



Reject Ecotricity's hostile Revised Offer

good
energy

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 Revised 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 5 on page 7 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.

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 on page 6 of this document.

Further Information

If you require assistance or have any questions about the Board's response to the Revised 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 Revised Offer.

Date

The date of publication of this document is 23 September 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 Revised Offer from anyone other than Boudicca or the Company, please contact the Shareholder helpline on the numbers above.



Will Whitehorn
Chair

Dear Shareholder,

**Reject the offer by taking no action.
You are not required to complete any paperwork.**

I wrote to you on 18 August 2021 setting out the reasons why the Board unanimously rejected Ecotricity's offer of 340 pence per share announced on 22 July 2021 (the "Original Offer"); in short, because the Board believed that it was highly opportunistic, significantly undervalued the Company and was not in the longer term interests of the Company.

On 16 September 2021, Ecotricity announced that the Original Offer was being increased to 400 pence per share (the "Revised Offer").

Having given careful consideration to the Revised Offer, on 17 September 2021, **the Board announced that Good Energy shareholders should reject the Revised Offer by taking no action.**

Whilst the Board recognises that the Revised Offer is a significant increase over the Original Offer, the Board viewed the Original Offer as highly opportunistic and considers that the Revised Offer still undervalues the Company and its longer term prospects. The Revised Offer is too low to be recommended on financial grounds.

The Board also firmly believes Ecotricity is an unfit owner with an unsuitable plan from the point of view of the Company and its stakeholders.

This important letter sets out why we, the Board, do not believe that the Revised Offer is in the longer-term interests of the Company.

Last week Good Energy announced strong profit growth for the first six months of 2021, a fact largely ignored by Ecotricity, but which clearly demonstrates that Good Energy is delivering its modern, digital strategy led by our new CEO. By contrast, Ecotricity has been loss-making for four consecutive years. The Board does not believe that Ecotricity is well-placed to fund our growth strategy on an ongoing basis.

Good Energy is profitable, with a clear purpose and strategy for digitising services, and a subsidiary in Zap-Map that is a digital leader in the fast growing electric vehicle sector.

We are building the next phase of the people-powered climate action in the UK. It is a winning strategy that has significant headroom for further growth. This is growth that shareholders would be deprived of, should the Revised Offer be successful.

Good Energy gives investors the opportunity to be part of a successful business that truly benefits the planet, with significant transparency and access to capital as a listed business, and with a clear strategy to continue its mission.

You'll no doubt have seen the news around the turbulence in the energy market which has led to several of our competitors failing and speculation about others following.

Good Energy is stable, prudently run and not at risk of running into difficulty.

Good Energy is financially and operationally sound and the Board is confident that it is robust enough to navigate the current market conditions.

Please be under no illusion that this is, in fact, a 'hostile' bid in the truest sense of the word, regardless of Dale Vince's claims to the contrary. This is borne out by the fact that Ecotricity made no attempt to engage with the Board to seek a recommendation for its Revised Offer before it was announced, and Ecotricity's track record of disruptive behaviour in relation to the Company and its business. Good Energy's strategic delivery over recent years has been achieved despite Ecotricity's disruption.

The Board, which has been so advised by Investec as to the financial terms of the Revised Offer, believes that the terms of the Revised Offer 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 Revised Offer by taking no action. Those Directors who hold Good Energy Shares will not be accepting the Revised Offer in respect of their own shareholdings.

Kind regards,

**Reject the offer by taking no action.
You are not required to complete any paperwork.**

Will Whitehorn

Chair

P.S. If you are receiving this circular in hard copy, I apologise for the large number of paper documents that I have been required to send to you in recent months. If you would like to change your mailing preferences to e-communications, please log in to your shareholding account at www.investorcentre.co.uk or contact Computershare on 0370 707 1154.

Additional information

1. First response circular

This document should be read in conjunction with the Company's first response circular dated 18 August 2021 (the "First Response Circular"). Unless otherwise defined in this document, capitalised terms used in this document have the meaning given to them in the First Response Circular.

Save as disclosed in this document, as at 22 September 2021 (the latest practicable date prior to publication of this document, the "Latest Practicable Date"), for the purposes of Rule 27.2(a) of the Code, there have been no material changes: (i) in the information contained in the First Response Circular which are material in the context of the First Response Circular; or (ii) to the matters listed in Rule 27.2(c) of the Code since the publication of the First Response Circular, being:

- the Board's opinion on the Offer and the other matters referred to in Rule 25.2(a) of the Code;
- the substance of the independent financial advisers' advice;
- the financial or trading position of the Company since 30 June 2021 (the end of the last financial period for which interim financial information for the Company has been published);
- any interests and dealings in relevant securities;
- the service contracts and letters of appointment of the Directors;
- any arrangements of the kind referred to in Note 11 on the definition of acting in concert in the Code and;
- material contracts.

