2**	**31.9**
4	Volume	**TWh, m therms**		4.2		74.2	
5	WACO E/G	**£/MWh, p/th**	**0.0**	**91.7**	**0.0**	**98.0**	
6	Meter Points	**000s**		15.6		3.8	

Adjustment for Reconciling Items

Number	Item	Unit	Revenue	EBIT
	CSS Supply [Shell Energy UK Ltd]	£'M	980.9	31.9
	Adjustments:			
1	Non-licensed activities - Allocation of Group Recharges	£'M	0.0	-12.0
2	Mark-to-market adjustments	£'M	0.0	
3	Restructuring costs	£'M	0.0	
4	*Impairment charges*	£'M	0.0	
5	Profit/(loss) on disposal	£'M	0.0	
	[Licensee Name] Statutory Accounts	£'M	**980.9**	**19.9**

Consolidated Segmental Statement

Notes

- All revenues, costs and depreciation are entered as positive values
- EBITDA and EBIT: positive figures indicate profit; negatives figures indicate loss

- Volumes for electricity reported in TWh to 1 decimal place
- Volumes for gas reported in m therms to 1 decimal place
- WACOE calculated to nearest pence in £/MWh
- WACOG calculated to nearest 1 decimal place in p/therm

Basis of Preparation

Accounting Standards

The CSS for Shell Energy UK Limited has been prepared in accordance with UK GAAP accounting standards applied in the financial statements for year ended 31 Dec 2025. The CSS has been reconciled at revenue and earnings (EBIT) to these financial statements on the same basis taking into consideration the SLC 19A and associated Guidance issued by Ofgem.

Definitions and Methodology

Revenue

Revenue from sale of electricity and gas: Comprises electricity and gas sales to non-domestic customers. Revenue is recognised on the basis of units supplied during the year and includes an estimate of units supplied between the last meter reading and year-end.

Other revenue: Includes revenue from activities such as meter installation and other services directly related to the supply license activities.

Direct Fuel Costs: Includes wholesale electricity and gas costs, losses, balancing and shaping costs, power purchase agreement (PPAs) and the energy element of Gas Reconciliation. The weighted average cost (WACOE/G) covers the wholesale energy cost.

Direct Costs

Transportation Costs
- Network transportation costs (TNUoS, DUoS)
- Balancing Services Use of System charges (BSUoS)
- Gas Transportation Costs
- (as similar to below) Transport element of Reconciliation By Difference (RBD) costs

Environmental and social obligation costs

Primarily policy related costs relating to net zero and other schemes not limited to:
- Renewable Obligation related
- Feed-in-Tariff (FiT)
- Contracts for Difference (CfD)
- Capacity Market costs
- Energy Intensive Industries Support Levy
- Green Gas Levy
- Assistance for Areas with High Electricity Distribution Costs (AAHEDC)
- Nuclear Regulated Asset Base (NRAB)
- Energy Intensive Industries Support Levy (ESL)

Other direct costs
- Broker costs and sales commissions directly attributable to sales
- Market participation costs (Elexon, Xoserve)

• Smart metering programme costs
• Market stabilization charges (if any)

Indirect Costs
• Sales and marketing
• Bad debt provisions
• Customer service and billing
• Costs to serve Priority Services Register (PSR) customers
• Central services and corporate recharges
• IT, HR, property costs
• Metering costs (including smart meter installations)

Indirect costs are allocated between segments using appropriate cost drivers such as customer number, transaction volumes, or avenues where costs cannot be directly attributed.

Hedging Policy

• SEUK supplies electricity and gas to business customers under long term fully inclusive contracts ("Fixed contracts") or alternatively flexible purchasing energy contracts ("Flex contracts")

• For Fixed contracts, hedge positions are placed on a 'back to back' basis at contract inception to ensure certainty of commodity price for the customers anticipated consumption and contract tenor. The hedges are both volumetrically and financially monitored

• For Flex contracts, customers can purchase their commodity requirements in tranches as part of a purchasing framework, which provides them with greater control and access to the wholesale market; under this contractual arrangement commodity requirements will therefore not necessarily be fully hedged for the contract tenor, dependent upon the customer's risk appetite as to when to lock in prices for defined tranches.

• The Volumetric risk on the portfolio is covered by the license holder i.e. SEUK. We are directly exposed to volume risk under the circumstances that out-turning customer consumption varies from the forecast consumption at contract inception used for initial hedging

• A dedicated Demand Forecasting team constantly monitors potential movements in customer consumption caused by macro and micro economic factors and unseasonal weather patterns. This informs corrective short-term trades to emerging long or short positions in the initial hedge volume, which will have price risk implications depending on forward curve movements and Imbalance cost rate variations

Volume and Pricing Metrics
• Volume: Supplier volumes at meter point (net of losses)
• WACOE/E: Direct fuel costs divided by volume
• Meter Points: Average number of MPANS/MPRNSs during the year, calculated by adding monthly closed meter points and diving by 12.

Reconciliation to Statutory Accounts

Notes on reconciling items:

1. Non-licensed activities: comprise full year Shell PLC Corporate Overhead cost allocations of £12.0m compared to £11.4m in 2024 as SEUK Ltd was integrated into Shell PLC in July 2023
2. Restructuring costs: One-off costs as identified in the annual report – nil costs in 2025
3. Impairment charges: Non-cash charged excluded from CSS – nil in 2025
4. Other exceptional items: [Describe any reconciling items] – nil in 2025

Glossary of Terms

EBIDTA: Earnings before interest, tax, depreciation and amortisation
EBIT: Earnings before interest and tax
MPANS: Meter Point Administration Numbers (electricity)
MPRNS: Meter Point Reference Numbers (gas)
WACOE: Weighed average cost of electricity
WACOG: Weighted average cost of gas
TWh: Terawatt hours
m Therms: Million therms
BSUoS: Balancing Service Use of System
DUoS: Distribution Use of System
TNUoS: Transmission Network Use of System
RBD: Reconciliation by Difference

This document has been prepared in accordance with standard License Condition 19A of the Gas and Electricity supply Licenses and Ofgem Guidance OFG1163 dated 27th March 2024