



good
energy

**Reject Ecotricity's
hostile offer**

This document is important and requires your immediate attention.

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1. Important notices

If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000 or, if you are resident in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.

If you sell, or have sold or otherwise transferred all of your Good Energy Shares, please send this document as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this document must not be distributed, forwarded or transmitted (including by custodians, nominees and trustees) in, into or from any Restricted Jurisdiction. If you have sold or transferred only part of your holding of Good Energy Shares, you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions. Therefore, persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority, is acting as financial adviser to Good Energy and for no one else in connection with the Offer or other matters referred to herein and will not be responsible to anyone other than Good Energy for providing the protections afforded to its clients nor for providing advice in relation to the Offer or any other matters set out herein.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Good Energy and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Good Energy for providing the protections afforded to clients of Canaccord Genuity Limited nor for providing advice in relation to the matters set out in this announcement.

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the content of this document, you should consult your own legal, financial or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and publication of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Good Energy except where otherwise expressly stated. Good Energy does not intend, nor undertakes any obligation, to update information contained in this document, except as required by applicable law, the Code or other regulation.

No person has been authorised to make any representations on behalf of Good Energy concerning the Offer which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been authorised.

Forward-looking statements

This document, including information included or incorporated by reference in this document, may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Good Energy's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Good Energy's business, results of operations, financial position, liquidity, prospects, growth or strategies and the industry in which it operates. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. There are many factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among such factors are changes in the global, political, social, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak.

These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. By their nature, these forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this document may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and

persons reading this document are therefore cautioned not to place undue reliance on these forward-looking statements that speak only as at the date of this document. All subsequent oral or written forward-looking statements attributable to Good Energy or its affiliates or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Good Energy does not intend, nor undertakes any obligation, to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

No profit forecasts or estimates

Other than as expressly stated, no statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Good Energy for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Good Energy.

Electronic communications

Addresses, electronic addresses and certain other information provided by Good Energy Shareholders, persons with information rights and other relevant persons for the receipt of communications from Good Energy may be provided to Ecotricity during the Offer Period as required under Section 4 of Appendix 4 of the Code.

Website

In accordance with Rule 26.1 of the Code, a copy of this document, together with those documents listed in section 10 on page 27 of this document, and all information incorporated into this document by reference to another source, will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Good Energy's website at <https://group.goodenergy.co.uk/investor-centre/Offer-for-Good-Energy> by no later than 12.00 noon (London time) on the Business Day following publication of this document. For the avoidance of doubt, neither the contents of this website nor the contents of any website accessible from hyperlinks on this website (or any other websites referred to in this document) are incorporated into, or form part of, this document.

1. Important notices

Hard copies

Good Energy Shareholders and persons with information rights may request a hard copy of this document by contacting Good Energy's registrar, Computershare, at The Pavilions, Bridgewater Road, Bristol, BS99 6ZY or by calling Computershare on +44 (0) 370 707 1154 during normal business hours. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You may also request that all future documents, announcements, and information to be sent to you in relation to the Offer should be in hard copy form.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Definitions

Capitalised words and phrases used in this document shall have the meanings given to them in section 11 pages 28 and 29 of this document.

Further Information

If you require assistance or have any questions about the Board's response to Ecotricity's Offer, please contact Boudicca Proxy¹, the Shareholder Communications and Information Agent to the Company, on +44 (0) 371 384 2693.

The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Alternatively, you may e-mail your enquiries to **CECBoudicca@equiniti.com**. Please note that the helpline cannot provide any financial, legal or tax advice or advice on the merits of the Offer.

Date

The date of publication of this document is 18 August 2021.



¹ Boudicca Proxy ("Boudicca") is the official Shareholder Communications and Information Agent to the Company. Should you receive any calls or correspondence in relation to the Offer from anyone other than Boudicca or the Company, please contact the Shareholder helpline on the numbers above.

2. Four key reasons to REJECT the Offer

In our view this offer is unwelcome, opportunistic and will not benefit the long-term interests of Good Energy.

The Board recommends that you should REJECT the Offer by taking no action

1 Good Energy is successfully delivering on its modern, digital strategy

Our strategy is very different to Ecotricity's out-dated, centralised business model



2 Good Energy is in a great position for accelerated growth

We operate in a rapidly growing, decentralised market with significant headroom for further growth



3 This hostile and highly opportunistic offer significantly undervalues Good Energy

This offer does not take into account Good Energy's potential for growth. The Company is worth more than the Offer



4 Ecotricity is an unfit owner with an unsuitable plan

Ecotricity's poor business condition means it is an unfit owner for the Company



3. Letter from the Chair



Will Whitehorn,
Chair

Dear Shareholder,

This important document addresses Ecotricity's hostile and opportunistic offer, and sets out why we, the Board, do not believe the Offer is in the long-term interests of the Company.

We recommend you reject the Offer, by taking no action

Ecotricity wishes to make Good Energy a renewable generation developer again, an approach we moved away from a number of years ago in favour of supporting small-scale renewable generators through long-term power purchase contracts.

Ecotricity believes we can compete more effectively together as genuinely green suppliers in a market of similar-looking products. This is something Good Energy is already effectively doing by itself, as the only supplier with Uswitch Green Tariff Gold Standard accreditation for all its tariffs.

We, the Board, believe Ecotricity would take this company backwards. Here's why:

Our clear strategic plan

We exist to give our customers the ability to generate their own power, not just buy ours. To do this, we have a clear strategy for a growing market in decentralised, digitised clean energy and transport services based on 100% 'real' renewable power. We are already successfully delivering on this strategy, as shown in our integration of new digital customer service platforms for home and business customers and launch of innovative new tariffs for electric vehicle (EV) drivers.

Our business model is fundamentally different to Ecotricity's out-dated model which is based on building its own new wind and solar sites.

We have provided further details on our strategic vision in section 4.

The huge market opportunity

Today, Good Energy operates in a rapidly growing clean energy market. This market is undergoing significant change in the areas of decentralised clean energy and electrified transport, which we expect to grow exponentially in the coming years.

We are already one of the leading players in decentralised energy with over 175,000 small-scale Feed-in Tariff generation customers.

We are ideally positioned to benefit from this trend, through our investment in Zap-Map, the UK's leading EV charger mapping service, and our own energy and EV products and services. Zap-Map has over 200,000 registered users and over 95% of the UK's public points on its network, with over 75% of the UK's EV drivers having downloaded the app.

We have set out the scale of opportunity in section 5.

Our strong financial performance

We have demonstrated that we are well equipped to meet any market challenge and have shown great strength in response to recent challenges, including COVID-19. The Company had strong operating cashflow, and our collection and billing rates improved, in 2020. That cashflow and our existing cash reserves make Good Energy an attractive target for Ecotricity, in particular in the context of their uncertain financial position as described below.

Ecotricity states that there has been a decline in our financial performance. In fact, we are going from strength to strength. Over the past five years, we have maintained a consistent and stable performance.

In contrast, Ecotricity has been loss-making for four successive years.

We have provided more information on Good Energy's financial performance in section 6.

This hostile and opportunistic offer significantly undervalues the Company

The Offer significantly undervalues Good Energy. This conclusion can be reached simply by reference to Good Energy's recent financial performance, but is also reflected in the low premium offered. The Offer represents a premium of just 10.6% over the Closing Price per Good Energy Share on 9 July 2021, being the last Business Day prior the start of the Offer Period.

3. Letter from the Chair

This is well below the average takeover premium for takeovers of London Stock Exchange-listed companies with an enterprise value of less than £100m since 2011, which is 51.5%.

We believe the Offer is opportunistic as it does not take into account the potential for the future growth of the Company.

We have provided more information in section 7.

Ecotricity is an unfit owner

Ecotricity's independent auditors have highlighted: "a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern."

Ecotricity has been a loss-making business for the past four years, with its latest published audited accounts also showing a negative cash balance and a significant amount of outstanding bond debt.

The Board does not believe that Ecotricity is a fit owner of Good Energy or well-placed to fund our growth strategy on an ongoing basis.

Since October 2019, Ecotricity's cheapest tariff has been consistently more expensive than our cheapest tariff and since Q3 2018, Ecotricity has had consistently lower customer service ratings than both Good Energy and industry averages. We have an 'excellent' 4.4 rating from customers on Trustpilot, whilst Ecotricity is rated 3.9.

