

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Increased Offer or the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and specialising in advising on the acquisition of shares and other securities if you are in the United Kingdom, or otherwise from another appropriately authorised independent financial adviser in the relevant jurisdiction.**

This document and any documents incorporated into it by reference should be read in conjunction with the Original Offer Document sent to Good Energy Shareholders on 11 October 2021 and the accompanying Form of Acceptance (if you hold Good Energy Shares in certificated form), which forms part of this document.

If you sell or have sold or otherwise transferred all of your Good Energy Shares (other than pursuant to the Offer or the Increased Offer), please send this document and any accompanying document (but not the personalised Form of Acceptance) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be mailed or otherwise forwarded, distributed or sent in whole or in part in, into or from the United States, Canada, Australia or Japan or any other Restricted Jurisdiction. If you have sold or otherwise transferred only part of your holding of Good Energy Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Good Energy Shares in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact the Receiving Agent, Link Group, by post at Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephone from Link Group on 0371 664 0321 to obtain a personalised Form of Acceptance. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. All valid requests will be dealt with as soon as possible).

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**INCREASED CASH OFFER**  
by  
**ECOTRICITY GROUP LIMITED**  
for  
**GOOD ENERGY GROUP PLC**

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**GOOD ENERGY SHAREHOLDERS WHO HAVE PREVIOUSLY ACCEPTED THE OFFER (AND HAVE NOT WITHDRAWN THOSE ACCEPTANCES) WILL AUTOMATICALLY BE DEEMED TO HAVE ACCEPTED THE TERMS OF THE INCREASED OFFER BY VIRTUE OF THEIR PRIOR ACCEPTANCES AND THEREFORE NEED NOT TAKE ANY FURTHER ACTION.**

**TO ACCEPT THE INCREASED OFFER IN RESPECT OF CERTIFICATED GOOD ENERGY SHARES, THE FORM OF ACCEPTANCE SHOULD BE COMPLETED, SIGNED AND RETURNED AS SOON AS POSSIBLE AND, IN ANY EVENT, SO AS TO BE RECEIVED BY THE RECEIVING AGENT NOT LATER THAN 1.00 pm (LONDON TIME) ON 10 OCTOBER 2021 OR, IF EARLIER, THE UNCONDITIONAL DATE.**

**ACCEPTANCES IN RESPECT OF UNCERTIFICATED GOOD ENERGY SHARES SHOULD BE MADE ELECTRONICALLY THROUGH CREST SO THAT THE TTE INSTRUCTION SETTLES NOT LATER THAN 1.00 pm (LONDON TIME) ON 10 OCTOBER 2021 OR, IF EARLIER, THE UNCONDITIONAL DATE. IF YOU ARE A CREST SPONSORED MEMBER YOU SHOULD REFER TO YOUR CREST SPONSOR AS ONLY YOUR CREST SPONSOR WILL BE ABLE TO SEND THE NECESSARY TTE INSTRUCTION TO EUROCLEAR.**

**THE PROCEDURE FOR ACCEPTANCE OF THE INCREASED OFFER IS SET OUT IN PARAGRAPH 13 OF PART I OF THIS DOCUMENT, SECTIONS D AND E OF PART 2 OF THE ORIGINAL OFFER DOCUMENT (AS AMENDED BY PART 2 OF THIS DOCUMENT) AND, IN RESPECT OF CERTIFICATED GOOD ENERGY SHARES, IS FURTHER DESCRIBED IN THE FORM OF ACCEPTANCE.**

Unless otherwise determined by Ecotricity or required by the Code, and permitted by applicable law and regulation, the Increased Offer shall not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, the release, publication or distribution of this document and the accompanying Form of Acceptance in, into or from jurisdictions other than the United Kingdom, and the availability of the Increased Offer to Good Energy Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and the accompanying Form of Acceptance come should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, Ecotricity disclaims any responsibility or liability for the violation of such restrictions by such persons.

Zeus Capital, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser to Ecotricity and for no one else in connection with the Increased Offer and will not be responsible to anyone other than Ecotricity for providing the protections afforded to clients of Zeus Capital, nor for providing advice in relation to the Increased Offer, the content of this document or any matter referred to herein. Neither Zeus Capital nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Zeus Capital in connection with the Increased Offer, any statement contained herein or otherwise.

**Any Good Energy Shareholder, person with information rights or a holder of options or awards under the Good Energy Share Option Schemes may request a copy of this document in hard copy form. A hard copy of such information will not be sent to such persons unless validly requested from Link Group, by post at Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephone from Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. All valid requests will be dealt with as soon as possible.**

**Capitalised words and phrases used in this document shall have the meanings given to them in Part 8.**

## IMPORTANT NOTICES

### Overseas shareholders

The Increased Offer is not being made, directly or indirectly, in, into or from the United States, Canada, Australia or Japan or to any resident of the United States, Canada, Australia or Japan or any other Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and any related offering documents are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from the United States, Canada, Australia or Japan or to any resident of the United States, Canada, Australia or Japan or any other Restricted Jurisdiction. Doing so may render invalid any purported acceptance. Further details in this regard are contained in paragraph 7 of Section C of Part 2 of the Original Offer Document. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and any accompanying documents outside the United Kingdom should read such paragraphs before taking any action.

### 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.

### Purchases outside the Increased Offer

Ecotricity may purchase Good Energy Shares otherwise than under the Increased Offer, such as in the open market or through privately negotiated purchases. Such purchases shall comply with the Code, the rules of the London Stock Exchange and the applicable laws of England and Wales as well as the articles of association of Good Energy.

### Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Publication on website**

Copies of this document, together with all information incorporated into this document by reference to another source, will be made available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the Ecotricity Group's website at [www.ecotricity.co.uk](http://www.ecotricity.co.uk) by no later than 12 noon (London time) on the day following the date of this document until the end of the Offer Period.

### **Forward-looking statements**

This document includes certain "forward-looking statements". The forward-looking statements contained herein may include statements about Ecotricity's plans, objectives and expected performance. Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. These statements are based on certain assumptions, the current expectations of Ecotricity and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Increased Offer, continued demand for Good Energy's products and services, competition in the markets in which Good Energy operates, changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers' strategies and stability, changes in the regulatory environment, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this document. Ecotricity expressly disclaims 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**

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 Ecotricity or Good Energy, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Ecotricity or Good Energy, as appropriate.

This document is published on 17 September 2021.

## **ACTION TO BE TAKEN TO ACCEPT THE INCREASED OFFER**

**Good Energy Shareholders who have previously accepted the Offer (and have not withdrawn those acceptances) will automatically be deemed to have accepted the terms of the Increased Offer by virtue of their prior acceptances and therefore need not take any further action.**

The procedure for acceptance of the Increased Offer is set out in paragraph 13 of the letter in Part 1 of this document.

1. **If you hold Good Energy Shares in certificated form** (i.e. not in CREST), to accept the Increased Offer you must:
  - (a) complete, sign and return the Form of Acceptance in accordance with paragraph 13.1 of the letter in Part 1 of this document and the instructions printed thereon; and
  - (b) return the completed Form of Acceptance (with relevant share certificate(s) and/or other document(s) of title) either by post or by hand (during normal business hours only) to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, as soon as possible and in any event so as to be received no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. A business reply paid envelope is enclosed for your convenience.
2. **If you hold Good Energy Shares in uncertificated form** (i.e. in CREST), to accept the Increased Offer you must ensure that an Electronic Acceptance is made in accordance with paragraph 13.2 of the letter in Part 1 of this document and that such an Electronic Acceptance settles as soon as possible but, in any event, by no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.

**ACCEPTANCES OF THE INCREASED OFFER MUST BE RECEIVED BY 1.00 PM (LONDON TIME) ON 10 OCTOBER 2021 OR, IF EARLIER, THE UNCONDITIONAL DATE.**

**You are advised to read the whole of this document and, where applicable, the accompanying Form of Acceptance, carefully.**

**If you have any questions relating to this document or the completion and return of the Form of Acceptance, please call Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**All references to time in this document and in the Form of Acceptance are to London time.**

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## PART 1

### LETTER FROM ECOTRICITY GROUP LIMITED

#### Ecotricity Group Limited

*(a private limited company incorporated under the laws of England and Wales with registered number 03521776)*

*Directors:*

Dale Vince  
Kate Vince  
Alistair Harrison  
Asif Rehmanwala  
Paul Sands  
Anita Yandell-Jones

*Registered Office:*

Lion House  
Rowcroft  
Stroud  
Gloucestershire  
GL5 3BY

17 September 2021

***To Good Energy Shareholders and, for information only, to persons with information rights and participants in the Good Energy Share Option Schemes***

Dear Shareholder

#### **INCREASED CASH OFFER BY ECOTRICITY FOR GOOD ENERGY**

##### **1. Introduction**

On 22 July 2021, Ecotricity announced a cash offer for the entire issued and to be issued ordinary share capital of Good Energy not already owned by Ecotricity at a price of 340 pence in cash per Good Energy Share. On 11 August 2021 Ecotricity announced that it had published and sent the Original Offer Document and the Form of Acceptance to Good Energy Shareholders.

On 18 August 2021 Good Energy sent the Good Energy Response Document to Good Energy Shareholders. On 16 September 2021 Ecotricity published its response to the Good Energy Response Document. The main text of the Ecotricity Response is reproduced in Part 5 of this document.

On 16 September 2021 Ecotricity announced an increase of the Offer Price to 400 pence per Good Energy Share. This letter, Part 2 of the Original Offer Document (as amended by Part 2 of this document) and (in the case of Good Energy Shareholders holding their Good Energy Shares in certificated form) the Form of Acceptance contain the formal terms and Conditions of the Increased Offer.

As at the date of this document, Ecotricity holds approximately 25.1 per cent. of Good Energy's issued ordinary share capital.

**To accept the Increased Offer in respect of certificated Good Energy Shares you must complete, sign and return the Form of Acceptance as soon as possible and in any event so as to be received by no later than 1.00 pm (London time) on 10 October 2021 or, if earlier, the Unconditional Date.**

**To accept the Increased Offer in respect of uncertificated Good Energy Shares, acceptances should be made electronically through CREST so that the TTE Instruction settles as soon as possible and in any event no later than 1.00 pm (London time) on 10 October 2021 or, if earlier, the Unconditional Date. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.**

##### **2. The Increased Offer**

Ecotricity hereby offers to acquire, upon the terms and subject to the conditions set out or referred to in this document, in Part 2 of the Original Offer Document (as amended by Part 2 of this document) and, if you hold your Good Energy Shares in certificated form, in the Form of Acceptance, all the issued and

to be issued Good Energy Shares not already owned or contracted to be acquired by Ecotricity on the following basis:

**for each Good Energy Share                      400 pence in cash**

The Increased Offer values Good Energy's issued and to be issued ordinary share capital (excluding Ecotricity's shareholding in Good Energy) at approximately £53.3 million and the entire issued and to be issued ordinary share capital of Good Energy at approximately £69.9 million.

