



For further information, please
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1 Company details

Company number 0 9 2 4 9 5 4 0

Company name in full Simple Energy Limited (in administration)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Richard

Surname Heis

3 Administrator's address

Building name/number 10 Fleet Place

Street

Post town

London

County/Region

Postcode

E C 4 M 7 R B

Country

4 Administrator's name ①

Full forename(s) Michael Robert

Surname Pink

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 10 Fleet Place

Street

Post town

London

County/Region

Postcode

E C 4 M 7 R B

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

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|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| From date | ^d 2 | ^d 4 | ^m 0 | ^m 5 | ^y 2 | ^y 0 | ^y 2 | ^y 2 |
| To date | ^d 2 | ^d 3 | ^m 1 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 2 |

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

A. ...

X

Signature date

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AM10

Notice of administrator's progress report



Presenter information

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Contact name **Francine Pearlman**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street
Glasgow**

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 203 989 2800**



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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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Please complete in typescript or in bold black capitals.
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1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Andrew James

Surname

Stone

3 Insolvency practitioner's address

Building name/number

10 Fleet Place

Street

Post town

London

County/Region

Postcode

E C 4 M 7 R B

Country

Joint Administrators' progress report for the period 24 May 2022 to 23 November 2022

Simple Energy Limited - (in
Administration) (the 'Company')

2 December 2022

Deemed delivered: 6 December 2022

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment up to 23 November 2022.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+SLB2583759.html. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

This progress report covers the period from 24 May 2022 to 23 November 2022.

As previously reported, Lazard & Co Limited ('Lazard') commenced a combined sales process for the shares in, or business and assets of, the Company and Bulb Energy Limited (in energy supply company administration) ('Bulb UK') in February 2022. As the two companies' businesses were linked they were marketed together with the option for buyers to seek to acquire both or either company's assets. Owing to the unprecedented turmoil in the energy markets, exacerbated by the invasion of Ukraine, this proved a difficult and protracted process. Ultimately, although there was interest shown in the Company's technology by various potential buyers, no combined or standalone bid for the Company's technology was received in the process.

Given the above, we explored with the Company's management the possibility of transferring, or 'hiving down', the technology assets and product and technology teams of the Company to a subsidiary entity (the 'Hive-Down'). The Hive-Down option was explored in order to seek to protect the value of the technology platform for the Company, preserving that technology platform in the subsidiary entity and allowing for the shares of that subsidiary to be sold at a later date. The development of the Hive-Down was also considered to be an important factor in the continued provision by the Company of the services under the TSA with Bulb UK, as there was a material concern that absent some longer-term future for the technology platform, key IT staff were likely to leave the Company, potentially adversely affecting the servicing of Bulb UK's customers. A transaction which provided the prospect for future success for the technology platform was deemed to be the best remaining option to maximise the outcome in the Company for the benefit of its stakeholders.

The proposed Hive-Down transaction included the following factors:

- The creation of a subsidiary company, Simple Energy Technology Ltd ('SETL');

- A sale of:

 - The Company's intellectual property rights in the technology platform to SETL, such rights to remain subject to the Secured Creditor's fixed charge security; and

 - The first twelve months of software licence royalties under the back-to-back Transitional Services Agreement ('TSA', as explained below), to be equal to the royalties received by the Company under the Bulb UK TSA;

- Upfront and deferred consideration payable by SETL to the Company for the Hive-Down, with the Company putting SETL in funds to pay the upfront consideration through an intercompany loan;

- The Company's Product and Technology employees TUPE transferring to SETL on the date of the Hive-Down;

- An incentive plan for SETL's management team and employees; and

- The Company and SETL entering into a back-to-back TSA under which SETL provides access to the technology platform and the Product and Technology employees to the Company as required so that the Company can continue to provide the relevant services under the TSA to Bulb UK.

The Hive-Down transaction between the Company and SETL completed on 16 November 2022 (Section 2 - Progress to date).

The Hive-Down required the approval of Sequoia IDF Asset holdings S.A ('Sequoia'), the sole Secured Creditor, as it has security over the assets transferring to SETL.

The Secured Creditor and its legal advisors were consulted as options were explored by the Joint Administrators and management. The Secured Creditor agreed to support the sale of the Company's assets to SETL on the basis that Sequoia BidCo, subsidiary of the Secured Creditor, was granted a call option, giving it the right to acquire the shareholding of SETL held by the Company. This transaction was documented through a call option agreement.

Sequoia BidCo acquired this call option for £1 on 16 November 2022. The call option may be exercised anytime until 19 November 2023.

The overall benefit of the transactions with SETL, Sequoia BidCo and the Secured Creditor provides the Company with a better outcome than would otherwise have been achievable, given the lack of alternative transactions available and the vulnerability of the TSA royalty revenues from Bulb UK if key tech staff were to have left the group in the absence of the Hive-Down.

The Company remains the employer of more than 600 members of staff who continue to provide services to Bulb UK. Bulb UK announced on 29 October 2022 it had entered into a transaction with Octopus Energy Ltd ('Octopus') to take on the Bulb UK customers, with such transfer of customers to be implemented using the Energy Transfer Scheme pursuant to Schedule 21 of the Energy Act 2004 ('ETS'). The ETS will affect the transfer of certain assets of Bulb UK into a new separate entity ('Bulb HiveCo') with the intention that Bulb HiveCo will be acquired by Octopus.

An initial ETS hearing held on 11 November 2022 was adjourned, with a further hearing held on 29 November 2022. Certain other energy companies have sought to challenge the Octopus deal. If the proposed ETS to Octopus is confirmed, then all remaining employees of the Company that did not transfer to SETL are anticipated to transfer to Bulb HiveCo on that date. Bulb HiveCo will also become the counterparty under the TSA currently between Bulb UK and the Company in those circumstances, and will continue to receive services from the Company until the TSA is terminated in accordance with its terms.

If the challenge to the Octopus transaction were to be successful then the Company will continue to provide services to Bulb UK as required under the TSA, with the remaining employees continuing to be employees of the Company at that stage.

Whilst a going concern sale of the shares of the Company is unlikely, it is still possible that a going concern rescue of the Company may be achievable in circumstances where creditors are repaid in full. As explained in this report, if the company's Secured Creditor were to experience a material reduction in their debt (for example following repayments from Bulb UK), and/or if the estate benefited from significant collections under the Company's assets (for example a sale of SETL (the company formed as part of the Hive-Down, explained in more detail below)) either as a result of a sale of the SETL shares by the Company, or if the shares are acquired by Sequoia within the profit share period, then the Company could return to a solvent position.

Accordingly, the purpose of the administration remains to ascertain if a going concern rescue of the Company is possible, and if this cannot be achieved, the Joint Administrators anticipate that it will be possible to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound

up without first being in administration through a sale of the Company's business and assets.

Sequoia is the Company's sole Secured Creditor, with fixed and floating charge security over all of the Company's respective present and future assets and undertakings, via debentures granted in favour of BNY Mellon Corporate Trustee Services Limited ('BNY Mellon') as 'Security Trustee'. The overall recovery available to Sequoia remains uncertain (Section 3 - Dividend prospects and dividends paid).

We do not anticipate claims from either ordinary preferential or secondary preferential creditors (Section 3 - Dividend prospects and dividends paid).

We are proceeding on the basis that unsecured creditors will receive a dividend, by virtue of the Prescribed Part. The quantum and timing of this remains uncertain and dependent on the outcome of the administration, including (without limitation) realisations achieved during the administration as well as the associated costs of realisation (Section 3 - Dividend prospects and dividends paid).

A 12-month extension to the period of the administration was approved by creditors, with the administration currently due to end on 23 November 2023.

