

SCOTTISH POWER RETAIL HOLDINGS LIMITED
ANNUAL REPORT AND ACCOUNTS
for the year ended 31 December 2025

Registered No. SC389556

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SCOTTISH POWER RETAIL HOLDINGS LIMITED

STRATEGIC REPORT

The directors present their Strategic Report on Scottish Power Retail Holdings Limited ("the Company") for the year ended 31 December 2025. This includes an overview of the Company's structure, strategic outlook including 2025 performance, and principal risks and uncertainties.

INTRODUCTION

The principal activity of the Company, registered company number SC389556, is that of a holding company for the Scottish Power Limited ("SPL") Group's Customer business division ("Customer business"). This activity will continue for the foreseeable future.

The ultimate parent of the Company is Iberdrola, S.A. ("Iberdrola") whose shares are listed on all four stock markets in Spain. The immediate parent of the Company is Scottish Power UK plc ("SPUK"). SPL is the United Kingdom ("UK") holding company of the ScottishPower Group ("ScottishPower"), of which the Company is a member.

The Customer business, through the Company's subsidiary undertakings, is responsible for the supply of electricity and gas to domestic and business customers, including customer registration, billing and handling enquiries in respect of these services. The Customer business also manages ScottishPower's smart solutions activities. This includes the installation of heat pumps and associated tariff offerings, as well as the UK's first national heat pump annual service plan, solar panels, battery energy storage systems ("BESS"), and electric vehicle ("EV") charging solutions and tariffs.

During 2025, the Company disposed of its shareholding in its wholly owned subsidiary, SP Smart Meter Assets Limited ("SPSMAL"), which owned and managed approximately 2.9 million smart meters assets in the UK, for consideration received of £596,211,000, generating a gain on disposal of £588,231,000.

The Customer business is also responsible for managing exposure to the UK wholesale electricity and gas markets and the optimisation of gas storage. These activities are undertaken within subsidiary entities of the Company.

STRATEGIC OUTLOOK

Operating review

During the year, the Company recognised a net profit of £627,437,000 (2024: £14,467,000), representing an increase of £612,970,000 compared to the prior year. This increase was primarily driven by the disposal of SPSMAL, which resulted in a gain on sale of £588,231,000. In addition, dividend income from the Company's subsidiaries increased by £21,100,000 compared to the prior year.

The results for the year are therefore largely non-recurring in nature and reflect the impact of this significant disposal transaction.

On 1 June 2026, the Company sold 100% of the share capital of SP Dataserve Limited ("Dataserve").

The impact of this disposal will be recognised in the Company's financial statements for the year ending 31 December 2026. Further details are provided in Note 15 to the financial statements.

Financial instruments

The Company's activities expose it to limited financial risk, primarily in relation to credit risk arising from balances with Iberdrola Group companies. As a holding company, the Company does not enter complex financial instruments and has limited exposure to market, liquidity, or interest rate risks.

Credit risk is the risk that a counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk from Iberdrola Group companies is considered to be low as no Iberdrola Group company has a credit rating lower than BBB+ (in line with the external credit ratings from S&P Global Ratings).

SCOTTISH POWER RETAIL HOLDINGS LIMITED
STRATEGIC REPORT *continued*

PRINCIPAL RISKS AND UNCERTAINTIES

The delivery of its strategy requires the Company to conduct business in a manner benefitting customers through balancing cost and risk, while delivering shareholder value and protecting its performance and reputation by prudently managing the risks inherent in the business. To maintain this strategic direction, ScottishPower, and so the Company, develops and implements risk management policies and procedures, and promotes a robust control environment at all levels of the organisation. Further details of ScottishPower’s risk management practices can be found in the most recent Annual Report and Accounts of SPUK.

The principal risk and uncertainty of the Company, that may impact current and future operational and financial performance, and the management of this risk is described below.

IMPAIRMENT RISK	
RISK	RESPONSE
The potential for impairment in the value of investments.	Periodic review of operational financial performance of the investments.