Ecotricity's claim that they consider us 'sister companies, with more in common than separates us', is contradicted by their history of disruptive behaviour, voting down 100% of our proposed special resolutions.

We have expanded on this rationale in section 8.

From the many to the individual

You, our shareholders, would lose your opportunity to support and benefit from Good Energy's potential for growth. In fact, given Ecotricity's stated intentions to de-list the Company, and our position as the only 100% renewable electricity company on the London Stock Exchange, investors would risk losing a significant opportunity to be a part of the growing green economy.

As a listed company, Good Energy is committed to high standards of corporate governance which the Board believes provides the Company with the appropriate framework to support the business and implement its strategy.

In contrast, Ecotricity has offered little insight on its own corporate governance and how the businesses would be run going forward. The Board believes that if this takeover were to be successful and the Company to be de-listed, key decision making would ultimately rest with one individual which would not be in the best interests of the Company and its stakeholders.

If the Offer is successful, it would place the collective interests of our investors and customers in combatting the climate crisis into the hands of one individual.

Shareholder support

The Board has received written confirmation from six shareholders representing approximately 10.96 per cent. of the Company's issued share capital that they do not intend to accept the Offer. Those written confirmations, when aggregated with the Good Energy Shares held by the Directors, represent approximately 15.30 per cent. of the Company's issued share capital.

Take no action

The Board, which has been so advised by Investec as to the financial terms of the Offer, believes that the terms of the Offer significantly undervalue Good Energy. In providing their financial advice to the Board, Investec has taken into account the Board's commercial assessments. Investec is providing independent financial advice to the Board for the purposes of Rule 3 of the Code.

Accordingly, the Board unanimously recommends that you reject the Offer by taking no action. Those Directors who hold Good Energy Shares will not be accepting the Offer in respect of their own shareholdings.

Yours faithfully,

Will Whitehorn
Chair

4. Successfully delivering on our strategic plan

We exist to give our customers the ability to generate their own power, not just buy ours. To do this, we have a clear strategy for a growing market in decentralised, digitised clean energy and transport services based on 100% 'real' renewable power. We are already successfully delivering on this strategy.

Our business model is fundamentally different to Ecotricity's out-dated approach, which is based on building new wind and solar sites.

Current performance

We spent 2020 ensuring that the fundamental building blocks of the business are in place, and that the core business is able to operate at a high level, despite the impact of COVID-19.

We are successfully delivering on the implementation of new customer service and billing platforms for both domestic and business customers, the continued roll out of smart meters and the initial steps to develop a pipeline of innovative propositions.

This has put the business in a strong position to scale as the economy begins to recover, the green revolution continues to gather momentum and EV adoption increases.

These established building blocks are crucial to unlocking future growth opportunities.

Real renewable electricity

Good Energy has supplied 100% renewable electricity for over 20 years, sourcing power directly from renewable generators and not using regulatory loopholes to 'greenwash' with certificates.

Today we are:

- Differentiated as a UK supplier backing all electricity supply, both business and domestic, with long-term contracts with renewable generators.
- The only UK supplier with the Uswitch Green Tariff Gold Standard accreditation for all its tariffs.

Excellent customer service

We have successfully embedded new digital customer service platforms for home and business customers. These investments have delivered consistently high customer satisfaction ratings and helped to bring our prices down:

- The Kraken customer service platform, from Octopus Energy Group, is scalable and more efficient. It enables us to easily launch new "smart" and "agile" tariffs.
 - 100% of domestic supply customers have been migrated to the Kraken platform.
 - We have an 'excellent' 4.4 rating from customers on Trustpilot.
- We partnered with one of the leading software suppliers to UK energy, Ensek, to install a slicker, digital billing system for our business customers. 90% of our business customers have been moved to the Ensek platform, enabling improved services and efficiencies through self-service.



4.4 ★★★★★

ecotricity

3.9 ★★★★★

4. Successfully delivering on our strategic plan

Digital services

Our new customer service platforms form one of the building blocks towards digitising our business. Others include:

- The appointment of our new Chief Executive Officer, Nigel Pocklington, who joins from Moneysupermarket Group with a wealth of experience in digital led, customer-centric businesses.
- Our controlling stake in the UK's leading app in electric transport, Zap-Map, which has over 200,000 registered users, and over 95% of the UK's public charging points on its network. Over 75% of the UK's EV drivers have downloaded Zap-Map.
- Our existing +175,000 energy services customers for whom we operate as Feed-in Tariff administrator.
- Our smart meter rollout is on track with over 14,000 installed to date.

A plan to clean up energy, heat, and transport

Good Energy is building on these strong foundations to deliver its vision for decentralised clean energy, heat, and transport with:

- Innovative 'time of use' EV tariffs, Zap-Flash and Green Driver – recently launched to support EV charging at off-peak times when energy is cheaper, and the grid is greener.
- New partnerships in EV and fleet charging, including partnerships with Horizon Energy Infrastructure, Mina and Select Car Leasing.
- 'Smart Export Guarantee' and solar and storage propositions to be launched this year.
- The UK's first heat pump tariff, Green Heat, launched for heat pump owners.



4. Successfully delivering on our strategic plan



5. We have great momentum and are growing

Today, Good Energy operates in a rapidly growing clean energy market. This market is undergoing significant change in the areas of decentralised clean energy and electrified transport, which we expect to grow exponentially in the coming years.

A great market opportunity for Good Energy

The Government's 10 Point Plan will mobilise **£12bn of public investment**, and potentially three times as much from the private sector, **to create and support up to 250,000 green jobs**.

There is **a doubling of electricity demand anticipated** across heating and transport over the next 20 years.

Based on advanced modelling by Energy Systems Catapult, we estimate **13.5m new domestic solar installations** and between 1.5m and 4m Tesla Powerwall-sized home batteries will be installed between now and 2050.

As set out in Ofgem's 2019 'State of the Energy Market Report', households and businesses together **spend around £55bn** on energy each year made up of:



New energy supply opportunities are expected to increase the size of this energy market fourfold to **over £250bn by 2030**, with 60% of this increase related to distributed energy, EV charging and energy efficiency. **This will treble the size of the market we operate in to over £170bn.**

5. We have great momentum and are growing

We are already one of the leading players in the decentralised energy market with over 175,000 small-scale Feed-in Tariff generation customers. This puts us in a prime position to capitalise on this and EV opportunities.

The electric transport boom

The decarbonisation of transport is expected to be driven primarily by electrification and an accelerated ban on new petrol and diesel vehicles from 2040 to 2030.

280,000

Pure electric vehicles on UK roads today

14.8%

New vehicle registrations as of June 2021, higher than any complete previous year

c. 47%

Expected EV annual growth rate until 2026

91%

Expected UK new EV car sales by 2030

14TW hours

Electricity demand from EVs is set to grow dramatically by 2026

We are ideally positioned to benefit from this trend, through our investment in Zap-Map, the UK's leading EV mapping service, and our own EV products and services.

**ZAP
MAP**
EV CHARGING

6. Our strong financial performance

We have demonstrated that we are well-equipped to meet any market challenge and have shown great strength in response to recent market challenges, including COVID-19.

The Company had strong operating cashflow and our collection and billing rates improved in 2020.