2. Fees and expenses

The estimated aggregate fees and expenses expected to be incurred by the Company in connection with the Revised Offer are £1,840,750 (exclusive of VAT and expenses). This aggregate amount comprises the following categories (in each case excluding VAT and expenses):

Financial and corporate broking advice:	up to £1,338,750 ²
Legal advice:	£275,000 to £375,000 ³
Public relations advice:	£40,000
Other professional services:	£67,000 to £87,000 ⁴

² These fees comprise elements which are at the discretion of Good Energy or depend on the outcome of the Revised Offer.

³ Legal fees are estimated as a range as they are charged by reference to hourly rates.

⁴ These services are charged, in part, based on the service volumes provided.

3. Responsibility

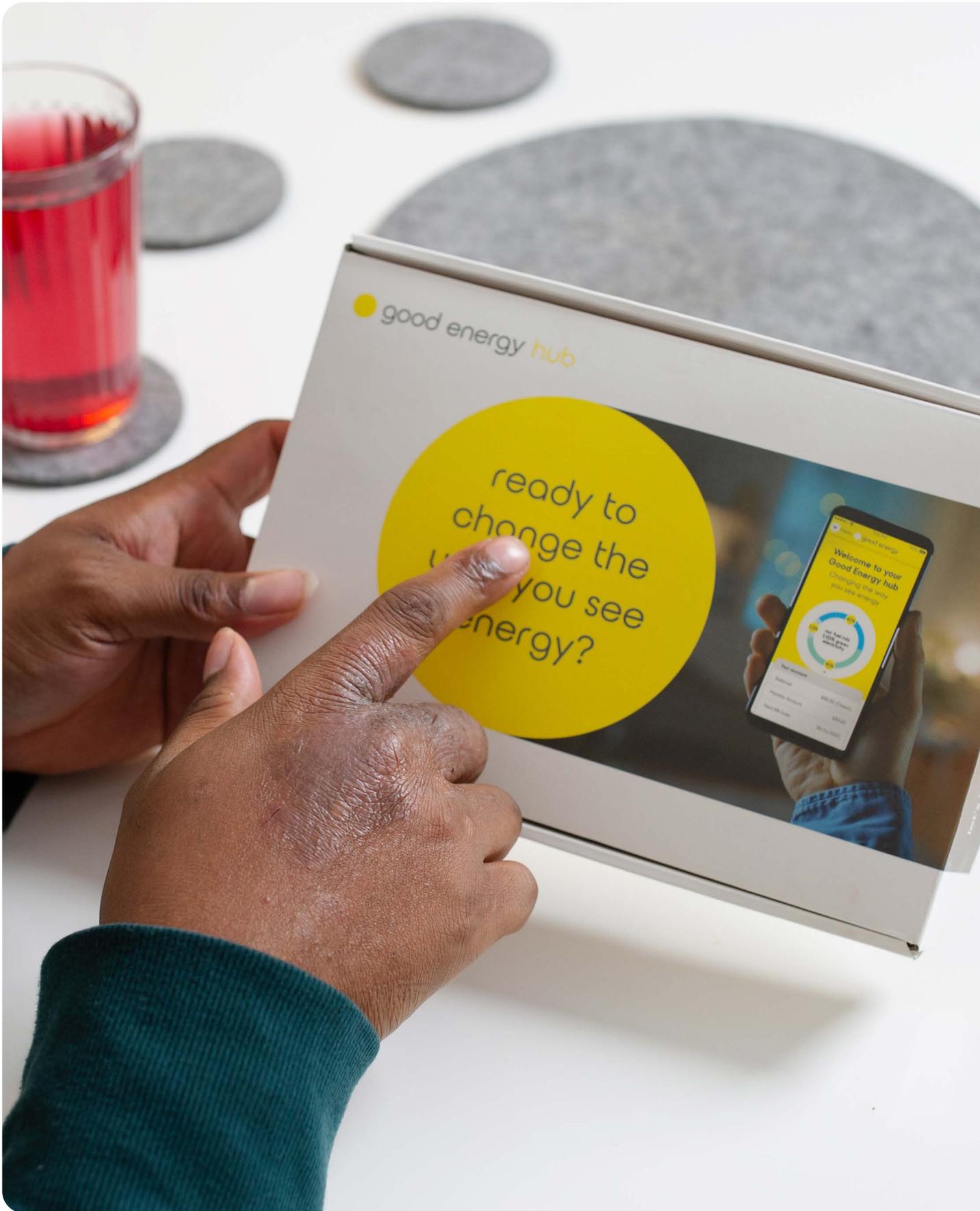
The Directors accept responsibility for the information contained in this document (including any expressions of opinion), save that the only responsibility accepted in respect of information related to Ecotricity (which has been compiled from public sources) has been to ensure that such information 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.

4. Consents

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.

5. Documents available on the Company's website

A copy of this document, the documents listed in paragraph 11 of Section 10 of the First Response Circular and the written consents from each of Investec and Canaccord referred to in paragraph 4 under the heading "Additional Information" in this document 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 Revised Offer.





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