The Company continues to monitor and assess the impact of additional security risks as a result of terrorism, war and other world events, including in the Middle East, and will put mitigating actions in place if and when appropriate.

ENGAGING WITH STAKEHOLDERS

The importance of engaging with stakeholders

The Company believes strongly that effective and meaningful engagement with stakeholders is key to promoting its success and values. Meaningful engagement with stakeholder groups supports the ethos of Section 172 of the Companies Act 2006 which states that directors should have regard to stakeholder interests when discharging their duty to promote, in good faith, the success of the Company for the benefit of its members as a whole. Details of how the Company engages with its stakeholders, and how these activities influence the Company’s operations, are set out below.

Key stakeholders

The directors are fully aware of their duties under the Companies Act 2006, including as set out in Section 172 of the same. The primary responsibility of the board of directors of the Company (“the Board”) is to supervise and make decisions as required in relation to the activities of the Company’s business and its subsidiaries, all as part of the Customer business, in accordance at all times with the Customer business Governance and Sustainability System and the provisions of all applicable legislation and regulations. The Board has the responsibility of carrying out the day-to-day management, effective administration and ordinary control of the Customer business overall.

The Company’s key stakeholder is its shareholder. The Company’s relationship with its shareholder is governed by the Company’s Articles of Association and provisions of its Governance and Sustainability System. As the Company is ultimately wholly owned by Iberdrola, all ultimate shareholder management activities are carried out by Iberdrola in accordance with its own Ongoing Shareholders Engagement Policy as published at www.iberdrola.com.

Notwithstanding this, as a holding company due to the governance framework described above, the Company also has indirect stakeholders, being the stakeholders of its subsidiary entities. The Company’s subsidiary entities have five key stakeholder categories: energy customers; people; community and environment; suppliers and contractors and government and regulators. Further details as to how the Company’s subsidiaries engage with these five stakeholder categories are provided in the Section 172 statement.

Modern Slavery Statement

The term 'modern slavery' covers both slavery and human trafficking. ScottishPower, and therefore the Company, is committed to human and labour rights and to eliminating modern slavery that could in any way be connected to its business. In accordance with the Modern Slavery Act 2015, ScottishPower has produced its own Modern Slavery Statement, which is subject to annual approval by the board of directors of SPL. This statement is published on the ScottishPower website at: www.scottishpower.com.

SCOTTISH POWER RETAIL HOLDINGS LIMITED

STRATEGIC REPORT *continued*

SECTION 172 STATEMENT

Statement by the directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The Companies (Miscellaneous) Reporting Regulations 2018 requires the directors of the Company to give a statement which describes how the directors have had regard to the matters set out in Section 172(1) of the Companies Act 2006 when discharging their duty under that section.

The directors of the board of the Company ("the Board") acknowledge and understand their duties and responsibilities, including that, under Section 172 of the Companies Act 2006, a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long-term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

The delivery of the strategy of the Customer business (headed by the Company), requires the Customer business to conduct business in a manner benefitting customers through balancing cost and risk while delivering shareholder value and protecting the performance and reputation of the Company by prudently managing risks inherent in the business. In carrying out this strategy, the directors' duties under Section 172 of the Companies Act 2006 have been considered.

The Board is responsible for the effective management of the Customer business, in accordance with the strategy of that business. The Board meets regularly and reviews strategy, operational performance and risk issues on behalf of the Customer business, and to also approve certain reserved matters as defined under the terms of reference of the Board.

The terms of reference of the Board are published at www.spretailholdings.com under 'Corporate Governance' / 'Governance and Sustainability System' / 'Book One – Articles of Association and Corporate Organisation'.

During the year, the Company identified and interacted with its stakeholders via its principal transactional subsidiaries, including ScottishPower Energy Retail Limited ("SPERL"), Dataserve, and ScottishPower Energy Management Limited ("SPEML"). For further information on these entities' respective engagement with their specific stakeholders, refer to the relevant section of the Strategic Report in their most recent annual accounts. The Accounts of SPERL, Dataserve, and SPEML, together with these Accounts, are each published at www.spretailholdings.com/company-reporting/annual-report-and-accounts. In addition, please refer to the 'Engaging with stakeholders' section of the Strategic Report which sets out the Board's oversight of the consideration given to the Company's, and the Customer business's, engagement with key stakeholders.

