



Investor Presentation November 2013

inspired
ENERGY PLC

Inspired Group

The Inspired Group

Energy procurement and consultancy to UK and Irish companies

- 98 employees across 3 offices (2 UK, 1RoI)
- Over 1,200 clients
- Over 7.5 billion kWh of energy managed annually

Inspired Energy

- Founder company
- Energy procurement and consultancy to UK and Irish corporates
- Risk Management team

DEP

- Acquired 2012
- UK Corporate, multi-site specialists
- Significant bureau focus

EnergiSave

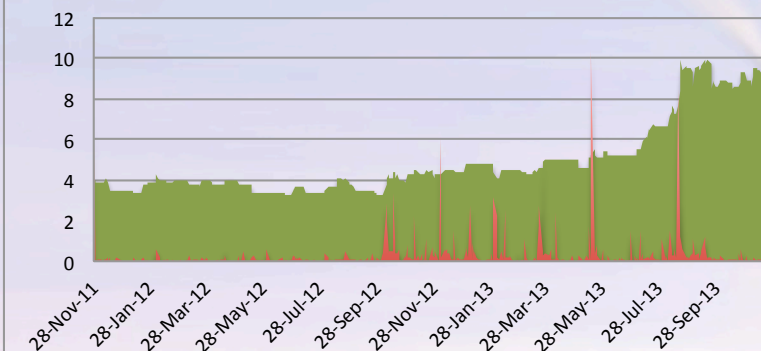
- Began trading in Nov 2012
- SME customers; fixed price contracts
- Rapid growth from inception

Inspired Ireland

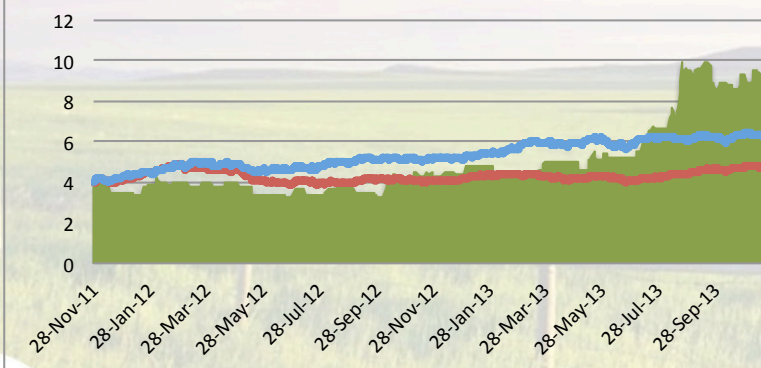
- Commenced trading in 2013
- Small operation in Monaghan, Northern Ireland
- Support provided by Inspired Energy, based in Kirkham

The Inspired Group

Share Price Performance



Relative Performance

**Current Price****9.00p****Shares in Issue****409m****Market Cap****£36.9m**

52 week high

9.88p

52 week low

4.13p

1 year performance

+105%

6 month performance

+71%

Support Services

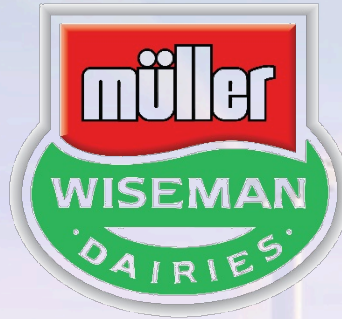
AIM All-Share

Source: www.digitallook.com

Services

	Inspired	DEP	EnergiSave	Ireland
Fixed price contracts	✓	✓	✓	✓
Flexible contracts	✓	✓		
Risk Management	✓	✓		
Administrative support	✓	✓		✓
Bill validation	✓	✓		✓
Retrospective audits	✓	✓		
Average annual value of contract	£4,068	£4,639	£380	£1,997

Example Clients



Risk Management

- Complex **trading strategies** utilised to enable clients to benefit from trading power and gas throughout life of contract
- Retention rate of **100%** for clients supported by flexible risk managed solutions
- Over **£1 billion** of energy managed by the risk management team



- Significant savings in last 12 months for Muller include:
 - Cost to serve savings of c. **£150k**
 - Flexible trading positions saved over **£300k** in energy pricing. This was despite a rise in non-energy costs of **£150k**
 - Price optimisation from 'sleeving' in excess of **£50k**
- Strength of relationship allowed Inspired to use Muller as the cornerstone of the MCM trading products