The Increased Offer of 400 pence for each Good Energy Share represents:

- an increase of 60 pence per Good Energy Share over the Original Offer of 340 pence per Good Energy Share and a premium of approximately 30.1 per cent. over the Closing Price of 307.5 pence per Good Energy Share on 9 July 2021, being the last Business Day prior to the commencement of the Offer Period
- a premium of approximately 41.8 per cent. over the Closing Price of 282.0 pence per Good Energy Share on 15 June 2021, being the date on which Ecotricity first made an approach to the board of Good Energy;
- a premium of approximately 92.1 per cent. over the VWAP of 208.2 pence per Good Energy Share over the 12-month period to 15 June 2021;
- a premium of approximately 37.0 per cent. over the Closing Price of 292.0 pence per Good Energy Share on 4 May 2021, the historically highest Closing Price per Good Energy Share prior to 15 June 2021;
- a premium of approximately 49.0 per cent. over the VWAP of 268.5 pence per Good Energy Share over the three-month period to 9 July 2021;
- a premium of approximately 87.6 per cent. over the VWAP of 213.3 pence per Good Energy Share for the 12-month period to 9 July 2021;
- a premium of approximately 29.5 per cent. over the highest historic Closing Price prior to the date of the Rule 2.4 Announcement of 309.0 pence per Good Energy Share on 8 July 2021; and
- a premium of approximately 23.5 per cent. over the Closing Price of 324.0 pence per Good Energy Share on 21 July 2021, being the last Business Day prior to the date of the Rule 2.7 Announcement.

The Increased Offer is conditional, among other things, upon valid acceptances of the Increased Offer being received which, together with Good Energy Shares already held by Ecotricity, will result in Ecotricity holding Good Energy Shares carrying, in aggregate, more than 50 per cent. of the voting rights of Good Energy.

The Good Energy Shares will be acquired by Ecotricity fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 22 July 2021, being the date of the Rule 2.7 Announcement.

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by Good Energy in respect of a Good Energy Share on or after 22 July 2021, Ecotricity will have the right to reduce the value of the consideration payable for each Good Energy Share by up to the amount per Good Energy Share of such dividend, distribution or return of value except where the Good Energy Share is or will be acquired pursuant to the Increased Offer on a basis which entitles Ecotricity to receive the dividend, distribution or return of value and to retain it.

If any such dividend, distribution or return of value is paid or made on or after 22 July 2021 and Ecotricity exercises its rights described above, any reference in this document to the consideration payable under the Increased Offer shall be deemed to be a reference to the consideration as so reduced. Any exercise by Ecotricity of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Increased Offer. In the event that Ecotricity exercises its right to reduce the



value of the consideration payable under the Increased Offer by all or any part of the amount of any dividend or other distribution or return of value that has not been paid, Good Energy Shareholders will be entitled to receive and retain that dividend or other distribution or return of value.

The Increased Offer will extend to all Good Energy Shares unconditionally allotted or issued and fully paid on the date of the Increased Offer and any Good Energy Shares which are unconditionally allotted or issued and fully paid (including pursuant to the exercise of options under the Good Energy Share Option Schemes), and any Treasury Shares unconditionally sold or transferred by Good Energy, in each case whilst the Increased Offer remains open for acceptance or by such earlier date as Ecotricity may, subject to the Code, decide, not being earlier than the date on which the Increased Offer becomes unconditional.

Further information on the terms and conditions to which the Increased Offer is subject are set out in Part 2 of the Original Offer Document (as amended by Part 2 of this document) and in the Form of Acceptance.

Should the Increased Offer become unconditional as to acceptances, any Good Energy Shareholders who have accepted the Increased Offer will be unable to withdraw their acceptance.

**If you hold Good Energy Shares in certificated form**, to accept the Increased Offer you must:

- complete, sign and return the Form of Acceptance in accordance with paragraph 13.1 of this letter and the instructions printed thereon; and
- return the completed Form of Acceptance (with relevant share certificate(s) and/or other document(s) of title) either by post or by hand (during normal business hours only) to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, as soon as possible and in any event so as to be received no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date.

**If you hold Good Energy Shares in uncertificated form (that is, in CREST)**, to accept the Offer you must ensure that an Electronic Acceptance is made in accordance with paragraph 13.2 of this letter and that such an Electronic Acceptance settles as soon as possible but, in any event, by no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.

**Your attention is drawn to paragraph 13 of this letter and to the notes and instructions on the Form of Acceptance, which set out further details of the procedure for acceptance of the Increased Offer.**

### **3. Background to and rationale for the Increased Offer**

The Good Energy Group was founded in May 2000 and completed an initial public offering in July 2012, pursuant to which its shares were admitted to trading on AIM.

Ecotricity has consistently held Good Energy Shares since March 2016 and currently holds approximately 25.1 per cent. of Good Energy.

Ecotricity believes there is strategic merit in combining its operations with those of Good Energy, not least from a geographical and capabilities perspective – both being complementary.

The two companies primarily operate as green energy suppliers and generators. The proposed combination would create a green energy supply entity of more significant scale with more rounded capabilities, better able to compete with the Big Six and the raft of newer entrants – many of whom make green energy and environmental related claims in their marketing.

It would be a consolidation of the two oldest green energy suppliers in Britain, enabling both companies to better compete in today's crowded and highly competitive market.

I founded Ecotricity in the mid 1990s. Ecotricity made green electricity a choice for the first time – in Britain and the world. I have been a passionate advocate for green energy ever since.

I have known Good Energy since the company began a few years later. I consider Ecotricity and Good Energy to be sister companies in this green energy market, with more in common than separates us.

Ecotricity is a not-for-dividend company – all of the money we make goes back into our mission – to change the way energy is made and used in Britain.

Ecotricity has a development function for new green energy generation, something that Good Energy lacks. Ecotricity also operates a unique model – which we describe as turning ‘bills into mills’. We harness our customer’s energy bills and use them to build new sources of green energy – primarily windmills to date. And the more customers we have the more new green energy sources we can build – it’s a simple equation.

We believe that new build is the ultimate green outcome. We would like to extend our ‘bills into mills’ model to Good Energy customers and in so doing accelerate the rate at which we can build further sources of green energy. In combination, the two companies can enable more building than either can alone. Britain today has 40 per cent. green electricity on the grid. It’s vital that we build the remaining 60 per cent. as soon as possible. We can’t achieve that by the buying and selling of existing green energy – a practice which dominates the market now.

We believe that combining the two businesses will better enable us to ensure the future of genuinely green alternatives for the increasingly green-conscious energy-buying public. This is an objective that both companies strive to achieve separately at present. The missions of Ecotricity and Good Energy are well aligned as are our respective customers – we can achieve more working together. And this is the purpose of our offer.

In the five years that Ecotricity has been a shareholder, Good Energy has struggled to make progress, as evidenced by the negative inflation adjusted compound annual growth since 2016 in the key metrics of gross margin, gross profit, EBITDA and profit before tax. The root cause of this is the loss of domestic customers and their replacement with lower margin business contracts. We do not believe the current board has a credible plan that can reverse this decline. This is a good time for a change of direction.

The Chairman of Ecotricity has in recent weeks held exploratory discussions with the Chairman of Good Energy. These discussions were followed by a series of three written proposals to the board of Good Energy, all of which have been rejected.

The first approach to the board of Good Energy was on 15 June 2021 – the Closing Price of a Good Energy Share on that date was 282.0 pence and the VWAP Good Energy share price for the previous 12 months was 208.2 pence. The highest Closing Price since listing to that date was 292.0 pence on 4 May 2021.

The Board of Ecotricity believes that the Good Energy Shareholders should now have the opportunity to decide on the merits of its Increased Offer.

We believe our Increased Offer is a good opportunity for shareholders to exit at an historically high valuation of the company and we believe will enable the creation of a green energy company of scale which can compete in today’s market.

Our Increased Offer also presents an opportunity to create a mission driven, green energy proponent – capable of wrestling the narrative away from the current trend of ‘greenwashing’. In our view this is a battle for the soul of the green energy market which itself is a key step to a zero carbon economy.

The next ten years are vital. The science tells us that. We believe we need to be radical and redouble our efforts.

**Good Energy’s financial performance has deteriorated over the last three years following a change to the composition of the Good Energy board, as evidenced by the following:**

- Revenue has grown at a CAGR of only 5.7 per cent. If adjusted for inflation which averaged 2.5 per cent. over the three years, revenue growth is only 3.2 per cent.
- Gross margin has declined from 28.6 per cent. to 22.6 per cent.
- Gross profit has declined by a CAGR of minus 6.0 per cent.
- EBITDA has declined by a CAGR of minus 4.1 per cent.

- Profit before tax is lower by £2.4 million – from £2.3 million profit to a loss of approximately £82,000.

The energy market has become increasingly competitive with dozens of new entrants competing aggressively on price and claiming green credentials. The Ecotricity Directors believe that most of these new entrants offer tariffs described as green simply because they buy and sell certificates of origin – from green energy that already exists. Both Good Energy and Ecotricity have highlighted the ‘greenwashing’ nature of this approach. Good Energy goes further by buying and selling actual green energy, not just certificates. But this still falls short of what we need – to actually build more new sources of green energy.

We believe that this is the challenge Good Energy and Ecotricity both need to address. We believe that by combining Ecotricity and Good Energy we can create a green energy company of sufficient scale to be able to compete more effectively in the market offering a genuine green outcome to green minded customers.

Our view is that Good Energy does not have an effective plan for this competitive market and is in decline as a result. Analysis of the financial information published by Good Energy referenced above supports this view. That decline has accelerated significantly in the last three years. While the share price has risen in the last few months, we do not believe that this rise is underpinned by any fundamental changes in the business.