The sale by the Company of its 100% shareholding in SPSMAL was approved by the Board in May 2025. In approving the transaction, the Board had regard to the likely consequences of the sale for the Company and the Iberdrola group in the long term and to the impact on relevant stakeholders.

The directors strongly believe that effective and meaningful engagement with stakeholders is key to promoting the success of the Company. Details and examples of engagement with the Company's key stakeholders (both direct and indirect) who are considered by the Board in its decision making with respect to matters reserved to it are as follows:

- **Energy Customers:** details of how the Customer business, and so the Company, engages with its customers are explained in the 'Energy Customers' sections of the Strategic Reports contained in the most recent SPERL, Dataserve and SPEML annual accounts respectively. During the year, the Board received regular detailed updates regarding, and gave all due consideration to, the retail customer portfolio, including business initiatives, key metrics, and performance indicators regarding the same.
- **People:** details of how the Customer business, and so the Company, engages with its employees are set out in the Strategic Report of the principal transactional subsidiaries. This can be found in the 'People' section of the most recent SPERL, Dataserve and SPEML annual accounts. During the year, the Board received regular updates on staff health and safety.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
STRATEGIC REPORT *continued*

SECTION 172 STATEMENT *continued*

- **Communities and the environment:** details of how the Customer business, and so the Company, engages with communities and considers the environment are set out in the 'Community and environment' sections of the Strategic Reports contained in the most recent SPERL, Dataserve and SPEML annual accounts respectively. During 2025, the Board approved the adoption and implementation of the Natural Capital policies established by SPL.
- **Suppliers and contractors:** details of how the Customer business, and so the Company, engages with its suppliers are set out in the 'Suppliers and contractors' sections of the Strategic Reports contained in the most recent SPERL, Dataserve and SPEML annual accounts respectively. During 2025, the Board approved key procurement contract awards for the Customer business in accordance with the parameters specified in the Board's term of reference and the Board received updates on contractor health and safety.
- **Government and regulators:** details of how the Customer business, and so the Company, engages with governments and regulators are set out in the 'Government' sections of the Strategic Reports contained in the most recent SPERL, Dataserve and SPEML annual accounts respectively. During the year, the Board received regular updates on, and considered, the political-economic environment in which the Customer business operates as well as receiving regular regulatory and industry updates, particularly the current state of the market.

Details of how the Company interacts with its shareholder are described in the 'Engaging with stakeholders' section of the Strategic Report on page 2.

The directors, both individually and together as a Board consider that the decisions taken during the year ended 31 December 2025 in discharging the function of the Board were in conformance with their duty under Section 172 of the Companies Act 2006.

The Board is assisted in considering key stakeholders (direct and indirect) as part of the decision-making process by including stakeholder considerations in board papers as appropriate, and board papers are carefully reviewed and considered by all directors.

ON BEHALF OF THE BOARD



Andrew Ward
Director
24 June 2026

SCOTTISH POWER RETAIL HOLDINGS LIMITED DIRECTORS' REPORT

The directors present their report and audited Accounts for the year ended 31 December 2025.

INFORMATION CONTAINED WITHIN THE STRATEGIC REPORT

The directors have chosen to disclose information on the following, required by the Companies Act 2006 to be included in the Directors' Report, within the Strategic Report, found on pages 1 to 4:

- information on financial risk management and policies; and
- information regarding future developments of the Company's business.

RESULTS AND DIVIDEND

The net profit for the year was £627,437,000 (2024 £14,467,000). A dividend of £615,100,000 was paid during the year (2024 £50,400,000).

The significant increase in profit compared to the prior year was primarily driven by the disposal of SPSMAL, as outlined in the Operating Review within the Strategic Report. The dividend paid reflects the Company's strong profitability in the year, largely arising from this non-recurring transaction.