Highlights in the last year



£9.76m

FY: 2019: £9.60m

Earnings before interest, tax, depreciation and amortisation (EBITDA)

£130.6m

5.1% ↗

Revenue increase mainly driven by growth in business supply and Feed-in Tariff customers

£7.8m

Strong operating cashflow led to a gross cash balance of £18.3m (2019: 13.7m), which funded investment across the business, and provided us with better financial flexibility

70%

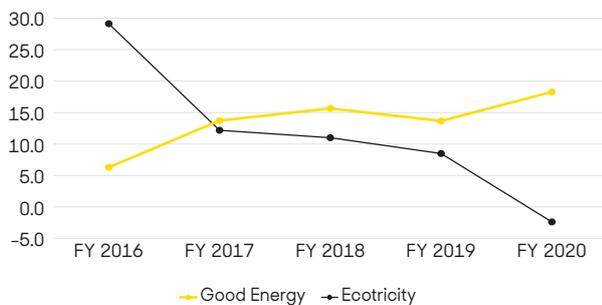
GE Bond II repayment with remainder to be paid by the end of 2022. This is a clear example of our strong commitment to protect bondholders

6. Our strong financial performance

Ecotricity thinks there has been a decline in our financial performance. In fact, we are going from strength to strength, and here is the evidence:

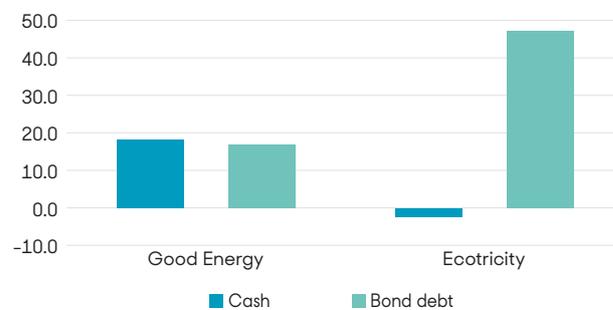
- Over the past five years, we have seen **revenue growth of 15.2%** compound annual growth rate (CAGR), including the impact of COVID-19 in 2020.
- In the five years before COVID-19, up to 2019, we saw **CAGR revenue growth of 16.6%**.
- In the domestic supply market, we continue to avoid the price war. We do not see the race to bottom in price as a viable long-term business model. This is why we have increased focus on growing our lower gross margin business supply segment.
- Over the past five years, we have maintained a consistent and stable performance.
- Over the past five years, we have **increased our cash reserves by 30.9%** CAGR, which stood at £18.3m in our most recent audited financial statements. Over the same period, Ecotricity's cash reserves have fallen by 161.7% CAGR from £26.5m in 2015 to negative £2.4m and increasing overdraft facilities as disclosed in their most recent audited financial statements.

Cash (£m)



- We have responsibly managed our bondholders. The outstanding amount of Good Energy Bond II, due for repayment by the end of 2022 has consistently been in our financial planning. As of December 2020, the carrying value of our outstanding bonds was £17.4m, and we repaid over 70% of the principal amount in June 2021. By contrast, Ecotricity has £47.2m of outstanding bonds, with £32.7m potentially repayable within 12 months, as shown by their latest audited accounts, which also show a negative cash balance.

Available cash vs outstanding bond debt (£m) at end of FY2020



7. This hostile offer significantly undervalues the Company

Our share price has shown strong performance in the last 12 months.



GOOD share price July 2020–July 2021 (GB p)



The Offer is too low to be recommended, representing a premium of only 10.6% over the Closing Price for a Good Energy share on 9 July 2021, (being the last Business Day prior to the start of the Offer Period).

- The average bid premium for takeovers of companies listed on the London Stock Exchange since 2011 to date is 49.5%.
- The average bid premium for takeovers of companies with an enterprise value of less than £100m listed on the London Stock Exchange since 2011 is 51.5%.

The opportunistic nature of the Offer

We believe the Offer is opportunistic as it does not take into account the potential for the future growth of your business.

Good Energy is a next generation energy company, founded on a deep green domestic offering, with a mature wind and solar generation portfolio, and an increasing focus on small businesses and electric mobility.

Ecotricity's intention for the combined businesses, specifically by adding Good Energy customers to its 'Bills for Mills' concept, is to *"enable the building of further sources of green energy... and in combination, the two companies can enable more building than either can alone"*. Ecotricity's recent sale of the Electric Highway contrasts with our increased investment in Zap-Map, new innovative EV tariffs and new EV partnerships.

Our strategy is different from Ecotricity's. Their plan is to remain a utility company, our plan is to focus on digital services enabling clean energy generation, supply and clean transport.

We believe Ecotricity's ownership would mean an end to our current strategy, which we believe is in the best interests of our shareholders.

We are committed to our strategy and are confident in our ability to deliver shareholder value through its execution.



8. Ecotricity is an unfit owner

Material uncertainty as to Ecotricity's ability to continue as a going concern

Ecotricity's independent auditors have drawn attention to projected funding shortfalls and whether the business can meet its financial obligations. Ecotricity's latest audit, dated 28 January 2021 in respect of the financial year ending 30 April 2020, concludes:

"a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern"

Ecotricity's latest published audited accounts show the following:

- Negative cash balance and a reliance on overdrafts.
- The business has been loss-making for four successive years.
- The business required a £15m emergency Coronavirus Business Interruption Loan in 2020, fully repayable by October 2023.
- Ecotricity has £47m in outstanding bonds, with £32.7m repayable within 12 months. Ecotricity Bond plc's directors state in the latest audited accounts that "There is a risk that the Company will not be able to meet the obligations of the bonds, with the significant factor being the time at which the bondholders redeem their investments."
- Ecotricity's directors highlight the need to make cost reductions, and that management is undertaking a strategic review to "reduce capital investment and a focus on capital efficiency... during this difficult period".

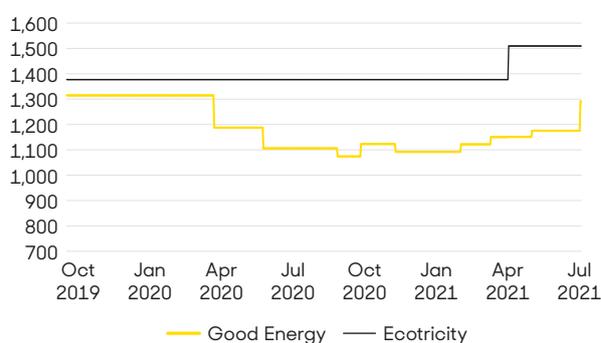
Based on this publicly available information, the Board does not believe that Ecotricity is well-placed to fund Good Energy's growth strategy on an ongoing basis.

Ecotricity's high price point

The energy market is in a price war and we have worked hard to reduce costs to ensure Good Energy's genuinely green tariffs remain competitive.

Since October 2019, Ecotricity's cheapest tariff has been consistently more expensive than our cheapest tariff.

Good Energy vs Ecotricity Cheapest Tariff (£)

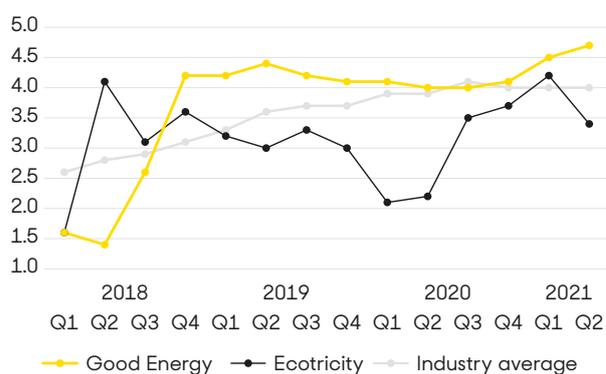


Lower customer service

Since Q3 2018, Ecotricity has had consistently lower customer service ratings than both Good Energy and industry averages.

We have an 'excellent' 4.4 rating from customers on Trustpilot, whilst Ecotricity is rated 3.9.

Customer service: Trustpilot - 2018-2021 YTD



Industry average based on available Trustpilot data for 11 leading companies

Ecotricity's other ventures

The wider Ecotricity Group comprises a number of other companies involved in a diverse array of businesses including Forest Green Rovers Football Club Limited, Devil's Kitchen Limited, Britwind Limited, Eco Talk Limited, and The Sky Mining Company Limited, among others.

The financial accounts for these subsidiaries show they are either consistently loss-making, heavily indebted or rely on Ecotricity for financial support and for their continued operation.

We believe that none of these ventures are relevant or complementary to our strategy, and would distract from delivering Good Energy's modern, digitised and decentralised strategy.

Voting history

As a shareholder in the Company, Ecotricity has demonstrated a pattern of disruptive behaviour, which the Board can only conclude has been motivated by the fact it views itself as a competitor. Since 2017 Ecotricity has:

- Voted against 100% of special resolutions.
- Consistently voted down ordinary course resolutions allowing the business to raise capital to invest in its strategy.
- Only voted in favour of 45.9% of ordinary resolutions which have been successfully passed since Ecotricity became a shareholder. Despite this, we have passed 94.6% of ordinary resolutions following significant support from our other shareholders.

Your shareholding

Ecotricity has announced an intention to "*de-list Good Energy from AIM and the AQSE stock exchange*".