We are seeking two decisions from all creditors of the Company, with a copy of the notice of decision procedure, together with a proof of debt form, circulated by post to all unsecured creditors of the Company. A copy of these documents is also available to download and print on our Portal at www.ia-insolv.com/case+INTERPATH+SLB2583759.html. A summary of the decisions is set out in Section 4. Please note that a person is entitled to vote only if they have given to the Joint Administrators, before 23.59 on the decision date, 21 December 2022, details in writing of the debt which they claim to be due to them from the Company and the claim has been duly admitted by the Joint Administrators.

Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at www.ia-insolv.com/case+INTERPATH+SLB2583759.html. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Richard Heis
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

As set out in our Proposals on 10 January 2022, the primary strategy of the administration was to continue trading in administration (benefiting in particular from a TSA negotiated with the special administrators of Bulb UK) whilst seeking to ascertain the feasibility of a going concern rescue of the Company.

Whilst a going concern sale of the shares of the Company is unlikely, it is still possible that a going concern rescue of the Company may be achievable in circumstances where creditors are repaid in full. As explained in this report, if the company's Secured Creditor were to experience a material reduction in their debt (for example following repayments from Bulb UK), and/or if the estate benefited from significant collections under the Company's assets (for example a sale of SETL (the company formed as part of the Hive-Down, explained in more detail below)) either as a result of a sale of the SETL shares by the Company, or if the shares are acquired by Sequoia within the profit share period, then the Company could return to a solvent position.

Accordingly, the purpose of the administration remains to ascertain if a going concern rescue of the Company is possible, and if this cannot be achieved, the Joint Administrators anticipate that it will be possible to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound up without first being in administration through a sale of the Company's business and assets.

Sale of Business

As Bulb UK is the user of the Company's technology and brand, and the Company is the employer of all employees in the group, the Company's and Bulb UK businesses are heavily interconnected. As a result, the Company's Joint Administrators, and the Joint Energy Administrators of Bulb UK, employed Lazard to market the businesses jointly, with the possibility of purchasers buying either the Bulb UK or the Company's businesses separately.

The turmoil in the energy market and the uncertainty regarding regulation and government support to consumers following the war in Ukraine caused the process to be difficult and protracted. Ultimately, although there was substantial interest shown in the Company's technology by various potential buyers, no combined or standalone bid for the Company's technology was received in the process. The proposed buyer of Bulb UK's customer portfolio, Octopus, has a well-known technology platform already.

Given the above, we explored with the Company's management the possibility of transferring, or 'hiving down', the technology assets and product and technology teams of the Company to a subsidiary entity (the 'Hive-Down'). The Hive-Down option was explored

in order to seek to protect the potential value of the technology platform for the Company, preserving that technology platform in the subsidiary entity and allowing for the shares of that subsidiary to be sold at a later date. The development of the Hive-Down was also considered to be an important factor in the continued provision by the Company of the services under the TSA with Bulb UK, as there was a material concern that absent some longer-term future for the technology platform, key IT staff were likely to leave the Company, potentially adversely affecting the servicing of Bulb UK's customers. A transaction which provided the prospect for future success for the technology platform was deemed to be the best option to maximise the outcome in the Company for the benefit of its stakeholders.

We explored the possibility of a hive-down with legal advisors, and key stakeholders (including management and the Secured Creditor), from around April 2022. The agreed structure incorporated the following factors:

1. The creation of a subsidiary company, Simple Energy Technology Ltd ('SETL');
2. A sale of:
 - a. The Company's intellectual property rights in the technology platform to SETL, such rights to remain subject to the Secured Creditor's fixed charge security; and
 - b. The first twelve months of software licence royalties under the back-to-back TSA, to be equal to the royalties received by the Company under the Bulb UK TSA;
3. Upfront and deferred consideration payable by SETL to the Company for the Hive-Down, with the Company putting SETL in funds to pay the upfront consideration through an intercompany loan;
4. The Company's Product and Technology employees TUPE transferring to SETL on the date of the Hive-Down;
5. An incentive plan for SETL's management team and employees; and
6. The Company and SETL entering into a back-to-back TSA under which SETL provides access to the technology platform and the Product and Technology employees to the Company as required so that the Company can continue to provide the relevant services under the TSA to Bulb UK.

The Joint Administrators sought an independent valuation from PwC of certain of the intellectual property rights to be sold to SETL as part of the Hive-Down and agreed a price with SETL in respect of those assets by reference to the valuation.

Separately, the Joint Administrators prepared an analysis of the risk-adjusted value of the twelve months' worth of software licence royalties at the current level under the Bulb UK TSA which were to be passed through to SETL as part of the Hive-Down. Allowing for the uncertainty of the future royalty receipts under the Bulb UK TSA (for example, if the acquirer of Bulb UK's customer portfolio completed its migration earlier than 12 months

from the Hive-Down date) and allowing for tax, a notional discounted cash flow valuation of approximately £8-10 million was considered reasonable.

The Hive-Down transaction between the Company and SETL required the approval of the Secured Creditor, as it has security over the assets transferring to SETL.

The Joint Administrators negotiated with the Secured Creditor and the management of SETL over a protracted period, ultimately reaching a final upfront value of £8.3 million, with certain additional amounts payable on the occurrence of certain contingencies (for example, £3 million payable if and when the Secured Creditor's fixed charge security over certain of the intellectual property assets transferred to SETL is released). The upfront consideration payable by SETL was funded by way of an intercompany loan from the Company.

The Hive-Down transaction between the Company and SETL completed on 16 November 2022. As the transaction was with a connected party the Joint Administrators complied with the terms of Statement of Insolvency Practice 13 – Disposal of assets to a connected party. As indicated above, the Hive-Down option was explored once the only viable alternative of achieving a sale, either combined with Bulb UK or separately, was no longer considered achievable

SETL call option

The Hive-Down required the approval of the Secured Creditor, as it has security over the assets transferring to SETL.

The Secured Creditor and its legal advisors were consulted as options were explored by the Joint Administrators and management. The Secured Creditor agreed to support the sale of the Company's assets to SETL on the basis that Sequoia BidCo was granted a call option, giving it the right to acquire the shareholding of SETL held by the Company. This transaction was documented through a call option agreement.

Sequoia BidCo acquired this call option for £1 on 16 November 2022. The call option may be exercised anytime until 19 November 2023.

If the call option is exercised by Sequoia BidCo, it will acquire all of the shareholding which the Company owns in SETL at the relevant time for a nominal amount. Under the terms of the call option agreement, if the call option is exercised Sequoia BidCo will also be required to put SETL in funds to make the following payments to the Company: (i) the intercompany receivable owed to the Company by SETL will be repaid; and (ii) the Secured Creditor will release its fixed charge security over SETL's assets, triggering payment by SETL of the deferred consideration of £3 million referred to above. These amounts are expected to be utilised to reduce the amount due to the Secured Creditor for the benefit of the Company's estate.

The overall benefit of the transactions with SETL, Sequoia BidCo and the Secured Creditor provides the Company with a better outcome than would otherwise have been achievable, given the lack of alternative transactions available and the vulnerability (notwithstanding the lack of a defined service level) of the TSA royalty revenues from Bulb UK if key staff were to have left the group in the absence of the Hive-Down.

The call option agreement includes a profit share arrangement pursuant to which amounts may be payable to the Company if a sale by Sequoia BidCo of its interests in SETL is made within 12 months of the call option being exercised. As the Call Option Agreement was entered into with a connected party (the Secured Creditor of the Company) the Joint Administrators complied with the terms of Statement of Insolvency Practice 13 – Disposal of assets to a connected party.

Trading

As previously reported, we entered into a TSA with the Joint Energy Administrators of Bulb UK in respect of the employees and software which allowed the Company to continue to trade.

