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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) No. 596/2014 AS IT FORMS PART OF THE UK LAW BY VIRTUE THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

FOR IMMEDIATE RELEASE

16 September 2021

INCREASED CASH OFFER

by

ECOTRICITY GROUP LIMITED

for

GOOD ENERGY GROUP PLC

and

RESPONSE TO GOOD ENERGY'S RESPONSE CIRCULAR

1. Summary

- Ecotricity Group Limited ("**Ecotricity**"), the world's first green energy company, announces that it is today publishing its response to the response circular published by Good Energy Group PLC ("**Good Energy**") on 18 August 2021 following Ecotricity's offer announced on 22 July 2021 for the entire issued and to be issued ordinary share capital of Good Energy not already owned by Ecotricity (the "**Original Offer**").

This full text of Ecotricity's response has been sent to Good Energy Shareholders today and can be found on Ecotricity's website at www.ecotricity.co.uk.

- Ecotricity is also pleased to announce the terms of an increased cash offer to be made by Ecotricity, pursuant to which Ecotricity will offer to acquire the entire issued and to be issued ordinary share capital of Good Energy not already owned by Ecotricity (the "**Increased Offer**").
- Under the terms of the Increased Offer, Good Energy Shareholders will be entitled to receive:

400 pence in cash per Good Energy Share

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.
- As well as the approximately 25.1 per cent. of Good Energy's issued share capital already owned by Ecotricity, Ecotricity has received valid acceptances of the Original Offer in respect of a total of 345,004 Good Energy Shares, representing approximately 2.1 per cent. of the Good Energy Shares in issue as at 1.00 pm (London time) on 15 September 2021 (being the last practicable date prior to the date of this announcement).
- The Increased Offer will be conditional upon, amongst other things, Ecotricity receiving valid acceptances in respect of and/or having otherwise acquired Good Energy Shares which constitute more than 50 per cent. of the voting rights relating to the Good Energy Shares (including those already owned by Ecotricity).
- The Increased Offer will be subject to the terms and conditions set out in Appendix 1 to this announcement and to be set out in the Increased Offer Document, which Ecotricity will despatch to Good Energy Shareholders in due course.

2. Acceptors of the Original Offer

Good Energy Shareholders who have previously accepted the Original 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.

3. Acceptance procedure

Other Good Energy Shareholders who wish to accept the Increased Offer must take action to accept the Increased Offer by 1.00 pm (London time) on 10 October 2021 or, if earlier, the Unconditional Date. Details for doing so will be set out in the Increased Offer Document to be sent to Good Energy Shareholders in due course. The Increased Offer Document will also be available on the Ecotricity Group's website at www.ecotricity.co.uk.

This summary should be read in conjunction with, and is subject to, the full text of the following announcement including the Appendices.

Appendix 2 of this announcement contains the sources and bases of certain information used in this summary and in the following announcement. Appendix 3 of this announcement contains definitions of certain terms used throughout this announcement.

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IMPORTANT NOTICES

This announcement is for informational purposes only. It is not intended to, and does not, constitute or form part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Increased Offer or otherwise. The Increased Offer Document and New Form of Acceptance will be made available to all Good Energy Shareholders (except for those in Restricted Jurisdictions) at no cost to them. Good Energy Shareholders are advised to read the Increased Offer Document and the accompanying New Form of Acceptance when they are sent to them because they will contain important information.

The availability of the Increased Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and

observe any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Increased Offer Document.

This announcement has been prepared for the purposes of complying with English law and the Takeover Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The Increased Offer will be subject to the applicable rules and regulations of the London Stock Exchange and the Takeover Code.

Unless otherwise determined by Ecotricity or required by the Takeover Code, and permitted by applicable law and regulation, the Increased Offer will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance in or from the United States, Canada, Australia or Japan or any jurisdiction where to do so would constitute a breach of securities laws in that jurisdiction. Accordingly, copies of this announcement 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 any jurisdiction where to do so would constitute a breach of securities laws in that jurisdiction. Persons receiving this announcement (including custodians, nominees and trustees) should observe these restrictions and should not send or distribute this announcement in, into or from any such jurisdictions.

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 any person 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 announcement or any matter referred to in this announcement. Neither Zeus Capital nor any of its subsidiaries, branches or 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 announcement, any statement contained herein or otherwise.

Forward-looking statements

This announcement includes certain "forward-looking statements". The forward-looking statements contained in this announcement 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 announcement. 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.

Dealing disclosure requirements

Under Rule 8.3(a) of the Takeover 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 Takeover 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 Takeover 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 Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover 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 Takeover 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 Takeover 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.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for Ecotricity or Good Energy respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Ecotricity or Good Energy respectively.

Rounding

Certain figures included in this announcement 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.