Our role as a public company has contributed to our robust finances, high levels of transparency, and good governance. This provides you as our shareholders, customers, and employees with confidence and creates a culture of openness.

We are also the only 100% renewable electricity supplier on the London Stock Exchange, offering people the chance to directly invest in the clean energy transition and to tackle climate change.

Ecotricity's intention to take Good Energy private will result in less transparency, less accountability, and would remove the opportunity for the general public to own shares in a renewable energy company.

A takeover by Ecotricity would place the collective interests of our investors and customers in combatting the climate crisis into the hands of one individual.



9. Reject the Offer

We urge you to protect the Company and your investment from this opportunistic and undervalued hostile offer.

The Board recommend you reject the Offer and TAKE NO ACTION.

10. Additional information

1. Responsibility

The Directors accept responsibility for the information contained in this document (including any expressions of opinion), save that the only responsibility accepted in respect of information related to Ecotricity (which has been compiled from public sources) has been to ensure that such information has been correctly and fairly reproduced and compiled. To the best of the Directors' knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and information on Good Energy

2.1 The directors of Good Energy, and their positions on the board, are as set out below:

Name	Position
William Whitehorn	Independent Non-Executive Chairman
Nigel Pocklington	Chief Executive Officer
Rupert Sanderson	Chief Financial Officer
Juliet Davenport	Non-Executive Director
Emma Tinker	Independent Non-Executive Director
Tim Jones	Independent Non-Executive Director
Nemone Wynn-Evans	Independent Non-Executive Director

2.2 Good Energy is a public company limited by shares, incorporated in England and Wales with registered number 4000623. The main country of operation is the United Kingdom.

2.3 Good Energy Shares are traded on AIM and AQSE. The International Securities Identification Number for Good Energy Shares is GB0033600353.

2.4 The principal legislation under which Good Energy operates is the Act and the regulations made thereunder.

2.5 Good Energy's principal place of business and registered office is at Monkton Park Offices, Monkton Park, Chippenham, Wiltshire SN15 1GH.

3. Effects of the Offer on Good Energy's interests

Rule 25.2(a) of the Code provides that this document must set out the opinion of the Board on the Offer and the Board's reasons for forming its opinion and must include its views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business, as set out in the Offer Document pursuant to Rule 24.2 of the Code.

The Board can only comment on the statements made by Ecotricity in the Offer Document. In that respect, the Board notes the statements made by Ecotricity in section 8 on page 11 of the Offer Document – in particular, the intention to conduct a strategic review of the organisational structure, key functions, processes and systems of both companies which may take between two to three months to complete. Ecotricity believes the outcome would result in material (which Ecotricity defines as 10%) savings on both payroll (through reduced headcount) and non-pay overheads on a combined basis. The Board therefore anticipates that in the event of the Offer becoming unconditional, this would have a material impact on Good Energy's employees. Given the lack of any detailed or considered plans outlined by Ecotricity, the Board cannot be certain as to the full repercussions of the Offer on Good Energy's interests and is unable to comment any further.

4. Interests and dealings

4.1 Definitions

For the purposes of this paragraph 3:

- (a) "acting in concert" with a party means any such person acting or presumed to be acting in concert with that party for the purposes of the Code;
- (b) "dealing" or "dealt" includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or of general control of securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion, whether in respect of new or existing securities, of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition or disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
 - (vii) the redemption or purchase of, or taking or exercising an option over, any of Ecotricity's or Good Energy's own relevant securities; and
 - (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he/she has a short position;
- (c) "Dealing Arrangement" means an arrangement of the kind referred to in Note 11(a) on the definition of acting in concert in the Code;
- (d) "derivative" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (e) "Disclosure Date" means 17 August 2021 (the latest practicable day prior to the publication of this document);
- (f) "Disclosure Period" means the period commencing on 12 July 2021 (being the start of the Offer Period) and ending on the Disclosure Date;
- (g) "Financial Collateral Arrangement" means an arrangement of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (h) "relevant securities" includes: (1) Good Energy Shares and any other securities of Good Energy conferring voting rights or, as the context requires, shares and any other securities of Ecotricity conferring voting rights; (2) equity share capital of Good Energy or, as the context requires, Ecotricity; and (3) any securities convertible into or rights to subscribe for the securities of Good Energy or, as the context requires, Ecotricity, described in (1) and (2) above and securities convertible into, rights to subscribe or, options (including traded options) in respect of and derivatives referenced to any of the foregoing;
- (i) "short position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and

10. Additional information

- (j) a person is treated as "interested" in securities if he/she has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as "interested" in securities if:
- (i) he/she owns them;
 - (ii) he/she has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, he/she:
 - (1) has the right or option to acquire them or call for their delivery; or
 - (2) is under an obligation to take delivery of them,
 whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) he/she is a party to any derivative:
 - (1) whose value is determined by reference to their price; and
 - (2) which results, or may result, in his/her having a long position in them.

4.2 Interests and dealings in relevant securities of Good Energy

As at the close of business on the Disclosure Date:

- (a) the following Directors held the following interests in relevant securities of Good Energy:

Director	Number of Good Energy Shares	Percentage of issued share capital
Will Whitehorn	52,000	0.31%
Juliet Davenport	627,455	3.78%
Rupert Sanderson	22,270	0.13%
Nemone Wynn-Evans	9,500	0.06%
Tim Jones	9,489	0.06%
Emma Tinker	1,560	0.01%

- (b) the following Directors held the following options over relevant securities of Good Energy, awarded under the Good Energy Performance Share Plan:

Director	Date of grant	Vesting Date	Option price	Number of Good Energy Shares
Juliet Davenport	13.02.12	See below	£1.15	89,956
	13.02.12	See below	£1.15	17,390
	13.07.13	See below	£1.25	144,000
	15.11.18	See below	£0.05	122,472
Rupert Sanderson	15.11.18	See below	£0.05	58,427
	19.04.21	30.06.22	£1.78	74,163

Options awarded under the Good Energy Performance Share Plan normally vest three years from the date of grant, subject to continued employment of the director and satisfaction of performance criteria measured over a three-year period.

10. Additional information

4.3 Interests in relevant securities of Ecotricity

As at the close of business on the Disclosure Date, neither Good Energy nor any of the Directors had any interest in, right to subscribe for or short position in relation to any relevant securities of Ecotricity.

4.4 Dealings

As at the close of business on the Disclosure Date, neither Good Energy nor any of the Directors nor any person acting in concert with Good Energy nor any person with whom Good Energy, or any person acting in concert with Good Energy, has a Dealing Arrangement has dealt in relevant securities of Good Energy during the Disclosure Period.

4.5 General

Save as disclosed in this document, as at the close of business on the Disclosure Date:

- (a) none of:
 - (i) the Directors; or
 - (ii) any person acting in concert with Good Energy; or
 - (iii) any person who has a Dealing Arrangement with Good Energy or any person acting in concert with Good Energy,

had any interest in, right to subscribe for or short position in relation to any Good Energy relevant securities, nor had any of the above dealt in any Good Energy relevant securities during the Disclosure Period;

- (b) there is no person with whom Good Energy, or any person acting in concert with Good Energy, has any Dealing Arrangement; and
- (c) neither Good Energy nor any person acting in concert with Good Energy has borrowed or lent any relevant securities of Good Energy (including for these purposes any Financial Collateral Arrangements) during the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.

5. Material contracts

The following contracts have been entered into by Good Energy or its subsidiaries otherwise than in the ordinary course of business since 12 July 2019 (being the date two years prior to the commencement of the Offer Period) and are or may be material:

5.1 On 8 April 2021, Good Energy's subsidiary, Next Green Car Limited, issued a convertible loan note instrument constituting up to £1,000,000 8% fixed rate unsecured convertible loan notes to finance its ongoing working capital requirements. To date, the following loan notes have been issued to Good Energy pursuant to the instrument:

- (a) £400,000 on 8 April 2021; and
- (b) £300,000 on 5 July 2021.

Unless otherwise agreed by Good Energy, the £300,000 balance remaining must be drawn prior to the conversion longstop date of 8 April 2022.

Good Energy has not yet converted any loan notes but may convert any outstanding loan notes to C Ordinary Shares in Next Green Car Limited upon the earlier to occur of (1) a change of control of Next Green Car Limited, (2) an equity fundraise of at least £1,000,000 of subscription proceeds by Next Green Car Limited or (3) 8 April 2022. The convertible loan note instrument includes a number of assumptions and policies that will be used to determine the share price that will apply on a conversion.