The TSA also covers a contribution to the Company's professional fees, including legal fees and payroll services and the Joint Administrators' time costs.

Employees

During the period covered by this report, we have continued to work closely with the Joint Energy Administrators of Bulb UK, the HR and executive teams, and employees to maintain a business-as-usual approach pending a sale of business and assets.

The Hive-Down transaction with SETL mentioned earlier in this report resulted in 73 employees transferring to SETL on 16 November 2022.

We have also worked with these stakeholder groups, alongside our lawyers, to facilitate the transfer of 699 employees under the legislation known as the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') in connection to the sale of business transactions referred to above. Accordingly, an election of Company employee representatives from across the business was undertaken to form a group to represent the employees through the TUPE consultation process which commenced on 31 October 2022. On 11 November 2022, 73 Company employees transferred to SETL with 626 employees proposed to TUPE transfer as part of the Bulb UK transaction, where consultation with the employee group successfully concluded on 16 November 2022.

During the period, we also hired 332 contractors and staff largely to recruit into the Energy Specialist team in preparation to manage the increased customer call volumes through the autumn and winter periods and to replace leavers. We have continued to provide support to all retained employees whilst also working in conjunction with the HR team to assist with ongoing people matters.

Bulb UK announced on 29 October 2022 it had entered into a transaction with Octopus Energy Ltd ("Octopus") to take on the Bulb UK customers, with such transfer of customers to be implemented using the ETS. The ETS will affect the transfer of certain assets of Bulb UK into a new separate entity ('Bulb HiveCo') with the intention that Bulb HiveCo will be acquired by Octopus.

An initial ETS hearing held on 11 November 2022 was adjourned, with a further hearing held on 29 November 2022. If the proposed ETS to Octopus is confirmed, then we

understand that all remaining employees of the Company who did not transfer to SETL are anticipated to transfer to Bulb HiveCo on that date. Bulb HiveCo will also become the counter-party under the TSA currently between Bulb UK and the Company in those circumstances, and will continue to receive services from the Company until the TSA is terminated in accordance with its terms.

If the ETS is not approved then the Company will continue to provide services to Bulb UK as required under the TSA, with the remaining employees continuing to be employees of the Company at that stage.

Overseas subsidiaries

As reported previously, the Company was the ultimate shareholder of three overseas trading subsidiaries - Bulb France SAS ('Bulb France'), Bulb Energía Ibérica S.L.U. ('Bulb Spain') and Bulb US LLC ('Bulb US').

We have been working in conjunction with the intermediate holding company, Bulb International Holdings Limited ('BIHL'), and the respective management teams to assess the investment value and how the overseas businesses fit into the overall strategy of the administration.

With the exception of Bulb France, a new independent director, Martin Cooke, was appointed to each of BIHL and its overseas subsidiaries following the Company's entry into administration.

As previously reported, Bulb Spain was sold to a Spanish domestic competitor on 30 December 2021. Mr Cooke resigned from his directorship of Bulb Spain upon its sale. Bulb France (now called Bcomollf SAS) entered insolvent liquidation on 1 February 2022. Until it is dissolved it remains wholly owned by BIHL.

Bulb US is in the process of winding down and the remaining customer meters are in the process of being transferred to another energy supplier following which the Company's licence will be surrendered. Once the remaining customer receipts have been collected and supplier payments have been made, Bulb US will repay its outstanding funding of c£0.47million due to the Company, which is expected to be paid this year. We have also been liaising with insurance brokers to extend the Company's US workers' compensation cover and business insurance to 31 December 2022.

It is envisaged that certain of the Company's costs in supporting BIHL will be met from the funds received from the sale of Bulb Spain.

Intercompany

The Company and its subsidiary BIHL has small pre-administration intercompany balances with Bulb Spain, Bulb US and Bulb France and is likely to receive a small dividend as a result, once the Bulb US position is finalised and the assets held by BIHL are shared out.

Pre-administration VAT

We continue to work with KPMG LLP's ('KPMG') Legal team in pursuing a VAT appeal with HMRC, which the Company commenced prior to entering into administration. The appeal relates to approximately £1.3 million of output tax to June 2021, which could take a further 12 – 18 months to conclude.

In the period covered by this report, HMRC served their Statement of Case, which sets out their arguments in relation to the appeal. HMRC's position is as anticipated and has not impacted our intended strategy. KPMG subsequently prepared witness evidence to support the Company's case which was served by the due date on 25 November 2022. HMRC has until mid-January 2023 to serve their witness evidence following which the appeal will be listed for a hearing.

We will provide creditors with a high-level update in our future progress reports. Further information in relation creditor approval to pay KPMG Legal for work undertaken is set out in Section 5.1 and Appendix 6.

Details of a pre-administration VAT refund, not connected with the appeal, are referred to in Section 2.2 below.

Minority shareholding in Virmati Energy Limited ('Virmati')

As previously reported, the Company holds a minority shareholding in Virmati Energy Limited ('Virmati'). The value of these shares is commercially sensitive. The Joint Administrators will continue to monitor the performance of Virmati and will determine the appropriate time and strategy for disposal.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Royalty – Property rights/Patents

In the reporting period, we have received a further £10.5 million representing royalty fees for the licensing of the Company's brand and software to Bulb UK, for the period to 24 November 2022. Of this, £0.63 million is due to be paid to SETL, as part of the deal agreed for the licence of software.

To date, we have received £21 million in royalty fees.

VAT refunds (pre-appointment)

We previously reported a £7.4 million receipt from HMRC relating to a pre-administration VAT refund.

Following continued communication with HMRC, we have realised a further £1.5 million relating to an outstanding pre-administration VAT claim. This was received after a deduction from the total claim of £2.6 million, submitted by the Company prior to our appointment, as HMRC has applied its right of set off covering any monies owed to it prior

to the administration appointment. The largest element of the amount deducted relates to pre-administration corporation tax liabilities per HMRC's records. Our work is ongoing and may result in some or all of this set off amount being paid to the estate.

Professional costs recharge per Bulb TSA

Professional costs including those of the administrators totalling £1.4 million are subject to recharge, to be received from Bulb UK for the period 24 February to 24 October 2022, in line with the TSA. We will receive the recharge amount from Bulb UK in the following period.

Overseas subsidiaries – recharges and funding

Following the sale of Bulb Spain, it was agreed that the Company would continue to license its brand and provide certain shared services for a short period whilst the business was fully transitioned to the purchaser – this included items such as billing system support, finance and regulatory support as well as other technology operating expenditure software incurred by the Company. The provision of such services was governed by a transitional services agreement between the Company and Bulb Spain (the 'Bulb Spain TSA').

A recharge of £477k has been requested from Bulb US in consideration of costs paid by the Company on behalf of Bulb US.

We are due to recharge costs to BIHL in respect of costs paid on behalf of Bulb Spain and Bulb France, totalling £0.3 million.

2.3 Receipts

The receipts referred to below are not an asset realisation for the administration estate; they have been received from Bulb UK to meet specific costs.

Trust account funds for employee costs

We have continued to invoice Bulb UK on a monthly basis for employee costs payable by the Company in line with the terms of the TSA. To date, we have received £43.2 million (inclusive of £5.3 million held in trust on appointment), of which £21.7 million was received in the reporting period, from Bulb UK in respect of employee costs invoiced since appointment – covering monthly payroll costs up to and including October 2022. Payroll costs for November 2022 onwards fall outside of the current reporting period.

As these funds do not represent estate assets, any surplus trust account funds held at the end of the administration will be repaid to Bulb UK (less any amounts owed to the Company at the time of transfer) in accordance with the terms of the TSA.

Future costs related to employees at SETL will be subject to recharge from Bulb UK via the Company. There will be a net zero impact to the estate.