**Ecotricity believes strongly that it can significantly improve Good Energy’s performance by combining the two businesses, removing operational inefficiencies within Good Energy and by adding its development and build skills to Good Energy’s product offering.**

#### **4. Information on Ecotricity**

##### ***Ecotricity Group***

The Ecotricity Group’s principal business is the supply of green energy to homes and businesses in the UK and the generation of power through its wind and solar park portfolio. It was founded in 1995 by Dale Vince. Ecotricity, the holding company of the Ecotricity Group, is now wholly owned by Green Britain, itself wholly owned by Dale Vince. The Ecotricity Group built its first windmill in 1996 and was the first company in the world to sell green electricity directly to customers.

The Ecotricity Group is based in Stroud, Gloucestershire and has a team of nearly 800 serving approximately 185,000 energy supply (domestic and business combined) and 90,000 feed in tariff customers.

The Ecotricity Group owns 88.5 MW of installed onshore wind capacity and 1 MW of installed solar capacity. Its investment projects include the manufacture of small wind turbines for the domestic and export markets, green gas generation, solar installations and battery storage. All of the Ecotricity Group’s turnover is generated in the UK.

For the most recent audited financial year ended 30 April 2020, the Ecotricity Group reported turnover of £230.0 million and a pre-tax loss of £3.9 million.

Your attention is drawn to the financial information in respect of Ecotricity contained in Part 3 of this document.

##### ***Ecotricity Group Limited***

Ecotricity is incorporated under the laws of England and Wales and holds the Ecotricity Group’s current interest in Good Energy. Ecotricity is wholly owned by Green Britain, in turn wholly owned by Dale Vince.

The current directors of Ecotricity are Dale Vince, Kate Vince, Alistair Harrison, Asif Rehmanwala, Paul Sands and Anita Yandell-Jones.

#### **5. Information on Good Energy**

Good Energy Group is a generator and supplier of 100% renewable power and an innovator in energy services. It currently owns two wind farms, six solar farms and sources electricity from a community of

1,600 independent green power generators across the UK. The Good Energy Group supplies energy and administers feed in tariffs for over 132,000 domestic and 139,000 business customers.

For the most recent audited financial year ended 31 December 2020, Good Energy reported revenue of £130.6 million and a pre-tax loss of approximately £82,000.

On 14 September 2021 Good Energy announced its interim results for the six months ended 30 June 2021. These reported revenue of £68.4 million and a pre-tax profit of £4.8million for that period.

Your attention is drawn to the financial information in respect of Good Energy contained in Part 4 of this document.

## **6. Financing the Increased Offer**

The consideration payable under the Increased Offer will be funded out of Ecotricity's existing cash resources, including an unsecured interest free loan of £26 million made by Dale Vince to the Company on 7 June 2021, the terms of which have been recorded in the Amended Loan Agreement (the "**Loan**"). The Loan is not repayable until the earlier of the lapse or withdrawal of the Increased Offer or Ecotricity having paid all the cash consideration payable under the Increased Offer.

Zeus Capital, financial adviser to Ecotricity, is satisfied that sufficient resources are available to Ecotricity to satisfy in full the cash consideration payable to Good Energy Shareholders under the terms of the Increased Offer.

## **7. Interest in Good Energy Shares and level of acceptances of the Offer**

As at 16 September 2021, being the date on which Ecotricity announced the Increased Offer and the latest practicable date prior to the date of this document, Ecotricity owned 4,169,948 Good Energy Shares, representing approximately 25.1 per cent. of the issued share capital of Good Energy.

As at 1.00 pm (London time) on 16 September 2021, being the date on which Ecotricity announced the Increased Offer and the latest practicable date prior to the date of this document, Ecotricity had received valid acceptances of the Offer in respect of a total of 368,328 Good Energy Shares, representing approximately 2.2 per cent. of the issued ordinary share capital of Good Energy, which Ecotricity may count towards the satisfaction of the Acceptance Condition. So far as Ecotricity is aware, none of these acceptances have been received from persons acting in concert with Ecotricity.

Therefore, the total number of Good Energy Shares which Ecotricity may count towards the satisfaction of the Acceptance Condition is 4,538,276 Good Energy Shares (representing approximately 27.3 per cent. of the existing issued ordinary share capital of Good Energy).

## **8. Management, employees and locations**

Our intention is to operate Good Energy and Ecotricity as separate brands within the market, each with their own identity and customer base.

We intend to retain the current headquarters and headquarter functions, operations and place of business of both Good Energy and Ecotricity.

We will undertake a strategic review of organisational structure, key functions, processes and systems of both companies, which we expect to take between two to three months to complete.

From this review we expect to identify potential efficiencies and synergies.

Ahead of completing this review we believe that the outcome may result in material (which we define as in the region of 10 per cent.) savings on both payroll (through reduced headcount) and non-pay overheads on a combined basis, from eliminating operational inefficiencies or duplicated functions or roles. Currently, we are unable to identify the mix of headcount and other savings between Ecotricity and Good Energy.

In respect of both Good Energy and Ecotricity, we have no intention of making material changes to the balance of skills and functions of employees and management and no intention to make material changes to the conditions of employment of staff or management.

Ecotricity has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation nor any other arrangements with the management and employees of Good Energy.

Ecotricity will maintain existing arrangements for employer contributions to the pension schemes of both companies.

Ecotricity has no plans to redeploy any fixed assets of either company and will maintain the R&D operations that each company currently has.

We intend to de-list Good Energy from AIM and the AQSE, which we expect will result in savings of time and cost. Paragraph 10 below details the intentions of Ecotricity in relation to de-listing, compulsory acquisition and re-registration.

Ecotricity otherwise confirms that, following the Increased Offer becoming unconditional in accordance with its terms, the existing contractual and statutory employment rights, including in relation to pensions, of the Good Energy Group's management and employees will be fully safeguarded in accordance with applicable law.

## **9. Good Energy Share Option Schemes**

The Increased Offer will affect holders of options under the Good Energy Share Option Schemes. Appropriate proposals will be made to the holders of such options in accordance with Rule 15 of the Code, and each grant of such options shall be treated in accordance with the rules applicable to it. Further details of these arrangements will be communicated to holders options under the Good Energy Share Option Schemes in due course.

## **10. Cancellation of trading on AIM, withdrawal of trading on AQSE, compulsory acquisition and re-registration**

If the Increased Offer becomes or is declared unconditional, and valid acceptances in respect of Good Energy Shares which, together with Good Energy Shares acquired, or agreed to be acquired, before or during the Increased Offer by Ecotricity, represent not less than 75 per cent. of the voting rights attaching to the Good Energy Shares, Ecotricity intends to procure that Good Energy will make applications to cancel the admission of the Good Energy Shares to trading on AIM and to withdraw the trading in Good Energy Shares on AQSE.

If such applications are made, it is expected that cancellation of admission to trading on AIM and withdrawal of trading on AQSE will each take place no earlier than 20 Business Days after the date on which Ecotricity has, by virtue of its shareholding and acceptances of the Increased Offer, acquired, or agreed to acquire, 75 per cent. of the voting rights attaching to the Good Energy Shares. Ecotricity will procure that Good Energy makes a regulatory announcement when the necessary 75 per cent. threshold has been reached confirming that the notice period has commenced and the anticipated date of cancellation and withdrawal.

If the Increased Offer becomes or is declared unconditional, and valid acceptances in respect of Good Energy Shares which, together with Good Energy Shares acquired before or during the Increased Offer by Ecotricity, represent not less than 50 per cent. and not more than 75 per cent. of the voting rights attaching to the Good Energy Shares, Ecotricity intends to procure that, at a meeting of Good Energy Shareholders, a vote is held on a resolution that Good Energy make applications to cancel the admission of the Good Energy Shares to trading on AIM and to withdraw the trading in Good Energy Shares on AQSE.

Cancellation of admission to trading on AIM and withdrawal of trading on AQSE is likely to reduce significantly the liquidity and marketability of any Good Energy Shares in respect of which the Increased Offer has not at such time been accepted.

For so long as Good Energy Shares remain admitted to trading on AIM or the AQSE, Ecotricity intends that Good Energy maintain a board of directors that complies with the relevant rules of the exchanges and the QCA Corporate Governance Code.

If Ecotricity receives acceptances under the Increased Offer in respect of, or otherwise acquires, 90 per cent. or more of Good Energy Shares to which the Increased Offer relates and not less than 90 per cent. of the voting rights carried by those shares, Ecotricity intends to exercise its rights pursuant

to the provisions of sections 974 to 991 (inclusive) of the 2006 Act to acquire compulsorily the remaining Good Energy Shares in respect of which the Increased Offer has not been accepted on the same terms as the Offer.

If the Increased Offer becomes or is declared as unconditional and Ecotricity receives valid acceptances in respect of Good Energy Shares which, together with the Good Energy Shares acquired, or agreed to be acquired, before or during the Increased Offer by Ecotricity, represent not less than 75 per cent. of the voting rights attaching to the Good Energy Shares, Ecotricity expects to seek to re-register Good Energy as a private company under the relevant provisions of the 2006 Act.

Ecotricity reserves the right to increase its shareholding in Good Energy after the Increased Offer has closed by buying further Good Energy shares in the market (to the extent permitted under the Code and other applicable laws and regulation), which may subsequently allow it to reach the threshold for cancellation of admission to trading on AIM and withdrawal of trading on AQSE without the need to launch a further offer to all Good Energy Shareholders.

## **11. United Kingdom taxation**

**The following statements, which are intended as a general guide only, are based on UK tax legislation and published HM Revenue & Customs practice in force and effect at the date of this document (both of which are subject to change). They summarise certain limited aspects of the UK taxation treatment of acceptance of the Increased Offer, and they relate only to the position of Good Energy Shareholders who hold their Good Energy Shares beneficially as an investment and who are resident in the UK for taxation purposes. The below comments are intended as a guide only to the general position on UK taxation of chargeable gains based on current legislation and practice for certain classes of UK resident Good Energy Shareholders who accept the Increased Offer and does not relate to persons such as market makers, brokers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply. If you are in any doubt as to your taxation position or are resident or domiciled in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser immediately.**

### **11.1 UK taxation on chargeable gains**

Liability to UK capital gains tax or UK corporation tax on chargeable gains (as applicable) (each “CGT”) will depend upon the individual circumstances of Good Energy Shareholders.