If Good Energy chooses not to convert on or before 8 April 2022 the loan will become repayable with interest accruing at 8% per annum. From 8 April 2022 Next Green Car Limited is permitted to redeem the loan notes in full at the principal amount plus accrued interest.

10. Additional information

5.2 On 1 April 2021, Good Energy's wholly owned subsidiary, Good Energy Generation Assets No. 1 Limited, entered into an amendment and restatement in respect of the loan facilities agreement originally entered into on 17 December 2014 with GCP Green Energy 1 Limited as lender (the "**GCP Facilities Agreement**"). Pursuant to this amendment and restatement agreement, Good Energy Hampole Windfarm Limited acceded to the GCP Facilities Agreement and £7,800,000 of unrestricted cash was made available to Good Energy on completion, at an interest rate of 6.48% of which:

- (a) £4,700,000 related to the release of various reserve accounts and other restricted cash balances which form part of the existing facilities; and
- (b) £3,100,000 of additional debt was raised, bringing the then total amount outstanding under the GCP Facilities Agreement to £39,800,000.

Change of control

A change of control of Good Energy Generation Assets No. 1 Limited (as the borrower under the GCP Facilities Agreement), any Good Energy project company (which does not include the Company) or Good Energy Holding Company No.1 Limited (the borrower's immediate parent) requires the prior consent of GCP Green Energy 1 Limited as lender. However, this does not apply to a change of control of the Company, which is expressly excluded from the provisions. Instead, on a change of control of the Company, GCP Green Energy 1 Limited has a right to require the loan to be prepaid if it can demonstrate that the new controlling entity is not a "Permitted Entity". Any entity is permitted, except one where (1) a director of the entity or an affiliate appears on a sanctions list maintained by the Office of Foreign Assets Control of the US Department of the Treasury or HM Treasury or (2) it or its affiliate is resident in a country that appears on a sanctions list maintained by those authorities.

6. Directors' service contracts

Save as described below, (i) there are no existing or proposed service contracts between any Director (or proposed director of Good Energy) and Good Energy and/or its subsidiary undertakings and (ii) no such contract has been replaced or amended within the six months prior to the publication of this document.

Executive Directors

6.1 Nigel Pocklington and Rupert Sanderson (the "**Executive Directors**") have each entered into service agreements with Good Energy Limited which remain current.

- (a) Details of the particulars under the service agreements of the Executive Directors are set out in the table below:

Name	Position	Date of contract	Notice period	Basic annual salary
Rupert Sanderson	Chief Financial Officer	1 January 2020	6 months	£164,500
Nigel Pocklington	Chief Executive Officer	6 April 2021	6 months or 12 months in the event of a change of control of Good Energy Limited or the Company (as described in (e) below)	£260,000

- (b) **Term:** Neither service agreements is subject to a fixed term. They will continue unless and until terminated on the notice periods detailed in (a) above.

10. Additional information

- (c) **Benefits:** the Executive Directors are each entitled to the following benefits:
- Private health insurance.
 - Life assurance.
 - Group income protection.
 - A pension contribution of 10% of their basic annual salary.
 - Participation in the Company's share-based incentive schemes. Details of the share awards under the Company's share scheme held by the Executive Directors are set out in paragraph 4.2(b) of section 10 of this document; and
 - Participation in the Group's annual bonus scheme in respect of each complete financial year of Good Energy Limited during which the Executive Director's employment has subsisted and subject to the provisions or rules of the bonus scheme. Bonus awards are at Good Energy Limited's sole discretion and the Executive Directors will not have a contractual right to receive such awards. If such awards are made:
 - **In the case of Nigel Pocklington**, the bonus award is subject to a limit of 75% of his basic annual salary;
 - **In the case of Rupert Sanderson**, the bonus award is subject to a limit of 40% of his basic annual salary.
- (d) **Early termination:**
- Under the terms of each service agreement, Good Energy Limited may elect to terminate an Executive Director's service agreement by making a payment in lieu of all or any part of the notice equivalent to basic salary for any unexpired portion of the notice period detailed in (a) above ("**PILON**"). The PILON will not include payments in respect of bonus and holiday which would have accrued during the notice period or other benefits.
 - The Good Energy Limited has the discretion to place an Executive Director on garden leave during any notice period. It is entitled to dismiss an Executive Director without notice or compensation in specified circumstances, such as if the Executive Director commits a serious or material breach of any term of the service agreement.
- (e) **Notice period:** Good Energy Limited and Nigel Pocklington entered into a side letter dated 6 April 2021 to amend his notice period in his service agreement in the event of a change of control of Good Energy Limited or the Company. If, within 12 months following such change of control, Good Energy Limited serves notice to terminate Nigel Pocklington's employment, directly or indirectly in connection with the change of control event, the six months' notice period is increased to 12 months (and the PILON shall be calculated by reference to such increased notice period).
- (f) **Post-termination:** Each of the service agreements contain six months' post-termination non-solicitation, non-compete and other restrictions.

10. Additional information

Non-Executive Directors

6.2 Emma Tinker, Tim Jones, Will Whitehorn, Nemone Wynn-Evans and Juliet Davenport (the "Non-Executive Directors") have each entered into letters of appointment with the Company.

(a) Details of the particulars under the service agreements of the Non-Executive Directors are set out in the table below:

Name	Appointment commencement date	Term and Expiry	Notice Period	Fees	Committee fees (chair)	Total fees
Emma Tinker	2 September 2016 (under a letter of appointment dated 14 March 2016)	Initial term expired on 1 September 2019 Renewed by re-election at the 2020 AGM until 1 September 2022	3 months	£25,000	£5,000	£30,000
Timothy Jones	1 December 2017 (under a letter of appointment dated 25 October 2017)	Initial term expired on 30 November 2020 Renewed by re-election at the 2021 AGM until 30 November 2023	3 months	£25,000	-	£25,000
William Whitehorn (Chair)	26 July 2018 (under a letter of appointment dated 11 June 2018)	Initial term expired on 25 July 2021 Renewed by re-election at the 2021 AGM until 25 July 2024	3 months	£45,000	-	£45,000
Nemone Wynn-Evans	1 January 2019 (under a letter of appointment dated 11 December 2018)	Initial term expires on 31 December 2021	3 months	£25,000	£7,000	£32,000
Juliet Davenport	31 July 2021 (under a letter of appointment dated 30 July 2021)	Initial term expires on 30 July 2024	6 months	£40,000	-	£40,000

(b) **Benefits:** Other than Juliet Davenport, the Non-Executive Directors do not participate or are not eligible to participate in any bonus scheme or long-term reward schemes or arrangements, nor do they accrue pension entitlement. Under the terms of the settlement agreement under which Juliet Davenport's service agreement outlined in paragraph 6.3 was terminated, she is entitled to participate in the Group's 2020 and 2021 annual bonus scheme (as described in paragraph 6.3(b)), pro-rated to the end date of her previous service agreement. The Company reimburses Non-Executive Directors' travel expenses between home and the Company's Head Office.

(c) **Early termination:** Under the terms of the appointment letters for each of the Non-Executive Directors, the Company may terminate their appointment on three months' notice without compensation in specified circumstances including where the Non-Executive Director is not re-elected by shareholders.

10. Additional information

6.3 The letter of appointment of Juliet Davenport with the Company replaces a service agreement with the Company which was terminated on 31 July 2021.

(a) The particulars of Juliet Davenport's terminated service agreement are set out in the table below:

Name	Date of contract	Notice period	Basic annual salary
Juliet Davenport	2 August 2007	6 months	£222,572

(b) **Benefits:** Juliet Davenport was previously entitled to the following benefits under her service agreement:

- Private health insurance.
- Life assurance.
- Group income protection.
- A pension contribution of 10% of her basic annual salary.
- Participation in the Group's annual bonus scheme in respect of each complete financial year of Good Energy Limited during which Juliet Davenport's employment had subsisted and subject to the provisions or rules of the bonus scheme. Bonus awards were at Good Energy Limited's sole discretion and Juliet Davenport did not have a contractual right to receive such awards. If such award was made, she was subject to a limit of 50% of her basic annual salary;
- Participation in the Company's share-based incentive schemes. Details of the share awards under the Company's share scheme held by the Executive Directors are set out in paragraph 4.2(b) of section 10 of this document.

