

19 August 2021

Dear Good Energy Shareholder,

Last week we sent you an Offer Document in respect of your shares in Good Energy.

With this letter I'd like to explain briefly who we are and why we are making this Offer.

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

I've 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.

We operate 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 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. 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. Somebody has to build it.

The energy market has become increasingly competitive. Most energy companies today offer a green tariff of some kind. It has become commonplace to describe a tariff as green simply due to the buying of 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. That is what Ecotricity does.

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.

The missions of Ecotricity and Good Energy are well aligned as are our respective customers – I believe that 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. This is evidenced by the inflation adjusted compound annual growth ("CAGR") in the key metrics of gross margin, gross profit, EBITDA and profit before tax – all of these are negative since 2016. 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 plan that can reverse this decline. This is a good time for a change of direction.

Our 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 volume weighted average price ("VWAP") for Good Energy shares for the previous 12 months was 208.2 pence per share. The highest Closing Price since listing to that date was 292.0 pence on 4 May 2021.

We believe our Offer (340 pence per share) is a good opportunity for shareholders to exit at an historically high valuation of the company and at the same time 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. That is our intention.

Please note – this letter is not a response to the document Good Energy published yesterday – they simply ‘crossed in the post’.

Cheers.

Dale

Notes

1. *Your attention is drawn to the Important Notices below and to the additional information set out in the Appendix to this letter.*
2. *Words or expressions defined in the Offer Document published by Ecotricity Group Limited on 11 August 2021 in connection with its Offer for Good Energy Group PLC have the same meaning when used in this letter.*

IMPORTANT NOTICES

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the 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.

If you sell or have sold or otherwise transferred all of your Good Energy Shares, please send this letter 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, this letter 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 this letter and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this letter in, into or from jurisdictions other than the United Kingdom, and the availability of the 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 letter 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.

Overseas shareholders

The 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 letter 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 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 letter and any accompanying documents outside the United Kingdom should read such paragraphs before taking any action.

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, 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

A copy of this letter 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 by no later than 12 noon (London time) on the day following the date of this letter until the end of the Offer Period.

Forward-looking statements

This letter 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 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 letter. 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.

APPENDIX – ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The Ecotricity Directors, whose names are set out in paragraph 2.1 of Part 6 of the Offer Document, accept responsibility for the information contained in this letter 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 letter (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 Zeus Capital

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 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 Offer, the content of this letter 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 this Offer, any statement contained herein or otherwise.

3. Request for hard copy

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 letter 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.

4. Rule 27 material changes

For the purpose of Rule 27.2 of the Takeover Code, Ecotricity confirms that, since the publication of the Offer Document (a) there have been no changes in the information disclosed in the Offer Document which are material in the context of the Offer Document and (b) there have been no material changes to:

- (i) its intentions with regards to the business, employees and pension scheme(s) of Good Energy as detailed in Rule 24.2 of the Takeover Code;
- (ii) so far as the Ecotricity Directors are aware, the financial or trading position of Good Energy as detailed in Rule 24.3(a)(v) of the Takeover Code, subject to Ecotricity not having had access to any information about the Good Energy Group otherwise than from published sources;
- (iii) its or its subsidiaries' material contracts as detailed in Rule 24.3(a)(vii) of the Takeover Code;

- (iv) ratings or outlooks publicly accorded to Ecotricity prior to the commencement of the Offer period as detailed in Rule 24.3(c) of the Takeover Code (of which there were stated to be none in the Offer Document);
- (v) ratings or outlooks accorded to Good Energy prior to the commencement of the Offer period as detailed in Rule 24.3(c) of the Takeover Code (of which there were stated to be none in the Offer Document);
- (vi) the terms of the Offer;
- (vii) any agreements or arrangements to which Ecotricity is a party which relate to the circumstances in which Ecotricity may or may not invoke or seek to invoke a condition of the Offer as detailed in Rule 24.3(d)(xii) of the Takeover Code (of which there were stated to be none in the Offer Document);
- (viii) 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 Offer Document);
- (ix) 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 Offer Document);
- (x) 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 Offer Document);
- (xi) 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 Offer Document);
- (xii) its financing arrangements and sources of finance in respect of the Offer as detailed in Rule 24.3(f) of the Takeover Code;
- (xiii) any interests and dealings in relevant securities by, amongst others, the Ecotricity Directors and persons acting in concert with Ecotricity, as detailed in Rule 24.4 of the Takeover Code, as at 17 August 2021 (being the latest practicable date prior to the publication of this letter);
- (xiv) the effect of the Offer on the emoluments of its directors as detailed in Rule 24.5 of the Takeover Code (of which there were none provided for in the Offer Document);
- (xv) any incentivisation arrangements with members of Good Energy management who are interested in shares of Good Energy or any agreements, arrangements or understandings between Ecotricity and any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of Good Energy, or any person interested or recently interested in shares of Good Energy, which has any dependence upon the Offer as detailed in Rule 16.2 or Rule 24.6 of the Takeover Code (of which there were none provided for in the Offer Document);
- (xvi) the ultimate owner of any securities in Good Energy to be acquired pursuant to the terms of the Offer as detailed in Rule 24.9 of the Takeover Code;
- (xvii) any indemnities, dealing arrangements, option arrangements or other arrangements which may be an inducement to deal or to refrain from dealing as detailed in Note 11 on the definition of acting in concert and Rule 24.13 of the Takeover Code (of which there were none provided for in the Offer Document); and
- (xviii) any fees and expenses expected to be incurred by Ecotricity in connection with the Offer as detailed in Rule 24.16 of the Takeover Code.

5. Sources of information and bases of calculation

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

- (i) The statement in this letter 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.
- (ii) Good Energy Share prices have been derived from Bloomberg and represent the Closing Prices on the relevant date.