A Good Energy Shareholder which accepts the Increased Offer and receives cash under the Increased Offer will make a disposal, or part disposal, of his or her Good Energy Shares for CGT purposes. Such a disposal may, depending on that Good Energy Shareholder’s individual circumstances (including the availability of exemptions and allowable losses), give rise to a liability to CGT (or an allowable loss).

#### *Good Energy Share Option Schemes*

Good Energy Shareholders who acquire or have acquired their Good Energy Shares by exercising options granted under the Good Energy Share Option Schemes are reminded that special tax provisions may apply to them on the exercise of such options or on any disposal of Good Energy Shares so acquired, including provisions imposing a charge to UK income tax and national insurance contributions.

### **11.2 UK stamp duty and stamp duty reserve tax**

No UK stamp duty or stamp duty reserve tax should be payable by Good Energy Shareholders as a result of accepting the Increased Offer.

## **12. Overseas Shareholders**

The Increased Offer is not being made, directly or indirectly, in or into any Restricted Jurisdiction. Accordingly, any purported acceptance of the Increased Offer by a Good Energy Shareholder who does not or cannot give the warranties set out in paragraph (b) of Section D (if such person holds Good Energy Shares in certificated form) or paragraphs (b) to (d) of Section E (if such person holds Good

Energy Shares in uncertificated form) of Part 2 of the Original Offer Document may be deemed not to have validly accepted the Increased Offer.

### **13. Procedure for acceptance of the Increased Offer**

Good Energy Shareholders who hold their Good Energy Shares in certificated form should read the section entitled “Good Energy Shares held in certificated form (i.e. not in CREST)” together with the Form of Acceptance and the provisions of Sections C and D of Part 2 of the Original Offer Document. The instructions on the Form of Acceptance are deemed to form part of the terms of the Increased Offer. Good Energy Shareholders who hold their Good Energy Shares in uncertificated form (i.e. in CREST) should read the section entitled “Good Energy shares held in uncertificated form (i.e. in CREST)” together with the provisions of Sections C and E of Part 2 of the Original Offer Document.

If you hold Good Energy Shares in both certificated and uncertificated form, you should complete a Form of Acceptance for the shares held in certificated form in accordance with paragraph 13.1 below and the Good Energy Shares held in uncertificated form should be dealt with in accordance with paragraph 13.2 below.

#### **13.1 Good Energy Shares held in certificated form (i.e. not in CREST)**

##### **(a) Completion of the Form of Acceptance**

To accept the Increased Offer in respect of Good Energy Shares held in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for Good Energy Shares held in certificated form but under different designations. If you have any queries as to how to complete the Form of Acceptance, please telephone Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **Additional Forms of Acceptance are available from the Receiving Agent upon request.**

- (i) *To accept the Increased Offer in respect of all your Good Energy Shares in certificated form* – you must complete Box 1 and sign Box 2A or 2B of the enclosed Form of Acceptance. In all cases, if you are an individual, you must sign Box 2A on the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any Good Energy Shareholder which is a company should execute Box 2B of the Form of Acceptance in accordance with the instructions printed on it. If you do not insert a number in Box 1 of the Form of Acceptance, or if you insert in Box 1 a number which is greater than the number of Good Energy Shares that you hold and you have signed Box 2A or 2B, your acceptance will be deemed to be in respect of all the Good Energy Shares held by you.
- (ii) *To accept the Increased Offer in respect of less than all your Good Energy Shares in certificated form* – you must insert in Box 1 of the Form of Acceptance the number of Good Energy Shares in respect of which you wish to accept the Increased Offer. You should then follow the procedures set out in paragraph 13.1(b) and 13.1(c) in respect of such lesser number of Good Energy Shares.

##### **(b) Return of the Form of Acceptance**

To accept the Increased Offer, your completed, signed and witnessed Form of Acceptance should be returned (together with the relevant share certificate(s) and/or other document(s) of title) either by post or (during normal business hours only) by hand to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible **and in any event so as to be received no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date.**

A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

The Increased Offer may not be accepted in or from any Restricted Jurisdiction. Any Form of Acceptance received in an envelope postmarked in or otherwise appearing to Ecotricity or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid acceptance of the Increased Offer. For further information on overseas shareholders see paragraph 12 of this Part 1 above and paragraph 7 of Section C of Part 2 of the Original Offer Document.

(c) *Share certificates not readily available or lost*

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed, signed and returned, as stated in this paragraph 13, so as to be received by Link Group no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the remaining document(s) will follow or that you have lost one or more of your share certificate(s) and/or other documents of title. You should then arrange for the relevant outstanding share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. No acknowledgement of receipt of documents will be given. In the case of loss, you should write as soon as possible to Good Energy's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY requesting a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Link Group at the address set out above.

(d) *Validity of acceptances*

Without prejudice to Sections C and D of Part 2 of the Original Offer Document, Ecotricity reserves the right, subject to the terms of the Increased Offer and the Code, to treat as valid in whole or in part any acceptance of the Increased Offer which is not entirely in order or which is not accompanied by (as applicable) the relevant transfer to escrow or the relevant share certificate(s) and/or other document(s) of title or which is received by it in a form or at a place or places other than as set out in this document or the relevant Form of Acceptance. In that event no payment of cash under the Increased Offer will be made until after the acceptance is entirely in order or (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Ecotricity have been received.

### 13.2 **Good Energy Shares held in uncertificated form (i.e. in CREST)**

(a) *General*

If your Good Energy Shares are in uncertificated form, you should take (or procure to be taken) the action set out below to transfer the Good Energy Shares in respect of which you wish to accept the Increased Offer to an escrow balance (that is, issue a "**TTE instruction**"), specifying Link Market Services as the Escrow Agent, as soon as possible **and in any event so that the transfer to escrow settles no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. Note that settlement cannot take place on weekends or public holidays (or other times at which the CREST system is non-operational) – you should therefore ensure you time the input of any TTE instruction(s) accordingly.**

If you hold Good Energy Shares in uncertificated form, but under different member account IDs you should complete a separate TTE instruction in respect of each member account ID.

The input and settlement of a TTE instruction in accordance with this paragraph 13.2 will (subject to satisfying the requirements set out in Sections C and E of Part 2 of the Original Offer Document) constitute an acceptance of the Increased Offer in respect of the number of Good Energy Shares so transferred to escrow.



If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Good Energy Shares are held. In addition, only your CREST sponsor will be able to send the TTE instruction to Euroclear in relation to your Good Energy Shares.

After settlement of the TTE instruction, you will not be able to access the Good Energy Shares concerned in CREST for any transaction or charging purposes. If the Increased Offer becomes or is declared unconditional, the Escrow Agent will withdraw the Good Energy Shares which will be transferred to Ecotricity in accordance with Section D of Part 2 of the Original Offer Document.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined above.

**You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Good Energy Shares to settle prior to 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. In this regard, you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

Ecotricity will make an appropriate announcement if any of the details contained in this paragraph 13.2 alter for any reason that is material to Good Energy Shareholders.

(b) *To accept the Increased Offer*

To accept the Increased Offer in respect of Good Energy Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear in relation to such shares. A TTE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the number of Good Energy Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent. This is EGLGEG01;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date;
- the Corporate Action ISIN. This is GB0033600353;
- the Corporate Action Number for the Increased Offer is allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- input with standard TTE instruction of priority 80; and
- your name and contact telephone number in the shared note field.

(c) *Deposit of Good Energy Shares into, and withdrawals of Good Energy Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Good Energy Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Increased Offer (whether any

such conversion arises as a result of a transfer of Good Energy Shares or otherwise). Good Energy Shareholders who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Good Energy Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Increased Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date.

(d) *Validity of acceptances*

Holders of Good Energy Shares in uncertificated form who wish to accept the Increased Offer should note that a TTE instruction will only be valid acceptance of the Increased Offer as at the relevant closing date if it has settled on or before 1.00 pm on that date. A Form of Acceptance which is received in respect of Good Energy Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.

### 13.3 **General**

If you are in any doubt as to the procedures for acceptance, please contact Link Group by post at the address in paragraph 13.1(b) above or by telephone on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

## 14. **Settlement**

14.1 Subject to the Increased Offer becoming or being declared unconditional, settlement of the consideration to which any validly accepting Good Energy Shareholders are entitled under the Increased Offer will be effected: (a) in the case of acceptances of the Increased Offer received complete in all respects by the date on which the Increased Offer becomes or is declared unconditional, within 14 calendar days of such date; and (b) in the case of acceptances of the Increased Offer received complete in all respects after the date on which the Increased Offer becomes or is declared unconditional but while it remains open for acceptance, within 14 calendar days of such receipt, in the following manner:

(i) ***Good Energy Shares in uncertificated form (i.e. in CREST)***

(A) Where an acceptance relates to Good Energy Shares in uncertificated form, settlement of any cash consideration to which the accepting Good Energy Shareholder is entitled will be effected by means of CREST by Ecotricity procuring the creation of an assured payment obligation in favour of the accepting Good Energy Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST assured payment arrangements.

(B) Ecotricity reserves the right to settle all or any part of the consideration referred to in this sub-paragraph (i), for all or any accepting Good Energy Shareholder(s), in the manner referred to in sub-paragraph (ii) below, if, for any reason, it wishes to do so.

(ii) ***Good Energy Shares in certificated form (i.e. not in CREST)***

Where an acceptance relates to Good Energy Shares in certificated form, settlement of any cash due will be despatched by first class post (or by such other method as the Panel may approve) to Good Energy Shareholders or their appointed agents (but not in or into any Restricted Jurisdiction). All such payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

Different arrangements for settlement may apply in respect of any Good Energy Shares acquired following the exercise of options under the Good Energy Share Option Schemes in accordance with the proposals to be sent to participants in the Good Energy Share Option Schemes by Ecotricity in due course by different arrangements for settlement

including, but not limited to, settlement of the cash consideration through the Good Energy payroll.

14.2 If the Increased Offer does not become or is not declared unconditional:

- (a) in the case of Good Energy Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or such other method as may be approved by the Panel), within 14 days of the Increased Offer lapsing, to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first named or sole holder at his/her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction);
- (b) in the case of Good Energy Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Increased Offer (or within such longer period, not exceeding 14 calendar days after the Increased Offer lapses, as the Panel may approve), give instructions to Euroclear to transfer all relevant Good Energy Shares held in escrow balances in CREST and in relation to which it is the Escrow Agent for the purposes of the Increased Offer to the original available balances of the Good Energy Shareholders concerned.