Next Green Car Limited

6.4 Next Green Car Limited is a subsidiary of the Company, of which it holds a 50.1% majority stake. Next Green Car Limited is the parent company of Zap-Map.

6.5 Juliet Davenport has been appointed by the Company as director of the board of Next Green Car Limited. The terms of her appointment are summarised below. Save as set out below: (i) she receives no remuneration, benefits, or arrangements as a part of her appointment; and (ii) would receive no compensation or other arrangement on early termination.

Name	Position	Appointment commencement date	Term and Expiry	Notice Period	Annual fee
Juliet Davenport	Non-Executive Chair	4 March 2020 (formalised under an agreement dated 30 July 2021)	3 years from the date of the formalised agreement (expiring on 29 July 2024)	6 months	£30,000

6.6 Timothy Jones has also been appointed as non-executive director of the board of Next Green Car Limited. There is no agreement in place with Timothy Jones and he is currently not remunerated in respect of this appointment.

7. No significant change

The Directors are not aware of any significant change in the financial or trading position of Good Energy which has occurred since 31 December 2020, the end of the last financial period for which audited accounts have been published.

10. Additional information

8. Shareholder Support

The Board has received written confirmation from six shareholders representing approximately 10.96 per cent. of the Company's issued share capital that they do not intend to accept the Offer. Those written confirmations, when aggregated with the Good Energy Shares held by the Directors, represent approximately 15.30 per cent. of the Company's issued share capital.

Shareholder	Number of Good Energy Shares
Castlefield Investments	352,832
John Maltby	195,703
Martin and Elizabeth Edwards	669,827
Peter and Phillipa Edwards	605,977

9. Fees and expenses

An estimate of the aggregate fees and expenses expected to be incurred by Good Energy in connection with the Offer (excluding any applicable VAT and disbursements) is set out below:

Category	Amount
Financial and corporate broking advice	Up to £1,338,750 ¹
Legal advice	£185,000 to £270,000 ²
Public relations advice	£40,000
Other professional services	£67,000 to £87,000 ³
Total	Up to £1,735,750

10. Consent

Each of Investec and Canaccord has given and not withdrawn its written consent to the issuance of this document with the inclusion herein of the references to its name in the form and context in which it appears.

11. Documents available on the website

Copies of the following documents will be available on Good Energy's website at <https://group.goodenergy.co.uk/investor-centre/Offer-for-Good-Energy> until the end of the Offer:

- the memorandum and articles of association of Good Energy;
- the written consents from each of Investec and Canaccord referred to in paragraph 10 of section 10 of this document
- the Firm Offer Announcement;
- the Response Announcements;
- copies of the written confirmations referred to in paragraph 8 of section 10 of this document; and
- this document.

The content of the website referred to in this document is not incorporated into and does not form part of this document.

¹ These fees comprise elements which are at the discretion of Good Energy or depend on the outcome of the Offer

² Legal fees are estimated as a range as they are charged by reference to hourly rates

³ These services are charged, in part, based on the service volumes provided

11. Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

Act	the Companies Act 2006, as amended from time to time
AIM	the market of that name operated by the London Stock Exchange
AQSE	Aquis Stock Exchange Growth Market
Business Day	a day, not being a public holiday, a Saturday or a Sunday, on which clearing banks in London are open for business
Board	the board of directors of the Company
Canaccord	Canaccord Genuity Limited
Closing Price	the closing middle-market quotation of a Good Energy Share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange
Computershare	Computershare Investor Services plc
Code	The City Code on Takeovers and Mergers
Company or Good Energy	Good Energy Group plc
Daily Official List	the AIM appendix to the daily Official List of the London Stock Exchange
Directors	the directors of the Company, namely William Whitehorn, Nigel Pocklington, Rupert Sanderson, Juliet Davenport, Emma Tinker, Tim Jones and Nemone Wynn-Evans
Ecotricity	Ecotricity Group Limited
Ecotricity Group	Ecotricity and its subsidiaries and, where the context requires, each of them
Offer	the offer made by Ecotricity to acquire all of the issued and to be issued Good Energy Shares not already owned by or on behalf of Ecotricity on the terms and subject to the conditions set out in the Offer Document
Offer Document	the offer document published by Ecotricity on 11 August 2021
Official List	the official list maintained by the UK Listing Authority
Feed-in Tariff	is the policy scheme designed to promote the uptake of renewable and low-carbon electricity generation technologies by providing a guaranteed, above market price for producers known as the Feed in Tariff
Firm Offer Announcement	the announcement of a firm intention to make an offer released in by Ecotricity under Rule 2.7 of the Code in respect of the Offer, dated 22 July 2021
FCA	the Financial Conduct Authority
Good Energy Shares	ordinary shares of £0.05 each in the capital of the Company
Good Energy Shareholders	holders of Good Energy Shares
Group	the Company and its subsidiaries and, where the context requires, each of them
Investec	Investec Bank plc

11. Definitions

London Stock Exchange or LSE	London Stock Exchange plc
Offer Period	the offer period (as defined in the Code) relating to Good Energy, which commenced on 12 July 2021 and ending on the date that the Offer becomes or is declared unconditional or lapses or is withdrawn
Response Announcements	Good Energy's announcements dated 12 July 2021 ("Statement re rejection of possible offer"), 14 July 2021 ("Further statement re rejection of possible offer"), 22 July 2021 ("Response to hostile bid by Ecotricity") and 12 August 2021 ("Statement re hostile offer document")
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Ecotricity Shareholders in that jurisdiction
Subsidiary	shall be construed in accordance with the Act
UK or United Kingdom	The United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the FCA as the authority for listing in the United Kingdom
£ or pence	The lawful currency of the United Kingdom

12. Bases and sources

Unless otherwise stated, the following constitute the bases and sources of information referred to in this document. Reference to page numbers indicate the first reference to the stated information, but the bases and sources apply equally to all other reference to the same on any other page of this document.

Presentation of financial information

Unless otherwise stated in this document, financial information relating to the Company has been extracted from the Company's 2020 Annual Report for the year ended 31 December 2020.

Rounding

Values in this document have been rounded and accordingly may not add up to 100%. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Values are given to the stated number of decimal places

Presentation of information

Unless otherwise stated:

- Information regarding the Offer is sourced from the Offer Document;
- all shares prices are sourced from the Factset Europe Limited and are closing middle market quotations derived from the AIM Appendix of the London Stock Exchange Daily Official List.

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1. The reference to the Company having a "strong operating cashflow" is sourced from page 109 of the Company's 2020 Annual Report.
2. The reference to the Company having improved collection and billing rates in 2020 is sourced from page 10 of the Company's 2020 Annual Report.
3. The reference to the Company having "maintained a consistent and stable performance" over the past five years is sourced from the Annual Reports of the Company over the past five financial years, specifically the "revenue" and "profit before tax" lines at:
 - (a) page 100 of the Company's 2020 Annual Report;
 - (b) page 97 of the Company's 2019 Annual Report;
 - (c) page 81 of the Company's 2018 Annual Report
 - (d) page 69 of the Company's 2017 Annual Report; and
 - (e) page 53 of the Company's 2016 Annual Report.
4. The reference to the Offer representing a "premium of just 10.6% over the Closing Price per Good Energy Share on 9 July 2021" is sourced from the Offer Document, representing the percentage difference between the price of a Good Energy Share on 9 July 2021 and Ecotricity's offer price of 340p per Good Energy Share.