DIRECTORS

The directors who held office during the year were as follows:

Professor Sir James McDonald	Chairman, external, non-executive director (appointed 2 October 2025)
Aitor Moso Raigoso	Chairman (until 2 October 2025), internal, non-executive director
Andrew Ward	Chief Executive Officer
Caireen Devanney	Internal, non-executive director (appointed 2 October 2025)
David Gracia Fabre	Internal, non-executive director (appointed 1 April 2025)
Charles Langan	Internal, non-executive director (resigned 20 March 2025)
John Reid	Internal, non-executive director (appointed 1 April 2025)
Iñigo Alonso Santiago	Internal, non-executive director (resigned 1 April 2025)
Marion Shepherd Venman	Internal, non-executive director (resigned 1 April 2025)

DIRECTORS INDEMNITY

In terms of the Company's Articles of Association, a qualifying indemnity provision is in force for the benefit of all the directors of the Company and has been in force during the financial year. In addition, the Directors have been granted a qualifying third party indemnity provision, which continues in force.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
DIRECTORS' REPORT *continued*

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS *continued*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the directors in office as at the date of this Annual Report and Accounts confirms that:

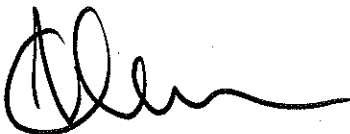
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

AUDITOR

KPMG LLP was re-appointed as the auditor of the Company for the year ending 31 December 2026.

ON BEHALF OF THE BOARD



Andrew Ward
Director
24 June 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH POWER RETAIL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Scottish Power Retail Holdings Limited ("the Company") for the year ended 31 December 2025 which comprise the Statement of financial position, Income Statement and statement of comprehensive income, Statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

We considered whether the going concern disclosure in note 1B2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the internal audit function, the Company's legal function and the compliance function and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH POWER RETAIL HOLDINGS LIMITED *continued*

Fraud and breaches of laws and regulations – ability to detect *continued*

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and others management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety legislation, fraud, corruption and bribery legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the Strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH POWER RETAIL HOLDINGS LIMITED *continued*

Strategic report and directors' report *continued*

Our responsibility is to read the Strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 5 and 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Gordon Herbertson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

319 St. Vincent Street

Glasgow

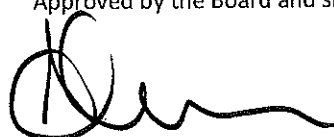
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24 June 2026

SCOTTISH POWER RETAIL HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
at 31 December 2025

	Notes	2025 £000	2024 £000
NON-CURRENT ASSETS			
Investments in subsidiaries	3	142,131	142,131
Other receivables	4	117,156	132,718
Deferred tax asset	5	5	4
		259,292	274,853
CURRENT ASSETS			
Other receivables	4	39,044	10,792
		39,044	10,792
TOTAL ASSETS		298,336	285,645
EQUITY ATTRIBUTABLE TO SHAREHOLDER OF THE PARENT			
Share capital		259,516	259,516
Other reserves		-	412,183
Retained earnings		35,444	(389,076)
TOTAL EQUITY		294,960	282,623
CURRENT LIABILITIES			
Provisions	6	-	1,100
Current tax liabilities		3,376	1,922
		3,376	3,022
TOTAL LIABILITIES		3,376	3,022
TOTAL EQUITY AND LIABILITIES		298,336	285,645

Approved by the Board and signed on its behalf on 24 June 2026.



Andrew Ward
 Director

The accompanying Notes 1 to 15 are an integral part of the Statement of financial position at 31 December 2025.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	2025 £000	2024 £000
External services		(3,098)	(3,486)
OPERATING LOSS		(3,098)	(3,486)
Dividends received		30,000	8,900
Gain on sale of subsidiary	7	588,231	-
Finance income	8	15,962	10,973
Finance costs	9	(2)	4
PROFIT BEFORE TAX		631,093	16,391
Income tax	10	(3,656)	(1,924)
NET PROFIT FOR THE YEAR		627,437	14,467

Net profit for both years is wholly attributable to the equity holder of Scottish Power Retail Holdings Limited.