Funds received on behalf of subsidiary (held to its account)

The Joint Administrators received in a prior period on BIHL's behalf EUR 3.7 million representing consideration for the sale of Bulb Spain. As BIHL did not have a bank account at the time of the transaction, the Company's Joint Administrators agreed to hold the funds on behalf of BIHL as shareholder of Bulb Spain. We continue to hold the EUR 3.7 million on behalf of BIHL.

These funds are held expressly to the instruction of BIHL and will be distributed under the direction of BIHL in due course. These funds do not represent an asset realisation in the estate.

This sum is shown in the Euro receipts and payments account at Appendix 2.

2.4 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Wages & Salaries, PAYE & NIC

We have paid £11.9 million in wages and salaries which includes salary costs of £11.1 million in the period. Pension contributions of £0.8 million have also been paid during the period.

PAYE and NIC of £7.5 million has been paid in line with statutory deadlines.

To date, we have paid £27.2 million in wages and salaries, which includes £25.4 million of salary costs and £1.8 million of pension costs. We have paid £15.2 million of PAYE and NIC.

Legal fees

We have paid approximately £2.0 million in legal fees in the period. This largely comprises legal costs paid to Freshfields Bruckhaus Deringer LLP ('Freshfields') for their work in advising the Joint Administrators on all aspects of the Company's insolvency (including key workstreams such as the SETL transaction, negotiating the TSA, the sales process and asset realisation strategies, the Company's overseas subsidiaries, and employee related matters). The remaining balance of legal fees relates to Pinsent Masons LLP's work in relation to overseas subsidiaries.

The Joint Administrators review the quantum and appropriateness of the legal fees on a regular basis.

To date, total legal fees are approximately £3.0 million.

Professional fees

Professional fees of £0.6 million have been incurred in the period, and to date, in respect of suppliers used in the set-up of SETL. This includes contractors, market and sector advice and consultant advice on people and culture matters for SETL.

Bulb International Holdings Limited – costs

As set out above we have been working in conjunction with the intermediate holding company of the overseas subsidiaries, BIHL, and the respective management teams to assess the investment value and how the overseas businesses fit into the overall strategy of the administration.

BIHL, a holding company only and not itself in an insolvency process, does not have a bank account and, as such, the Company has agreed to meet certain costs of BIHL and the overseas subsidiaries until the respective processes for the overseas businesses are complete.

We have paid £0.1 million in respect of directors', consultant and legal costs in the respective jurisdictions whilst assessment of the options are being considered within this period.

Total costs to date attributed to BIHL costs, not including legal time, is £0.6 million.

Agents'/Valuers' fees

In the period we have paid approximately £1.2 million in agents'/valuers' fees. This figure comprises largely costs paid to Lazard for their work advising on the sale of business process. It also includes costs paid to PwC, who were engaged to perform a valuation in support of the Hive-Down.

The remaining costs relate to fees for processing of the monthly payroll.

To date, total agents'/valuers' fees are approximately £1.3 million.

2.5 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Employee costs

Employee costs incurred but not yet paid relate to the November 2022 payroll – comprising wages and salaries of £1.3 million, PAYE and NIC totalling £0.5 million and pension contributions totalling £0.2 million. This sum has since been paid.

Legal fees

Freshfields have outstanding legal costs of approximately £0.7 million, which relates primarily to advice in respect of the Hive-Down, call option and proposed Bulb UK transaction with Octopus, in addition to general ad-hoc advice.

Professional fees

Three contractors were engaged to advise on matters related to the SETL and Octopus transactions. Outstanding costs in the period are £0.1 million.

3 Dividend prospects and dividends paid

3.1 Secured creditors

Sequoia is the Company's sole Secured Creditor, in respect of a facility agreement between (among others) Sequoia as lender, BNY Mellon as Security Trustee, Bulk UK as borrower, and the Company (among other Group entities) as guarantor.

At the time of our appointment Sequoia were owed circa £55 million (plus interest which continues to accrue) by Bulb UK; Sequoia has a guarantee from the Company for this amount.

In the period we have made a further distribution of £4 million to Sequoia from floating charge realisations; this brings total distributions to date to £14 million.

The overall recovery available to Sequoia remains uncertain, however, a potential repayment of their debt in full, as a result of a reduction in the guarantee debt or repayment from the Company's assets cannot be ruled out.

3.2 Ordinary preferential creditors (employees)

We are not aware of any ordinary preferential claims against the Company.

3.3 Secondary preferential creditors (HMRC and the Financial Services Compensation Scheme)

We are not aware of any secondary preferential claims against the Company.

3.4 Unsecured creditors

We are proceeding on the basis that unsecured creditors will receive a dividend, by virtue of the Prescribed Part. We anticipate the maximum Prescribed Part funds of £600,000, before deduction of costs directly associated with the agreement of unsecured claims and making the distribution, will be available for unsecured creditors. However, the exact quantum and timing of this remains uncertain and dependent on the outcome of the administration, including (without limitation) realisations achieved during the administration as well as the associated costs of realisation.

4 Other matters

4.1 Decision procedure

Notice of seeking a decision by correspondence is attached to the covering letter. A further copy of this, together with a proof of debt form, is available to download and print on our Portal at www.ia-insolv.com/case+INTERPATH+SLB2583759.html.

This decision by correspondence procedure is being used to seek approval for:

- a revision of our fees estimate;

- any nominations from creditors to act as a member of a Creditors' Committee.

Please note that if a Creditors' Committee is formed, the votes cast by creditors in relation to the proposed decisions above will be disregarded.

Physical meeting to be called where sufficient creditors request

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors or (c) 10 creditors. Requests for a physical meeting must be made within five business days of the date on which notice of the decision procedure was delivered.

If you wish to request a physical meeting, please complete and return the physical meeting requisition form available on our Portal at www.ia-insolv.com/case+INTERPATH+SLB2583759.html.

A creditor's general right to request a requisitioned decision

A creditor has the general right to request for a requisitioned decision. The request must include:

- a statement of the purpose of the proposed decision; and

- either a statement of the requesting creditors' claim, with (i) a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration and (ii) written confirmation of their concurrence from each concurring creditor; or

- a statement of the requesting creditor's debt and that alone is sufficient without the concurrence of other creditors.

The expenses of a requisitioned decision must (subject to limited exceptions) be paid by the requesting creditor. That requesting creditor is required to deposit security for such expenses with us.

5 Joint Administrators' remuneration and expenses

During the period, creditors provided approval that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in attending to matters arising in the administration in accordance with the fees estimate provided in our first progress report dated 21 June 2022 and Interpath's usual charge-out rates for work of this nature. This includes work undertaken in respect of, but not limited to, tax, VAT and employee advice from Interpath in-house specialists.

However, we now anticipate exceeding the previous fees estimate and are seeking approval that we draw additional remuneration of £4,045,812.78 as per the revised fees estimate included in Appendix 4.

See Section 4 for details regarding the decision procedure.

Time costs

From 24 May 2022 to 23 November 2022, we have incurred time costs of £4.3 million. These represent 5,749 hours at an average rate of £744 per hour.

From the date of our appointment to 23 November 2022, we have incurred time costs of £8.0 million. These represent 10,432 hours at an average rate of £770 per hour.

Please see detailed analysis of the time spent and a narrative description of the work performed (Appendix 6) and in our previous progress report.

Remuneration

During the period, we have drawn floating charge remuneration of £3.0 million.

Administrators' Expenses

During the period, we have incurred expenses of £98,276. This includes £97,996 of time costs incurred by KPMG Legal which represents time spent by them in assisting us with the VAT appeal. Further details of payments to KPMG are detailed in Section 5.1.

Of these, £50,000 have been paid to KPMG Legal in the period.