Publication on website and availability of hard copies

Copies of this announcement and the display documents required to be published pursuant to Rule 26.1 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in the United States, Canada, Australia or Japan or any jurisdiction where to make the documents so available would constitute a breach of securities laws in that jurisdiction, on the Ecotricity Group's website at www.ecotricity.co.uk by no later than 12 noon (London time) on the Business Day following the date of this announcement until the end of the Offer Period. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

In accordance with Rule 30.3 of the Code, 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 contacting 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. If requested, copies will be provided within two Business Days of the request.

Information relating to Good Energy Shareholders

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

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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 (the "**Original Offer**"). The full terms of, and conditions to, the Original Offer and the procedures for acceptance were set out in the offer document dated 11 August 2021 (the "**Original Offer Document**").

Ecotricity is today publishing its response to the response circular published by Good Energy on 18 August 2021. The full text of Ecotricity's response can be found on Ecotricity's website at www.ecotricity.co.uk.

Ecotricity is pleased to announce the terms of an increased cash offer to be made by Ecotricity, pursuant to which Ecotricity will offer to acquire the entire issued and to be issued ordinary share capital of Good Energy not already owned by Ecotricity.

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

2 THE INCREASED OFFER

Under the terms of the Increased Offer, Good Energy Shareholders shall be entitled to receive:

400 pence in cash per Good Energy Share

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 will be conditional upon, amongst other things, Ecotricity receiving valid acceptances in respect of and/or having otherwise acquired Good Energy Shares which constitute more than 50 per cent. of the voting rights relating to the Good Energy Shares (including those already owned by Ecotricity).

The Good Energy Shares will be acquired by Ecotricity under the Increased Offer 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 announcement 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.

Further information on the terms and conditions to which the Increased Offer will be subject are set out in Appendix 1 and will be set out in the Increased Offer Document, which Ecotricity will dispatch to Good Energy Shareholders in due course.

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

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 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.

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

Dale Vince has known Good Energy since the company began a few years later. He considers 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. This is evidenced by the inflation adjusted compound annual growth 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 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.

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 (400 pence) 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.

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

4.1 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.

4.2 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.

6 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.

7 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 of options under the Good Energy Share Option Schemes in due course.

8 DISCLOSURE OF INTERESTS IN GOOD ENERGY SHARES AND LEVEL OF ACCEPTANCES OF THE ORIGINAL OFFER

As at the date of this announcement, Ecotricity owns 4,169,948 Good Energy Shares, representing approximately 25.1 per cent. of the issued share capital of Good Energy.

As at 1.00 p.m. (London time) on 15 September 2021, being the last practicable date prior to the publication of this announcement, Ecotricity had received valid acceptances of the Original Offer in respect of a total of 345,004 Good Energy Shares, representing approximately 2.1 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 4,514,952 Good Energy Shares (representing approximately 27.1 per cent. of the existing issued ordinary share capital of Good Energy).

As at the close of business on the last practicable date prior to the publication of this announcement, save as disclosed above, neither Ecotricity nor, so far as Ecotricity is aware, any person acting in concert with Ecotricity for the purposes of the Increased Offer, has an interest in or right to subscribe for, or has any arrangement in relation to, relevant securities of Good Energy, or had any short position in relation to any relevant securities of Good Energy, whether conditional or absolute and whether in the money or otherwise, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Good Energy, or has borrowed or lent (including for these purposes, entering into any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) any relevant securities of Good Energy. For these purposes, "**arrangement**" includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to Good Energy Shares which may be an inducement to deal or refrain from dealing in such shares. In this paragraph, "relevant securities of Good Energy" means Good Energy Shares and securities convertible into, or rights to subscribe for, options (including trade options) in respect thereof and derivatives referenced thereto.

9 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 Loan Agreement (as amended on 16 September 2021) (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.

10 FURTHER DETAILS OF THE INCREASED OFFER

Ecotricity reserves the right, subject to the prior consent of the Panel, to implement the Increased Offer by way of a scheme of arrangement. In such event, the Increased Offer will be implemented on the same terms, so far as applicable, as those which would apply under a contractual offer, subject to appropriate amendments to reflect the change in method of effecting the Increased Offer.

The Increased Offer Document and, in respect of Good Energy Shares held in certificated form, a revised form of acceptance (the "**New Form of Acceptance**") accompanying the Increased Offer Document will be published in due course. The Increased Offer Document and, in respect of Good Energy Shares held in certificated form, the accompanying New Form of Acceptance will be made available to all Good Energy Shareholders (except in Restricted Jurisdictions) at no charge to them. Good Energy Shareholders are urged to read the Increased Offer Document and the accompanying New Form of Acceptance when they are sent to them because they will contain important information.

11 ACCEPTORS OF THE ORIGINAL OFFER

Good Energy Shareholders who have previously accepted the Original 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. Such Good Energy Shareholders need take no further action (assuming their Form of Acceptance has been delivered valid and complete in all respects).