Risk Management: MCM Product

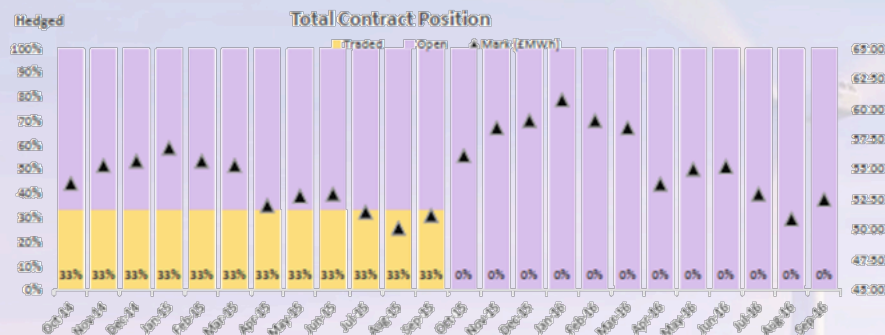
In 2013, Inspired introduced two unique Multi Customer Management products to the market:

- Multi-Customer Management: (Risk Averse)
 - Providing a risk managed solution that delivers a fixed energy rate for 12 month periods
- Multi-Customer Management: (Risk Aware)
 - Providing a risk managed solution using specialised procurement methods closer to the point of the delivery

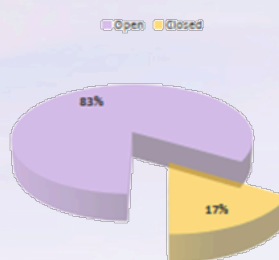
Benefits of the MCM products include:

- Strength in numbers
 - Inspired currently manages over 1 TWh across many customer types and profiles in our MCM solution
- Wholesale energy pricing
 - Energy is bought directly from wholesale market. Prices optimised from access to all trading platforms and the use of 'Sleeving'
- Low supplier management charges
 - Inspired pre-negotiated a low supplier margin based upon the portfolio
- Demand profile aggregation benefits
 - Aggregation of demand profiles creates a robust and flatter energy profile utilising more baseload.
 - This optimised profile also reduces individual customers' non-baseload 'shape fees'

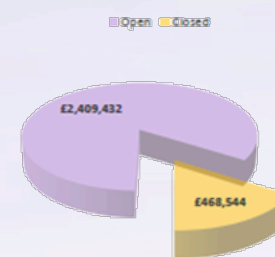
Risk Management: Reporting



Total Contract Volume Position

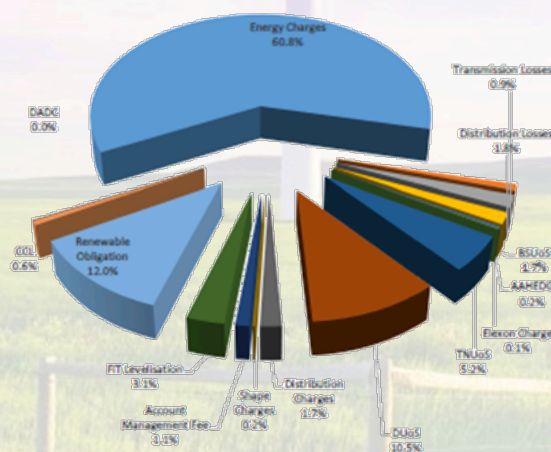


Total Energy Cost Position



Period: Oct-14 to Sep-16	
Volume (estimated KWh)	50,089,456
Energy Charges	£ 2,743,614
Transmission Losses	£ 41,154
Distribution Losses	£ 81,470
BSUoS	£ 75,134
AAHEDC	£ 9,016
Elxon Charge	£ 5,009
TNUoS	£ 236,762
DUoS	£ 475,058
Distribution Charges	£ 76,839
Shape Charges	£ 9,016
Account Management Fee	£ 50,089
FIT Levellisation	£ 139,520
Renewable Obligation	£ 542,462
CCL	£ 28,097
DADC	£ 1,634
Forecast	£ 4,314,876

Total Contract Breakdown



Market Commentary

The return of Hartlepool nuclear power station over the weekend helped push expensive gas plant to the margin and as a result the day ahead price of power fell over the weekend by £0.12/MWh. As the week progressed a combination of warmer weather and increased wind generation helped lower the generational costs and the day ahead price fell further. The contract fell by a further 2% as the week progressed.

November-13, as the front month, was driven lower by pressure from the electricity spot market and lower equivalent gas contract, which shed value as it was announced warmer weather was set to continue for the next two weeks and several LNG cargos arrived and was due.

Further along the curve, the longer dated contracts reacted to the carbon market which saw a technical correction and shed 10% of its value. This loss was all the value it gain the previous week as participants altered their thoughts to German support for "back loading". As a result, Summer '14 and beyond shed about £0.20/MWh from Monday's close.

Outlook

Inspired's view is that as the wind continues and milder weather remains, the spot price of power will struggle to break above £52.50/MWh as the system is well supplied and demand is relatively low.