Additional information

We have attached a revised fees estimate at Appendix 4. Our time costs have increased in a large part due to the ongoing time it is taking for the sale of the customer book of Bulb UK to conclude. In addition, further work has been required to plan and implement the Hive-Down. At the time of our first progress report, the business was being marketed for sale alongside the Bulb UK business, however no offer was made for the Company, and

therefore additional work was required in order to realise these assets (please refer to Section 2.1 Sale of business for further detail on the transaction). We are therefore seeking approval for further fees reflective of the additional work required to realise the assets of the estate and continue supporting Bulb UK in providing services to its Bulb UK Customers.

We have attached a revised expenses estimate at Appendix 5. Our estimated expenses have increased, predominantly because of the ongoing sale of business workstream, as mentioned above. As part of this workstream several contractors were engaged to provide support on planning and implementing a standalone technology business.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 24 May 2022 to 23 November 2022. We have also attached our charging and expenses policy.

5.1 Payment to KPMG

As previously advised, and as summarised in Section 2 above, we have engaged KPMG Legal to assist us in relation to the appeal with HMRC with a view to realising further VAT repayments for the Company's estate.

Up until 4 May 2021, the Joint Administrators and their staff were employees of KPMG.

Whilst KPMG Legal is no longer part of the same organisation as the officeholders, and not considered to be an associate for the purposes of SIP 9, for transparency, payments will be subject to the same disclosure and approval as the Joint Administrators' Category 2 expenses. Time incurred by the KPMG Legal has been based on an arm's length agreement and will be paid and disclosed separately.

During the period, creditors provided approval for us to pay KPMG Legal for time spent by them and their in-house Counsel, up to the cost estimate provided of £365,000 plus VAT and disbursements. To date, fees of £50,000 have been paid to KPMG Legal.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Pursuing the most appropriate realisation strategy for the Company's assets;
- Managing compliance, stakeholder relationships and receipts and payments relevant to the TSAs;
- Oversight of SETL whilst it continues as a subsidiary company;

- Monitoring and reacting to the developments around Bulb UK and its proposed transaction with Octopus;
- Managing the finalisation of the realisation process of the assets of Bulb US and amounts due from other affiliates;
- Regular meetings with the Bulb UK People Team regarding various, ongoing employee issues – including review of proposed vacancies, disciplinary issues, organisational changes, promotions and Employee Relations matters; dealing with any subsequent enquiries; liaising with Employee representatives elected to the Employee Group; managing the employees who continue to assist with the administration; and payroll processing;
- If the proposed ETS to Octopus is confirmed, then we understand that all remaining employees of the Company who did not transfer to SETL are anticipated to transfer to Bulb HiveCo on that date. Working with the Company's HR and executive teams to facilitate the transfer of these employees;
- Progressing the appeal against an assessment raised by HMRC prior to administration;
- Monitoring the performance of Virmati, determining the appropriate time and strategy for disposal and pursuing the realisation of this asset;
- Completing administration corporation tax and VAT returns for the relevant periods from our appointment;
- Making distributions to the Secured Creditor (when funds allow);
- Agreeing claims and making a distribution(s) to unsecured creditors (if or when funds allow);
- Payment of administration expenses, including our remuneration and KPMG Legal's costs as a Category 2 expense, in line with approvals from creditors;
- Categorisation of books and records received in line with the Administrators' duties, inclusive of a storage and destruction plan of those records;
- Consideration of an application to Court seeking approval to extend the period of the administration beyond 23 November 2023 if appropriate; and
- Complying with statutory and compliance obligations.

6.2 Future reporting

We will provide a further progress report within one month of 23 May 2023 or earlier if the administration has been completed prior to that time.

All future reports, along with reports circulated to date, can be found at www.ia-insolv.com/case+INTERPATH+SLB2583759.html.

Appendix 1 Statutory information

| | |
|--|--|
| Company name | Simple Energy Limited (in administration) |
| Date of incorporation | 6 October 2014 |
| Company registration number | 09249540 |
| Present registered office | 10 Fleet Place, London, EC4M 7RB |
| Administration appointment | The administration appointment granted in High Court of Justice Business and Property Courts of England & Wales Insolvency and Companies List (ChD), 002191 of 2021 |
| Appointor | The qualifying floating charge holder, BNY Mellon Corporate Trustee Services Limited, as Security Trustee on behalf of Sequoia IDF Asset Holdings S.A |
| Date of appointment | 24 November 2021 |
| Joint Administrators' details | Richard Heis, Mike Pink and Andrew Stone |
| Estimated values of the Net Property and Prescribed Part | Estimated Net Property is £20.6 million. The Prescribed Part is capped at the statutory maximum of £0.6 million. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3). |
| Prescribed Part distribution | The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors. |
| Functions | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) |
| Current administration expiry date | 23 November 2023 |

Appendix 2

Joint Administrators' receipts and payments account

| Simple Energy Limited - in Administration | | | |
|---|--|--------------------------------------|--------------------------------------|
| Abstract of receipts & payments | | | |
| Statement of affairs (£) | | From 24/05/2022 To 23/11/2022 (£) | From 24/11/2021 To 23/11/2022 (£) |
| | FIXED CHARGE ASSETS | | |
| | Intellectual property rights (SoFA Uncertain) | NIL | NIL |
| | Investment in subsidiaries (SoFA Nil) | NIL | NIL |
| | Other investments (SoFA Uncertain) | NIL | NIL |
| | | NIL | NIL |
| | FIXED CHARGE CREDITORS | | |
| -55,000,000.00 | Fixed charge creditor | NIL | NIL |
| | | NIL | NIL |
| | ASSET REALISATIONS | | |
| | Intercompany receivables (SoFA Nil) | NIL | NIL |
| 12,180.00 | Other current assets | NIL | NIL |
| | Royalty - Property rights/Patents | 10,500,000.00 | 21,000,000.00 |
| 9,721,964.00 | VAT refunds (pre-app'ent) | 1,465,537.52 | 8,902,023.48 |
| 4,610,633.00 | Cash at bank | NIL | 4,610,001.96 |
| | Trust account funds for employee costs | 21,747,517.24 | 43,210,403.63 |
| | Professional costs recharge per Bulb TSA | NIL | 1,206,334.11 |
| | Call option | 1.00 | 1.00 |
| | | 33,713,055.76 | 78,928,764.18 |
| | OTHER REALISATIONS | | |
| | Bank interest, gross | 90,027.27 | 114,996.06 |
| | Overseas subsidiaries - funding | NIL | 18,030.10 |
| | Costs recharge per Bulb Spain TSA | NIL | 89,028.41 |
| | Overseas subsidiaries - cost recharges | NIL | 192,080.50 |
| | Wages & salaries - adjustments | 3,123.21 | 3,123.21 |
| | | 93,150.48 | 417,258.28 |
| | COST OF REALISATIONS | | |
| | Administrators' fees | (2,954,948.90) | (5,915,810.00) |
| | Intercompany loan (advance of royalties) | (10,000.00) | (10,000.00) |
| | Agents'/Valuers' fees | (1,232,139.89) | (1,296,533.09) |
| | KPMG Fees | (50,000.00) | (50,000.00) |
| | Legal fees | (2,020,376.43) | (3,044,040.64) |
| | Utilities | (7,693.47) | (11,812.09) |