Net profit for both years comprises total comprehensive income.

All results relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

	Share capital (Note (a)) £000	Other reserves (Note (b, c)) £000	Retained earnings (Note (c, d)) £000	Total £000
At 1 January 2024	259,516	412,183	(353,143)	318,556
Profit for the year attributable to the equity holder of the Company	-	-	14,467	14,467
Dividends	-	-	(50,400)	(50,400)
At 1 January 2025	259,516	412,183	(389,076)	282,623
Transfer from other reserves to retained earnings	-	(412,183)	412,183	-
Profit for the year attributable to the equity holder of the Company	-	-	627,437	627,437
Dividends	-	-	(615,100)	(615,100)
At 31 December 2025	259,516	-	35,444	294,960

- (a) At 31 December 2025 the Company had 259,515,505 allotted, called up and fully paid ordinary shares of £1 each (2024 259,515,505). Holders of these ordinary shares are entitled to dividends as declared from time to time; amounts on the capitalisation of profits and reserves; and notice and attendance at general meetings of the Company, with every member entitled to one vote on a show of hands and on a poll one vote for every share held.
- (b) Other reserves comprise a capital contribution reserve of £nil (2024 £412,183,000) and is a distributable reserve.
- (c) During the year ended 31 December 2025, the Directors reviewed the capital contribution reserve and concluded that it is similar in nature to retained earnings and fully distributable. Accordingly, £412,183,000 has been transferred to retained earnings.
- (d) Retained earnings comprises the cumulative balance of profits and losses recognised in the accounts as adjusted for transactions with shareholders, principally dividends.

The accompanying Notes 1 to 15 are an integral part of the income statement and statement of comprehensive income and the Statement of changes in equity for the year ended 31 December 2025.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
31 December 2025

1 BASIS OF PREPARATION

A COMPANY INFORMATION

Scottish Power Retail Holdings Limited, registered company number SC389556, is a private company limited by shares. It is incorporated in Scotland and its registered office is 320 St. Vincent Street, Glasgow, G2 5AD, Scotland.

B BASIS OF PREPARATION

B1 BASIS OF PREPARATION OF THE ACCOUNTS

The Accounts are prepared in accordance with the accounting policies set out in Note 2. Monetary amounts are presented in pounds Sterling and are rounded to the nearest thousand unless otherwise indicated. The Accounts are prepared on the historical cost basis.

The Accounts contain information about Scottish Power Retail Holdings Limited as an individual company and do not contain consolidated financial information as the parent of subsidiary companies. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated accounts of its immediate parent company, SPUK.

The Accounts have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). In applying FRS 101, the Company has made amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- the preparation of a Statement of cash flows and the related notes;
- disclosures in respect of transactions with wholly owned subsidiaries of Iberdrola, S.A.;
- disclosures in respect of capital management;
- the effects of new but not yet effective IAS pronouncements; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of SPUK include the equivalent disclosures, the Company has also taken the following available exemptions under FRS 101:

- certain disclosures required by IFRS 13 'Fair Value Measurement';
- disclosures required by IAS 12 'Income Taxes' relating to Pillar Two model rules in respect of deferred tax assets and liabilities; and
- disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

B2 GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The principal activity of the Company is that of a holding company for the Customer business within the group headed by SPUK, the Company's immediate parent company ("the SPUK Group"). The Company's cash flows are, therefore, dependent on the continuation, volume, and pricing of those operations and have been considered as part of the SPUK Group's cash flow forecasts, on which the directors of the SPUK Group have performed an assessment of reasonably possible downsides.

Cash and liquidity are managed centrally by the ScottishPower Treasury function (via a cash pooling arrangement), with working capital requirements of the Company funded by SPL, the parent company of SPUK. SPUK provides financial support to the company and SPUK itself relies on support from SPL. Centralised funding and cash management aligns with the Iberdrola Group model.