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5. The reference to Ecotricity being 'loss-making for four successive years' is based on Ecotricity's Annual Reports and Consolidated Financial Statements which set out a total loss after tax of:
 - (a) £5,318,000 for the financial year ending 30 April 2020, sourced from page 14 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements;
 - (b) £4,954,000 for the financial year ending 30 April 2019, sourced from page 13 of Ecotricity's 2019 Annual Report and Consolidated Financial Statements;
 - (c) £5,617,000 for the financial year ending 30 April 2018, sourced from page 12 of Ecotricity's 2018 Annual Report and Consolidated Financial Statements; and
 - (d) £19,086,000 for the financial year ending 30 April 2017, sourced from page 10 of Ecotricity's 2017 Annual Report and Consolidated Financial Statements.
6. The reference to Ecotricity's "latest published audited accounts showing a negative cash balance and a significant amount of outstanding bond debt" is sourced from Ecotricity's 2020 Annual Report and Consolidated Financial Statements, which show that
 - (a) Ecotricity had a negative cash balance of -£2,376,000 (page 21); and
 - (b) Ecotricity had £47,126,000 of outstanding bond debt (page 47).
7. The reference to "the average takeover premium for takeovers of LSE-listed companies with an enterprise value of less than £100m since 2011" being 51.5% is based on data available from Factset. It excludes deals with a premium of less than or equal to 5.0% and includes all-share offers and cash offers.
8. The reference to Ecotricity's auditors highlighting that a "material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern" is sourced from the 'Independent auditor's report to the members of Ecotricity Group Limited' located on page 11 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements.
9. The reference to the Ecotricity's cheapest tariff being "consistently more expensive" than the Company's cheapest tariff" since October 2019 is based on comparing the cheapest tariff generally made available to the public by the Company with the only generally-available tariff advertised by Ecotricity's (without limiting qualification criteria such as a requirement for the customer to drive an electric vehicle). Ecotricity's pricing information was sourced by the Company from Ecotricity's website on 13 August 2021 and reflects its standard variable tariff. The Company's pricing information was sourced from its own records and reflects its then-cheapest fixed rate tariff. These prices are tracked daily by the Company internally. Prices for both Ecotricity and the Company were calculated using Ofgem's typical domestic consumption values (being the average consumption of a household) of 2.9MWh for electricity and 12MWh for gas. This reference also applies to the graph entitled "Good Energy vs Ecotricity cheapest tariffs" on page 16.

12. Bases and sources

10. The reference to Ecotricity having "consistently lower customer service ratings than both Good Energy and industry averages" is based on a quarterly average of the customer review figure sourced from Trustpilot (the "Trustpilot Score") for the Company, for Ecotricity, and for 'industry averages' (as set out below in point 11) between Q3 2018 and Q2 2021. Only in Q4 2018 and Q1 2021 was Ecotricity's quarterly average Trustpilot Score above that of the industry average, and Ecotricity's quarterly average Trustpilot Score has never been above that of the Company's in the period surveyed, with the exception of Q3 2018:

Quarter	Company	Ecotricity	Industry Average
Q2 2021	4.7	3.4	4.0
Q1 2021	4.5	4.2	4.0
Q4 2020	4.1	3.7	4.0
Q3 2020	4.0	3.5	4.1
Q2 2020	4.0	2.2	3.9
Q1 2020	4.1	2.1	3.9
Q4 2019	4.2	3.0	3.7
Q3 2019	4.2	3.3	3.7
Q2 2019	4.4	3.0	3.6
Q1 2019	4.2	3.2	3.3
Q4 2018	4.2	3.6	3.1
Q3 2018	2.6	3.1	2.9

(a) The Company's Trustpilot Score is sourced from <https://uk.trustpilot.com/review/www.goodenergy.co.uk>

(b) Ecotricity's Trustpilot Score is sourced from: <https://uk.trustpilot.com/review/www.ecotricity.co.uk>

11. The reference to 'industry averages' is based on a survey of the Trustpilot scores, tracked internally, of eleven energy companies (British Gas; Bulb Energy; Ecotricity; EDF; EON; Good Energy; Octopus Energy; Ovo Energy; Pure Planet; Scottish Power; and SSE) who represent at least 80% of the energy market according to the 'Domestic electricity supply market shares of Big Six energy companies in Great Britain' report published in April 2021, and sourced from: <https://www.statista.com/statistics/862504/domestic-electricity-supply-market-shares-great-britain-gb/>.

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12. The reference to the Company "making earnings before interest, tax, depreciation and amortization (EBITDA) of £9.76 million (FY2019: £9.60m) is calculated by:
- in respect of FY2020, the sum of: (i) the Company's operating profit (£4,061,000, sourced from page 100 of the Company's 2020 Annual Report), (ii) depreciation of property, plant and equipment (£3,621,000, sourced from page 138 of the Company's 2020 Annual Report), (iii) depreciation of right of use assets (£856,000, sourced wfrom page 138 of the Company's 2020 Annual Report) and (iv) amortisation of intangible assets (£1,218,000, sourced from page 138 of the Company's 2020 Annual Report);
 - in respect of FY2019, the sum of (i) the Company's operating profit (£5,573,000, sourced from page 100 of the Company's 2020 Annual Report), (ii) depreciation of property, plant and equipment (£2,700,000, sourced from page 138 of the Company's 2020 Annual Report), (iii) depreciation of right of use assets (£1,154,000, sourced from page 138 of the Company's 2020 Annual Report) and (iv) amortisation of intangible assets (£171,000, sourced from page 138 of the Company's 2020 Annual Report).

12. Bases and sources

13. The reference to the Company's revenue increasing by 5.1% in 2020 to £130.6m, as being "driven by growth in business supply and Feed-in Tariff customers" is sourced from page 33 of the Company's 2020 Annual Report.
14. The reference to the Company's cashflow of £7.8m leading to a gross cash balance of £18.3m (2019: 13.7m) 'which funded investment across the business' and provided the Company with 'better financial flexibility' is sourced from page 109 of the Company's 2020 Annual Report.
15. The reference to the Company's repayment of 70% of GE Bond II, with the remainder to be paid by 2022 is sourced from the Company's 25 May 2021 Regulatory News Service ('RNS') announcement (RNS Number: 6364Z). The total principal amount due under the bonds was £16.8m and the Company paid back £11.5m on 30 June 2021.

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16. The reference to the Company's "revenue growth of 15.2% compound annual growth rate (CAGR) over the past five years including the impact of COVID-19 in 2020" is based on dividing the Company's revenue for FY2020 (£130,649,000, sourced from page 100 of the Company's 2020 Annual Report) by its revenue for FY2015 (£64,281,000, sourced from page 41 of the Company's 2015 Annual Report), raising the result to an exponent of one divided by 5 (the relevant number of years being surveyed) and then subtracting one.
17. The reference to the Company's "CAGR revenue growth of 16.6%" in the five years before COVID-19 (up to 2019), is based on dividing the Company's revenue for FY2019 (£124,257,700, sourced from page 97 of the Company's 2019 Annual Report) by its revenue for FY2014 (£57,618,000, sourced from page 35 of the Company's 2014 Annual Report), raising the result to an exponent of one divided by 5 (the relevant number of years being surveyed) and then subtracting one.
18. The reference to the Company's cash reserves increasing by 30.9% CAGR, to stand at £18.3m is based on dividing the Company's cash and cash equivalents figure for FY2020 (£18,282,000, sourced from page 102 of the Company's 2020 Annual Report) by its cash and cash equivalents figure for FY2015 (£4,751,000, sourced from page 47 of the Company's 2015 Annual Report), raising the result to an exponent of one divided by 5 (the relevant number of years being surveyed) and then subtracting one.
19. The reference to Ecotricity's cash reserves having "fallen by 161.7% CAGR from £26.5m in 2015 to negative £2.4m" over the last five years is based on dividing Ecotricity's cash and cash equivalents for FY2020 (negative £2,376,000, sourced from page 21 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements) by its cash in hand, at bank less overdrafts figure for FY2015 (£26,520,000, sourced from page 32 of Ecotricity's 2015 Annual Report and Consolidated Financial Statements) raising the result to an exponent of one divided by 5 (the relevant number of years being surveyed) and then subtracting one.
20. The reference to Ecotricity's 'increasing overdraft facilities' over the past five years is based on the bank overdraft figures expressed in Ecotricity's Annual Reports and Consolidated Financial Statements for the relevant financial years which show that Ecotricity's bank overdraft has increased from £0.00 in FY 2016 (sourced from page 37 of Ecotricity's 2016 Annual Report and Consolidated Financial Statements), to £19,900,000 in FY2020 (sourced from page 45 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements)