The longer dated contracts are looking towards the equivalent coal and carbon market, with the stronger Sterling set to push both lower and filter through to the power contracts.

Highlights

Financial Highlights (H1 2013)

65% Revenue Growth to **£3.5 million** from £2.1 million

49% EBITDA⁺ growth to **£1.6 million** from £1.1 million

Contracted Order Book increased to **£9.9 million** from £7.9 million

Cashflow from Operations of **£1.9 million**

New division servicing SME market **profitable** in the period

Maiden interim dividend of **0.05 pence** per share

⁺ Adjusted for exceptional items

Operational Highlights

Corporate

- **Successful launch** of Multi-Customer Management product
- **Reinvigoration** of new sales within DEP
- Strong **sustainable client retention**
 - Corporate renewals > 75%
 - Risk Management Division maintained 100% retention rates
- **Improved management reporting**

SME

- Significant **investment in staffing** following successful start in H1 2013
- **Diversification** of products
 - Change of Tenancy
 - Long term SME products
- Secured **significant sales agency contracts and support** from large suppliers

Financials

Financial Highlights

	Unaudited 6 months ending 30 June 2013 (£'000)	Unaudited 6 months ending 30 June 2012 (£'000)	Growth (%)
Revenue	3,511	2,126	65%
EBITDA*	1,572	1,058	49%
EPS*	0.26	0.19	37%
Cash-flow from Operations	1,903	242	680%
Net Debt	495	2,171	(77%)
Proposed Interim Dividend	0.05	-	Maiden Dividend

- In line with management expectations
- Significant levels of growth throughout entire business
- Deferred consideration of £1.1 million payable July 2013, increasing 'real' net debt to £1.6 million

Income Statement

Unaudited Income Statement	6 months ending 30 June 2013 (£'000)	6 months ending 30 June 2012 (£'000)
Turnover	3,511	2,126
Cost of Sales	(470)	(118)
Gross Profit	3,041	2,008
Administrative expenses, excluding non-recurring items	(1,469)	(950)
EBITDA before exceptional items	1,572	1,058
Adjusted EPS	0.26	0.19

- H1 2012 represented 39% of 2012 EBITDA of £2.7 million
- H1 2013 EBITDA of 45% of 2013 forecast EBITDA of £3.5 million
- New SME division has begun promisingly, contributing profit in 6 months to 30 June 2013

Group Statement of Financial Position

Unaudited Statement of Financial Position	30 June 2013 (£'000)	30 June 2012 (£'000)
Intangible Assets	2,500	3,308
Fixed Assets	239	184
	2,739	3,492
Current Assets		
- Trade and Other Receivables	1,952	1,609
- Cash	2,911	944
	4,863	2,553
Total Assets	7,602	6,045
Current Liabilities		
- Trade and Other Payables	595	304
- Bank Borrowings	700	524
- Contingent Consideration	1,000	804
- Dividend	445	-
- Current Tax Liability	814	1,000
	3,555	2,632
Non-Current Liabilities		
- Bank Borrowings	2,707	2,591
- Contingent Consideration	501	501
- Deferred Tax	254	403
	3,462	3,495
Total Liabilities	7,016	6,127
Net Assets / (Liabilities)	586	(82)

Cash Flow Statement

Unaudited Statement of Cash Flows	6 months ending 30 June 2013 (£'000)	6 months ending 30 June 2012 (£'000)
Profit before income tax	802	541
Adjustments	694	326
Cashflows before changes in working capital	1,496	867
(Decrease)/increase in trade and other receivables	456	(303)
Decrease in trade and other payables	(49)	(321)
Cash generated from operations	1,903	242
Income taxes paid	(366)	(243)
Net cash flows from operating activities	1,537	(1)
Net proceeds from equity fundraising	27	941
Consideration, net of cash acquired	-	(845)
Purchases of PPE and intangibles	(94)	(52)
Net movement on bank funding and bank service	369	(357)
Increase/(decrease) in cash and cash equivalents	1,841	(315)
Cash generated from operations / EBITDA	121%	23%
Net cash flows from operations / EBITDA	98%	0%

Outlook

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Continued strong growth within Corporate Division

- DEP sales team re-energised and delivering new sales and retentions
- Inspired team able to manage further growth from existing infrastructure and staffing
- MCM product anticipating continued strong take-up

SME division anticipated to deliver increased profitability

- Change of tenancy division (first product) providing sustainable contribution
- SME contract division entering profitability

Management reporting suite to benefit business

- Information enables greater monitoring and direction of business
- Increased information to customers increasing 'stickiness'
- Head of finance appointed to extend and develop reporting capability

Acquisitive growth opportunities

- Acquisition opportunities continue to be reviewed
- Recent M&A activity validates Group strategy