| | | | |
|------------------------|---|---------------------|----------------------|
| | Other costs | (15,043.65) | (30,739.34) |
| | Overseas subsidiaries - funding | NIL | (18,493.86) |
| | Bulb International Holdings Ltd - costs | (120,000.00) | (568,490.65) |
| | Sub-contractor costs | (17,700.00) | (108,650.00) |
| | Insurance of assets | (100,604.00) | (187,213.00) |
| | Wages & salaries | (11,946,429.07) | (27,241,144.08) |
| | PAYE & NIC | (7,493,256.21) | (15,235,922.70) |
| | Bank charges | (555.00) | (1,500.00) |
| | Bulb US LLC receivable | NIL | (3,368.49) |
| | Professional fees | (640,284.70) | (640,284.70) |
| | | (26,609,031.32) | (54,364,002.64) |
| | FLOATING CHARGE CREDITORS | | |
| | Floating charge | (4,000,001.00) | (14,000,001.00) |
| | | (4,000,001.00) | (14,000,001.00) |
| | UNSECURED CREDITORS | | |
| (21,166,497.00) | Trade & expense | NIL | NIL |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (234,907.00) | Ordinary shareholders | NIL | NIL |
| | | NIL | NIL |
| (62,056,627.00) | | 3,197,173.92 | 10,982,018.82 |
| | REPRESENTED BY | | |
| | Floating ch. VAT rec'able | | 2,157,761.07 |
| | Floating charge current | | 11,654,268.09 |
| | Floating ch. VAT payable | | (13,617,898.22) |
| | Floating ch. VAT control | | 10,787,887.88 |
| | | | 10,982,018.82 |

Simple Energy Limited - EURO - in Administration

Abstract of receipts & payments

| Statement of affairs (£) | From 24/05/2022 To 23/11/2022 (€) | From 24/11/2021 To 23/11/2022 (€) |
|--------------------------|--------------------------------------|--------------------------------------|
| ASSET REALISATIONS | | |
| Shares and investments | NIL | 3,652,666.00 |
| | NIL | 3,652,666.00 |
| | NIL | 3,652,666.00 |
| REPRESENTED BY | | |
| EURO current account | | 3,652,666.00 |
| | | 3,652,666.00 |

NOTE: These funds are held expressly to the instruction of BIHL and will be distributed under the direction of BIHL in due course. Please refer to the description in Section 2.3 for further information.

Appendix 3

Schedule of expenses

Cost of realisations

| | | | |
|--|----------------------|---------------------|----------------------|
| Administrators' fees | 2,954,948.90 | - | 2,954,948.90 |
| Agents'/Valuers' fees | 1,232,139.89 | 1,971.75 | 1,234,111.64 |
| KPMG Fees | 50,000.00 | 47,996.35 | 97,996.35 |
| Legal fees | 1,428,103.51 | 650,000.00 | 2,078,103.51 |
| Utilities | 5,483.61 | - | 5,483.61 |
| Other costs | 9,163.65 | - | 9,163.65 |
| Bulb International Holdings Ltd - costs | 120,000.00 | - | 120,000.00 |
| Sub-contractor costs | 4,130.00 | - | 4,130.00 |
| Insurance | 100,604.00 | - | 100,604.00 |
| Wages & salaries | 11,946,429.07 | 1,864,197.41 | 13,810,626.48 |
| PAYE & NIC | 7,493,256.21 | 869,645.05 | 8,362,901.26 |
| Bank charges | 555.00 | - | 555.00 |
| Intercompany loan (advance of royalties) | 10,000.00 | 25,000.00 | 35,000.00 |
| Professional fees | 640,284.70 | 97,436.38 | 737,721.08 |
| TOTAL | 25,995,098.54 | 3,556,246.94 | 29,551,345.48 |

Please note that there is a difference between the payments made during the period of £26.6 million (per the receipts and payments account) and the expenses incurred and paid in the period of £26.0 million (per the schedule of expenses).

This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by emailing us at simpleenergy@interpathadvisory.com writing to the Joint Administrators of Simple Energy Limited at 10 Fleet Place, London, EC4M 7RB.

Appendix 4

Joint Administrators' revised fees estimate

| | | | | | |
|--|--------|------------------|---------------|------------------|------------|
| Strategy, statutory and compliance - strategic planning and execution, appointment & related formalities, bonding, checklist & reviews, advertising | Note 1 | 798,724 | 1,154 | 879,623 | 762 |
| Asset Realisation - including insurance of assets | Note 2 | 2,047,790 | 5,267 | 4,260,270 | 809 |
| Tax - VAT & corporation tax, initial reviews, pre and post appointment tax | Note 3 | 436,950 | 836 | 628,140 | 751 |
| Creditors and claims - general correspondence, notification of appointment, statutory reports | Note 4 | 546,445 | 749 | 572,162 | 764 |
| Cashiering - processing receipts, payments and bank reconciliations | Note 5 | 132,800 | 309 | 163,514 | 530 |
| General - books & records, fees & work in progress | Note 6 | 149,761 | 289 | 219,906 | 762 |
| Investigations - director conduct and affairs of the Company | | 49,920 | 67 | 49,920 | 748 |
| Employees - correspondence, payroll | Note 7 | 1,032,235 | 2,613 | 1,901,456 | 728 |
| Trading - purchases, sales and cash projections | Note 8 | 721,185 | 1,339 | 1,093,189 | 816 |
| Total | | 5,915,810 | 12,622 | 9,768,180 | 774 |

Note 1 – Strategy, statutory and compliance

This workstream includes detailed strategy, planning and execution work for maximising realisations of the Company's assets and working in conjunction with the Company's staff. The increase in the fee estimate is driven by the administration running for an extended period versus the previous estimate.

An extension to the period of the administration was required in order to form the appropriate strategy to maximise realisations of the Company's assets, as detailed in this report.

Note 2 – Asset realisation

As previously reported, the Company's principal assets as at the date of our appointment were: the shares in Bulb UK and BIHL; various intellectual property (including the 'Bulb' brand); IT software including the Company's distinctive Bulb customer interface; intercompany and tax debtors; and cash at bank. The increase in the fee estimate is driven largely by, as in the previous estimate, the work undertaken by us to maximise realisations of the Company's assets. As explained in this and our previous report, our asset realisation strategy was for the Company's business and assets to be sold as part of a combined sale process with Bulb UK, undertaken by Lazard. However, with no forthcoming interest for the Company's assets on either a combined or standalone basis, this was not achievable. As a consequence, a significant amount of work has been required in order to consider alternatives, resulting in the planning for, and completion of, the Hive-Down, call option agreement and execution, and support the Bulb UK proposed transaction with Octopus. The Company has a minority shareholding in another company, Virmati, our further work will include pursuing the realisation this asset.

Note 3 – Tax

The increase fee estimate is largely driven by an increase in tax work required as a result of the two sale transactions. We will submit post-administration tax and VAT returns as required.

Note 4 – Creditors and claims

This workstream includes correspondence with all creditors of the Company, including answering creditors' enquiries regarding their entitlement to claim in the administration. This will also include preparation and issue of the Joint Administrators' statutory reports which will be made available to the creditors throughout the administration.

Note 5 – Cashiering

Cashiering costs will include processing of receipts and payments, bank reconciliations, day to day administration of bank accounts, and fund management.

Note 6 – General

General time costs include matters such as securing the Company's books and records, determining a storage and destruction plan for these records; maintaining files and monitoring fees.

Note 7 – Employees

Work undertaken in relation to employees comprises holding initial employee meetings to notify them of the administration; regular meetings with the Bulb People Team regarding various employee issues - including review of proposed vacancies, organisational changes, retention and formation of the Employee Group, promotions and Employee Relations matters; dealing with any subsequent enquiries; liaising with Employee representatives elected to the Employee Group; managing the employees who continue to assist with the administration; and payroll processing.

The reason for the increased fee estimate is largely driven by the additional work in relation to the employees required under the ongoing sale of business workstream. The work required to support the transactions has included producing information for the Employee Group representative meetings as part of the information and consultation TUPE process which have been held on a weekly basis in recent months to facilitate the sale process which represents an increase from monthly meetings held earlier in the administration.