12 ACCEPTANCE PROCEDURE

Good Energy Shareholders who have not yet accepted the Increased Offer are urged to do so as soon as possible and in any event by 1.00 pm (London time) on 10 October 2021 or, if earlier, the Unconditional Date. Full details for doing so will be set out in the Increased Offer Document to be sent to Good Energy Shareholders in due course. The Increased Offer Document will also be available on the Ecotricity Group website at www.ecotricity.co.uk.

13 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 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 Increased 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.

14 OVERSEAS SHAREHOLDERS

The availability of the Increased Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Increased Offer Document.

15 GENERAL

Further information on the terms and conditions to which the Increased Offer will be subject is set out in Appendix 1 and will be set out in the Increased Offer Document which Ecotricity will despatch to Good Energy Shareholders in due course. The Increased Offer Document will be accompanied by a New Form of Acceptance.

Appendix 2 of this announcement contains the sources and bases of certain information used in this announcement. Appendix 3 of this announcement contains definitions of certain terms used throughout this announcement.

16 ENQUIRIES

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IMPORTANT NOTICES

This announcement is for informational purposes only. It is not intended to, and does not, constitute or form part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Increased Offer or otherwise. The Increased Offer Document and New Form of Acceptance will be made available to all Good Energy Shareholders not in Restricted Jurisdictions at no cost to them. Shareholders are advised to read the Increased Offer Document and the accompanying New Form of Acceptance when they are sent to them because they will contain important information.

The availability of the Increased Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Increased Offer Document.

This announcement has been prepared for the purposes of complying with English law and the Takeover Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The Increased Offer will be subject to the applicable rules and regulations of the London Stock Exchange and the Takeover Code.

Unless otherwise determined by Ecotricity or required by the Takeover Code, and permitted by applicable law and regulation, the Increased Offer will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance in or from the United States, Canada, Australia or Japan or any jurisdiction where to do so would constitute a breach of securities laws in that jurisdiction. Accordingly, copies of this announcement 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 any jurisdiction where to do so would constitute a breach of securities laws in that jurisdiction. Persons receiving this announcement (including custodians, nominees and trustees) should observe these restrictions and should not send or distribute this announcement in, into or from any such jurisdictions.

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 any person 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 announcement or any matter referred to herein. Neither Zeus Capital nor any of its subsidiaries, branches or 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 announcement, any statement contained herein or otherwise.

FORWARD-LOOKING STATEMENTS

This announcement includes certain "forward-looking statements". The forward-looking statements contained in this announcement include may 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 announcement. 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.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Takeover 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 Takeover 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 Takeover 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 Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover 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 Takeover 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 Takeover 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.

APPENDIX 1

CONDITIONS AND FURTHER TERMS OF THE INCREASED OFFER

The Increased Offer is a revision of the Original Offer and shall be construed accordingly.

The Increased Offer is subject to the same conditions as those set out in Section A of Part 2 of the Original Offer Document which shall be deemed to be incorporated in and form part of this Appendix.

The Increased Offer is subject to the same further terms set out in Sections B, C, D and E of Part 2 of the Original Offer Document.

For the purposes of the foregoing, except where the context requires otherwise, any references in Part 2 of the Original Offer Document and the Form of Acceptance to:

- (a) the "**Offer**" shall mean the Increased Offer and any variation, renewal or extension of the Increased Offer (as the case may be);
- (b) the "**Offer Document**" shall mean the Original Offer Document and the Increased Offer Document; and
- (c) the "**Form of Acceptance**" shall mean the Form of Acceptance and/or the New Form of Acceptance (as appropriate).

APPENDIX 2

SOURCE OF INFORMATION AND BASES OF CALCULATION

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

- (a) As at the close of business on 15 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 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.
- (b) 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.
- (c) The statement in paragraph 3 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.
- (d) The information contained in paragraph 3 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.
- (e) 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.
- (f) Good Energy Share prices have been derived from Bloomberg and represent the Closing Prices on the relevant date.
- (g) 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.

APPENDIX 3 DEFINITIONS

Unless the context requires otherwise, the definitions used in the Original Offer Document also apply in this announcement together with the terms defined in the text of this announcement.

The following definitions shall also apply throughout this announcement unless the context otherwise requires:

"Form of Acceptance" in relation to Good Energy, the form of acceptance and authority relating to the Offer which accompanied the Original Offer Document or the form of acceptance and authority relating to the Increased Offer which will accompany the Increased Offer Document (the **"New Form of Acceptance"**), as applicable, for use by Good Energy Shareholders with shares in certificated form;

"Increased Offer" the increased cash offer to be 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 to be set out in the Increased Offer 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;

"Increased Offer Document" this document to be sent to Good Energy Shareholders containing the terms and conditions of the Increased Offer;

"Increased Offer Price" 400 pence per Good Energy Share; and

"Original Offer Document" the offer document dated 11 August 2021 sent to Good Energy Shareholders in respect of the Original Offer.