The directors have performed a going concern assessment which indicates that, in reasonably possible downsides the Company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements, the going concern assessment period. Nevertheless, as the SPUK Group operates a centralised treasury function, and in order to take account of reasonably possible downsides, SPUK has indicated its intention to continue to make available such funds as may be needed by the Company, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2025

1 BASIS OF PREPARATION *continued*

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and, therefore, have prepared the financial statements on a going concern basis.

C IMPACT OF NEW IAS

In preparing these Accounts, the Company has applied all relevant standards and interpretations that have been adopted by the UK as of the date of approval of these Accounts and that are mandatory for the financial year ended 31 December 2025.

For the year ended 31 December 2025, the Company has applied the following amendments to standards for the first time, and their application has not had a material impact on the Company's accounting policies, financial position or performance:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'; and
- Amendments to IFRS 9 'Financial Instruments' ("IFRS 9") and IFRS 7 'Financial Instruments: Disclosures' ("IFRS 7"); 'Contracts with Nature-dependent Electricity'.

The Company has early adopted the aforementioned Amendments to IFRS 9 and IFRS 7 and has applied these amendments effective from 1 January 2025.

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES

Management may be required to make a number of judgements and assumptions regarding the future and about other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of resulting in a material adjustment to the reported amounts of assets and liabilities within the next financial year. The Company has no such significant judgements or estimation uncertainties.

Management has also considered a non-significant judgement relating to climate change. No material impact on the judgements and estimates made in the preparation of the financial statements has been identified.

Additionally, consideration has been given to any estimates over the longer-term which should be disclosed to allow for an understanding of the financial statements. The Company has no estimates of this nature to disclose.

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in preparing the financial statements are set out below. In the process of determining and applying these accounting policies, judgement, apart from those involving estimations (as noted above), is often required that can significantly affect the amounts recognised in the financial statements. Management has made no such judgements.

A INVESTMENTS

The Company's investments in subsidiaries are stated in the Statement of financial position at cost. Dividends from subsidiaries are recognised when the right to receive the dividend is established. Investments in subsidiaries are stated at cost and reviewed for impairment if there are indicators that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by continuing to hold the asset and benefiting from the net present value of the future cash flows (value-in-use) of the investment.

B FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

B1 FINANCIAL ASSETS

B1.1 CLASSIFICATION

Financial assets are classified as being measured at amortised cost. The classification of financial assets depends on the Company's business model for managing them to generate cash flows.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2025

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES *continued*

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The business model of the Company does not depend on the intentions of management for an individual instrument. Therefore, it is not an instrument-by-instrument classification approach but determined from a higher level of aggregation.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'SPPI' test.

Financial assets are only subsequently reclassified when the Company changes its business model for managing them. Reclassifications are effective from the first day of the first reporting period following the change in business model. Such reclassifications are expected to be infrequent.

On demand loans receivable are classified as non-current in the Statement of financial position unless the Company expects to realise the assets within twelve months after the reporting date, in which case the loans are classified as current.

B1.2 RECOGNITION AND MEASUREMENT

(a) Initial recognition and measurement

All financial assets are initially recognised when the Company becomes party to the contractual provisions of the instrument.

(b) Subsequent measurement and gains and losses

Financial assets classified as amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, and net credit losses are recognised in the Income statement and statement of comprehensive income. Any gain or loss on derecognition is also recognised in the Income statement and statement of comprehensive income.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset) is derecognised when either the rights to receive cash flows from the asset have expired or there is no reasonable expectation of recovering all, or a portion of, the contractual cash flows.

C TAXATION

Assets and liabilities for current tax are calculated using the tax rates that have been enacted, or substantively enacted, at the reporting date.