In addition, a significant recruitment campaign was undertaken in order to increase the number of employee energy specialists to deal with the increase in customer calls through the Autumn and Winter periods.

Note 8 – Trading

The primary strategy of the administration is to continue trading in administration (benefiting from the TSA with Bulb UK) whilst undertaking a sale of the Company's business and assets. Our work has included reviewing, assessing and implementing the necessary financial controls to support trading in the administration – this includes purchases, sales and cash projections and reconciliations. The increase in the fee estimate is driven by the administration running for an extended period versus the previous estimate, and therefore an extended TSA period.

Appendix 5

Joint Administrators' revised expenses estimate

| | | | | |
|--|----------|---------------------|---------------------|---------------------|
| Employee costs | 1 | 65,000,000 | 65,000,000 | 65,000,000 |
| Legal fees | 2 | 2,500,000 | 4,800,000 | 4,800,000 |
| M&A Adviser fees | | 1,500,000 | 1,500,000 | 1,500,000 |
| KPMG legal costs | | 365,000 | 365,000 | 365,000 |
| Overseas – legal and adviser fees | | 200,000 | 200,000 | 200,000 |
| IT | | 200,000 | 200,000 | 200,000 |
| Insurance | 3 | 150,000 | 220,000 | 220,000 |
| Contractor costs | 4 | 75,000 | 108,650 | 108,650 |
| Agents' and Valuers' fees | 5 | 50,000 | 250,000 | 250,000 |
| Sundry costs | 6 | 15,000 | 60,000 | 60,000 |
| Professional fees | 7 | - | 800,000 | 800,000 |
| TOTAL | | 70,055,000 | 73,503,650 | 73,503,650 |
| Less: Costs recharged under TSAs or to BIHL | 8 | (67,635,000) | (65,627,000) | (65,627,000) |
| NET TOTAL EXPENSES | | 2,420,000 | 7,876,650 | 7,876,650 |

Note 1: Employee costs

Employee costs represent the gross payroll costs (i.e. salary, employers' taxes and pension contribution) in relation to staff retained during the administration. Employee costs will be recharged to Bulb UK in line with the terms agreed per the TSA – the employee costs recharges are included in the "Costs recharged under TSAs" estimate.

Note 2: Legal fees

Legal fees comprise the costs expected to be incurred during the administration by our lawyers, primarily Freshfields, on a number of matters including advice in relation to: employment matters; TSAs; realising equity interests and realising any other assets; data protection related issues; counsel and Court fees for any other applications to Court; and general matters arising in the administration. This estimate has increased due to additional work undertaken regarding the Sale of business workstream and related transactions.

Note 3: Insurance

As stated previously, the insurance premium was paid by the Company prior to administration for the period to 26 May 2022. As a result of the administration, the insurance premiums have increased. This was compounded by data breaches elsewhere in the market, leading insurers to reduce the level of cover of their existing products. Additional insurance cover options were sought.

Insurance requirements are reviewed on an ongoing basis and reduced where possible during the administration.

Note 4: Contractor costs

Contractor costs relate to ongoing services provided solely to the Company and/or its subsidiaries during the period of administration. These have now ceased.

Note 5: Agents' and Valuers' fees

Agents' fees relate to our estimate of costs for appraisal of the Company's intellectual property and assistance for running the Company's payroll on a monthly basis. The latter costs will continue until at least June 2023, in line with the Joint Administrators' duties under the TSAs. Valuers' fees relate to the engagement of PwC to provide a valuation of the Company's technology platform and business. This cost was not previously included in the expenses estimate.

Note 6: Sundry costs

Sundry costs comprise our estimate of general overheads associated with the Company such as storage of books and records, bank charges, one-off Company expenses and statutory costs.

Note 7: Professional fees

Professional fees comprise of costs which directly relate to the sale of business contingency planning work and SETL set up costs.

Note 8: Costs recharged under TSAs or to BIHL

As noted above, employee costs will be recharged to Bulb UK in line with the terms of the TSA. In addition, 50% of certain professional costs incurred during the period of administration will also be recharged to Bulb UK in line with the terms of the TSA (as applicable). Certain costs paid by the Company on behalf of BIHL will also be recharged to BIHL in due course.

Appendix 6 Joint Administrators' charging and expenses policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please email us simpleenergy@interpathadvisory.com contact Francine Pearlman on 0118 214 5925.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

| | |
|----------------------|-----|
| Partner | 985 |
| Director | 910 |
| Senior Manager | 810 |
| Manager | 650 |
| Senior Administrator | 475 |
| Administrator | 350 |
| Support | 165 |

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm. Included in the summary of expenses table are the costs incurred by KPMG Legal who until 4 May 2021 were part of the same firm as the office holders. On 4 May 2021 KPMG sold its Restructuring business in the UK to Interpath Ltd ('Interpath Advisory'). Whilst we do not consider KPMG are an associate of Interpath Advisory, for transparency, we have obtained approval from creditors, who approve the office holders' remuneration, to pay KPMG Legal up to the cost estimate provided of £365,000 plus VAT and disbursements.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of managing director's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following expenses (excluding VAT) during the period 24 May 2022 to 23 November 2022.

| | | | | |
|--------------|---------------|------------------|------------------|------------------|
| Subsistence | 43.18 | NIL | | 43.18 |
| Sundry | 40.00 | NIL | | 40.00 |
| Travel | 196.10 | NIL | | 196.10 |
| KPMG Legal | NIL | 50,000.00 | 47,996.35 | 97,996.35 |
| Total | 279.28 | 50,000.00 | 47,996.35 | 98,275.63 |

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 24 May 2022 to 23 November 2022

The key areas of work have been:

| | |
|---|---|
| Statutory and compliance | posting information on a dedicated web page; obtaining approval from creditors to a twelve month extension of the period of the administration; ensuring compliance with all statutory obligations within the relevant timescales. |
| Strategy documents, Checklist and reviews | formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; meeting with management to review and update strategy and monitor progress; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions; complying with internal filing and information recording practices, including documenting strategy decisions. |
| Reports to debenture holders | providing written and oral updates to representatives of Sequoia regarding the progress of the administration and case strategy. |
| Cashiering | preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; reviewing and processing employee expense requests; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments. |
| Tax | gathering information from the Company's records in relation to the taxation position of the Company; ongoing review of the Company's pre-appointment corporation tax and VAT position; analysing VAT related transactions and arranging for the submission of monthly VAT returns; liaising with HMRC leading to the realisation of pre-administration money owed; working with KPMG Legal to assist with the appeal of HMRC's VAT assessment; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; |