14.3 All documents and remittances delivered or sent by, to or from Good Energy Shareholders or their appointed agents will be delivered or sent at their own risk.

## **15. Further information**

The terms and conditions of the Increased Offer are set out in full in Part 2 of the Original Offer Document (as amended by Part 2 of this document). Your attention is drawn to the further information contained in the remainder of this document, and, if your Good Energy Shares are in certificated form, to the accompanying Form of Acceptance which should be read in conjunction with this document.

## **16. Action to be taken**

16.1 If you hold Good Energy Shares in certificated form (i.e. not in CREST), to accept the Increased Offer you must:

- (a) complete, sign and return the Form of Acceptance in accordance with paragraph 13.1 of this Part 1 and the instructions printed thereon; and
- (b) return the completed Form of Acceptance (with relevant share certificate(s) and/or other document(s) of title) either by post or by hand (during normal business hours only) to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, as soon as possible and in any event so as to be received no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date.

16.2 If you hold Good Energy Shares in uncertificated form (i.e. in CREST), to accept the Increased Offer you must ensure that an Electronic Acceptance is made in accordance with paragraph 13.2 of this letter and Section E of Part 2 of the Original Offer Document and that such an Electronic Acceptance settles as soon as possible but, in any event, by no later than 1.00 pm on 10 October 2021 or, if earlier, the Unconditional Date. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.

Yours faithfully,

**Dale Vince**

*Founder and Chairman of Ecotricity*

## PART 2

### CONDITIONS AND FURTHER TERMS OF THE INCREASED OFFER

#### Section A: Conditions of the Increased Offer

The Increased Offer is made subject to the Conditions set out in Section A of Part 2 of the Original Offer Document (which conditions shall be deemed to be incorporated into and form part of this Part 2), save that any reference to the Offer will now be construed as a reference to the Increased Offer.

#### Section B: Further terms of the Increased Offer

1. The Increased Offer is a revision of the Offer and shall be construed accordingly.
2. The Increased Offer is, save as set out in this document, made on and subject to the further terms of the Offer set out in Sections B, C, D and E of Part 2 of the Original Offer Document, which shall be deemed to be incorporated into, and form part of, this Part 2.
3. Unless the context requires otherwise, any reference in the Original Offer Document including, in particular, in Sections B, C, D and E of Part 2 of the Original Offer Document and in the Form of Acceptance to:
  - (a) **“acceptances of the Offer”** includes acceptances and deemed acceptances of the Increased Offer;
  - (b) the **“Offer”** shall mean the Increased Offer and shall also include any revision, variation, renewal or extension thereof;
  - (c) the Offer **“becoming unconditional”** shall include the Increased Offer being or becoming or being declared unconditional; and
  - (d) the **“Offer Document”**, shall, where the context requires, mean the Original Offer Document, this document and any other document containing the Increased Offer.
4. Acceptances of the Offer shall be deemed to be acceptances of the Increased Offer. Therefore, if you have already validly accepted (and not validly withdrawn your acceptance of) the Offer, you are not required to take any further action in respect of the Increased Offer.

## PART 3

### FINANCIAL INFORMATION ON ECOTRICITY

#### Financial information incorporated by reference

Your attention is drawn to the following documents that are incorporated by reference into this document in accordance with Rule 24.15 of the Code:

This information is available in “read-only” format and can be printed from the web addresses detailed below.

<b>Document</b>	<b>Website where document is available for inspection</b>
Ecotricity’s audited financial statements for the year ended 30 April 2020	<a href="http://www.ecotricity.co.uk">www.ecotricity.co.uk</a> (pages 14 to 53, inclusive)
Ecotricity’s audited financial statements for the year ended 30 April 2019	<a href="http://www.ecotricity.co.uk">www.ecotricity.co.uk</a> (pages 13 to 50, inclusive)

Full acceptance of the Increased Offer (and assuming Good Energy becomes a wholly owned subsidiary of both Ecotricity and Green Britain) would result in the earnings, assets and liabilities of the Good Energy Group being consolidated into the earnings, assets and liabilities of the Green Britain Group, of which the Ecotricity Group forms part. The earnings, assets and liabilities of both the Ecotricity Group and the Green Britain Group would thereby be increased.

#### Request for hard copies

You may request a hard copy of the above information incorporated into this document by contacting the Receiving Agent, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL or on 0371 664 0321 with an address to which the hard copy may be sent. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 am to 5.30 pm (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Increased Offer nor give any financial, legal or tax advice.

A hard copy of the information incorporated into this document by reference will not be sent to you unless requested in accordance with the instructions above.

#### No incorporation of website information

Neither the content of Ecotricity’s website, nor the content of any website accessible from hyperlinks on Ecotricity’s website, is incorporated by reference into, or forms part of, this document.

## PART 4

### FINANCIAL INFORMATION ON GOOD ENERGY

#### Financial information incorporated by reference

Your attention is drawn to the following documents that are incorporated by reference into this document in accordance with Rule 24.15 of the Code:

This information is available in “read-only” format and can be printed from the web addresses detailed below.

<b>Document</b>	<b>Website where document is available for inspection</b>
Good Energy’s unaudited interim results for the six months ended 30 June 2021	<a href="http://www.group.goodenergy.co.uk/reporting-and-news-centre/investor-presentations/">www.group.goodenergy.co.uk/reporting-and-news-centre/investor-presentations/</a>
Good Energy’s audited financial statements for the year ended 31 December 2020	<a href="http://www.group.goodenergy.co.uk/reporting-and-news-centre/investor-presentations/">www.group.goodenergy.co.uk/reporting-and-news-centre/investor-presentations/</a> (pages 100 to 177, inclusive)
Good Energy’s audited financial statements for the year ended 31 December 2019	<a href="http://www.group.goodenergy.co.uk/reporting-and-news-centre/investor-presentations/">www.group.goodenergy.co.uk/reporting-and-news-centre/investor-presentations/</a> (pages 97 to 168, inclusive)

#### Request for hard copies

You may request a hard copy of the above information incorporated into this document by contacting the Receiving Agent, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL or on 0371 664 0321 with an address to which the hard copy may be sent. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 am to 5.30 pm (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Increased Offer nor give any financial, legal or tax advice.

A hard copy of the information incorporated into this document by reference will not be sent to you unless requested in accordance with the instructions above.

#### No incorporation of website information

Neither the content of Good Energy’s website, nor the content of any website accessible from hyperlinks on Good Energy’s website, is incorporated by reference into, or forms part of, this document.

## PART 5

### ECOTRICITY'S RESPONSE TO THE GOOD ENERGY RESPONSE DOCUMENT

The main text of the Ecotricity Response published by Ecotricity on 16 September 2021 is reproduced below:

Dear Good Energy Shareholder,

We write to you today partly in response to Good Energy's recent statements in respect of our Offer and also with a significantly improved offer price.

#### **Ecotricity's Standing**

Ecotricity have been building new sources of green energy and supplying it to homes and business, across Britain – for over 25 years.

We pioneered the concept of green electricity and of decentralised supply.

We built Britain's first Megawatt-scale windmill and solar project, significant milestones in the development of renewable energy.

Then we introduced a new kind of gas to Britain – the green kind.

We make our own small windmills, for houses and businesses.

And we operate a Smart Grid function that balances generation, demand and in future, storage on a minute by minute basis. This is the model for Britain's future grid, the one that will enable 100% green energy supply, nationally.

We powered the first on-street car charger and built Britain's first national network of charging points for electric vehicles.

We also run the world's greenest football club (according to FIFA and the UN) and have pioneered the use of Sport in the fight against the climate crisis. The global media footprint of Forest Green Rovers in the last 12 months is 5 billion impressions.

We make plant-based dinners for approaching 3000 schools and for retail in Ocado.

And we make diamonds from atmospheric carbon – something people quite like to have from something we have too much of. Skydiamond is the most recent project to emerge from our R&D department.

We have a number of other new ventures and products in development.

We are a not for dividend company, all of the money we make goes back into our mission – the pursuit of sustainability.

Some years we make a loss, because we invest in ideas that often nobody else can yet see the value of. We're not here to make money, we're here to make a difference.

Our model works.

We've grown from scratch to a projected £280m turnover this year and an EBITDA of £59m.

We employ nearly 800 people across the wider Green Britain Group – which Ecotricity is the largest part of.

The net assets of the Green Britain Group stand at £83m as of July this year.

And we have achieved all of this without external equity investment – we've grown organically while pioneering multiple new environmental and business concepts.

Led by our founder Dale Vince, OBE and UN Climate Champion.

## **Our Plan**

Britain has 40% green electricity on the grid right now, that's a long way from where we started 25 years ago, but there's further still to go. We need to get to 100%, ideally in the next 10 years. To do this we need to build.

Buying and selling existing green energy or the certificates that come with it – is not enough. It's a zero sum game, there is only 40% available to buy, when one company buys it for their customers, another one cannot. The only activity that leads to new green capacity – is building it.

We've been dedicated to that from inception. We undertake every aspect of project development, from site selection through to construction and long term maintenance. Our oldest windmill is 25 years old and still running, powering hundreds of local homes.

We have over 100MW of wind and sun projects either built already or underway.

Earlier this year we sold our national EV charging network, the Electric Highway. Our intention is to use the proceeds of this sale to return to our core mission (Energy) in response to the climate emergency and urgent need for more green energy. We're doubling down and some.

Our plan is to build 1,000MW of new green energy capacity in the next ten years – that's enough green energy to power about 2.5% of Britain's homes.

Our Bills into Mills concept is key to this – and it's a fact that the more customers we have the more we can build.

This is where our bid for Good Energy comes in – we can combine the spending power of Ecotricity and Good Energy customers – more Bills equals more Mills.

We seek to create a true green energy supplier of sufficient scale to not only impact the national generation mix but also to wrestle the narrative away from the greenwashing that dominates the market.

We are currently building two new solar projects using the new technology of bi facial panels. These are sited next to existing wind projects in order to share and maximise the use of the grid connection in a new Hybrid energy park mode that we also pioneered.

And work is underway on our first green gas mill, which will be the first in Britain to be 'grass fed'. This presents an enormous opportunity to tackle what is often referred to as the 'decarbonisation of heat challenge' – how to wean ourselves off fossil gas.

Our first grid scale battery storage project is also underway.

### **Our pipeline of projects looks like this:**

- In wind we have 51MW consented.
- In solar we have 35MW, consented and 1,800MW in planning.
- In battery storage we have 55MW consented and 150MW in planning
- In green gas we have 5MW consented and 16MW in planning.