Deferred tax is the tax expected to be payable, or recoverable, on the difference between the carrying amounts of assets and liabilities in the Statement of financial position and the corresponding tax bases used in the computation of taxable profits (temporary differences) and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses or credits can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the period in which the liability is expected to be settled, or the asset realised based on tax rates and laws enacted, or substantively enacted, at the reporting date. Deferred tax is charged to the Income statement and statement of comprehensive income.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income statement and statement of comprehensive income. For income tax arising on dividends, the related tax is recognised in the Income statement and statement of comprehensive income, consistently with the transactions that generated the distributable profits.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2025

3 INVESTMENTS

(a) Movements in investments

	Investments in subsidiaries
	£000
At 1 January 2024	142,131
At 1 January 2025	142,131
Disposal of subsidiary	(i) -
31 December 2025	142,131

(i) On 9 September 2025, the Company sold its entire 100% share capital in SPSMAL (subsequently renamed MM6 Limited). Refer to note 7 for further details.

(b) Subsidiaries

All entities are direct holdings unless specified.

Name	Principal activities	Registered office and country of incorporation (Note (i))	Equity interest	
			2025	2024
Subsidiaries				
ScottishPower (DCL) Limited	Holding company	(A)	100%	100%
ScottishPower Energy Management (Agency) Limited	Agent for energy management activity of ScottishPower Energy Management Limited and Scottish Power UK plc	(B)	100%	100%
ScottishPower Energy Management Limited	Wholesale energy management company engaged in purchase and sale of electricity and gas	(B)	100%	100%
ScottishPower Energy Retail Limited	Supply of electricity and gas to domestic and business customers as well as Smart Solutions activities	(B)	100%	100%
ScottishPower Generation (Assets) Limited	Asset owning company	(B)	100%	100%
ScottishPower (SCPL) Limited	Holding company	(A)	100%	100%
SP Dataserve Limited	Data collection, data aggregation, meter operation and revenue protection	(B)	100% (ii)	100%
SP Green Hydrogen Limited	Development of green hydrogen facilities	(B)	100% (iii)	100%
MM6 Limited (Formerly SP Smart Meter Assets Limited)	Provider of smart meter assets and services	(C)	(iv)	100%

(i) The registered offices of the subsidiaries are as listed below, along with their countries of incorporation. Where a company's registered office is in England it is registered in England and Wales.

(A) 3 Prenton Way, Prenton, CH43 3ET, England

(B) 320 St. Vincent Street, Glasgow, G2 5AD, Scotland

(C) The Auction Rooms, 22 Queen Street, Edinburgh, EH3 9WJ, Scotland

(ii) On 1 June 2026, the Company sold 100% of the share capital of SP Dataserve Limited. Refer to note 15 for further details.

(iii) SP Green Hydrogen Limited was incorporated on 28 June 2024 and is a direct and wholly-owned subsidiary of SPRH.

(iv) On 9 September 2025, the Company sold its 100% holding in SP Smart Meter Assets Limited (subsequently renamed MM6 Limited). Refer to note 7 for further details.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2025

4 OTHER RECEIVABLES

	Note	2025 £000	2024 £000
Non-current:			
Receivables due from related parties – loans	(a)	117,156	132,718
Current:			
Receivables due from related parties		1	-
Receivables due from related parties – loans	(a)	23,081	-
Receivables due from related parties – interest		15,962	10,792
		39,044	10,792

(a) Loans due from related parties are receivable on demand with interest earned at the Bank of England base rate ("Base") plus 1%. The loan is repayable on demand but part of it is classified as non-current as the Company expects to realise some of the assets after twelve months from the reporting date.

5 DEFERRED TAX

Deferred tax recognised in the Accounts is as follows:

	Other temporary differences £000
At 1 January 2024	(6)
Charge to the Income statement and statement of comprehensive income	2
At 1 January 2025	(4)
Credit to the Income statement and statement of comprehensive income	(1)
At 31 December 2025	(5)

6 PROVISIONS

	Other £000
At 1 January 2024	100
New provisions	1,000
At 31 December 2024 and 1 January 2025	1,100
New provisions	400
Utilised during year	(1,400)
Released during year	(100)
At 31 December 2025	-

7 DISPOSAL OF SUBSIDIARY

On 9 September 2025, the Company disposed of its 100% shareholding in SPSMAL, a wholly owned subsidiary which owned and managed approximately 2.9 million smart meter assets in the UK.