| | |
|----------------------|---|
| | working initially on tax returns relating to the periods affected by the administration; dealing with post appointment tax compliance. |
| Shareholders | responding to enquiries from shareholders regarding the administration and their shareholding. |
| General | reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by creditors; arranging for digital Company books and records to be obtained; preserving Company books and records, arranging for their collection and dealing with the ongoing storage. |
| Trading | preparing cash flow statements to monitor the cash position; attending to supplier queries and correspondence; dealing with issues in relation to assets required for trading; communicating and negotiating with the Joint Energy Administrators of Bulb UK; applying the rights set out in the TSA; monitoring the flow of funds in relation to the TSA. |
| Asset realisations | monitoring the intercompany debtor position between the Company and other group companies; monitoring overseas subsidiaries. |
| Sale of business | strategic evaluation of options for the sale of the Company's shares, business and / or assets; working with Lazards, the jointly appointed M&A advisor in conjunction with the Joint Energy Administrators of Bulb UK; engaging PWC in order to obtain a valuation of the Company's technology assets and business; responding to due diligence requests from interested parties; working with incumbent management of the overseas subsidiaries in Spain and USA in relation to respective sales processes; oversee the virtual data room; negotiate non-disclosure agreements with interested parties; participate in M&A project management and strategies for engagement with interested parties; review Bulb UK and the Company's forecast model; drafted communications in relation to the sales process; execution of the legal documents related to the sale process; evaluate Tax, TUPE and other issues related to different sale structures; exploration of alternative realisation strategies for the Company's assets; development of the Hive-Down strategy; creation of a subsidiary company, SETL, and sale of the intellectual property rights in the technology platform to SETL; creation of the back-to-back TSA and monitoring of the flow of funds in relation to the back-to-back TSA; developing an incentive plan for SETL's management team and employees; granting of a call option to the Secured Creditor. |
| Health and safety | liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance. |
| Open cover insurance | continued management of insurance cover for the Company's business and assets; assessing the level of insurance premiums and related cover. |
| Employees | undertaking an election process to form a group of employee representatives to represent the employees during the TUPE consultation process; running weekly employee representative meetings to facilitate the consultation process required under TUPE; working with the Joint Energy Administrators of Bulb UK, Company HR and the employee group to successfully close the TUPE consultation process underpinning the sale transaction; working with the Company's HR and executive teams to facilitate the transfer of 73 employees to SETL under TUPE; administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; recruitment of contractors and staff to, amongst other things, manage the autumn and winter seasonal increase in customer call volumes and to replace leavers; dealing with queries from employees regarding various matters relating to the |

| | |
|----------------------|---|
| | administration and their employment; working with the HR team to progress various employee relation matters; holding employee briefing meetings to update employees on progress in the administration and our strategy; dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; communicating and corresponding with HM Revenue and Customs. |
| Pensions | ensuring death-in-service cover for employees remains in place; communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries. |
| Creditors and claims | updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims; arranging a distribution to the Secured Creditor; circulating notice of a decision procedure and addressing related formalities; drafting and circulating our first progress report; drafting our second progress report. |

Time costs

SIP 9 –Time costs analysis

| | | | |
|--|---------------|--------------|--------|
| Cash & profit projections & strategy | 38.4 | 36,128.50 | 942.07 |
| Employee Matters / PAYE | 541.5 | 444,349.00 | 820.66 |
| Purchases and trading costs | 12.1 | 6,897.50 | 570.04 |
| Sales | 2.2 | 1,591.00 | 723.18 |
| Trading Management | 5.0 | 4,925.00 | 985.00 |
| TSA negotiation | 26.8 | 26,048.00 | 971.94 |
| | | | |
| Cash and investments | 5.5 | 3,173.50 | 577.00 |
| Debtors | 0.9 | 427.50 | 475.00 |
| Goodwill | 7.3 | 7,190.50 | 985.00 |
| Insurance | 19.8 | 17,467.50 | 884.43 |
| Intellectual Property | 3.2 | 3,152.00 | 985.00 |
| M&A process | 216.1 | 199,155.50 | 921.80 |
| Other assets | 0.8 | 597.50 | 746.88 |
| Overseas subsidiaries - monitoring | 32.1 | 22,179.50 | 692.03 |
| Overseas subsidiaries - sale | 25.1 | 23,106.50 | 922.42 |
| Pre-appointment tax & VAT refunds | 7.4 | 5,656.50 | 764.39 |
| Sale of business | 2739.6 | 2,072,160.25 | 756.39 |
| | | | |
| Fund management | 2.2 | 1,750.00 | 795.45 |
| General (Cashiering) | 115.8 | 60,371.75 | 521.57 |
| Reconciliations (& IPS accounting reviews) | 7.0 | 5,340.00 | 762.86 |

| | | | |
|--|---------------|---------------------|---------------|
| Books and records | 7.7 | 6,757.00 | 877.53 |
| Engagement management | 124.0 | 103,490.50 | 834.94 |
| Fees and WIP | 174.2 | 96,340.50 | 553.05 |
| Appointment and related formalities | 1.9 | 1,451.00 | 763.68 |
| Budgets & Estimated outcome statements | 312.5 | 228,633.00 | 731.63 |
| Checklist & reviews | 12.0 | 7,135.00 | 594.58 |
| Reports to debenture holders | 43.8 | 42,103.00 | 961.26 |
| Strategy documents | 105.3 | 97,282.00 | 923.86 |
| Post appointment corporation tax | 1.2 | 780.00 | 650.00 |
| Post appointment overseas tax | 0.7 | 689.50 | 985.00 |
| Post appointment PAYE (Non-Trading) | 1.2 | 780.00 | 650.00 |
| Post appointment tax | 155.4 | 115,508.00 | 743.29 |
| Post appointment VAT | 139.0 | 109,087.00 | 785.08 |
| General correspondence | 7.7 | 4,377.00 | 568.44 |
| Legal claims | 10.8 | 10,638.00 | 985.00 |
| Secured creditors | 44.1 | 39,573.50 | 897.36 |
| Statutory reports | 134.7 | 92,729.00 | 688.41 |
| Share Registrars | 0.7 | 606.50 | 933.08 |
| Correspondence | 664.1 | 376,716.25 | 567.26 |
| Grand Total | 5749.3 | 4,276,344.25 | 743.81 |
| Brought forward time (appointment date to SIP 9 period start date) | 4682.9 | 3,760,634.60 | |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 5749.3 | 4,276,344.25 | |
| Carry forward time (appointment date to SIP 9 period end date) | 10432.1 | 8,036,978.85 | |

Note: Time incurred in relation to TSA negotiations was previously categorised under the Trading category. It has since been re-categorised under Realisations of Assets as part of the formation of SETL and related back-to-back TSA.

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 7 Glossary

| | |
|---------------------------------------|--|
| BIHL | Bulb International Holdings Limited |
| Bulb France | Bulb France SAS (now called Bcomollf SAS) |
| Bulb Spain | Bulb Energia Iberica S.L.U. |
| Bulb UK | Bulb Energy Limited (in energy supply company administration) |
| Bulb US | Bulb US LLC |
| Company | Simple Energy Limited - in Administration |
| Court | The High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) |
| ETS | Energy Transfer Scheme |
| Freshfields | Freshfields Bruckhaus Deringer LLP |
| Group | The Company together with Bulb UK, BIHL; and its subsidiaries: Bulb France, Bulb Spain (until 30 December 2021), Bulb Energy US Inc. and Bulb US |
| Hive-Down | A transfer of the technology assets and product and technology teams of the Company to a subsidiary, Simple Energy Technology Limited |
| Interpath/Interpath Advisory | Interpath Ltd |
| Joint Administrators/we/our/us | Richard Heis, Mike Pink and Andrew Stone |

| | |
|--------------------------------------|--|
| Joint Energy Administrators | The joint energy administrators of Bulb UK, namely Matthew Smith, Matthew Cowlshaw and Daniel Butters, all of Teneo Restructuring Limited. |
| KPMG | KPMG LLP |
| Lazard | Lazard & Co Limited |
| Proposals | Statement of proposals |
| Secured creditor / Sequoia | Sequoia IDF Asset Holdings S.A. |
| SETL | Simple Energy Technology Limited |
| Security Trustee / BNY Mellon | BNY Mellon Corporate Trustee Services Limited |
| Sequoia BidCo | Subsidiary of the Secured Creditor which has the right to acquire the shareholding of SETL held by the Company as part of the call option agreement. |
| TSA | Transitional Services Agreement |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations 2006. |
| Virmati | Minority shareholding in Virmati Energy Limited |

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 8

Notice: About this report

This report has been prepared by Richard Heis, Mike Pink and Andrew Stone, the Joint Administrators of Simple Energy Limited – in Administration (the ‘Company’), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Richard Heis and Michael Robert Pink and Andrew James Stone are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

www.interpathadvisory.com

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