### **Good Energy's standing**

We've been a shareholder of Good Energy for over five years, in that time we've seen annual messaging from the Board about growth potential and new initiatives. I would summarise it as a 'Jam tomorrow' message. And tomorrow never comes.

If you look at the key financial metrics of the company, it is in decline.

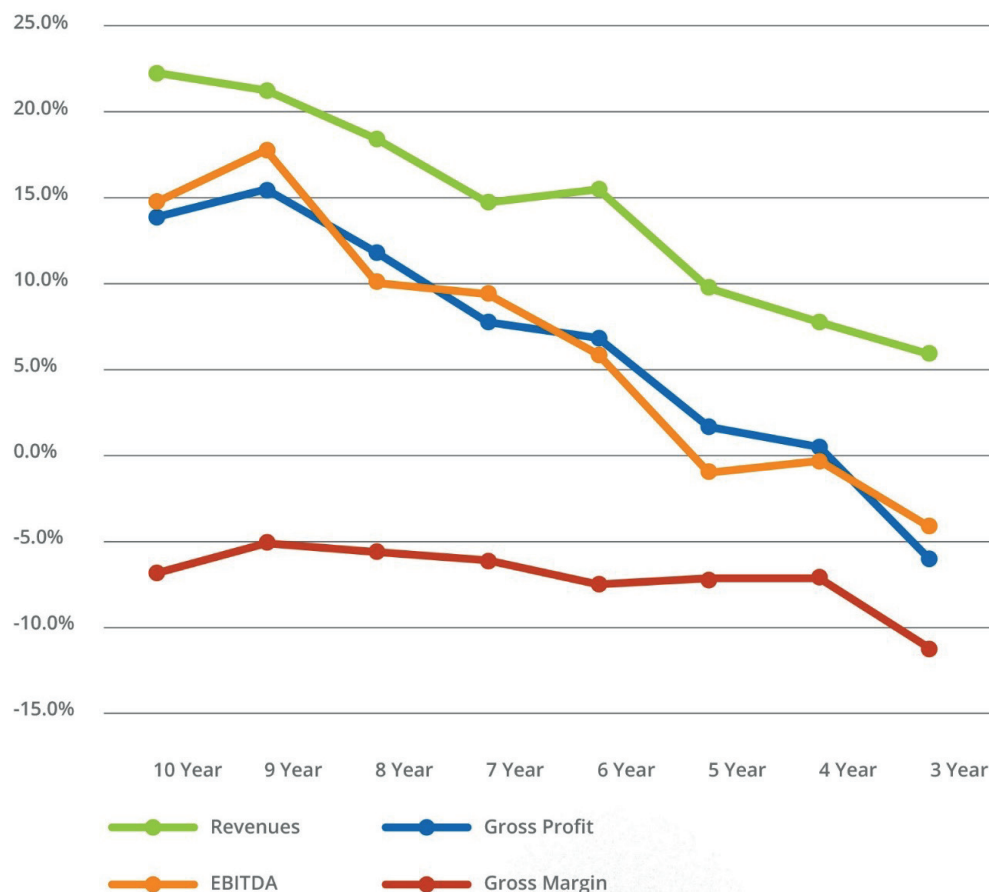
The board selectively highlighted three annual financial metrics from 2020 in its recent document in response to our Offer.

This failed to give the whole picture.

For the past five years – the rate of growth in all key metrics; turnover, gross margin, gross profit and EBITDA are negative as shown clearly in the graph below. Profit before tax (PBT) declined over the same period – from £1,434k in 2016 to a loss of £82k in 2020.



## Compound Annual Growth Year on Year (to 2020)



This is driven by a sustained loss of domestic supply customers and their replacement with business customers – with higher volumes and lower margins. This is lower quality business in response to a trend the Board have been unable to reverse – the steady decline of domestic customers.

Dividends have been in decline when adjusted for inflation and last year dropped to zero.

While these numbers show decelerating growth for the last five years, the Board of Good Energy claims to be “in a great position for accelerated growth”. We believe this claim looks disconnected from reality, given the five year decline in these key metrics.

The Board set an ambitious growth target in 2015;

“In September, it announced its new strategic focus and five-year business plan. This is designed to deliver the company’s growth target of a fivefold increase in customer numbers (household equivalents) from a total of 176,500 as at June 2015 to approximately 900,000 as at 31 December 2020. This will enable Good Energy to leverage scale from its operating model in order to deliver sustainable, profitable growth.” **Good Energy Annual Report 2015**

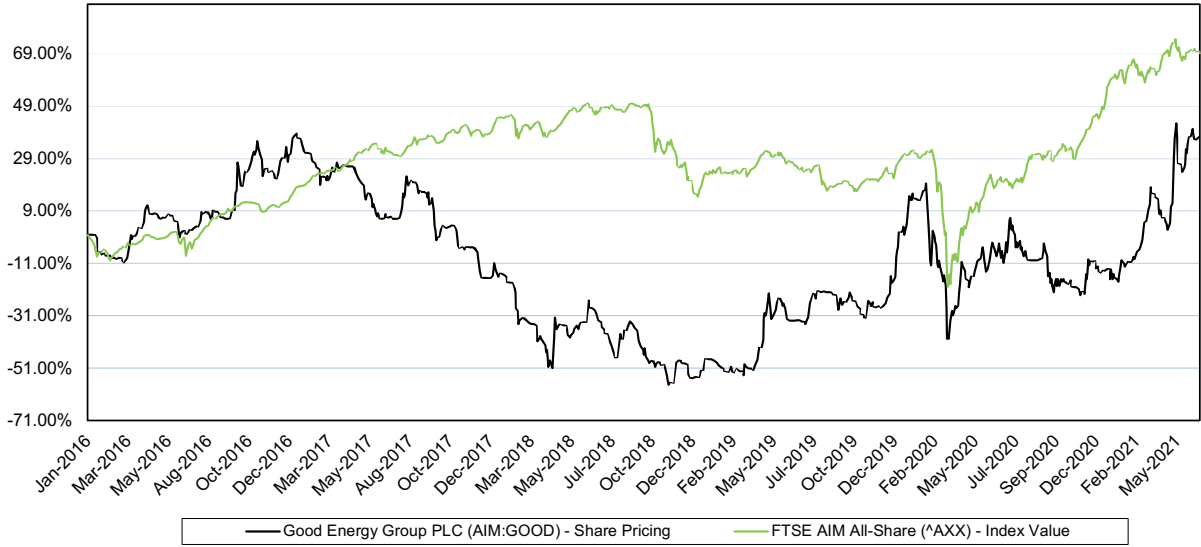
And abandoned it the very next year;

“In 2015, we set a five-year growth ambition which was expressed in terms of achieving a target number of customers (household equivalents). The Board has now concluded that it is more appropriate to express its ambition in terms of delivering sustainable profitable growth and enhanced customer service, as this is more aligned to our focus on delivering increased shareholder value.” **Good Energy Annual Report 2016**

...having failed to achieve customer number growth in the first year of that plan;

“While total customer meter growth in 2016 was lower than 2015, ...” **Good Energy Annual Report 2016**

It's no surprise to us that the share price has significantly underperformed over much of the same period, as the Board struggled to create a plan and deliver it. We see no reason to believe the next five years will be any different.



**Our Offer**

Our Offer is not 'hostile' – we are not hostile to the company, its staff, customers or shareholders – our Offer is respectfully made.

When we approached the Board we believed shareholders should be made aware of our interest, to be able to choose for themselves. The Board were not willing to inform shareholders so we did.

When we first approached the Board (on 15 June 2021) the share price was £2.82, our offer of £3.40 was a 20.6% premium to this and a 70.9% premium to the average of the previous 12 months.

The Board rejected our offer, with the claim it significantly undervalues the company – but they have offered no credible plan to do better for shareholders. Performance of the past five years, as detailed above, suggests they are not capable of achieving better for shareholders.

We have increased our offer today to £4.00. And we invite the Board to enter into a dialogue with us in the interests of all shareholders.

Our new offer is a premium of approximately 41.8% to the share price of £2.82, the day we first approached the Board, and approximately 101.4% to the average of the previous 12 months. It is also approximately 29.0% higher than the target price of £3.10 stated by Investec in their research note of 22 June this year.

Our offer presents an opportunity for shareholders to exit at a price approximately 37.0% above where the share price had ever been (before our approach) and beyond where we believe the Board are capable of taking it.

At the same time our offer is an opportunity to create real impact in the green energy market and in the fight against the climate crisis. A win financially and for the environment.

Our offer to shareholders is for 'Jam today' and a green outcome.

We hope that you will support us in this.

Cheers,

Dale

## PART 6

### SOURCE OF INFORMATION AND BASES OF CALCULATION

In this document, unless otherwise stated, or the context otherwise requires, the following bases and sources have been used:

- (a) As at the close of business on 16 September 2021, Good Energy had 16,643,067 ordinary shares of 5 pence each in issue and admitted to trading on AIM and AQSE. The International Securities Identification Number for the Good Energy Shares is GB0033600353.
- (b) The value attributed to the issued and to be issued ordinary share capital of Good Energy is based upon the 16,643,067 Good Energy Shares publicly disclosed as being in issue as at the date of this document, and the 843,320 Good Energy Shares which have been publicly disclosed as being the subject of outstanding options granted under the Good Energy Share Option Schemes with an exercise price lower than the Increased Offer Price.
- (c) Unless otherwise stated, the financial information concerning Good Energy has been extracted from the audited annual report and accounts for Good Energy for the period ended 31 December 2020 and the unaudited interim results for Good Energy for the six months ended 30 June 2021.
- (d) The statement in paragraph 3 of the letter in Part 1 of this document that there has been negative inflation adjusted compound annual growth since 2016 in Good Energy's gross margin, gross profit, EBITDA and profit before tax is based on the applicable figures stated in the audited annual report and accounts for Good Energy for the period ended 31 December 2016, adjusted by reference to the CAGR of the RPI All Items Index of 2.7 per cent. from January 2016 to December 2020 according to the Office of National Statistics, then compared to the corresponding figures stated in the audited annual report and accounts for Good Energy for the period ended 31 December 2020.
- (e) The information contained in paragraph 3 of the letter in Part 1 of this document concerning Good Energy's revenues, gross profit, EBITDA and profit before tax over the last three years has been derived or extracted from the audited annual report and accounts for Good Energy for the periods ended 31 December 2018 and 31 December 2020, and, in the case of revenues, by reference to average inflation of 2.5 per cent. over three years based on the Retail Price Index data according to the Office of National Statistics from January 2018 to December 2020.
- (f) The statement from the Ecotricity Response which is reproduced in Part 5 of this document regarding the forecast financial performance of Green Britain Group is based upon the Board approved internal forecasts of Green Britain Group to 30 April 2022 as at 14 September 2021, being the last practicable date prior to the date of the Ecotricity Response.
- (g) The statement from the Ecotricity Response which is reproduced in Part 5 of this document that there has been a five year decline in the rate of growth of revenue, gross margin, gross profit, EBITDA and profit before tax of Good Energy is based on the annual growth rates across the metrics stated above contained within the audited annual report and accounts of Good Energy for each of the periods ended 31 December 2016 to 31 December 2020 inclusive.
- (h) The statement from the Ecotricity Response which is reproduced in Part 5 of this document that profit before tax has declined over the same period from £1,434k to a loss of £82k is based on the audited annual report and accounts of Good Energy for the period ended 31 December 2016 and the period ended 31 December 2020.
- (i) The graph from the Ecotricity Response which is reproduced in Part 5 of this document containing the year on year compound annual growth rates for revenue, gross margin, gross profit and EBITDA is derived from calculated compound annual growth rates for those metrics, based upon the figures stated in the annual report and accounts of Good Energy for the periods below:
  - a. 10 year is from the period ended 31 December 2011 to the period ended 31 December 2020;

- b. 9 year is from the period ended 31 December 2012 to the period ended 31 December 2020;
  - c. 8 year is from the period ended 31 December 2013 to the period ended 31 December 2020;
  - d. 7 year is from the period ended 31 December 2014 to the period ended 31 December 2020;
  - e. 6 year is from the period ended 31 December 2015 to the period ended 31 December 2020;
  - f. 5 year is from the period ended 31 December 2016 to the period ended 31 December 2020;
  - g. 4 year is from the period ended 31 December 2017 to the period ended 31 December 2020;
  - h. 3 year is from the period ended 31 December 2018 to the period ended 31 December 2020.
- (j) FTSE AIM All Share Index data from the Ecotricity Response which is reproduced in Part 5 of this document has been derived from S&P Capital IQ and represents the closing index value on the relevant date.
  - (k) The graph from the Ecotricity Response which is reproduced in Part 5 of this document comparing the relative performance of the Closing Price of Good Energy to the closing index value of the AIM All Share Index adjusts each value on 4 January 2016, being the first day of trading in 2016, to 100 and compares the relevant percentage change for both metrics through to the 15 June 2021, being the day prior to Ecotricity's first approach to Good Energy.
  - (l) The statement from the Ecotricity Response which is reproduced in Part 5 of this document that dividends have been in decline over the past 5 years when adjusted for inflation is based upon the annual dividend per share declared by Good Energy adjusted by reference to the CAGR of the RPI All Items Index of 2.7 per cent. from January 2016 to December 2020 according to the Office of National Statistics, then compared to the corresponding figures stated in the audited annual report and accounts for Good Energy for the period ended 31 December 2020.
  - (m) Unless otherwise stated, the financial information concerning Ecotricity has been extracted from the audited annual report and accounts for Ecotricity for the period ended 30 April 2020.
  - (n) Good Energy Share prices have been derived from Bloomberg and represent the Closing Prices on the relevant date.
  - (o) References to a percentage of Good Energy's issued ordinary share capital are based on the number of Good Energy Shares in issue as set out in paragraph (a) above.

## PART 7

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Ecotricity Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document except that the only responsibility accepted by them in respect of information relating to Good Energy, the Wider Good Energy Group and the Good Energy Directors, which has been compiled from previously published sources, is to ensure that such information is correctly and fairly reproduced and presented.
- 1.2 To the best of the knowledge and belief of the Ecotricity Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Ecotricity Directors and their respective positions are set out below:

<u>Name</u>	<u>Position</u>
Dale Vince	Founder and Chairman
Kate Vince	Director
Alistair Harrison	Director
Asif Rehmanwala	Director
Paul Sands	Director
Anita Yandell-Jones	Director

The registered office of Ecotricity and the business address of each of the Ecotricity Directors is Lion House, Rowcroft, Stroud, Gloucestershire GL5 3BY.

##### *Dale Vince*

Dale Vince, OBE, has dedicated his life to challenging conventional wisdom in pursuit of a better and more sustainable way to live by championing green energy, transport and food.

He is the founder and owner of Ecotricity, which was the first company in the world to sell green electricity direct to customers when it was formed in 1995. Ecotricity is a mission-led, not-for-dividend company.

Dale pioneered renewable energy projects which have become mainstream, producing the UK's first megawatt class windmill in 1999 and first megawatt scale solar project in 2010. He built Britain's first electric super car in 2008 and, from 2011, the Electric Highway – a national network of charging points – to power electric cars.

He introduced green gas to the UK in 2010, together with new way to produce it from grass.

Dale is chairman of Forest Green Rovers which FIFA, the world governing body of football, and the United Nations describe as the world's greenest football club. After several years of research, he created sustainable diamonds out of carbon in the sky, and founded The Devil's Kitchen, a supplier of plant-based food to primary schools.

Awarded an OBE in 2004 for services to the environment and the electricity industry, Dale is also the UN Climate Champion for Sport. He recently launched the Green Britain Campaign with the Daily Express. He is a director of marine conservation body, Sea Shepherd UK, executive producer of global hit film, 'Seaspiracy' and the author of 'Manifesto' which was published by Penguin in 2020.

2.2 The Good Energy Directors and their respective positions are as follows:

<u>Name</u>	<u>Position</u>
William Whitehorn	Chairman
Nigel Pocklington	Chief Executive Officer
Rupert Sanderson	Chief Financial Officer
Juliet Davenport	Founder and Director
Emma Tinker	Non-Executive Director (Independent)
Timothy Jones	Non-Executive Director (Independent)
Nemone Wynn-Evans	Non-Executive Director (Independent)

The registered office of Good Energy and the business address of each of the Good Energy Directors is Good Energy, Monkton Park Offices, Monkton Park, Chippenham, Wiltshire, United Kingdom, SN15 1GH.

### 3. Market quotations

Set out below are the Closing Prices of Good Energy Shares taken from Bloomberg on:

- the first dealing day in each of the six months immediately before the date of this document;
- 9 July 2021 (the last dealing day before the start of the Offer Period); and
- 16 September 2021 (the latest practicable date before the publication of this document):

<u>Date</u>	<u>Good Energy Shares (pence per share)</u>
1 April 2021	224.0
4 May 2021	292.0
1 June 2021	283.5
1 July 2021	286.0
9 July 2021	307.5
2 August 2021	329.0
1 September 2021	324.5
16 September 2021	388.0

### 4. Interests and dealings

#### 4.1 Definitions

For the purposes of this paragraph 4:

**acting in concert** with a party means any other person acting or deemed to be acting in concert with that party for the purposes of the Code and/or the Increased Offer;

**arrangement** includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

**control** means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives de facto control;

**dealing** includes: (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 relevant securities or of general control of relevant securities; (ii) the taking, granting, acquisition, disposal of, 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 any new or existing securities, or any relevant securities carrying conversion or subscription rights; (v) the acquisition, disposal of, entering into, closing out, exercising (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; and (vii) 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 has a short position;

**derivative includes** any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

**disclosure date** means 16 September 2021, being the latest practicable date before publication of this document;

**disclosure period** means the period which began on 12 July 2020 (the date 12 months before the start of the Offer Period) and ended on 16 September 2021 (being the latest practicable date before the publication of this document);

a person has an **interest** or is **interested** in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he only has a short position in such securities) and in particular if: (i) he owns them; (ii) he 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: (A) has the right or option to acquire them or call for their delivery; or (B) 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 is party to any derivative: (A) whose value is determined by reference to their price; and (B) which results, or may result, in his having a long position in them;

**Note 11 arrangement** means any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities of Good Energy which may be an inducement to deal or refrain from dealing therein; and

**relevant securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Good Energy including Good Energy Shares and any securities convertible into or carrying rights to subscribe for Good Energy Shares.

#### 4.2 ***Interests in relevant securities of Good Energy***

As at the close of business on the disclosure date, Ecotricity had an interest in 4,169,948 Good Energy Shares, representing approximately 25.1 per cent. of the Good Energy Shares in issue.

#### 4.3 ***General***

Save as disclosed in paragraph 4.2 above, as at the disclosure date:

- (a) none of:
  - (i) Ecotricity;
  - (ii) the Ecotricity Directors (and their close relatives and related trusts and controlled companies); nor
  - (iii) any other person acting in concert with Ecotricity,

held any interest or right to subscribe for or any short position, 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, in any relevant securities of Good Energy, nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of Good Energy (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), nor had any such person dealt in any relevant securities of Good Energy during the disclosure period; and

- (b) neither Ecotricity nor any person acting in concert with Ecotricity has any Note 11 arrangement.

## 5. Material contracts

Save as disclosed below, there have been no contracts entered into by Ecotricity during the period commencing on 12 July 2019 (the date two years before the start of the Offer Period) which are outside the ordinary course of business and which are or may be considered material within the meaning of the Code.