The consideration received was £596,211,000. The investment in SPSMAL had a carrying value of £100. Costs associated with the disposal amounted to £7,980,000.

The disposal resulted in a gain of £588,231,000, which has been recognised in the Income statement for the year ended 31 December 2025 and presented within 'Gain on disposal of subsidiary'.

The disposal represents a significant non-recurring transaction and is the principal driver of the Company's profit for the year, as described in the Strategic Report and Operating Review.

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2025

8 FINANCE INCOME

	2025	2024
	£000	£000
Interest receivable from related parties	15,962	10,973

9 FINANCE COSTS

	2025	2024
	£000	£000
Net impairment of financing and investment instruments	2	(5)
Foreign exchange losses	-	1
	2	(4)

10 INCOME TAX

	2025	2024
	£000	£000
Current tax:		
UK Corporation Tax for the year	3,376	1,922
Adjustments in respect of prior years	281	-
Current tax for the year	3,657	1,922
Deferred tax:		
Origination and reversal of temporary differences	(1)	2
Deferred tax for the year	(1)	2
Income tax for the year	3,656	1,924

The tax charge on profits for the year varied from the standard rate of UK Corporation Tax applicable to the Company as follows:

	2025	2024
	£000	£000
Corporation Tax at 25%	157,773	4,099
Adjustments in respect of prior years	281	-
Dividends from subsidiary	(7,500)	(2,225)
Non taxable income on disposal of subsidiary	(147,058)	-
Non-deductible expenses and other permanent differences	160	50
Income tax for the year	3,656	1,924

The Company has applied the exception available in IAS 12 'Income Taxes: International Tax Reform – Pillar Two Model Rules' and has not recognised or disclosed information about deferred tax assets and liabilities related to Pillar Two income taxes.

11 EMPLOYEE INFORMATION

The Company has no employees (2024 none).

12 DIVIDENDS

	2025	2024	2025	2024
	pence per ordinary share	pence per ordinary share	£000	£000
Interim dividend paid	237.0	19.4	615,100	50,400

SCOTTISH POWER RETAIL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2025

13 RELATED PARTY TRANSACTIONS

(a) Directors' remuneration

The remuneration of the directors who provided qualifying services is set out below. As all of the directors are remunerated for their work for Iberdrola, it has not been possible to apportion the remuneration specifically in respect of services to the Company. All of the directors were remunerated by other Iberdrola Group companies during both years.

	2025	2024
	£000	£000
Aggregate remuneration in respect of qualifying services	937	1,396

	2025	2024
Number of directors who exercised share options	5	4
Number of directors who received shares under a long-term incentive scheme	3	4
Number of directors accruing retirement benefits under a defined benefit scheme	4	3
Number of directors accruing retirement benefits under a defined contribution scheme	1	-

	2025	2024
	£000	£000
Highest paid director		
Aggregate remuneration	502	457
Accrued pension benefit	89	83

(i) The highest paid director received shares under a long-term incentive scheme during both years.

(ii) The highest paid director exercised share options during both years.

(b) Immediate and ultimate parent company

The immediate parent company is SPUK. The registered office of SPUK is 320 St. Vincent Street, Glasgow, G2 5AD.

The directors regard Iberdrola, S.A. (incorporated in Spain) as the ultimate parent company, which is also the parent company of the largest group in which the results of the Company are consolidated. The parent company of the smallest group in which the results of the Company are consolidated is SPUK.

Copies of the consolidated Accounts of Iberdrola, S.A. may be obtained from Iberdrola, S.A., at its registered office, Torre Iberdrola, Plaza Euskadi 5, 48009, Bilbao, Spain. Copies of the consolidated Accounts of SPUK may be obtained from its registered office, 320 St. Vincent Street, Glasgow, G2 5AD.

14 AUDITOR'S REMUNERATION

	2025	2024
	£000	£000
Audit of the Annual accounts	20	34

15 EVENTS AFTER THE BALANCE SHEET DATE

On 1 June 2026, the Company disposed of 100% of the share capital of SP Dataserve Limited, generating proceeds from the sale of £30,000,000.