12. Bases and sources

21. The graph entitled "Cash" is based on:
- (a) The Company's cash and cash equivalents figure for the relevant financial years ending 30 April:
 - (i) £18,282,000 for FY2020, sourced from page 102 of the Company's 2020 Annual Report;
 - (ii) £13,667,000 for FY2019, sourced from page 98 of the Company's 2019 Annual Report;
 - (iii) £15,662,000 for FY2018, sourced from page 82 of the Company's 2018 Annual Report
 - (iv) £13,720,000 for FY2017, sourced from page 70 of the Company's 2017 Annual Report;
 - (v) £6,289,000 for FY2016, sourced from page 54 of the Company's 2016 Annual Report.
 - (b) Ecotricity's cash and cash equivalents figure for the relevant financial years ending 30 December:
 - (i) -£2,376,000 for FY2020, sourced from page 21 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements;
 - (ii) £8,494,000 for FY2019, sourced from page 20 of Ecotricity's 2019 Annual Report and Consolidated Financial Statements;
 - (iii) £11,004,000 for FY2018, sourced from page 19 of Ecotricity's 2018 Annual Report and Consolidated Financial Statements;
 - (iv) £12,185,000 for FY2017, sourced from page 17 of Ecotricity's 2017 Annual Report and Consolidated Financial Statements; and
 - (v) £29,121,000 for FY2016, sourced from page 14 of Ecotricity's 2016 Annual Report and Consolidated Financial Statements.
22. The reference to the Company's managing of its bondholders, with the value of outstanding bonds being £17.4m and it having repaid over 70% of the principal amount in June 2021 is sourced at point 15.
23. The reference to Ecotricity's "£47m of outstanding bonds" and having £32.7m potentially repayable within 12 months is sourced from page 47 of Ecotricity's 2020 Annual Report wherein the exact figure for outstanding bonds is £47,126,000 and the amount repayable is rounded up from £32,686,000.
24. The reference to Ecotricity's negative cash balance and reliance on overdrafts is sourced and based as set out in items 19 and 20.
25. The graph entitled "Available cash vs outstanding bond debt at end of FY2020" is based on
- (a) The Company's cash and cash equivalents figure for FY2020 (£18,282,000, sourced from page 102 of the Company's 2020 Annual Report), and the Company's bond figure – the value of its outstanding bonds being £17.4m, as sourced from page 169 of the Company's 2020 Annual Report. This figure is the value of the Company's outstanding bonds as at the end of FY2020, and excludes the repayment of 70% of the principal amount which took place on 30 June 2021, and is sourced and based at item 15.
 - (b) Ecotricity's cash and cash equivalents figure for FY2020 (-£2,376,000, sourced from page 21 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements), and Ecotricity's current outstanding bond debt figures which is sourced and based at item 25.
26. The reference to "41.1% growth in the 12 months to 19 July 2021" is based on the percentage increase from the closing share price on 9 July 2020 (218p) with the share price of the Company on 9 July 2021 (307.5p).
27. The reference to "40.7% growth in the 3 months to 9 July 2021" is based on the percentage increase from the closing share price on 9 April 2021 (218.5p) with the share price of the Company on 9 July 2021 (307.5p).
28. The reference to "10.0% growth in the 30 days to 9 July 2021" is based on the percentage increased from closing share price on 9 June 2021 (279.5p) with the share price of the Company on 9 July 2021 (307.5p).

12. Bases and sources

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29. The graph entitled "GOOD share price July 2020 – July 2021" is sourced from the closing middle-market quotation of a Good Energy Share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange for each day to which reference is made.
30. The reference to "average bid premium for takeovers of companies listed on the London Stock Exchange since 2011 to date" being 49.5% is based on data available from Factset. They each exclude deals with a premium of less than or equal to 5.0% and include all-share offers and cash offers.
31. The reference to 'Ecotricity's recent sale of the Electric Highway' is sourced from Ecotricity's press release entitled "Ecotricity completes Electric Highway sale to GRIDSERVE" as published on Ecotricity's website on 9 June 2021, and available at: <https://www.ecotricity.co.uk/our-news/2021/ecotricity-completes-electric-highway-sale-to-gridserve>.
32. The reference to Ecotricity's plan to remain a utility Company is based on their intention for the combined businesses to add the Company's customers to its 'Bills for Mills' concept, while the Company's strategy has been focused on increased investment in decentralised, digitised clean energy and transport services.

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33. The reference to Ecotricity's independent auditors drawing "attention to projected funding shortfalls and whether the business can meet its financial obligations" is sourced and based at item 8.
34. The reference to Ecotricity's "negative cash balance and a reliance on overdrafts" is sourced and based at item 20 and 21.
35. The reference to Ecotricity's requiring a "£15m emergency Coronavirus Business Interruption Loan in 2020, fully repayable by October 2023" is sourced from page 53 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements, being an Emergency COVID-19 loan of £15 million (with HSBC UK Bank Ltd) under the Coronavirus Large Business Interruption Loan Scheme.
36. The reference to Ecotricity having £47 million in outstanding bonds, with £32.7m repayable in 12 months is sourced and based at item 25. The reference to Ecotricity's directors stating "There is a risk that the Company will not be able to meet the obligations of the bonds with the significant factor being the time at which the bond holders redeem their investments" and "In the event of bonds being redeemed in excess of the Company's cash balance the Company would need the support of the wider Group in order to pay bondholders" is sourced from page 2 of Ecotricity Bonds plc's 2020 Annual Report and Financial Statements.
37. The reference to Ecotricity's directors highlighting "the need to make cost reductions" is sourced from page 9 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements.
38. The reference to Ecotricity's management undertaking a "strategic review to "reduce capital investment and a focus on capital efficiency...during this difficult period" is sourced from page 11 of Ecotricity's 2020 Annual Report and Consolidated Financial Statements.
39. The reference to Ecotricity's cheapest tariff being consistently more expensive than the Company's, and the corresponding graph, are sourced and based at item 9.
40. The reference to "Ecotricity having consistently lower customer service ratings than both the Company and industry averages" since Q3 2018 is sourced and based at item 10.
41. The reference to the Company having an 'excellent' 4.4 rating from customers on Trustpilot is based on the Company's Trustpilot Score of 4.4 as on 17 August 2021, as sourced from: <https://uk.trustpilot.com/review/www.goodenergy.co.uk>
42. The reference to Ecotricity having a Trustpilot Score of 3.9 as on 17 August 2021 as sourced from <https://uk.trustpilot.com/review/www.ecotricity.co.uk>

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43. The reference to the financial accounts of these subsidiaries showing that they are "either consistently loss-making, heavily indebted or rely on the Ecotricity for financial support and for their continued operation" is sourced from the respective FY2020 annual reports:
- (a) In respect of Devil's Kitchen Company Limited:
 - (i) A loss of £429,655, sourced from page 5;
 - (ii) £1,151,106 due to creditors within 12 months, of which £1,139,155 is due to related parties, sourced from page 15; and
 - (iii) The statement, sourced from page 9, that "the company relies on support from its ultimate parent company, Ecotricity Group Limited";
 - (b) In respect of Britwind Limited:
 - (i) A loss of £527,995, sourced from page 5;
 - (ii) £11,721,656 due to creditors within 12 months, of which £10,402,262 is due to group undertakings, sourced from page 17; and
 - (iii) The statement, sourced from page 2, that "the company relies on support from its ultimate parent company, Ecotricity Group Limited";
 - (c) In respect of Ecotalk Limited:
 - (i) A loss of £219,458, sourced from page 5;
 - (ii) £1,930,786 due to creditors within 12 months, of which £1,837,373 is due to group undertakings, sourced from page 16; and
 - (iii) The statement, sourced from page 2, that "the company relies on support from its ultimate parent company, Ecotricity Group Limited";
 - (d) In respect of Sky Mining Company Limited:
 - (i) A loss of £1,142,628, sourced from page 4;
 - (ii) £6,638,944 due to creditors within 12 months, of which £6,481,862 is due to related parties, sourced from page 13; and
 - (iii) The statement, sourced from page 2, that "the company relies on support from its ultimate parent company, Ecotricity Group Limited";
 - (e) In respect of Forest Green Rovers Football Club Limited:
 - (i) A profit of £798,866, sourced from page 11;
 - (ii) £6,890,942 due to creditors within 12 months, of which £5,608,893 is owed to group undertakings, sourced from page 26; and
 - (iii) The statement, sourced from page 8, that "the company is dependent on the continued support of its ultimate parent company, Green Britain Group Limited".



Reject Ecotricity's hostile offer

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