- (a) The Loan Agreement and the Amended Loan Agreement.
- (b) Pursuant to a share purchase agreement (the “**SPA**”) entered into on 11 March 2021 between Dale Vince and Ecotricity (the “**Sellers**”) and Gridserve HC Ltd (“**Gridserve**”), Gridserve purchased from the Sellers 25 per cent. of the issued share capital of The Electric Highway Company Ltd, the owner and operator of the Electric Highway chargepoints, (“**The Electric Highway**”). The consideration paid by Gridserve under the SPA was a confidential sum, divided equally between the Sellers in accordance with the number of shares in The Electric Highway respectively sold by them. The SPA included customary warranties by the Sellers in favour of Gridserve, and the parties agreed to certain restrictions on their respective business activities following completion. The SPA contained a call option under which the Sellers granted Gridserve the right (the “**Call Option**”) to purchase from the Sellers the remaining 75 per cent. of the issued share capital of The Electric Highway owned by the Sellers (the “**Remaining Shareholding**”), at an exercise price which varied according to the time of exercise of the Call Option. Following the exercise by Gridserve of the Call Option on 21 May 2021, Gridserve purchased the Remaining Shareholding from the Sellers, in connection with which, as contemplated by the SPA, the Sellers and Gridserve, together with Gridserve EMEA DEPC Ltd and Gridserve Holdings Limited as guarantors of Gridserve’s obligations, entered into a further share purchase agreement (“**SPA2**”) on 4 June 2021 recording the terms upon which Gridserve purchased the Remaining Shareholding from the Sellers. The consideration paid by Gridserve under SPA2 was a confidential sum, of which Ecotricity received approximately 59 per cent. and Dale Vince received approximately 41 per cent. in accordance with the number of shares in The Electric Highway comprised in the Remaining Holding respectively sold by them. Under SPA2, the Sellers gave certain further warranties in favour of Gridserve and agreed to certain further restrictions on their business activities.
- (c) On 6 October 2020 Ecotricity Limited (a wholly owned subsidiary of Ecotricity) (the “**Borrower**”), Ecotricity and Ecotricity Bonds PLC entered into a Coronavirus Large Business Interruption Loan Agreement (“**CLBIL Agreement**”) with HSBC UK Bank PLC (“**HSBC**”), pursuant to which HSBC agreed to make available to the Borrower a three-year term loan facility in the sum of £15,000,000 (“**CLBIL**”). The purpose of the CLBIL, which was fully drawn down upon signature of the CLBIL Agreement, was to reduce the Borrower’s overdraft with HSBC and to provide working capital to the Ecotricity Group. The rate of interest in relation to the CLBIL is 2.28 per cent. per annum above the applicable London interbank offered rate. The CLBIL is guaranteed by Green Britain, Ecotricity, certain other members of the Ecotricity Group and Ecotricity Bonds PLC (the “**Guarantors**”) and is secured on the assets of the Guarantors and of the Borrower. Repayment of the CLBIL commences on 31 October 2021, when the first of eight equal quarterly instalments is repayable. Under the terms of the CLBIL Agreement, HSBC has discretion to demand repayment of all amounts due under the CLBIL Agreement, to declare that any part of the CLBIL is repayable on demand and/or to enforce any security or guarantees in connection with the CLBIL if there is a breach of any of the representations, undertakings and covenants given to HSBC in the CLBIL Agreement or, subject to certain exceptions, if the Borrower or any of the Guarantors (other than Green Britain) ceases to be a wholly owned subsidiary of Green Britain. All amounts due under the CLBIL Agreement become immediately repayable if there is a change of control of Green Britain, if Ecotricity ceases to be a wholly owned subsidiary of Green Britain or if there is a flotation of Green Britain or any member of the Ecotricity Group.



## 6. Other information

- 6.1 Zeus Capital has given and has not withdrawn its written consent to the issue of this document and the inclusion in it of the references to its name in the form and context in which they are included.
- 6.2 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Ecotricity or any concert party of Ecotricity and any of the directors, recent directors, shareholders or recent shareholders of Good Energy or any person interested or recently interested in Good Energy Shares having any connection with or dependence on the Increased Offer.
- 6.3 Save as disclosed in this document, no agreement, arrangement or understanding of whatever nature, whether formal or informal (including indemnity or option arrangements), relating to relevant securities which may be an inducement to deal or refrain from dealing exists between Ecotricity or any concert party of Ecotricity and any other person.
- 6.4 Save as disclosed in this document, there is no agreement, arrangement or understanding by which any securities acquired in pursuance of the Increased Offer will be transferred to any other person.
- 6.5 There have been no discussions with respect to future management incentivisation arrangements and no such arrangements have been proposed or agreed with the management of Good Energy.
- 6.6 There are no current ratings or outlooks publicly accorded to Ecotricity or Good Energy by ratings agencies.
- 6.7 There are no agreements or arrangements to which Ecotricity is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition.
- 6.8 Ecotricity has not had access to any information about the Good Energy Group otherwise than from published sources. Subject thereto, so far as the Ecotricity Directors are aware, there has been no significant change in the financial or trading position of Good Energy since 14 September 2021, being the date on which Good Energy announced its unaudited interim results for the six months ended 30 June 2021.

## 7. Persons acting in concert

- 7.1 In addition to the Ecotricity Directors, the persons who, for the purposes of the Code, are acting, or deemed to be acting, in concert with Ecotricity in respect of the Increased Offer are:

<b>Party</b>	<b>Type</b>	<b>Registered Office</b>	<b>Relationship with Ecotricity</b>
Zeus Capital Limited	Limited company	82 King Street, Manchester M2 4WQ	Financial adviser to Ecotricity in connection with the Increased Offer

- 7.2 So far as Ecotricity is aware, in addition to the Good Energy Directors, the persons who, for the purposes of the Code, are acting, or deemed to be acting, in concert with Good Energy in respect of the Increased Offer are:

<b>Party</b>	<b>Type</b>	<b>Registered Office</b>	<b>Relationship with Good Energy</b>
Investec Bank plc	Limited company	30 Gresham Street, London EC2V 7QP	Nominated Advisor and Joint Broker to Good Energy
Canaccord Genuity Limited	Limited company	88 Wood Street, London EC2V 7QR	Joint Broker to Good Energy

## **8. Fees and expenses**

The aggregate fees and expenses expected to be incurred by Ecotricity in connection with the Increased Offer are estimated to amount to between £565,000 and £1,125,000 (excluding applicable VAT and disbursements save where otherwise stated). This aggregate number (excluding applicable VAT and disbursements) consists of the following categories:

- (a) financial and corporate broking advice: between £175,000 and £520,000 (including legal fees and any disbursements). A proportion of the fee is success based, and shall depend on timing of acceptances and whether the Increased Offer proceeds on a recommended or unrecommended basis;
- (b) legal advice: between £325,000 and £435,000 (legal fees are estimated as they are charged by reference to hourly rates and amounts included here reflect the time incurred up to the latest practicable date before the publication of this document and an estimate of the further time required);
- (c) public relations advice: between £20,000 and £40,000; and
- (d) other costs and expenses: between £45,000 and £130,000.

## **9. Material change**

Save as disclosed in this document, (a) the Ecotricity Directors are not aware of any changes in the information disclosed in the Original Offer Document which are material in the context of the Original Offer Document and (b) there have been no material changes to:

- (i) any irrevocable commitments and letters of intent which Ecotricity or any person acting in concert with Ecotricity has procured in relation to relevant securities of Good Energy as detailed in Rule 24.3(d)(xiii) of the Takeover Code (of which there were none provided for in the Original Offer Document);
- (ii) any post-offer undertakings made by Ecotricity as detailed in Rule 24.3(d)(xviii) of the Takeover Code (of which there were none provided for in the Original Offer Document);
- (iii) any offer-related arrangements or other agreements, arrangements or commitments permitted under, or excluded from, Rule 21.2 of the Takeover Code (including any inducement fees) as detailed in Rule 24.3(d)(xix) of the Takeover Code (of which there were none provided for in the Original Offer Document);
- (iv) any profit forecasts and quantified financial benefits statements as detailed in Rule 24.3(d)(xxi) of the Takeover Code (of which there were none provided for in the Original Offer Document); or
- (v) the effect of the Increased Offer on the emoluments of Ecotricity's directors as detailed in Rule 24.5 of the Takeover Code (of which there were none provided for in the Original Offer Document).

## **10. Documents available on website**

Copies of the following documents will be available, free of charge, for inspection on Ecotricity's website at [www.ecotricity.co.uk](http://www.ecotricity.co.uk) until the end of the Increased Offer:

- (a) the Rule 2.4 Announcement;
- (b) the Rule 2.7 Announcement;
- (c) the Original Offer Document, this document and the Form of Acceptance;
- (d) the letter sent by Ecotricity to Good Energy Shareholders on 19 August 2021 further explaining the background and reasons for making the Offer;
- (e) the Ecotricity Response;
- (f) the articles of association of Ecotricity;

- (g) the Loan Agreement and the Amended Loan Agreement;
- (h) Ecotricity's audited financial statements for the years ended 30 April 2020 and 30 April 2019; and
- (i) the letter of consent referred to in paragraph 6.1 of this Part 7.

For the avoidance of doubt, the content of the Ecotricity website is not incorporated into, and does not form part of, this document, save for the information specifically incorporated by reference pursuant to Part 3 of this document.

#### **11. Right to receive copies in hard copy form**

Any person entitled to receive a copy of documents, announcements and information relating to the Increased Offer is entitled to receive such documents, free of charge, in hard copy form. Such person may request that all future documents, announcements and information in relation to the Increased Offer are sent to them in hard copy form. A hard copy of such documents will not be sent to such persons unless requested by way of written request to the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or on 0371 664 0321 with an address to which the hard copy may be sent. Calls from outside the United Kingdom will be charged at the applicable international rate. If requested, copies will be provided within two Business Days of the request.

## PART 8

### DEFINITIONS

Unless the context otherwise requires and save to the extent superseded in this document, the definitions and rules of interpretation used in the Original Offer Document shall also apply in this document, together with the following definitions:

<b>“Amended Loan Agreement”</b>	the loan agreement dated 16 September 2021 between Dale Vince and Ecotricity which amended the Loan Agreement as defined in the Original Offer Document;
<b>“Ecotricity Response”</b>	Ecotricity's response to the Good Energy Response Document which was published on 16 September 2021;
<b>“Form of Acceptance”</b>	the form of acceptance and authority relating to the Increased Offer which accompanies this document or the form of acceptance and authority relating to the Offer which accompanied the Original Offer Document, as applicable, for use by Good Energy Shareholders with shares in certificated form;
<b>“Good Energy Response Document”</b>	Good Energy's response to the Original Offer Document which was sent to Good Energy Shareholders on 18 August 2021;
<b>“Increased Offer”</b>	the increased cash offer made by Ecotricity at the Increased Offer Price to acquire all the Good Energy Shares not otherwise held by Ecotricity on the terms and subject to the conditions set out in this document and, in the case of Good Energy Shares held in certificated form, the Form of Acceptance including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer;
<b>“Increased Offer Document”</b>	this document and any subsequent document containing the Increased Offer;
<b>“Increased Offer Price”</b>	400 pence per Good Energy Share; and
<b>“Original Offer Document”</b>	the offer document dated 11 August 2021 sent to Good Energy Shareholders in respect of the Offer.